



GALLEON GOLD

GALLEON GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Galleon Gold Corp. and all the information contained in the consolidated financial statements are the responsibility of management and have been approved by the Board of Directors. They have been prepared by management in accordance with generally accepted accounting principles, consistently applied, which are based upon International Financial Reporting Standards as issued by the International Accounting Standards Board. Some amounts included in the financial statements correspond to management's best estimates and have been derived with careful judgment. Financial information in the Management's Discussion and Analysis for the year ended November 30, 2021 is consistent with these financial statements.

Management has established a system of internal control that it believes provides reasonable assurance that, in all material respects, transactions are authorized, assets are safeguarded from loss or unauthorized use, and financial records are reliable for the purpose of preparing financial statements. The Board of Directors carries out its responsibilities for the financial statements through the Audit Committee which is composed of three independent directors. The Audit Committee periodically reviews and discusses financial reporting matters with Galleon Gold Corp.'s auditors, Grant Thornton LLP, as well as with management.

"R. David Russell"

R. David Russell,
Executive Chairman and Chief Executive Officer

"Sonia Agustina"

Sonia Agustina
Chief Financial Officer

March 21, 2022

Independent auditor's report

To the Shareholders of Galleon Gold Corp.

Opinion

We have audited the consolidated financial statements Galleon Gold Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2021, and 2020 and consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Galleon Gold Corp. as at November 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidation financial statements, which indicates that additional funding will be necessary to advance the Company's ongoing operations. This condition, along with the matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Kathleen Quinn.

Grant Thornton LLP

Mississauga, Canada
March 21, 2022

Chartered Professional Accountants
Licensed Public Accountants

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

As at	Notes	November 30, 2021	November 30, 2020
Assets			
Cash and cash equivalents	5	\$ 1,074,656	\$ 8,047,764
Restricted cash equivalents	5	40,000	40,000
Taxes receivable	6	105,303	386,406
Prepaid expenses		87,995	68,148
Marketable securities	7	544,084	115,261
Total current assets		1,852,038	8,657,579
Property, plant and equipment	8	191,948	140,012
Exploration and evaluation assets	9	22,141,630	16,233,495
Royalty interest	10	1	1
Reclamation bond	9	111,930	113,444
Total assets		\$ 24,297,547	\$ 25,144,531
Liabilities and shareholders' equity			
Current			
Account payable and accrued liabilities	11	\$ 1,672,634	\$ 2,306,073
Accrued penalties and part XII.6 taxes	22	1,881,698	1,881,698
Current portion of mortgage payable	12	145,644	150,000
Total current liabilities		3,699,976	4,337,771
Mortgage payable	12	-	137,397
Flow-through share premium liability	22	-	1,117,545
Total Liabilities		3,699,976	5,592,713
Shareholders' equity			
Share capital	14	74,508,589	73,778,988
Reserves	15	8,520,673	7,822,368
Accumulated other comprehensive income		1,415,742	1,431,033
Deficit		(63,847,433)	(63,480,571)
Total shareholders' equity		20,597,571	19,551,818
Total liabilities and shareholders' equity		\$ 24,297,547	\$ 25,144,531

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENT LIABILITIES (Note 22)
SUBSEQUENT EVENTS (Note 23)

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 consolidated financial statements.

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

For the years ended	Note	November 30, 2021	November 31, 2020
Expenses			
Administration and general	16	\$ 2,690,276	\$ 2,879,143
Business Development		65,472	107,997
Exploration and evaluation assets impairment loss	9	2,317	4,030
Operating loss		(2,758,065)	(2,991,170)
Other income (expenses):			
Interest income (expense)		14,365	(1,238)
Finance expense	12,13	(8,247)	(291,024)
Gain on sale of exploration and evaluation properties	9	862,662	-
Loss on debt settlements		-	(352,472)
Loss on early conversion of debentures		-	(3,755,209)
Unrealized gain on marketable securities	7	272,604	29,612
Realized gain on marketable securities	7	158,329	-
Flow-through premium income	22	1,117,545	287,826
Foreign exchange loss		(3,853)	(4,442)
Net loss for the year		\$ (344,660)	\$ (7,078,117)
Other comprehensive loss			
Currency translation adjustment		(15,291)	(45,213)
Total comprehensive loss for the year		\$ (359,951)	\$ (7,123,330)
Loss per share - basic and diluted		\$ (0.01)	\$ (0.30)
Weighted average number of shares*		46,510,161	24,033,206

* Adjusted to reflect 10 to 1 share consolidation of the Company's Common Shares on February 22, 2022 (Note 24 (c)).

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

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

	<u>RESERVES</u>							Total shareholders' equity (deficit)
	Share Capital	Share based payments	Warrants	Equity component of convertible debentures	Accumulated other comprehensive income	Deficit		
Balance, November 30, 2020	\$ 73,778,988	\$ 980,602	\$ 6,841,766	\$ -	\$ 1,431,033	\$ (63,480,571)	\$ 19,551,818	
Net loss	-	-	-	-	-	(344,660)	(344,660)	
Shares issued for a settlement (Note 14)	701,112	-	93,150	-	-	-	794,262	
Exercise of warrants (Note 15)	28,489	-	(13,603)	-	-	-	14,886	
Expiry of options (Note 15)	-	(64,049)	-	-	-	64,049	-	
Share-based compensation (Note 15)	-	596,556	-	-	-	-	596,556	
Extension of warrants (Note 15)	-	-	86,251	-	-	(86,251)	-	
Currency translation	-	-	-	-	(15,291)	-	(15,291)	
Balance, November 30, 2021	\$ 74,508,589	\$ 1,513,109	\$ 7,007,564	\$ -	\$ 1,415,742	\$ (63,847,433)	\$ 20,597,571	
Balance, November 30, 2019	\$ 54,073,314	\$ 45,813	\$ 74,842	\$ 684,383	\$ 1,476,246	\$ (56,740,233)	\$ (385,635)	
Net loss	-	-	-	-	-	(7,078,117)	(7,078,117)	
Issued on acquisition of Explor (Notes 4, 14 and 15)	5,235,924	313,346	253,364	-	-	-	5,802,634	
Issued on private placements (Note 14)	6,304,062	-	4,893,194	-	-	-	11,197,256	
Shares issued on conversion of debentures (Note 14)	3,248,188	-	-	(684,383)	-	-	2,563,805	
Shares issued for accrued interest on debenture settlement (Note 13)	82,177	-	-	-	-	-	82,177	
Shares issued for debt settlement (Note 14)	695,000	-	-	-	-	-	695,000	
Share-based compensation (Note 14)	-	705,858	-	-	-	-	705,858	
Issued on early conversion of debentures (Note 13)	4,066,220	-	1,891,697	-	-	-	5,957,917	
Expiry of warrants on early conversion of debentures (Note 14)	-	-	(252,909)	-	-	252,909	-	
Shares issued for Neal proeprty (Note 9 (b))	30,000	-	-	-	-	-	30,000	
Forfeiture and expiry of options (Note 14)	-	(84,415)	-	-	-	84,415	-	
Exercise of warrants (Note 15)	44,103	-	(17,967)	-	-	-	26,136	
Expiry of warrants (Note 15)	-	-	(455)	-	-	455	-	
Currency translation	-	-	-	-	(45,213)	-	(45,213)	
Balance, November 30, 2020	\$ 73,778,988	\$ 980,602	\$ 6,841,766	\$ -	\$ 1,431,033	\$ (63,480,571)	\$ 19,551,818	

