



GALLEON GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended May 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed an audit or review of these condensed interim condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****(Expressed in Canadian dollars)**

| As at | Notes | May 31, 2025 | November 30, 2024 |
|---------------------------------------------------|-------|----------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | 4 | \$ 760,353 | \$ 1,518,483 |
| Restricted cash equivalents | 4 | 40,000 | 40,000 |
| Taxes and other receivable | 5 | 91,183 | 41,249 |
| Prepaid expenses | | 54,700 | 46,683 |
| Marketable securities | 6 | 185,239 | 104,057 |
| Total current assets | | 1,131,475 | 1,750,472 |
| Restricted deposits | 7 | 556,391 | - |
| Property, plant and equipment | 8 | 95,063 | 107,499 |
| Exploration and evaluation assets | 9 | 30,660,366 | 29,914,899 |
| Royalty interest | 10 | - | 1 |
| Reclamation bond | 9 | 120,383 | 122,588 |
| Total assets | | \$ 32,563,678 | \$ 31,895,459 |
| Liabilities and shareholders' equity | | | |
| Current | | | |
| Account payable and accrued liabilities | 11 | \$ 2,709,274 | \$ 1,800,820 |
| Golden Trove acquisition payable | 9 | 302,332 | 324,020 |
| Accrued penalties and part XII.6 taxes | 21 | 2,385,430 | 2,304,937 |
| Total current liabilities | | 5,397,036 | 4,429,777 |
| Convertible debentures | 12 | 3,195,230 | 3,353,140 |
| Derivative liabilities | 12 | 184,946 | 204,084 |
| Golden Trove acquisition payable (non-current) | 9 | 491,564 | 762,230 |
| Total liabilities | | 9,268,776 | 8,749,231 |
| Shareholders' equity | | | |
| Share capital | 13 | 80,101,593 | 79,544,158 |
| Reserves | 14 | 2,346,928 | 2,830,638 |
| Equity component of convertible debentures | 12 | 489,108 | 533,914 |
| Accumulated other comprehensive income | | 1,436,778 | 1,449,936 |
| Deficit | | (61,079,505) | (61,212,418) |
| Total shareholders' equity | | 23,294,902 | 23,146,228 |
| Total liabilities and shareholders' equity | | \$ 32,563,678 | \$ 31,895,459 |

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)**COMMITMENTS, CONTINGENT LIABILITIES AND PROVISIONS (Note 21)****SUBSEQUENT EVENTS (Note 22)**

Approved on behalf of the board of directors:

"R. David Russell"

R. David Russell, Director

"Thomas S. Kofman"

Thomas Kofman, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(Expressed in Canadian dollars)**

| | | Three months ended | | Six months ended | |
|--------------------------------------------------------|-------------|---------------------------|-----------------------|-------------------------|-----------------------|
| | Note | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| Expenses | | | | | |
| Administration and general | 15 | \$ 685,883 | \$ 487,857 | \$ 1,278,523 | \$ 1,220,304 |
| Reversal of exploration and and evaluation assets | 9 | (230,016) | - | (237,136) | - |
| Operating loss | | (455,867) | (487,857) | (1,041,387) | (1,220,304) |
| Other (expenses) income: | | | | | |
| Interest expense | 21 | (29,225) | (42,909) | (40,008) | (86,634) |
| Finance expense | 9 | (196,016) | (126,133) | (388,808) | (166,459) |
| Transaction costs | 11 | - | (49,063) | - | (49,063) |
| Unrealized gain (loss) income on marketable securities | 6 | 8,715 | (19,935) | 75,475 | (266,602) |
| Change in fair value of derivative liabilities | 6 | 1,610 | (1,132,666) | 7,798 | (1,132,666) |
| Realized loss of fair value of derivative liabilities | 6 | (4,614) | - | (6,660) | - |
| Gain on interest payments settlement | 6 | 3,012 | - | 3,012 | - |
| Gain on sale of royalty interest | 10 | 763,199 | - | 763,199 | - |
| Flow-through premium income | 13 | - | 12,822 | - | 18,048 |
| Foreign exchange loss | | (1,925) | (1,601) | (619) | (1,869) |
| (Loss) income for the period | | \$ 88,889 | \$ (1,847,342) | \$ (627,998) | \$ (2,905,549) |
| Other comprehensive income | | | | | |
| Currency translation adjustment | | (21,102) | (1,919) | (13,158) | (3,883) |
| Total comprehensive loss for the period | | \$ 67,787 | \$ (1,849,261) | \$ (641,156) | \$ (2,909,432) |
| Loss per share - basic and diluted | | \$ 0.00 | \$ (0.03) | \$ (0.01) | \$ (0.04) |
| Weighted average number of shares | | 68,683,553 | 65,348,008 | 67,995,278 | 65,057,479 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****(Expressed in Canadian dollars)**

| | RESERVES | | | Equity component of convertible debentures | Accumulated other comprehensive income | Deficit | Total shareholders' equity |
|-----------------------------------------------------------------------|---------------|-------------------------|--------------|-----------------------------------------------------|-------------------------------------------------|-----------------|----------------------------------|
| | Share Capital | Share based payments | Warrants | | | | |
| Balance, November 30, 2024 | \$ 79,544,158 | \$ 2,327,151 | \$ 503,487 | \$ 533,914 | \$ 1,449,936 | \$ (61,212,418) | \$ 23,146,228 |
| Net loss | - | - | - | - | - | (627,998) | (627,998) |
| Shares issued on acquisition of mining claims (Note 9) | 28,000 | | | | | | 28,000 |
| Shares issued as interest payment of convertible debentures (Note 11) | 151,650 | - | - | - | - | - | 151,650 |
| Shares issued on conversion of convertible debentures (Note 12) | 377,785 | - | - | (44,806) | - | - | 332,979 |
| Share-based compensation (Note 14) | - | 277,201 | - | - | - | - | 277,201 |
| Expiry of options (Note 14) | - | (552,858) | - | - | - | 552,858 | - |
| Expiry of warrants (Note 14) | - | - | (208,053) | - | - | 208,053 | - |
| Currency translation | - | - | - | - | (13,158) | - | (13,158) |
| Balance, May 31, 2025 | \$ 80,101,593 | \$ 2,051,494 | \$ 295,434 | \$ 489,108 | \$ 1,436,778 | \$ (61,079,505) | \$ 23,294,902 |
| Balance, November 30, 2023 | \$ 78,945,908 | \$ 1,989,617 | \$ 1,057,574 | \$ - | \$ 1,444,861 | \$ (58,917,732) | \$ 24,520,228 |
| Net loss | - | - | - | - | - | (2,905,549) | (2,905,549) |
| Issued on private placement (Note 13) | 171,398 | - | 68,030 | - | - | - | 239,428 |
| Issuance of warrants - convertible debentures (Note 12) | - | - | 651,303 | - | - | - | 651,303 |
| Equity component of convertible debentures (Note 12) | - | - | - | 1,385,554 | - | - | 1,385,554 |
| Share-based compensation (Note 14) | - | 375,876 | - | - | - | - | 375,876 |
| Expiry of options (Note 14) | - | (38,343) | - | - | - | 38,343 | - |
| Expiry of warrants (Note 14) | - | - | (849,523) | - | - | 849,523 | - |
| Currency translation | - | - | - | - | (3,883) | - | (3,883) |
| Balance, May 31, 2024 | \$ 79,117,306 | \$ 2,327,150 | \$ 927,384 | \$ 1,385,554 | \$ 1,440,978 | \$ (60,935,415) | \$ 24,262,957 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS****(Expressed in Canadian dollars)**

| For the six months ended | May 31, 2025 | May 31, 2024 |
|----------------------------------------------------------------------------------------|---------------------|---------------------|
| Operating activities | | |
| Net loss for the period | \$ (627,998) | \$ (2,905,549) |
| Items not affecting cash: | | |
| Depreciation | 11,051 | 12,967 |
| Interest expense | 40,008 | 86,634 |
| Finance expense | 388,808 | 166,459 |
| Share-based compensation | 249,701 | 375,876 |
| Unrealized (income) loss on marketable securities | (75,475) | 266,602 |
| Change in fair value of derivative liabilities | (7,798) | 1,132,666 |
| Gain on interest payments settlement | 6,660 | - |
| Reversal of exploration and evaluation assets | (237,136) | - |
| Gain on sale of royalty interest | (763,199) | - |
| Flow-through premium income | - | (18,408) |
| Changes in non-cash working capital items: | | |
| Taxes receivable | (49,934) | (460) |
| Prepaid expenses | (8,017) | (42,868) |
| Accounts payable and accrued liabilities | 393,498 | (487,524) |
| Accrued penalties and part XII.6 taxes | 80,493 | 90,445 |
| Total cash flow used in operating activities | (599,338) | (1,323,160) |
| Investing activities | | |
| Additions to restricted deposits | (556,391) | - |
| Additions to exploration and evaluation properties | (235,411) | (287,480) |
| Proceeds from sale of royalty interest | 1,000,335 | - |
| Total cash flow generated from (used in) from investing activities | 208,533 | (287,480) |
| Financing activities | | |
| Proceeds from a private placement, net of issuance costs | - | 266,928 |
| Proceeds from issuance of convertible debts, net of issuance costs | - | 3,853,869 |
| Golden Trove acquisition payment | (354,743) | (340,925) |
| Total cash flow (used in) generated from financing activities | (354,743) | 3,779,872 |
| Currency translation adjustments | (12,582) | 4,569 |
| (Decrease) increase in cash during the period | (758,130) | 2,173,801 |
| Cash, cash equivalents and restricted cash equivalents, beginning of the period | 1,558,483 | 300,490 |
| Cash, cash equivalents and restricted cash equivalents, end of the period | \$ 800,353 | \$ 2,474,291 |
| Cash and cash equivalents | \$ 760,353 | \$ 2,434,291 |
| Restricted cash equivalents | 40,000 | 40,000 |
| Total cash, cash equivalents and restricted cash equivalents | \$ 800,353 | \$ 2,474,291 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)**

1. NATURE OF OPERATIONS AND GOING CONCERN

Galleon Gold Corp. (the “Company” or “Galleon Gold”) is a corporation domiciled in Canada, originally incorporated under the laws of British Columbia, Canada, and subsequently continued under the *Canada Business Corporations Act*. The address of the Company’s registered head office is TD Canada Trust Tower, 161 Bay Street, Suite 2700, Toronto, ON, M5J 2S1. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “GGO”.

The Company is in the business of acquiring, exploring, and developing mineral properties in Canada and the United States, primarily those containing gold, silver and associated base and precious metals. The Company is in the process of exploring its exploration and evaluation properties and as of the date of these condensed interim consolidated financial statements, the Company has not yet determined whether they contain reserves that are economically recoverable. Accordingly, exploration and evaluation properties are recorded at cost on a property-by-property basis, less impairment. The recoverability of the exploration and evaluation costs is dependent upon the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and future profitable production or, alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation resource properties.

Going Concern

During the six months ended May 31, 2025, the Company had a net loss of \$627,998 (2024 – \$2,905,549), negative cash flow from operations of \$599,338 (2024 – \$1,323,160) and working capital deficiency as of May 31, 2025 of \$4,265,561 (2024 – \$2,679,305). The Company is subject to risks and challenges similar to companies in a comparable stage of exploration. As a result of these risks, there are material uncertainties which cast significant doubt as to the Company’s ability to continue as a going concern. The Company does not have any revenue generating properties or activities and will need to continue to obtain additional financing to execute exploration and development activities and discharge its day-to-day obligations. There is no assurance that the Company’s funding initiatives will be successful, and these condensed interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported and condensed interim consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION**(a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with *Internal Financial Reporting Standards* (“IFRS”) as issued by the *International Accounting Standards Board* (“IASB”) and do not include all the information required for full annual consolidated financial statements required by IFRS as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies, methods of computation and presentation applied in these condensed interim consolidated financial statements are consistent with those of the previous financial years.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended November 30, 2024.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on July 28, 2025.

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain investments measured at fair value.

2. BASIS OF PREPARATION (continued)

(c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed interim consolidated financial statements from the date control is obtained until the date control ceases.

Intercompany assets and liabilities, equity, income, expenses, and cash flows between the Company and its subsidiaries are eliminated on consolidation.

The principal subsidiaries of the Company as at May 31, 2025 were as follows:

| Entity | Location | Ownership interest |
|---------------------------------------------|-----------------|---------------------------|
| Explor Resources Inc. ("Explor") | Canada | 100% |
| Nevada Star Resources Corp. ("Nevada Star") | United States | 100% |
| Golden Trove LLC ("Golden Trove") | United States | 100% |

(d) Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is Explor's and the Company's functional currency. The functional currency for Nevada Star Resources Corp. and Golden Trove is the United States (US) dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

Translation of foreign operations

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates.

Translation of all assets and liabilities from the US dollar functional currency to the presentation currency is performed using the exchange rate prevailing on the reporting date. The differences arising upon translation from the functional currency to the presentation currency are recorded as currency translation adjustments in other comprehensive income or loss.

Translation of all income and expenses from the US dollar functional currency to the presentation currency are performed using the average exchange rate for the year with translation gains and losses recorded as currency translation adjustments in other comprehensive income or loss.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

(b) Cash and restricted cash equivalents

Cash and cash equivalents include cash on account and demand deposits. Restricted cash equivalents include demand deposits, where the availability of funds is restricted by letter of credit arrangements, and corporate credit cards.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Property, plant and equipment**

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for beginning from the time the property, plant and equipment is utilized, based on the estimated useful lives of the assets using the following annual rates and methods:

| | |
|-------------------|----------------------------|
| Office equipment | 20% diminishing balance |
| Computer hardware | 30% diminishing balance |
| Field equipment | 10-50% diminishing balance |
| Vehicle | 20% diminishing balance |

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and amortized according to their respective useful lives.

(d) Exploration and evaluation properties

Exploration and evaluation costs, including the acquisitions costs, are capitalized as exploration and evaluation properties on a property-by-property basis pending determination of the technical feasibility and commercial viability of the project.

Capitalized costs include all costs incurred in exploration and evaluation of potential mineral reserves and resources, such as exploratory drilling and sample testing and the costs of pre-feasibility studies. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the profit and loss.

The recoverability of the amounts shown for exploration and evaluation properties is dependent upon the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and future profitable production or, alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation properties. If a project does not prove to be viable, all unrecoverable costs associated therewith would be written off. The amounts shown for exploration and evaluation of the properties do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

When the Company sells data related to abandoned exploration and evaluation properties, the sale of data is recognized as other income in the statement of loss and comprehensive loss

(e) Royalty interest

The Company records its royalty interest at cost, net of impairment charges. Royalty revenues received from the royalty interest are recorded against the capitalized amount when received. Royalty revenues received in excess of the capitalized amount are recorded as revenue on the statement of income (loss) when received. Where a potential impairment is indicated, assessments are performed for each area of interest. Any royalty interest that is not expected to be recovered is charged to the results of operations.

(f) Impairment of exploration and evaluation properties and royalty interest

The carrying value of exploration and evaluation properties and royalty interest are reviewed at each reporting date for impairment whenever events or circumstances indicate the recoverable amount may be less than the carrying amount. The recoverable amount is the greater of its value-in-use and its fair value less costs of disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset or the smallest group of assets that largely generates independent cash inflows (cash generating units or “CGUs”) through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs. Once calculated, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the amount obtainable from the sale of an asset or CGU in an orderly transaction between market participants at the measurement date, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

An impairment loss is recognized when the carrying value of an asset held for use exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks and uncertainties. Impairment charges are recorded in the reporting year in which determination of impairment is made by management.

An impairment loss is recognized when the carrying value of an asset held for use exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks and uncertainties. Impairment charges are recorded in the reporting year in which determination of impairment is made by management.