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

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

For the years ended	November 30, 2021	November 31, 2020
Operating activities		
Net loss for the year	\$ (344,660)	\$ (7,078,117)
Items not affecting cash:		
Depreciation	37,070	16,236
Finance expense	8,247	291,024
Share-based compensation	472,094	674,060
Unrealized gain on marketable securities	(272,604)	(29,612)
Realized gain on marketable securities	(158,329)	-
Impairment of exploration and evaluation properties	2,317	4,030
Gain on sale of exploration and evaluation properties	(862,662)	-
Flow-through premium income	(1,117,545)	(287,826)
Loss on debt settlements	-	352,472
Loss on debenture modification	-	3,755,209
Changes in non-cash working capital items:		
Taxes receivable	281,103	(322,515)
Prepaid expenses	(19,847)	20,821
Accounts payable and accrued liabilities	160,823	10,160
Total cash flow used in operating activities	(1,813,993)	(2,594,058)
Investing activities		
Purchase of property, plant and equipment	(86,168)	(60,177)
Addition to exploration and evaluation properties	(5,993,178)	(3,573,818)
Proceeds from option payment on Chester property	200,000	100,000
Net proceeds from sale of exploration and evaluation assets	642,665	-
Net proceeds from sale of marketable securities	222,110	-
Transaction costs on acquisition of Explor	-	(32,522)
Cash and cash equivalents received on completion of acquisition of Explor	-	73,575
Total cash flow used in investing activities	(5,014,571)	(3,492,942)
Financing activities		
Proceeds from private placements, net of issuance costs	-	12,602,626
Repayment of mortgage payable	(150,000)	-
Proceeds from exercise of warrants	14,886	26,136
Cash interest paid on convertible debentures	-	(18,974)
Total cash flow (used in) generated from financing activities	(135,114)	12,609,788
Currency translation adjustments	(9,430)	(36,314)
(Decrease) Increase in cash during the year	(6,973,108)	6,486,474
Cash and cash equivalents, beginning of the year	8,087,764	1,601,290
Cash and cash equivalents, end of the year	\$ 1,114,656	\$ 8,087,764
Cash and cash equivalents	\$ 1,074,656	\$ 8,047,764
Restricted cash equivalents	40,000	40,000
Total cash and cash equivalents	\$ 1,114,656	\$ 8,087,764

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

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

1. NATURE OF OPERATIONS AND GOING CONCERN

Galleon Gold Corp. (formerly Pure Nickel Inc.) (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, platinum group elements (PGEs), copper, nickel 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 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.

During the year ended November 30, 2021, the Company had a net loss of \$344,660 (2020 – \$7,078,117), negative cash flow from operations of \$1,813,993 (2020 – \$2,594,058) and working capital deficiency as at November 30, 2021 of \$1,847,938 (November 30, 2020 – working capital of \$4,319,808). 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 consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported and 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 consolidated financial statements have been prepared in accordance with *Internal Financial Reporting Standards* (“IFRS”) as issued by the *International Accounting Standards Board* (“IASB”). The accounting policies, methods of computation and presentation applied in these consolidated financial statements are consistent with those of the previous financial years, except the adoption of new accounting standards as further described in Note 3(u).

These consolidated financial statements were approved by the Board of Directors and authorized for issue on March 21, 2022.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)**

2. BASIS OF PREPARATION (continued)**(b) Basis of measurement**

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

(c) Basis of consolidation

These 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 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 November 30, 2021 were as follows:

Entity	Location	Ownership interest
Explor Resources Inc. ("Explor")	Canada	100%
Nevada Star Resources Corp. ("Nevada Star")	United States	100%
Neal Development Limited Partnership ("Neal LP")	United States	80%

(d) Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES**(a) Significant accounting policies**

The significant accounting policies followed in these consolidated financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended November 30, 2020, and to be adopted in its consolidated financial statements as at and for the year ending November 30, 2021.

(b) Use of estimates and judgements**(i) Use of estimates**

The preparation of 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:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)*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 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) 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).

(d) Cash and cash equivalents

Cash and cash equivalents include cash on account and demand deposits. Funds that are not available for use by the Company are noted as restricted.

(e) 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.

(f) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(g) 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.

(h) 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) 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 at 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.

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 and cash equivalents, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)*Classification and measurement of financial liabilities*

The Company's financial liabilities include accounts payable and accrued liabilities, accrued penalties and part XII.6 tax, and mortgage payable. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. 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.

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 consolidated statement of loss and comprehensive loss.

(j) 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 November 30, 2021 and 2020, 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 consolidated statements of financial position.