Impairment losses recognized in prior years are assessed at each reporting year date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

(g) Financial instruments**Recognition and derecognition**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to cash flows from the financial asset expire, or when the financial asset and all risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs (if any). Financial assets are classified into the following categories:

- Amortized cost
- Fair value through profit or loss
- Fair value through other comprehensive income

In the periods presented the Company does not have any financial assets categorised as fair value through other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The classification is determined by both:

- The Company's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets measured at amortised cost. Financial assets are measured at amortised cost if the assets meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest in the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, restricted cash and reclamation bond fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The Company accounts for the marketable securities at FVTPL.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model. Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Classification and measurement of financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has elected to measure the financial liability at FVTPL. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included within finance costs or finance income.

The Company's financial liabilities include accounts payable and accrued liabilities, accrued penalties and part XII.6 tax, Golden Trove acquisition payable, convertible debentures and derivative liabilities. These are each measured at amortized cost, except derivative liabilities, which are measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Extinguishment of financial liabilities with equity instruments

IFRIC 19, Extinguishing Financial Liabilities with equity Instruments, provides guidance on how to account the extinguishment of a fully or partially financial liability by issuing equity instruments. The Company measures the equity instruments issued to creditors to settle or extinguish financial liabilities at fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments are included in the condensed interim consolidated statement of loss and comprehensive loss.

(h) Asset retirement obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of exploration and evaluation properties, where applicable, when:

- (i) The Company has a present legal or constructive obligation as a result of past events.
- (ii) It is probable that an outflow of resources will be required to settle the obligation.
- (iii) The amount can be reliably estimated.

Initially, a liability for an asset retirement obligation is recognized at its fair value in the year in which it is incurred, and the corresponding asset retirement cost is added to the carrying amount of the related asset. The cost is amortized over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate.

Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

As at May 31, 2025 and 2024, the Company had not incurred any asset retirement obligations related to the exploration of its exploration and evaluation properties.

Reclamation bond

The reclamation bond is a bond held on behalf of the State of Idaho's Department of Lands as collateral for possible rehabilitation activities on the Neal property in connection with permits required for exploration activities. The reclamation bond is released once the property is restored to satisfactory condition, or as released under the surety bond agreement. As they are restricted from general use, they are included under non-current assets on the condensed interim consolidated statements of financial position.

(i) Convertible debentures

The convertible debentures are separated into liability, embedded derivative and equity components on the condensed interim consolidated statements of financial position starting from initial recognition. The liability component is recognized initially at the fair value, which is determined by discounting the future stream of interest and principal payments using the prevailing market rate for a similar liability of comparable credit spread and no associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. The liability component is increased over time by accretion of the discounted amounts to reach the nominal value of the debentures at maturity.

The embedded derivative components include derivative assets and derivative liabilities. The derivative asset arises from the Company's option to settle the interest on the convertible debentures either in cash or through the issuance of the Company's common shares, at its discretion. The derivative liability arises from the holder's option to redeem the convertible debentures on the 24-month anniversary of issuance. Both the embedded derivative asset and liability are recorded on the condensed interim consolidated statement of financial position at fair value. Fair value is determined using the binomial lattice pricing model, incorporating inputs such as stock price volatility and credit spreads. Any changes in the fair value of the embedded derivatives are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The equity component is determined by deducting the carrying amounts of the liability and embedded derivative components from the total value of the convertible debentures. The resulting equity component is allocated on a pro-rata basis based on the relative fair values of the equity components.

Total issuance costs are allocated proportionately across the liability, embedded derivative, equity conversion features, and warrants.

(j) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company recognizes a flow-through share premium liability equal to the difference between the current market price of the Company's common shares and the issue price of the flow-through share. The residual amount of the issue price of the flow-through shares is then allocated to share capital and warrants based on relative fair value. Upon expenses being incurred and renounced, the premium is recognized as other income and recognized in condensed interim consolidated statements of loss and comprehensive loss.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years.

(k) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

(l) Warrants

Warrants are classified as equity. Incremental costs directly attributable to the issuance of warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

(m) Reserves

Reserves include (i) the accumulated fair value of stock options recognized as share-based compensation, and (ii) the fair value of warrants issued in private placements and for share issue costs. Reserves are increased by the fair value of these items as they vest and are reduced by corresponding amounts when the options or warrants expire or are exercised or cancelled.

(n) Share-based compensation

The Company has an equity-settled share-based compensation plan for granting stock options to management, directors, employees and consultants. The Company recognizes compensation expense for this plan at fair value so that the fair value of each option grant is estimated on the date of the grant and amortized over the vesting year, with the resulting amortization credited to reserves. The Company uses the accelerated method (also referred to as graded vesting) for allocating stock option expense over the vesting year. Stock option expense incorporates an expected forfeiture rate. The forfeiture rate is based on past experience and expectations of future forfeitures rates. Adjustments are made if the actual forfeiture rate differs from the expected rate. The fair value of each grant is determined using the Black-Scholes option-pricing model. Consideration paid upon the exercise of stock options is recorded as share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Related party transactions

A related party is a person or entity that is related to the Company; that has control or joint control over the Company; that has significant influence over the Company; or is a member of the key management personnel of the Company.

An entity is related to a Company if the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

A related party transaction is a transfer of resources, services or obligations between a Company, and a related party, regardless of whether a price is charged. All transactions with related parties are in the normal course of business and are measured at fair value.

(p) Income taxes

Income taxes expense comprises current and deferred income taxes. Income taxes expense is recognized in the condensed interim consolidated statements of income (loss) except to the extent that it relates to items recognized directly in equity.

Current income taxes

Current taxes are the expected taxes payable or recoverable on the taxable income or loss, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income taxes payable in respect of previous years.

Deferred income taxes

The Company accounts for income taxes under the asset and liability method. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences).

Deferred income taxes are measured using the tax rates that are expected to be in effect when the temporary differences are likely to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The effect on deferred income tax assets and liabilities of a change in tax rates is included in earnings in the year in which the change is substantively enacted. The amount of deferred income tax assets recognized is limited to the amount that is probable to be realized.

(q) Income (loss) per share

Basic loss per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the year. Outstanding stock options have not been considered in the computation of diluted income (loss) per share as the result would be anti-dilutive.

(r) Comprehensive income or loss

Comprehensive income or loss is the change in equity during the year from transactions, events and circumstances other than those under the control of management. It includes all changes in equity during a year except those resulting from investments by shareholders and distributions to shareholders. The Company reports comprehensive income or loss as a separate statement. Comprehensive income or loss represents the change in net equity for the year that arises from unrealized gains and losses on available-for-sale financial instruments and the translation of the Company's subsidiaries' financial statements from their functional currency to the presentation currency. Amounts included in other comprehensive income or loss are shown net of tax.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Use of estimates and judgements

(i) Use of estimates

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected. The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Share-based payments and warrants valuation

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and brokers' warrants. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company's future share price, risk free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Deferred tax

The Company recognizes a deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the deferred tax assets recorded at the statement of financial position's date could be affected. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future years from tax assets and tax losses.

At the end of each reporting year, the Company assesses whether or not there has been an impairment of the capitalized royalty interest, or if there is any indication that an impairment loss recognized in prior years for royalty interests may no longer exist or may have decreased. This requires that the Company considers observable market data, significant changes in market conditions, and evidence if the royalty's economic performance will be other than previously expected. Significant judgement required in estimating future cash flows associated with the royalty includes future commodity prices, foreign exchange rates, and production volumes.

(ii) Critical judgments

The judgments that management has applied in the application of the Company's accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are discussed below:

Exploration and evaluation properties recoverability

The Company's accounting policy for exploration costs results in certain items being capitalized according to the expected recoverability of the projects. This policy requires management to make certain assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such assumptions may change as new information becomes available. The Company considers at the end of each accounting year, whether or not there has been an impairment of the capitalized exploration and evaluation properties. For non-producing exploration and evaluation properties, this assessment is based on whether factors that may indicate the need for a write-down are present.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the Company has determined that the deferred costs of non-producing properties may not be recovered based on current economics or permitting considerations, the Company would be required to write-down the recorded value of its exploration and evaluation properties which would reduce the Company's earnings and net assets.