(k) 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Modifications of debt**

When the terms of convertible debt instruments are modified to induce early conversion in a manner that is favorable to the debt holder, a loss is recognized in the consolidated statement of loss and comprehensive loss equal to the difference between the fair value of consideration the holder receives under the modified terms and the fair value of the consideration the holder would have received under the original terms. Any transaction costs incurred to modify the conditions to induce conversion are allocated between the equity and liability component based on the original allocation of the proceeds of the debt between debt and equity.

When the terms of an existing debt arrangement are changed, the modification is analyzed to determine if the changes are substantially different from the original terms. If the changes are not significant, it will be accounted for as a modification with any costs or fees incurred adjusting the fair value of the modified debt and amortize it over the remaining term of the debt with gain or loss to carrying amount of the debt being recorded in the profit or loss immediately. If the modification is determined to be substantially different based on qualitative factors or when the discounted present value of the cash flows under the new terms discounted using the original effective interest rate is at least ten (10%) percent different from the discounted present value of the remaining cash flows of the original debt, the modification is accounted for as an extinguishment of the debt with a gain or loss to the carrying amount of the debt being recorded in the consolidated statement of loss and comprehensive loss immediately.

(m) 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.

(n) 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.

(o) 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.

(p) 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 forfeiture 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.

(q) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(r) Income taxes

Income taxes expense comprises current and deferred income taxes. Income taxes expense is recognized in the 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.

(s) 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.

(t) 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.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(u) Changes in IFRS accounting policies and future accounting pronouncements**

The Company did not adopt any accounting standards during the year ended November 30, 2021, that materially impacted the Company's consolidated financial statements.

The Company plans to adopt the following amendments to the accounting standards, issued by IASB, that are effective for annual period beginning on or after December 1, 2021. The pronouncements will be adopted on their respective effective dates; however, each is not expected to have a material impact on the consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective on January 1, 2023

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued an amendment to IAS 12 Income Taxes to clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transaction that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted.

Amendments to IAS 16 – Property, Plant and Equipment

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. Effective January 1, 2022, the amendments prohibit a company from deducting from the cost of PP&E amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

Amendments to IAS 37 – Provisions Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions Contingent Liabilities and Contingent Assets. Effective January 1, 2022, the amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

Amendments to IFRS 9 – Financial Instruments

In May 2020, the IASB issued an amendment to IFRS 9 Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included. The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted.

4. ASSET ACQUISITION**Acquisition of assets from Explor**

On December 23, 2019, the Company completed the amalgamation with Explor Resources Inc. ("Explor"), through the Company's wholly owned subsidiary, 2227390 Alberta Ltd., incorporated solely for the purpose of acquiring Explor. Pursuant to the terms of the amalgamation agreement, each issued and outstanding Explor common share was exchanged for 0.5 of the Company's common share ("Exchange Ratio"), resulting issuance of 95,198,612 shares to Explor shareholders.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)**

4. ASSET ACQUISITION (continued)

In addition, each issued and outstanding Explor option and warrant were exchanged for 6,762,500 options and 12,387,906 warrants of the Company based on the Exchange Ratio established in the transaction with the same remaining term. The estimated fair value of 6,762,500 stock options issued was \$313,346, which was based on Black-Scholes option pricing model using the following assumptions: expected volatility of 140 – 255%, expected life of 0.38 – 3.74 years, risk-free interest rate of 1.66 – 1.69%, expected forfeiture of 0% and expected dividend yield of 0%.

The estimated fair value of 12,387,906 warrants issued was \$253,364, which was based on Black-Scholes option pricing model using the following assumptions: expected volatility of 100 – 2635%, expected life of 0.02 – 0.93 years, risk-free interest rate of 1.67 – 1.76%, expected forfeiture of 0% and expected dividend yield of 0%.

Upon completion of the amalgamation, the replacement options, replacement warrants and convertible debentures assumed will entitle the holders thereof to common shares of the Company.

The acquisition has been accounted for as an acquisition of assets as Explor does not meet the definition of a business under IFRS 3. The transaction was recorded at the fair value of the consideration transferred of \$6,173,472 as detailed as follows:

Consideration paid

Issued shares	\$	5,235,924
Issued options		313,346
Issued warrants		253,364
Cancellation of previously held Explor shares and warrants		338,316
Transaction costs		32,522
	\$	6,173,472

Net assets acquired

Cash and cash equivalents	\$	73,575
Prepaid expenses		10,808
Taxes receivable		49,704
Property, plant, and equipment		32,388
Exploration and evaluation properties		11,832,231
Accounts payable and accrued liabilities		(1,850,361)
Accrued penalties and part XII.6 taxes		(1,881,698)
Convertible debentures		(2,093,175)
	\$	6,173,472

5. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents is a total of \$Nil (November 30, 2020 - \$5,500,000) funds invested in guaranteed investment certificates (“GIC”), cashable after 30 days. Restricted cash equivalents of \$40,000 (November 30, 2020 - \$40,000) are funds invested in guaranteed investment certificates 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.

6. TAXES RECEIVABLE

As at November 30, 2021 and 2020, taxes receivable consists of sales tax receivable from Canadian taxation authorities.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)****7. MARKETABLE SECURITIES**

The Company's marketable securities are as follows:

	November 30, 2021	November 30, 2020
<i>FVTPL</i>		
<u>CanAlaska Uranium Limited</u>		
Nil Shares (November 30, 2020 – 300,000 shares)	\$ –	\$ 72,000
Nil Warrants (November 30, 2020 – 100,000 warrants)	–	3,261
<u>Murchison Minerals Limited</u>		
500,000 Shares (November 30, 2020 – 500,000 shares)	67,500	40,000
<u>Poko Innovative Inc. (“Poko”)</u>		
1,310,561 Shares (November 30, 2020 – Nil shares)	196,584	–
<u>Noble Mineral Exploration (“Noble”)</u>		
2,000,000 Shares (November 30, 2020 – Nil shares)	280,000	–
Total	\$ 544,084	\$ 115,261

In March 2021, the Company entered into a share purchase option agreement with Poko, granting Poko the right and option to purchase 1,310,561 shares with a purchase price of \$0.15 per share until December 1, 2021.