Fair value of financial instruments

The individual fair value attributed to the derivative liability (Note 12) is determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Convertible debentures with embedded derivatives

In determining the fair value for the embedded derivative feature of convertible debentures, the Company uses the Binomial Lattice pricing model and makes estimates of the expected volatility of the shares and credit spread.

Functional currency

The functional currency of the Company and its subsidiaries have been assessed by management based upon consideration of the currency and economic factors that influence costs, financing, and similar items. Changes to these factors may have an impact on the judgment applied in the determination of the functional currency.

(t) Future accounting pronouncements

The following are amendments to the accounting standards for annual periods beginning on or after December 1, 2024, issued by IASB, which the Company plan to adopt on their respective effective dates:

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Company is currently assessing the impact of the standard on its condensed interim consolidated financial statements.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)*IFRS 18 – Presentation and Disclosure of Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 “Presentation and Disclosure of Financial Statements” (“IFRS 18”) replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statements profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 “Earnings per Share” were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its condensed interim consolidated financial statements.

4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS

Cash consists of balances held with reputable financial institutions. Cash equivalents of \$312,561 (2024 – \$1,338,792) represent investments in guaranteed investment certificates (GICs) that are cashable on demand. Restricted cash equivalents total \$40,000 (2024 – \$40,000) in GICs pledged as security for corporate credit cards. The funds securing the corporate credit cards are restricted and cannot be withdrawn while the credit cards are outstanding. For the six months ended May 31, 2025, the Company earned \$40,484 (2024 – \$3,337) in interest income from cash equivalents and restricted cash equivalents.

5. TAXES AND OTHER RECEIVABLE

As at May 31, 2025 and November 30, 2024, taxes and other receivable consists of sales tax receivable of \$91,183 (2024 - \$34,620) from Canadian taxation authorities and \$Nil (2024 - \$6,629) of other receivable in connection with royalty interest (Note 10).

6. MARKETABLE SECURITIES

The Company’s marketable securities are as follows:

| | May 31, 2025 | November 30, 2024 |
|-----------------------------------------------------------|-------------------|-------------------|
| <u><i>FVTPL</i></u> | | |
| <u>Leeuwin Metal PTY Ltd. (“Leeuwin”)</u> | | |
| 1,000,000 Shares (November 30, 2024 – 2,500,000 shares) | \$ 119,448 | \$ 66,627 |
| 2,500,000 Options (November 30, 2024 – 2,500,000 options) | 61,541 | 27,430 |
| <u>Murchison Minerals Limited</u> | | |
| 500,000 Shares (November 30, 2024 – 500,000 shares) | 4,250 | 10,000 |
| Total | \$ 185,239 | \$ 104,057 |

The Company’s marketable securities consist of common shares held in publicly traded companies. Fair values of shares were determined at the closing price on May 31, 2025, and are included in the Level 1 of the fair value hierarchy. The options held in Leeuwin are included in Level 3 of the fair value hierarchy. An increase or decrease of 10% in the volatility assumption used in the Black-Scholes valuation model for the Leeuwin’s stock options would result in an increase or decrease in the value of the options by approximately \$17,872 and \$17,872, respectively. During the six months ended May 31, 2025, the Company recorded an unrealized gain of \$75,475 (2024 – loss of \$266,602).

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****7. RESTRICTED DEPOSITS**

Restricted deposits represent funds held in GICs pledged as collateral for a surety bond issued to the Ministry of Energy and Mines. This bond provides the required financial assurance for future reclamation activities under the Mining Act (Ontario), in connection with the Company's West Cache Gold Project (Note 9 (a)).

As at May 31, 2025, the Company has posted a surety bond totalling \$1,390,978 (2024 – \$Nil). A portion of the bond amount is held as collateral by the surety provider and is shown as restricted deposits on the Company's statement of financial position.

8. PROPERTY, PLANT AND EQUIPMENT

| | Office equipment | Computer hardware | Field equipment | Vehicle | Total |
|----------------------------------------|---------------------|----------------------|-----------------|----------|------------|
| Cost | | | | | |
| Balance as at November 30, 2023 | \$ 1,075 | \$ 38,392 | \$ 244,545 | \$ 2,716 | \$ 286,728 |
| Additions | - | 2,160 | - | - | 2,160 |
| Foreign exchange translation | - | - | 12,750 | 162 | 12,912 |
| Balance as at November 30, 2024 | \$ 1,075 | \$ 40,552 | \$ 257,295 | \$ 2,878 | \$ 301,800 |
| Additions | - | - | - | - | - |
| Foreign exchange translation | (19) | (729) | (12,543) | (214) | (13,505) |
| Balance as at May 31, 2025 | \$ 1,056 | \$ 39,823 | \$ 244,752 | \$ 2,664 | \$ 288,295 |
| Accumulated depreciation | | | | | |
| Balance as at November 30, 2023 | \$ 563 | \$ 36,003 | \$ 119,881 | \$ 1,615 | \$ 158,062 |
| Depreciation | 102 | 910 | 25,015 | 221 | 26,248 |
| Foreign exchange translation | - | - | 9,894 | 97 | 9,991 |
| Balance as at November 30, 2024 | \$ 665 | \$ 36,913 | \$ 154,790 | \$ 1,933 | \$ 194,301 |
| Depreciation | 42 | 436 | 10,371 | 93 | 10,942 |
| Foreign exchange translation | - | - | 11,973 | (38) | (12,011) |
| Balance as at May 31, 2025 | \$ 707 | \$ 37,349 | \$ 165,161 | \$ 1,988 | \$ 193,232 |
| Balance as at November 30, 2023 | \$ 512 | \$ 2,389 | \$ 124,664 | \$ 1,101 | \$ 128,666 |
| Balance as at November 30, 2024 | \$ 410 | \$ 3,639 | \$ 102,505 | \$ 945 | \$ 107,499 |
| Balance as at May 31, 2025 | \$ 349 | \$ 2,474 | \$ 79,591 | \$ 676 | \$ 95,063 |

9. EXPLORATION AND EVALUATION PROPERTIES

| | Ontario West Cache Gold | Idaho Golden Trove | Total |
|---------------------------------------------|----------------------------|-----------------------|---------------|
| Balance, November 30, 2024 | \$ 27,445,375 | \$ 2,469,524 | \$ 29,914,899 |
| Acquisition | 28,000 | - | 28,000 |
| Claims and administration | 10,476 | - | 10,476 |
| Equipment rental and software | 1,870 | 8,739 | 10,609 |
| Facility and maintenance | 41,071 | - | 41,071 |
| Geological staff, field crew and consulting | 15,548 | - | 15,548 |
| Geophysical, geochemical and assays | (1,622) | - | (1,622) |
| Share-based compensation | 27,500 | - | 27,500 |
| Supplies and materials | 10,172 | - | 10,172 |
| Surface design, development and assessment | 241,452 | - | 241,452 |
| Surveying, permitting, consulting & studies | 389,998 | - | 389,998 |
| Transportation | 16,663 | - | 16,663 |
| Add (less): | | | |
| Foreign exchange translation | - | (44,400) | (44,400) |
| Balance, May 31, 2025 | \$ 28,226,503 | \$ 2,433,863 | \$ 30,660,366 |

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****9. EXPLORATION AND EVALUATION PROPERTIES (continued)**

| | Ontario | Idaho | |
|---------------------------------------------|----------------------|---------------------|----------------------|
| | West Cache Gold | Golden Trove | Total |
| Balance, November 30, 2023 | \$ 26,663,590 | \$ 2,375,612 | \$ 29,039,202 |
| Acquisition | 145,986 | - | 145,986 |
| Claims and administration | 13,925 | 2,197 | 16,122 |
| Equipment rental and software | 2,836 | 11,628 | 14,464 |
| Facility and maintenance | 111,244 | - | 111,244 |
| Geological staff, field crew and consulting | 130,699 | - | 130,699 |
| Geophysical, geochemical and assays | 25,440 | - | 25,440 |
| Share-based compensation | 44,756 | - | 44,756 |
| Supplies and materials | 11,669 | - | 11,669 |
| Surveying, permitting, consulting & studies | 278,321 | - | 278,321 |
| Transportation | 16,909 | - | 16,909 |
| <i>Add (less):</i> | | | |
| Foreign exchange translation | - | 80,087 | 80,087 |
| Balance, November 30, 2024 | \$ 27,445,375 | \$ 2,469,524 | \$ 29,914,899 |

(a) West Cache Gold, Ontario

West Cache Gold project is located west of Timmins, Ontario in the Townships of Bristol, and Ogden in the Timmins-Porcupine Mining Camp with mining claims which are subject to a 2% or 3% NSR.

On April 9, 2025, the Company received formal confirmation from Ontario's Ministry of Energy and Mines that the closure plan for its West Cache Project has been accepted and officially filed, allowing the Company to proceed with the advanced bulk sample program.

On March 18, 2025, the Company closed a purchase agreement to acquire 66 mineral claims that are contiguous to the Company's West Cache Gold Project in Timmins, Ontario, by issuing 100,000 common shares valued at \$28,000 as the total purchase price.

(b) Golden Trove (formerly Neal), Idaho, USA

The Golden Trove project consists of five private patented mining claims and another seven unpatented lode claims located on U.S. Forest Service administered public lands in the southeast of Boise, Idaho.

On May 15, 2019, the Company entered into a lease agreement with Daisy Mining & Land LLP ("Daisy") of five patented claims for a period of five years which may be extended for 1-year terms thereafter ("Neal lease"). Annual lease payment consists of a \$3 per dry ton for all material it removes from the property and a 3% net smelter return royalty, with a minimum annual payment of US\$10,000.

On June 9, 2023, the Company issued 2,000,000 common shares to 2176423 Ontario Ltd. (the "Vendor") to acquire the Vendor's 20% interest in the Neal LP ("Interest"), as well as a 100% interest in a stockpile of mineralized mineral located on the Golden Trove project ("Stockpile"). On the acquisition date, the Company determined that the fair value of the Stockpile was \$nil and as a result, the value of the common shares issued was allocated fully to the acquired Interest.

On June 17, 2023, the Company, through Golden Trove, entered into a purchase agreement with Daisy to acquire seven (7) patented lode claims in Idaho, with five (5) of those claims, forming the nucleus of the Golden Trove project (the "Purchase agreement"). Pursuant to the Purchase agreement, the Neal lease will immediately be terminated, and the Company will make five (5) yearly payments of US\$250,000 to Daisy starting May 1, 2024 and ending May 1, 2028, for a total consideration of US\$1,250,000 ("Golden Trove acquisition payable"). As of May 31, 2025, the Company has paid the first two payments of the Golden Trove acquisition payable.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)**

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

The Company has the right to accelerate the payments at its discretion and Daisy will receive \$3.00 per ton of material removed from the project and a 3% NSR on any ore processed until the total consideration is paid. The Company has renamed the Neal project to Golden Trove project effective July 2023.

The Company had estimated the fair value of the Golden Trove acquisition payable at \$1,207,020 (US\$861,542) using an interest rate of 10% (13.02% effective interest rate) which reflects management's best estimate of the interest rate that would apply on a comparable debt at inception. In connection with the payable, the Company recognized a total of finance expense of \$73,365 (US\$51,703) (2024 - \$82,973 (US\$61,281)) in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2025.

The Company was required to purchase a reclamation bond of \$120,383 (US\$87,500) (2024 - \$122,588 (US\$87,500)) in respect of its expected site reclamation and closure obligations of the Golden Trove Property as required by the State of Idaho's Department of Lands. The reclamation bond represents collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company, which will be released once the property is restored to satisfactory condition, or as released under the surety bond agreement.

10. ROYALTY INTEREST

The Company holds a 1% net smelter royalty (the "Royalty") on the Milford Copper Property located in Utah. The royalty is shared with another party on a pro-rata basis, with the Company's royalty capped at US\$5,000,000 (\$7,219,000) and the other party's royalty capped at US\$3,000,000 (\$4,331,400).

The Milford Copper Property has changed ownership multiple times since the Company first acquired the Royalty. In 2018, the operations, including the processing of ore, was suspended indefinitely, leading to a write-down of the royalty interest to \$1. In 2024, Milford Mining Company Utah ("Milford Mining"), LLC acquired the Milford Copper Property and resumed operations in April 2024.

For the six months ended May 31, 2025, the Company earned a total royalty payment of \$13,698 (US\$9,956) (2024 - \$Nil), increasing the total royalty payments received to date to \$972,644 (US\$685,458) (November 30, 2024 - \$960,335 (US\$685,464)). The remaining maximum royalty balance as of May 31, 2025 was US\$4,304,580 (November 30, 2024 - US\$4,314,536) or \$6,108,070 (November 30, 2024 - \$6,044,665).

| | | |
|--------------------------------------------|-----------|-----------|
| Balance, November 30, 2023 | \$ | 1 |
| Reversal of impairment of royalty interest | | 103,377 |
| Royalty payment received | | (103,377) |
| Balance, November 30, 2024 | | 1 |
| Reversal of impairment of royalty interest | | 237,136 |
| Royalty payment received | | (13,698) |
| Sale of royalty interest | | (223,439) |
| Balance, May 31, 2025 | \$ | - |

On April 28, 2025, the Company sold its royalty interest to Milford Mining for total proceeds of \$986,638 (US\$700,000). As a result of this transaction, the Company recognized a reversal of impairment of \$223,439 and recorded a gain on sale of royalty interest of \$763,199 in the condensed interim statements of loss and comprehensive loss.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | May 31, 2025 | November 30, 2024 |
|---------------------|---------------------|---------------------|
| Accounts payable | \$ 1,378,625 | \$ 694,022 |
| Accrued liabilities | 1,330,649 | 1,106,798 |
| Total | \$ 2,709,274 | \$ 1,800,820 |

12. CONVERTIBLE DEBENTURES

In April 2024, the Company issued a series of secured convertible debentures consisting of Debenture Units with an aggregate principal of \$4,410,000 ("Debentures"). Each Debenture Unit (the "Debenture Unit") consists of \$1,000 in principal of convertible debentures and 3,030 common share purchase warrants of the Company ("Warrants"). Each Warrant will be exercisable for a period of three years at an exercise price of \$0.25 per Warrant. The Debentures bear interest at a rate of 7.5% per annum calculated and payable semi-annually in arrears and have a three-year term. Interest will be paid in shares based on the greater of the market price and 15-day volume weighted average price ("VWAP") of the shares on the TSX-V, or cash, at the Company's discretion ("Interest payment option"). Holders have the option to cause the Company to redeem the Debentures on the 24-month anniversary of the Debentures (the "Redemption option"). As security for the Debentures, the Company grant the holders a security interest in the gold contained in a mineralized stockpile located on the Company's Golden Trove property (Note 9).

First Debentures

On April 12 and 19, 2024, the Company closed 1,032 Debenture Units for gross proceeds of \$1,032,000 and 1,968 Debenture Units for gross proceeds of \$1,968,000, respectively. At any time during the three-year term, each holder of First Debentures may elect to convert any portion of the principal amount of the First Debentures into common shares at a conversion price equal to \$0.165 per common Share.

In connection with the First Debentures, the Company incurred a total of issuance costs of \$203,679, including \$139,741 in finders' fees in cash and \$63,939 related to 622,545 finders' warrants. Each finder warrant entitles the holder to acquire one common share at \$0.165 per share over a three-year period.

Second Debentures

On April 29, 2024, the Company closed 1,410 Debenture Units for gross proceeds of \$1,410,000 ("Second Debentures"). At any time during the three-year term, each holder of Second Debentures may elect to convert any portion of the principal amount of the Second Debentures into common shares at a conversion price equal to \$0.185 per common Share.

In connection with the Second Debentures, the Company incurred a total of issuance costs of \$68,372, including \$47,390 in finders' fees in cash and \$20,981 related to 622,545 finders' warrants. Each finder warrant entitles the holder to acquire one common share at \$0.185 per share over a three-year period.

Both the First and Second Debentures share identical terms, except for the conversion price and finder warrants exercise price.