The Company's marketable securities consist of common shares and warrants held in Canadian publicly traded companies. Fair values of shares are determined at the closing price on November 30, 2021. Warrants were valued using the Black-Scholes option pricing model and are revalued at each reporting period until exercise or expiry. The Company recorded a realized gain of \$158,329 (2020 - \$Nil) and unrealized gain of \$272,604 (2020 - \$29,612) for the year ended November 30, 2021.

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Computer hardware	Field equipment	Vehicle	Total
Cost					
Balance as at November 30, 2019	\$ -	\$ 32,263	\$ 62,201	\$ -	\$ 94,464
Acquisition (Note 4)	75	222	32,091	-	32,388
Additions	1,000	3,408	55,522	2,648	62,578
Foreign exchange translation	-	-	(2,666)	(54)	(2,720)
Balance as at November 30, 2020	\$ 1,075	\$ 35,893	\$ 147,148	\$ 2,594	\$ 186,710
Additions	-	2,499	83,669	-	86,168
Foreign exchange translation	-	-	3,367	(36)	3,332
Balance as at November 30, 2021	\$ 1,075	\$ 38,392	\$ 234,184	\$ 2,558	\$ 276,209
Accumulated depreciation					
Balance as at November 30, 2019	\$ -	\$ 30,781	\$ -	\$ -	\$ 30,781
Depreciation	75	749	14,933	539	16,296
Foreign exchange translation	-	-	(359)	(20)	(379)
Balance as at November 30, 2020	\$ 75	\$ 31,530	\$ 14,574	\$ 519	\$ 46,698
Depreciation	200	1,984	34,485	401	37,070
Foreign exchange translation	-	-	506	(13)	493
Balance as at November 30, 2021	\$ 275	\$ 33,514	\$ 49,552	\$ 921	\$ 84,261
Balance as at November 30, 2019	\$ -	\$ 1,482	\$ 62,201	\$ -	\$ 63,683
Balance as at November 30, 2020	\$ 1,000	\$ 4,363	\$ 132,574	\$ 2,075	\$ 140,012
Balance as at November 30, 2021	\$ 800	\$ 4,878	\$ 184,632	\$ 1,637	\$ 191,948

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)****9. EXPLORATION AND EVALUATION PROPERTIES**

	Ontario		Manitoba	New Brunswick	Idaho	Total
	West Cache Gold	Kidd Township	William Lake	Chester	Neal	
Balance, November 30, 2020	\$ 15,397,413	\$ 1	\$ 1	\$ 200,000	\$ 636,080	\$ 16,233,495
Accommodation, meals and travel	75,254	-	-	-	-	75,254
Claims and administration	7,125	-	1,459	-	14,160	22,744
Drilling	2,653,183	-	-	-	-	2,653,183
Equipment rental and software	93,817	-	-	-	5,351	99,168
Facility and maintenance	59,558	-	-	-	-	59,558
Geological staff, field crew and consulting	1,188,269	-	-	-	-	1,188,269
Geophysical, geochemical and assays	493,853	-	-	-	-	493,853
Metallurgical	54,274	-	-	-	-	54,274
Share-based compensation	124,462	-	-	-	-	124,462
Supplies and materials	69,354	-	-	-	-	69,354
Surveying and permitting	728,379	-	-	-	-	728,379
Technical reports	500,071	-	-	-	-	500,071
Transportation	47,435	-	-	-	1,636	49,071
Less:						
Option payment received	-	-	-	(200,000)	-	(200,000)
Sale of property	-	(1)	-	-	-	(1)
Impairment	-	-	(1,459)	-	-	(1,459)
Foreign exchange translation	-	-	-	-	(8,045)	(8,045)
Balance, November 30, 2021	\$ 21,492,447	\$ -	\$ 1	\$ -	\$ 649,173	\$ 22,141,630

	Ontario		Manitoba	New Brunswick	Idaho	Total
	West Cache Gold	Kidd Township	William Lake	Chester	Neal	
Balance, November 30, 2019	\$ -	\$ -	\$ 1	\$ -	\$ 587,011	\$ 587,012
Acquisition	11,996,740	1	-	297,150	28,666	12,322,557
Accommodation, meals and travel	45,930	-	-	-	-	45,930
Claims and administration	11,549	-	4,030	2,850	13,494	31,923
Drilling	2,111,223	-	-	-	-	2,111,223
Equipment rental and software	65,889	-	-	-	(6,863)	59,026
Facility and maintenance	113,699	-	-	-	-	113,699
Geological staff, field crew and consulting	582,266	-	-	-	14,634	596,900
Geophysical, geochemical and assays	147,533	-	-	-	9,643	157,176
Share-based compensation	31,799	-	-	-	-	31,799
Supplies and materials	67,661	-	-	-	-	67,661
Surveying and permitting	177,730	-	-	-	-	177,730
Technical reports	23,237	-	-	-	-	23,237
Transportation	22,157	-	-	-	5,408	27,565
Less:						
Option payment received	-	-	-	(100,000)	-	(100,000)
Impairment	-	-	(4,030)	-	-	(4,030)
Foreign exchange translation	-	-	-	-	(15,913)	(15,913)
Balance, November 30, 2020	\$ 15,397,413	\$ 1	\$ 1	\$ 200,000	\$ 636,080	\$ 16,233,495

(a) West Cache Gold, Ontario

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

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

On June 25, 2020, the Company signed a purchase agreement to acquire 8 patented claims located in the Ogden Township, contiguous to the eastern boundary of the West Cache property for \$450,000. Pursuant to the purchase agreement, the Company paid \$150,000 and assumed the vendor take back an interest-free mortgage of \$300,000 to be paid in two equal installments of \$150,000 on each of the two anniversaries of closing. During the year ended November 30, 2021, the Company paid the first instalment of the mortgage of \$150,000. The Company granted a 2% NSR to the vendor and has an option to purchase back the 2 % NSR for \$2,000,000.

(b) Neal, Idaho, USA

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

On May 13, 2019, the Company issued 10,221,732 common shares valued at \$204,235 to acquire 102 units, representing 70% of ownership and controlling interest, in the Neal LP and the right to enter into a lease agreement with the landowner of five patented claims known as Neal Property (“Neal Lease”). In addition, the Company assumed liabilities totalling \$60,000 which has been included in the initial consideration capitalized to the exploration and evaluation property, bringing the total to \$264,235.

On May 15, 2019, the Company entered into the Neal Lease for a period of five years which may be extended for 1-year terms thereafter. 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. Pursuant to the Neal LP agreement, the Company is fully responsible for all expenditures related to the exploration, development, and operation of the Neal property. Upon achievement of production, the unit holders have rights to the net profits or losses relative to their ownership percentage. Since the Neal property is currently not in production, no amounts have been attributed to the unit holders who represent the non-controlling interest in Neal LP.

The Company was required to purchase a reclamation bond of \$111,930 (US\$87,500) (November 30, 2020 - \$113,444) in respect of its expected site reclamation and closure obligations of the Neal 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.

On June 3, 2020, the Company issued 500,000 common shares valued at \$30,000 to a minority interest owner, increasing the Company’s total ownership in the Neal LP to 80%.

(c) Chester, New Brunswick

The Chester property is located Northumberland County, New Brunswick. The property comprises 114 contiguous claims and is subject to 1% and 2% NSR.

The Company has an option agreement dated January 17, 2019 with Puma Exploration Inc. (“Puma”) to grant sole an exclusive right and option to acquire 100% of the property over a three-year period, for the following considerations:

- (i) An aggregate payment of \$300,000 in cash, payable \$100,000 per year; and
- (ii) Puma shall complete a work program of \$1,100,000 on the property, with a minimum of \$250,000 during the first year of the option agreement, \$350,000 the second year and \$500,000 on the third year.

Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Property and the Company will retain a 2% NSR on the property. Puma has an option to redeem 1% of NSR for \$1,000,000.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

During the year ended November 30, 2021, the Company received \$200,000, bringing an aggregate total of \$300,000 payment in cash received pursuant to the option agreement with Puma. The option payment received was recorded as a reduction against the cost of the mineral property.

(d) Other properties in Canada**(i) Manitoba****William Lake**

The William Lake Property was written down to \$1 in 2015 as no substantive exploration expenditures are planned or budgeted for. The costs to maintain the claims on this property are minimal as the Company has banked work credits that will be used at renewal. The Company purchased the property rights from Falconbridge Limited ("Xstrata") subject to a 2% net smelter return royalty. In addition, Xstrata has a one-time right to repurchase a 50% working interest in William Lake property if certain conditions are met. Xstrata also has the right to purchase 100% of the ore produced at market prices.

(ii) Ontario**Kidd Township**

The Company sold its interest in Kidd Township property, which comprises 204 claims and four patented claims located in the Kidd, Carnegie, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario in October 2021. Pursuant to the terms of the agreement, the Company received \$250,000 cash and 2,000,000 common shares of Noble Mineral Exploration Inc. ("Noble"). Noble is a publicly traded company listed on the TSXV. In connection with the sale, the Company recognized a gain on exploration and evaluation property of \$462,666.

(iii) Quebec**East Bay, Destor and Nelligan**

The Company sold its interest in the East Bay, Destor and Nelligan ("Quebec properties") located in Quebec to a private company, Quebec Aur Ltd. ("Quebec Aur") in May 2021. Pursuant to the terms of the agreement, Quebec Aur paid \$250,000 and obligated to issue 600,000 common shares of Quebec Aur ("Quebec Aur shares"), to obtain 100% ownership of the Quebec properties. Quebec Aur has entered into a letter of intent with a publicly listed TSXV company ("PublicCo") whereby Quebec Aur will be acquired by PublicCo, and each Quebec Aur share will be exchanged for one share of PublicCo. If the acquisition of Quebec Aur is not completed by September 15, 2021, Quebec Aur may elect to abstain from issuing the Quebec Aur shares and pay \$150,000 to the Company or transfer the Quebec properties back to the Company. Quebec Aur elected and paid \$150,000 in September 2021.

Quebec Aur has granted a 1% net smelter returns royalty (the "NSR") on any of the Quebec properties' claims that do not have an existing royalty. The NSR can be repurchased by Quebec Aur for \$1,000,000. In connection with the sale, the Company recognized a gain on exploration and evaluation properties of \$400,000.

10. ROYALTY INTEREST**Milford Copper Property**

The Company holds a 1% net smelter royalty (the "Royalty") on the Milford Copper Property located in Utah. The Milford Copper Property was previously owned by CS Mining LLC ("CS Mining") and is now owned by Tamra Mining Company, LLC ("Tamra") as of August 29, 2018. The royalty is shared with another party on a pro-rata basis, with the Company's royalty capped at US\$5,000,000 (\$6,396,000) and the other party's royalty capped at US\$3,000,000 (\$3,837,600).

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)****10. ROYALTY INTEREST (continued)**

Since late 2018, the operation, including the processing of ore, at the Milford Copper Property has been suspended pending new financing partners. Given the uncertainty of future operations and collection of the royalty payments, the royalty had been written down to \$1. As at November 30, 2021, the Company has received a total of \$779,840 (US\$609,631) (November 30, 2020 - \$779,840) in royalty payments, and the maximum royalty remaining balance was US\$4,390,369 (November 30, 2020 - US\$4,390,369) or \$5,616,160 (November 30, 2020 - \$5,616,160).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2021	November 30, 2020
Accounts payable	\$ 275,442	\$ 288,711
Accrued liabilities	1,397,192	2,017,362
Total	\$ 1,672,634	\$ 2,306,073

As November 30, 2021, included in the accounts payable and accrued liabilities, a total of \$418,375 (2020 - \$670,168) is related to exploration and evaluation assets (Note 9).