The Company has determined that the Debentures are, in substance, a hybrid instrument containing a host debt component, equity components and embedded derivatives. The equity components consist of the share purchase warrants and the equity conversion option. The embedded derivatives comprise of an interest derivative asset related to the interest payment option and a redemption derivative liability associated with the redemption option. The fair value of the interest derivative asset was calculated to be \$Nil. The fair value of the derivative liability was calculated using binomial lattice model with the following assumption: annualized expected volatility of 93.54 - 94.08% based on the Company's historical volatility, and a credit spread of 15.50%. The fair value of the debentures was initially recognized at the fair value of a similar liability which does not contain an equity conversion option, based on an estimated market interest rate and a credit spread of 15.50%.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS****ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****12. CONVERTIBLE DEBENTURES (continued)**

The Company applied residual method, allocating the remaining amount to the equity components of the convertible debentures on a pro-rata basis, after deducting the values assigned to the debt and embedded derivatives from the fair value of the convertible debentures. This allocation was based on the relative fair value of the equity components. Total issuance costs were allocated proportionately to the debenture, embedded derivatives, equity conversion features and warrants. The issuance costs allocated to the derivative liability of \$8,124 was immediately expensed in the statement of loss and comprehensive loss.

During the six months ended May 31, 2025, a total of \$380,000 (2024 – Nil) of the Debentures were converted into 2,303,030 shares. As a result of the conversion, \$314,979 and \$11,341 were derecognized from convertible debentures and derivative liabilities, respectively and the Company transferred \$377,785 to share capital (Note 13). Consequently, a realized loss of \$6,660 was recognized in the statement of loss and comprehensive loss, reflecting the loss of fair value derivative liability in connection with the conversion.

During the six months ended May 31, 2025, the Company recognized a finance expense of \$315,444 (2024 - \$21,135) in relation to these Debentures.

For the six months ended May 31, 2025, the Company recognized an unrealized gain on the change in fair value of the derivative liability of \$7,798 (2024 – loss of \$1,132,666). Inputs into binomial lattice model used the following assumption: annualized expected volatility of 85.36% based on the Company's historical volatility, and a credit spread of 17.39%.

The following table summarizes the components and movements of the convertible debts and derivative liabilities:

| <u>Convertible debentures</u> | First Debentures | Second Debentures | Total |
|--------------------------------------------|-------------------------|--------------------------|---------------------|
| Balance November 30, 2023 | \$ - | \$ - | \$ - |
| Issuance of convertible debentures | 3,000,000 | 1,410,000 | 4,410,000 |
| Derivative liability component | (90,089) | (41,519) | (131,608) |
| Fair value allocated to warrants issued | (143,333) | (79,574) | (222,907) |
| Equity component of convertible debentures | (377,983) | (209,646) | (587,629) |
| Issue costs | (162,217) | (52,334) | (214,551) |
| Converted during the year | (120,289) | - | (120,289) |
| Finance expense | 263,900 | 121,112 | 385,012 |
| Interest payment and settlement | (112,013) | (52,875) | (164,888) |
| Ending balance, November 30, 2024 | \$ 2,257,976 | \$ 1,095,164 | \$ 3,353,140 |
| Converted during the period | (314,979) | - | (314,979) |
| Finance expense | 207,283 | 108,161 | 315,444 |
| Interest payment and settlement | (105,500) | (52,875) | (158,375) |
| Ending balance, May 31, 2025 | \$ 2,044,780 | \$ 1,150,450 | \$ 3,195,230 |

| <u>Derivative liabilities</u> | First Debentures | Second debentures | Total |
|--------------------------------------------------------|-------------------------|--------------------------|-------------------|
| Balance November 30, 2023 | \$ - | \$ - | \$ - |
| Fair value of derivative liabilities at inception | 90,089 | 41,519 | 131,608 |
| Converted during the year | (4,476) | - | (4,476) |
| Estimated fair value changes of derivative liabilities | 51,361 | 25,591 | 76,952 |
| Ending balance, November 30, 2024 | \$ 136,974 | \$ 67,110 | \$ 204,084 |
| Converted during the period | (11,341) | - | (11,341) |
| Estimated fair value changes of derivative liabilities | (7,896) | 99 | (7,797) |
| Ending balance, May 31, 2025 | \$ 117,737 | \$ 67,209 | \$ 184,946 |

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****12. CONVERTIBLE DEBENTURES (continued)**

Sensitivities for key assumptions in the valuation model were as follows:

- (i) With other variables unchanged, a 10% increase or decrease in share price volatility would change the fair value of the derivative liabilities by approximately \$2,800 or (\$2,800), respectively; and
- (ii) With other variables unchanged, a 1% increase or decrease in credit spread would change the fair value of the derivative liabilities by approximately (\$1,000) or (\$4,800), respectively.

13. SHARE CAPITAL

Share capital consists of unlimited authorized common shares without par value.

| | Number of shares | Amount |
|----------------------------------------------------------------|-------------------|----------------------|
| Balance November 30, 2023 | 63,514,675 | \$ 78,945,908 |
| Issued on a private placement, net (i) | 1,833,333 | 202,029 |
| Issued on debenture conversion (Note 12) | 909,090 | 145,500 |
| Issued on warrants exercised (Note 14) | 352,727 | 94,418 |
| Issued as interest payment of convertible debentures (Note 12) | 564,796 | 156,303 |
| Balance November 30, 2024 | 67,174,621 | \$ 79,544,158 |
| Issued on debenture conversion (Note 12) | 2,303,030 | 377,785 |
| Issued on acquisition of mining claims (Note 9 (a)) | 100,000 | 28,000 |
| Issued as interest payment of convertible debentures (Note 12) | 601,207 | 151,650 |
| Balance, May 31, 2025 | 70,178,858 | \$ 80,101,593 |

- (i) On December 29, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of \$275,000 through the issuance of 1,833,333 flow-through units (the “FT Units”) at a price of \$0.15 per FT Unit. Each FT Unit consists of one common share of the Company and one-half of warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.20 for a period of 24 months expiring on December 29, 2025.

In connection with the private placement, the Company paid issuance costs of a total of \$8,072. The proceeds of the private placement have been allocated as \$232,045 to share capital, and \$42,955 to the warrant reserve.

The Company recognized a flow-through premium liability of \$27,500 from this private placement. A pro-rate reduction of flow-through premium liability was recognized as flow-through income as the required expenditures are incurred. As of May 31, 2025, the Company has spent \$275,000 of flow-through funds related to this private placement and recognized flow-through premium income of \$27,500 in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2025.

14. RESERVES**SHARE-BASED COMPENSATION**

The Company has a common share 10% Rolling Plan (the “Plan”) for designated directors, officers, employees, and consultants. Pursuant to the Plan, option awards are recommended by the Compensation Committee of the Board and then reviewed by the Board of Directors. Under the Plan, options on common shares may be issued for up to a cumulative amount that may not exceed 10% of shares outstanding at any given time. As at May 31, 2025, the Company had 1,172,886 options reserved on common shares.

The exercise price for each option granted under the Plan is based upon the five-day weighted average market price at the date of the grant but shall not be lower than the discounted market price, as defined by the TSX Venture Exchange Corporate Finance Manual. The term may not exceed ten years from the date of the grant of the option. The specific terms including vesting year and term of the option are set by the board of directors.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****14. RESERVES (continued)**

Stock option activity is presented below:

| | Number of options | Weighted average exercise price \$ |
|---------------------------------------|-------------------|---------------------------------------|
| Outstanding, November 30, 2023 | 4,095,000 | 0.55 |
| Issued | 1,950,000 | 0.07 |
| Expired | (385,000) | 0.08 |
| Outstanding, November 30, 2024 | 5,660,000 | 0.43 |
| Issued | 1,260,000 | 0.28 |
| Expired | (1,075,000) | 0.60 |
| Outstanding, May 31, 2025 | 5,845,000 | 0.38 |

On January 10, 2024, the Company granted a total of 1,800,000 stock options to directors, officers, employees and consultants of the Company. The options are exercisable at \$0.19, vest immediately and expire on January 10, 2029.