12. MORTGAGE PAYABLE

On June 25, 2020, the Company acquired 8 patented claims located in the Ogden Township, contiguous to the eastern boundary of the West Cache property for \$450,000 (Note 9 (a)). Pursuant to the purchase agreement, the Company assumed an interest-free vendor take-back mortgage of \$300,000 to be paid in two equal installments of \$150,000 in each of the two anniversaries of closing. The Company had estimated the fair value of the mortgage payable at \$283,499 using an interest rate of 6% (5.87% effective interest rate) which reflects management's best estimate of the interest rate that would apply on a comparable loan. During the year ended November 30, 2021, the Company paid the first instalment of the mortgage of \$150,000. The Company recognized a total of finance expense of \$8,247 (2020 - \$3,897) in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2021.

13. CONVERTIBLE DEBENTURES

	September 2019	October 2019	December 2019		
	Note 13 (i)	Note 13 (ii)	Note 13 (iii)(b)	Note 13 (iii)(a)	Total
Balance, November 30, 2019	2,295,103	256,946	-	-	2,552,049
Convertible debentures on acquisition of Explor (Note 4)	-	-	883,807	1,209,368	2,093,175
Conversion	(2,279,016)	(284,789)	(945,655)	(1,341,043)	(4,850,503)
Finance and interest paid	(16,087)	27,843	61,848	131,675	205,279
Balance, November 30, 2020	-	-	-	-	-
Less: Current portion	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -

- (i) On September 5, 2019, the Company issued a convertible debenture (the "Debenture") for gross proceeds of \$3,000,000 to 2176423 Ontario Ltd. The Debenture has a term of two years, bears interest at a rate of 8% per annum and is convertible into common shares at a price of \$0.05 per share for the first 12 months, and \$0.10 per share thereafter until maturity.

On January 17, 2020, the convertible debenture holder converted a total of \$3,000,000 principal amount of convertible debenture at \$0.05 resulting in the issuance of 60,000,000 shares. Additionally, the Company settled the interest due on the debenture of \$82,177 by issuance of 1,027,218 common shares at a price of \$0.08 per share on January 22, 2020.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

13. CONVERTIBLE DEBENTURES (continued)

A total of finance expense of \$66,120 related to the debenture has been recognized in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

- (ii) On October 24, 2019, the Company issued 300 units convertible debenture (the "Debenture Units") at a price of \$1,000 per Debenture Unit for gross proceeds of \$300,000. The Debenture has a term of one year, bears interest at a rate of 8% per annum and is convertible into common shares at a price of \$0.05 per share.

A total of finance expense of \$17,167 related to the debenture has been recognized in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

All the holders of the convertible debentures have converted their debenture into the Company's common shares as of November 30, 2020.

- (iii) Upon completion of acquisition of Explor (Note 4) on December 23, 2019, the Company assumed two secured convertible debentures as follows:

- (a) Secured convertible debentures with the principal amount of \$1,300,000. The debenture expires on November 28, 2020, bears interest at a rate of 8% per annum and is convertible into the Company's common shares at a price of \$0.10 per share.

A total of finance expense of \$53,259 related to the debenture has been recognized in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

- (b) Secured convertible debentures with the principal amount of \$945,212. The debenture expires on July 3, 2020, bears interest at a rate of 8% per annum and is convertible into the Company's common shares at a price of \$0.10 per share.

A total of finance expense of \$25,410 related to the debenture has been recognized in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

On June 1, 2020, the Company reached agreement with debenture holders for early retirement of 8% convertible debentures with the outstanding principal amount of \$1,300,000 and \$945,212 due on November 28, 2020, and July 3, 2020, respectively. Pursuant to terms of the agreement, the Company settled the outstanding principal and accrued interest plus interest payable to maturity of \$2,555,453 through issuance of 42,590,884 units of the Company (the "Settlement Units"), with each Settlement Unit being comprised of one common share of the Company and three quarters (3/4) of one common share purchase warrant ("Settlement Warrant"). Each Settlement Warrant is exercisable at a price of \$0.075 per common share and expires 30 months from the closing date. In connection with the settlement, the Company paid a work fee of \$60,000 and restructuring fees of \$540,000, settled through the issuance of 10,000,000 common shares.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)****14. SHARE CAPITAL**

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

	Number of shares	Amount
Balance November 30, 2019	86,493,339	\$ 54,073,314
Issued on acquisition of Explor (i)	95,198,612	5,235,924
Issued on private placement, net (ii)	12,500,000	549,055
Issued on private placement, net (v)	61,084,377	1,925,572
Issued on private placement, net (viii)	24,655,636	771,937
Issued on private placement, net (xi)	57,691,987	3,057,498
Issued on conversion of debentures (iii)	66,000,000	3,248,188
Issued for accrued interest on debenture settlement (iii)	1,027,218	82,177
Issued on early conversion of debentures (vi)	52,590,886	4,066,220
Issued for Neal property (ix)	500,000	30,000
Issued for debt settlements (iv) (vii) (x)	6,166,667	695,000
Issued on warrants exercise	422,727	44,103
	464,331,449	\$ 73,778,988
Balance November 30, 2020		
Issued for a settlement (xii)	6,311,479	701,112
Issued on warrants exercise	272,727	28,489
Balance, November 30, 2021	470,915,655	\$ 74,508,589

- (i) On December 23, 2019, the Company completed the acquisition of Explor (Note 4). As part of the consideration for the acquisition, the Company issued 0.5 common shares for each common share of former Explor's shareholders held, resulting in issuance of 95,198,612 common shares of the Company.
- (ii) On December 30, 2019, the Company closed a private placement 12,500,000 flow-through units at a price of \$0.08 per unit for gross proceeds of \$1,000,000. Each unit consists of one flow-through common share and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one additional common share at an exercise price of \$0.12 for a period of two years after closing. The proceeds of the private placement have been allocated as \$694,586 to share capital, and \$305,414 to the warrant reserve (Note 15). The Company paid a total of \$71,340 of issuance costs and issued 875,000 compensation warrants, exercisable into one common share at a price of \$0.08 for a period of 2 years, with estimated fair value of \$47,273.

The Company recognized a flow-through premium liability of \$90,909 from this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred. As of December 31, 2020, the Company has spent all of the flow-through funds related to this private placement and recognized flow-through premium income of \$90,909 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

- (iii) On January 9, 2020, 2176423 Ontario Ltd., converted the Debenture (Note 13 (i)), in the principal amount of \$3,000,000, into 60,000,000 common shares. Additionally, the Company closed a debt settlement agreement to settle the interest due on the Debenture of \$82,177 by issuance of 1,027,218 common shares at a price of \$0.08 per share on January 22, 2020.

During the nine months ended November 30, 2021, all the holders of 8% Debenture with a principal amount of \$300,000 (Note 13 (ii)) have converted their debenture into 6,000,000 common shares.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

14. SHARE CAPITAL (continued)

- (iv) On February 25, 2020, the Company settled an aggregate amount of \$70,000 for interest owed on a convertible debenture assumed through the amalgamation with Explor (Note 4). The debt was settled by the issuance of 1,000,000 common shares at a price of \$0.07 per share.
- (v) On May 25, 2020, the Company closed a first tranche of non-brokered private placement for aggregate gross proceeds of \$3,196,440 of (a) 32,640,100 units of the Company at a price of \$0.05 per unit and (a) 28,444,277 flow-through ("FT") units at a price of \$0.055 per FT unit.

Each unit and FT units consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.075 for a period of 24 months following the closing of the private placement.

The proceeds of the private placement have been allocated as \$2,206,191 and \$990,250 to warrant reserve (Note 15). The Company paid a total of \$153,451 of issuance costs and issued 1,728,153 finder's warrants with estimated fair value of \$110,902. Each finder's warrant is exercisable to purchase one common Share at a price of \$0.05 for a period of 24 months from the issue date.

The Company recognized a flow-through premium liability of \$142,221 from this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred.

Certain insiders, directors and officers of the Company subscribed for an aggregate of 3,640,000 units and 463,650 FT units under the private placement.

As of December 31, 2020, the Company has spent all of flow-through funds related to this private placement and recognized flow-through premium income of \$142,221 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

- (vi) On June 1, 2020, the Company reached agreement with debenture holders for the early retirement of 8% convertible debentures with the outstanding principal amount of \$1,300,000 and \$945,212 (Note 13), respectively. Pursuant to terms of the agreement, the Company settled the outstanding principal and accrued interest plus interest payable to maturity of \$2,555,453 through issuance of 42,590,884 units of the Company (the "Settlement Units"), with each Settlement Unit being comprised of one common share of the Company and three quarters (3/4) of one common share purchase warrant ("Settlement Warrant"). Each Settlement Warrant is exercisable at a price of \$0.075 per common share and expires 30 months from the closing date.
- (vii) On June 9, 2020, the Company issued 666,667 shares to settle \$67,100 of debt assumed through the amalgamation with Explor (Note 4). The fair value of the shares was determined based on the share price on settlement and a gain of \$27,100 was recognized as a result of this debt settlement.
- (viii) On June 11, 2020, the Company closed a second and final tranche of non-brokered private placement for aggregate gross proceeds of \$1,328,060 of (i) 5,600,000 Units at a price of \$0.05 per Unit and (ii) 19,055,636 FT Units at a price of \$0.055 per FT Unit.

Each Unit and FT Units consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.075 for a period of 24 months following the closing of the Offering.

In connection to the private placement, the Company issued to the finder's warrants equal to 7% of the Units and FT Units sold on certain orders. Each Finder's Warrant is exercisable to purchase one common Share at a price of \$0.05 for a period of 24 months from the issue date.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

14. SHARE CAPITAL (continued)

The proceeds of the private placement have been allocated as \$914,446 and \$413,614 to warrant reserve (Note 15). The Company paid a total of \$58,603 of issuance costs and issued 977,454 finder's warrants with estimated fair value of \$53,308. Each finder's warrant is exercisable to purchase one common Share at a price of \$0.05 for a period of 24 months from the issue date.

The Company recognized a flow-through premium liability of \$142,221 related to this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred.

As of November 30, 2021, the Company has spent all of flow-through funds related to this private placement and recognized flow-through premium income of \$54,595 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020, and \$40,583 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2021.

Certain insiders, directors and officers of the Company subscribed for an aggregate of 5,200,000 Units and 46,545 FT Units under the private placement.

- (ix) On June 3, 2020, the Company issued 500,000 common shares valued at \$30,000 to a minority interest owner to acquire an additional 2% of ownership interest in the Neal LP (Note 9 (b)).
- (x) On July 13, 2020, the Company settled \$428,067 of debt originating from the amalgamation with Explor (Note 4) through the issuance of 4,500,000 shares and \$230,639 (US\$170,000) in cash. The fair value of the shares was determined based on the share price on settlement and a loss of \$387,572 was recognized as a result of this debt settlement.
- (xi) On October 14, 2020, the Company closed a private placement for total gross proceeds of \$8,000,000 consisting of 28,870,667 units of the Company (the "Units") at a price of C\$0.12 per Unit; 10,402,987 flow-through units of the Company (the "FT Units") at a price of C\$0.135 per FT Unit; and 18,418,333 FT Units sold to charitable flow-through purchasers at a price of C\$0.17 per FT Unit (the "Offering"). Each Unit issued consists of one common share in the capital of the Company and one common share purchase warrant. Each FT Unit consists of one common share of the Company and one warrant. Each warrant shall entitle the holder to purchase one additional common share at a price of \$0.18 at any time on or before 36 months after the closing date.

In connection with the Offering, the Company paid issuance costs of a combined total of \$638,777 and issued 3,411,519 compensation options, each entitling the holders to purchase one Unit of the Company at a price of \$0.12 per Unit until October 14, 2022, consisting of one common share of the Company and one compensation warrants. Each compensation warrants shall entitle the holder to purchase one additional common share at a price of \$0.18 at any time on or before 36 months after the closing date. The estimated fair value of 3,411,519 compensation options is \$364,429. The proceeds of the private placement have been allocated as \$1,465,221 and \$1,397,410 to warrant reserve (Note 15).

The Company recognized a flow-through premium liability of \$1,076,961 related to this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred.