On April 12, 2024, the Company granted a total of 150,000 stock options to a consultant of the Company. The options are exercisable in common shares at a price of \$0.19, vested immediately and expire on April 12, 2029.

On February 21, 2025, the Company granted a total of 1,260,000 stock option to directors, officers, employees and consultants of the Company. The options are exercisable into one common share of the Company at a price of \$0.28, vest immediately and expire on February 21, 2030.

The fair value of the options granted or issued was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions:

| | For the six months ended May 31, 2025 | For the year ended November 30, 2024 |
|-------------------------|------------------------------------------|-----------------------------------------|
| Volatility | 107% | 142-155% |
| Expected life | 5 years | 5 years |
| Risk-free interest rate | 2.80% | 3.36-3.69% |
| Forfeiture rate | 0% | 0% |
| Expected dividend yield | 0% | 0% |

The following stock options are outstanding and exercisable at May 31, 2025:

| Options outstanding and exercisable | | | |
|-------------------------------------|-------------------|------------------------------------------------------|---------------------------------------|
| Exercise price \$ | Number of options | Weighted average remaining contractual life in years | Weighted average exercise price \$ |
| 1.20 | 60,000 | 0.00 | 0.00 |
| 1.05 | 60,000 | 0.00 | 0.00 |
| 0.90 | 600,000 | 0.09 | 0.09 |
| 0.65 | 40,000 | 0.01 | 0.01 |
| 0.60 | 200,000 | 0.05 | 0.05 |
| 0.60 | 760,000 | 0.25 | 0.25 |
| 0.23 | 815,000 | 0.37 | 0.37 |
| 0.22 | 100,000 | 0.05 | 0.05 |
| 0.19 | 1,800,000 | 1.11 | 1.11 |
| 0.19 | 150,000 | 0.10 | 0.10 |
| 0.28 | 1,260,000 | 1.02 | 1.02 |
| | 5,845,000 | 3.06 | 0.38 |

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED MAY 31, 2025 and 2024
(Expressed in Canadian dollars)

14. RESERVES (continued)

WARRANTS

Warrants activity is presented below:

| | Number of Warrants | Weighted average exercise price \$ |
|----------------------------------------------|--------------------|------------------------------------------|
| Outstanding, November 30, 2023 | 7,799,168 | 0.59 |
| Issued on a private placement (Note 13 (ii)) | 916,667 | 0.20 |
| Issued on debenture convertibles (Note 12) | 14,147,007 | 0.17 |
| Warrants exercised | (352,727) | 0.17 |
| Expired warrants | (3,864,692) | 0.75 |
| Outstanding, November 30, 2024 | 18,645,423 | 0.59 |
| Expired warrants | (3,934,476) | 0.43 |
| Outstanding, May 31, 2025 | 14,710,947 | 0.24 |

The fair values of the issued warrants were calculated using the Black-Scholes option pricing model with the following assumptions:

| For the year ended | November 30, 2024 |
|-------------------------|-------------------|
| Volatility | 88-92.15% |
| Expected life | 2-3 years |
| Risk-free interest rate | 3.88-4.30% |
| Forfeiture rate | 0% |
| Expected dividend yield | 0% |

The following warrants are outstanding and exercisable at May 31, 2025:

| Warrants outstanding and exercisable | | | |
|--------------------------------------|-----------------------|---------------------------------------------------------|------------------------------------------|
| Exercise price \$ | Number of Warrants | Weighted average remaining contractual life in years | Weighted average exercise price \$ |
| 0.20 | 916,667 | 0.04 | 0.01 |
| 0.25 | 3,126,960 | 0.40 | 0.05 |
| 0.25 | 5,963,040 | 0.76 | 0.10 |
| 0.25 | 4,272,300 | 0.56 | 0.07 |
| 0.165 | 269,818 | 0.02 | 0.00 |
| 0.185 | 162,162 | 0.01 | 0.00 |
| | 14,710,947 | 1.78 | 0.24 |

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****15. ADMINISTRATION AND GENERAL EXPENSES**

| For the six months ended | May 31, 2025 | May 31, 2024 |
|--------------------------------------------|---------------------|---------------------|
| Consulting | \$ 547,213 | \$ 348,680 |
| Depreciation | 11,051 | 12,967 |
| Investor relations | 84,102 | 171,348 |
| Occupancy costs | 1,163 | 5,164 |
| Office and miscellaneous | 66,587 | 51,682 |
| Permit and taxes | 6,724 | - |
| Professional services | 74,238 | 43,848 |
| Promotion and advertising | 33,600 | 54,056 |
| Regulatory, filing and transfer agent fees | 45,683 | 36,629 |
| Salaries and benefits | 132,552 | 154,114 |
| Share-based compensation | 249,701 | 331,379 |
| Travel | 25,907 | 10,437 |
| Total | \$ 1,278,521 | \$ 1,220,304 |

16. LOSS PER SHARE

The weighted average number of shares outstanding used in the computation of loss per share for the six months ended May 31, 2025, was 67,995,278 (2024 – 65,057,479).

| For the six months ended | May 31, 2025 | 2024 |
|------------------------------------------------------|------------------|------------------|
| Loss for the period | \$ (627,998) | \$ (2,905,549) |
| Weighted average number of common shares outstanding | 67,995,278 | 65,057,479 |
| Loss per share basic and diluted | \$ (0.01) | \$ (0.04) |

The outstanding and exercisable convertible debentures (Note 12), options and warrants (Note 14) were excluded from the computation of diluted weighted average shares outstanding for the six months ended May 31, 2025 and 2024, as their effect would be anti-dilutive.

17. RELATED PARTY TRANSACTIONS

The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors for the six months ended May 31, 2025 and 2024 are as follows:

| For the six months ended | May 31, 2025 | May 31, 2024 |
|------------------------------------------|-------------------|-------------------|
| Salaries, consulting, and other benefits | \$ 668,093 | \$ 430,881 |
| Share-based compensation | 205,701 | 293,834 |
| Total | \$ 873,794 | \$ 724,715 |

Included in the accounts payable and accrued liabilities as of May 31, 2025, was \$1,935,610 (November 30, 2024 - \$1,506,615) due to officers of the Company.

Certain key management of the Company's participated in the Second Debentures (Note 12) with the total purchase of 185 Units for \$185,000.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****18. SEGMENTED INFORMATION**

The Company operates in one segment being the acquisition, exploration and development of exploration and evaluation properties. The Company has exploration and evaluation properties located in two geographical areas, Canada, and the United States of America.

| May 31, 2025 | Canada | United States | Total |
|---------------------------------------|---------------|---------------|---------------|
| Current assets | \$ 1,102,078 | \$ 29,397 | \$ 1,131,475 |
| Restricted deposits | 556,391 | — | 556,391 |
| Property, plant, and equipment | 12,927 | 82,136 | 95,063 |
| Exploration and evaluation properties | 28,226,504 | 2,423,862 | 30,660,366 |
| Reclamation bond | — | 120,383 | 120,383 |
| | \$ 29,897,900 | \$ 2,655,778 | \$ 32,563,678 |
| Current liabilities | \$ 4,384,404 | \$ 1,012,632 | \$ 5,397,036 |
| Golden Trove acquisition payable | — | 491,564 | 491,564 |
| Convertible debentures | 3,195,230 | — | 3,195,230 |
| Derivative liabilities | 184,946 | — | 184,946 |
| | \$ 7,764,580 | \$ 1,504,196 | \$ 9,268,776 |
| November 30, 2024 | Canada | United States | Total |
| Current assets | \$ 1,689,478 | \$ 60,994 | \$ 1,750,472 |
| Property, plant, and equipment | 14,565 | 92,934 | 107,499 |
| Royalty interest | — | 1 | 1 |
| Exploration and evaluation properties | 27,445,378 | 2,469,521 | 29,914,899 |
| Reclamation bond | — | 122,588 | 122,588 |
| | \$ 29,149,421 | \$ 2,746,038 | \$ 31,895,459 |
| Current liabilities | \$ 3,824,640 | \$ 605,137 | \$ 4,429,777 |
| Golden Trove acquisition payable | — | 762,230 | 762,230 |
| Convertible debentures | 3,353,140 | — | 3,353,140 |
| Derivative liabilities | 204,084 | — | 204,084 |
| | \$ 7,381,864 | \$ 1,367,367 | \$ 8,749,231 |

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****19. FINANCIAL INSTRUMENTS****(a) Classification of financial instruments**

Financial assets and liabilities in the statements of financial position are as follows:

| May 31, 2025 | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Financial liabilities at amortized cost |
|------------------------------------------|----------------------------------------------------------------|------------------------------------------|-----------------------------------------------|
| Cash and cash equivalents | \$ — | \$ 760,353 | \$ — |
| Restricted cash equivalents | — | 40,000 | — |
| Marketable securities | 185,239 | — | — |
| Reclamation bond | — | 120,383 | — |
| Restricted deposit | — | 556,391 | — |
| Accounts payable and accrued liabilities | — | — | 2,709,274 |
| Accrued penalties and Part XII.6 taxes | — | — | 2,385,430 |
| Golden Trove acquisition payable | — | — | 793,896 |
| Convertible debentures | — | — | 3,195,230 |
| Derivative liabilities | 184,946 | — | — |

| November 30, 2024 | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Financial liabilities at amortized cost |
|------------------------------------------|----------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|
| Cash and cash equivalents | \$ — | \$ 1,518,483 | \$ — |
| Restricted cash equivalents | — | 40,000 | — |
| Other receivable | — | 6,630 | — |
| Marketable securities | 104,057 | — | — |
| Reclamation bond | — | 122,588 | — |
| Accounts payable and accrued liabilities | — | — | 1,800,820 |
| Accrued penalties and Part XII.6 taxes | — | — | 2,304,937 |
| Golden Trove acquisition payable | — | — | 1,086,250 |
| Convertible debentures | — | — | 3,353,140 |
| Derivative liabilities | 204,084 | — | — |

(b) Fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between arm's length market participants at the measurement date.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company designated its marketable securities as fair value through profit and loss, which is measured at fair value and classified as level 1, except for options in Leeuwin, which is classified as level 3. The carrying value of the marketable securities - options is determined using the Black-Scholes option pricing model.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS****ENDED MAY 31, 2025 and 2024****(Expressed in Canadian dollars)****19. FINANCIAL INSTRUMENTS (continued)****(c) Credit risk**

The Company has no trade accounts. The exposure to credit risk for cash and restricted cash equivalents is considered immaterial. The Company maintains all of its cash and restricted cash equivalents invested in guaranteed investment certificate at a major Canadian financial institution. The Company believes that exposure to credit risk is low.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at May 31, 2025, the Company had cash and cash equivalents of \$760,353 (November 30, 2024 - \$1,518,483) to settle current liabilities of \$5,397,036 (November 30, 2024 - \$4,429,777).

The Company has the following undiscounted contractual obligations as at May 31, 2025 and November 30, 2024, which are expected to be payable in the following respective periods:

| May 31, 2025 | Within 1 year | | Over 1 year | Total |
|------------------------------------------|---------------|-----------|--------------|---------------|
| Accounts payable and accrued liabilities | \$ | 2,709,274 | \$ — | \$ 2,709,274 |
| Golden Trove acquisition payable | | 354,743 | 709,485 | 1,064,228 |
| Accrued penalties and part XII.6 taxes | | 2,385,430 | — | 2,385,430 |
| Convertible debentures | | 145,500 | 4,369,374 | 4,514,874 |
| Total | \$ | 5,594,947 | \$ 5,078,859 | \$ 10,673,806 |

| November 30, 2024 | Within 1 year | | Over 1 year | Total |
|------------------------------------------|---------------|-----------|--------------|---------------|
| Accounts payable and accrued liabilities | \$ | 1,800,820 | \$ — | \$ 1,800,820 |
| Golden Trove acquisition payable | | 350,250 | 700,500 | 1,050,750 |
| Accrued penalties and part XII.6 taxes | | 2,304,937 | — | 2,304,937 |
| Convertible debentures | | 319,500 | 4,739,250 | 5,058,750 |
| Total | \$ | 4,775,507 | \$ 5,439,750 | \$ 10,215,257 |

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's accrued penalties and part XII.6 taxes bear interest at the rate prescribed by CRA, which is revised quarterly. As at May 31, 2025, the Company had no hedging agreements in place with respect to floating interest rates.

(f) Currency risk

As the Company operates in the United States, some of the Company's assets, liabilities, and transactions are denominated in United States funds. Fluctuation in the exchange rates between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations.

As at May 31, 2025, the Company had net monetary liabilities denominated in United States funds of approximately \$1,041,493 (US\$757,009). Based upon the balance as at May 31, 2025, an increase of 15% in the U.S. to Canadian dollar exchange would result in a decrease in the net loss and comprehensive loss of \$156,200, and a reduction of 15% would result in an increase in the net loss and comprehensive loss of \$156,200. Management believes that it is not likely, but it is possible that the exchange rate could fluctuate by more than 15% within the next 12 months.

20. CAPITAL MANAGEMENT

The Company considers all of the components of shareholders' equity to be capital, the balance of which is \$23,294,902 (November 30, 2024 – \$23,146,228). The Company's objectives in managing capital are to safeguard its ability to operate as a going concern and to generate a superior return to shareholders. The Company expects to finance exploration activity through joint ventures, sales of property interests, entering into debt financing and by raising additional share capital when market conditions are suitable. The Company and its subsidiaries are not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

21. COMMITMENTS, CONTINGENT LIABILITIES AND PROVISIONS**Flow-through obligations**

As a result of the amalgamation with Explor in December 2019, the Company has assumed certain liabilities and contingent liabilities. Canada Revenue Agency ("CRA") has disallowed the eligibility of certain Canadian Exploration Expenses ("CEE") previously renounced and reassessed a shortfall of CEE spending obligations of approximately \$3,800,000 and \$2,300,000 on flow-through financings completed in 2011–2013 taxation years ("2011-2013 FT") and 2016–2017 taxation years ("2016-2017 FT"), respectively. As a result of the reassessments, the Company has recorded a provision for penalties, taxes, and interests of \$2,385,430 (2024 - \$2,304,937) as of May 31, 2025. The Company recognized an interest expense of \$80,495 (2024 - \$86,634) on the outstanding amounts owing to CRA calculated based on CRA's prescribed rates for the six months ended May 31, 2025.

In connection with the 2011-2013 FT, the Company filed a Notice of Appeal to the Tax Court of Canada in the fourth quarter of 2021 and currently, the Company is in the litigation examination stage. The Company intends to file an objection to the penalties related to the 2016-2017 FT. The Company remains confident in the appropriateness of the tax filing positions and intends to vigorously defend it.

First Nations Agreement

The Company has Memorandum of Understanding ("MOU") with the Flying Post First Nation and Mattagami First Nation (collectively "First Nations") pursuant to which the Company will pay 2% of all direct exploration costs incurred on the West Cache Gold property to First Nations.

22. SUBSEQUENT EVENTS

On July 9, 2025, the Company closed the first tranche of its non-brokered private placement, issuing 130 convertible debenture units for gross proceeds of \$6,500,000. A second tranche was completed on July 18, 2025, with the issuance of 20 additional debenture units for gross proceeds of \$1,000,000 (collectively, the "Debentures").

The Debentures have a term of 36 months (the "Term") from the date of issuance, bear interest at 8% per annum payable in cash or common shares at the option of the investor at the end of the Term. The Debentures are convertible into common shares of the Company at \$0.30 per share. At any time during the Term, each holder of Debentures may elect to convert any portion of the principal amount of the Debentures into Common Shares at the Conversion Price. If an investor converts prior to the end of the Term, the accrued interest to that date will be payable in common Shares and the price will be based on the higher of the average closing price of the last 20 trading days or the closing market price.

In connection with the first tranche, the Company paid finders' fees of \$369,000 in cash and issued 1,230,000 non-transferable finder warrants. For the second tranche, \$60,000 in cash and 200,000 finder warrants were paid. Each warrant entitles the holder to purchase one common share at \$0.36 per share for a period of two years from the date of issuance.