As of November 30, 2021, the Company has spent \$4,181,606 of flow-through funds related to this private placement and recognized flow-through premium income of \$992,924 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2021.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)**

14. SHARE CAPITAL (continued)

- (xii) On January 8, 2021, the Company entered into a settlement agreement (the “Settlement”) to settle a claim for damages filed with the Superior Court of Québec against Explor and its former officer and directors of approximately \$690,000. A total of \$794,262 was included in accrued liabilities as of November 30, 2020. Pursuant to the Settlement, the Company issued 6,311,479 common shares and 908,853 warrants for a release of any claims, demands and future actions. Each warrant entitles the holder to purchase one common share at a price of \$0.18 with expiry date of January 8, 2024.

As the combined fair value of 6,311,479 common shares of \$701,112 and 908,853 warrants of \$93,150 equal to the total liability of \$794,262, no gain or loss was recognized as a result of this Settlement.

15. 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 November 30, 2021, the Company had 19,049,141 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.

Stock option activity is presented below:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2019	4,600,000	0.05
Issued on acquisition of Explor (Note 4)	6,762,500	0.16
Issued	12,600,000	0.06
Forfeited	(1,700,000)	0.18
Expired	(462,500)	0.15
Outstanding, November 30, 2020	21,800,000	0.08
Issued	6,800,000	0.09
Expired	(2,100,000)	0.15
Outstanding, November 30, 2021	26,500,000	0.07

In connection with the acquisition of Explor (Note 4), as part of the consideration for the acquisition, the Company issued replacement options with the same remaining term, adjusting the number of options and exercise price equal to Exchange Ratio. On December 23, 2019, a total of 6,762,500 of options were issued to the former Explor option holders with exercise price ranges from \$0.10 to \$0.30.

On March 31, 2020, the Company granted a total of 10,850,000 options to employees, consultants, and directors of the Company. The options are exercisable at a price of \$0.05 per common shares, for a term of 5 years from issuance and vested immediately.

On June 29, 2020, the Company granted a total of 550,000 options to consultants of the Company. The options are exercisable at a price of \$0.06 per common shares, for a term of 3 years from issuance and vested immediately.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)****15. RESERVES (continued)**

On September 14, 2020, the Company granted 600,000 options to a newly appointed director with an exercise price of \$0.12. The options have a term of 5 years and vest immediately.

On November 24, 2020, the Company granted 600,000 options to a newly appointed director with an exercise price of \$0.105. The options have a term of 5 years and vest immediately.

On March 30, 2021, the Company granted a total of 6,400,000 options to employees, consultants, and directors of the Company. The options are exercisable at a price of \$0.09 per common shares, for a term of 5 years from issuance and vested immediately.

On October 29, 2021, the Company granted a total of 400,000 options to employees, consultants, and directors of the Company. The options are exercisable at a price of \$0.065 per common shares, for a term of 5 years from issuance and vested immediately.

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 year ended November 30, 2021	For the year ended November 30, 2020
Volatility	216-223%	139-317%
Expected life	5 years	0.38-5 years
Risk-free interest rate	0.97-1.50%	0.31-1.69%
Forfeiture rate	0%	0%
Expected dividend yield	0%	0%

The following stock options are outstanding and exercisable at November 30, 2021:

Options outstanding and exercisable			
Exercise price \$	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price \$
0.05	3,850,000	2.33	0.05
0.16	1,700,000	0.72	0.16
0.10	2,050,000	1.80	0.10
0.05	10,350,000	3.33	0.05
0.06	550,000	1.58	0.06
0.12	600,000	3.79	0.12
0.105	600,000	3.99	0.105
0.09	6,400,000	4.33	0.09
0.065	400,000	4.92	0.09
	26,500,000	3.28	0.07

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)****15. RESERVES (continued)**WARRANTS

Warrants activity is presented below:

	Number of Warrants	Weighted average exercise price \$
Outstanding, November 30, 2019	2,416,667	0.12
Issued on acquisition of Explor (Note 4)	12,387,906	0.20
Issued on private placements (Note 14 (ii) (v) (viii) (xi))	113,804,116	0.13
Issued on early conversion debenture (Note 13 (iii))	31,943,165	0.08
Forfeited warrants (Note 13 (iii))	(11,226,000)	0.20
Expired warrants	(1,161,906)	0.18
Exercised warrants	(422,727)	0.06
Outstanding, November 30, 2020	147,741,221	0.12
Issued for a settlement (Note 14 (xii))	908,853	0.18
Exercised warrants	(272,727)	0.05
Outstanding, November 30, 2021	148,377,347	0.12

In connection with the acquisition of Explor (Note 4), as part of the consideration for the acquisition, the Company issued replacement options with the same remaining term, adjusting the number of warrants and exercise price equal to Exchange Ratio. On December 23, 2019, a total of 12,387,906 of warrants were issued to the former Explor warrant holders with exercise price ranges from \$0.12 to \$0.20.

On May 28, 2021, the Company extended the expiry term of a total of 1,416,667 warrants by one year, all of which are exercisable at \$0.12 per share. A total of 250,000 warrants are held by a director of the Company. The warrants were issued pursuant to a private placement which closed over two tranches in June and July 2019 as follows:

- (i) For 1,166,667 warrants issued on June 17, 2019, the expiry term is extended to June 17, 2022; and
- (ii) For 250,000 warrants issued on July 22, 2019, the expiry term is extended to July 22, 2022.

On September 20, 2021, the Company extended the expiry term of a total of 1,000,000 warrants by one year, all of which are exercisable at \$0.12 per share and are held by an officer of the Company. The warrants were issued pursuant to a private placement which closed on September 24, 2019. The warrants expiry term is extended from September 24, 2021 to September 24, 2022.

The total cost of the warrant extensions is \$86,251 which has been recorded under warrants and the offsetting entry is recorded in the deficit. The fair value of the warrants' extension was estimated using the Black-Scholes model calculated for the difference between the extended period and the remaining period when the decision was taken to extend the warrants. The assumptions used were as follow: no expected dividend yield, 59.11 - 140.95% expected volatility, 0.08-0.45% risk-free interest rate and 0.1-1.2 years warrant expected life. A total of 1,250,000 warrants are held by a director and officer of the Company.

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, 2021	For the year ended November 30, 2020
Volatility	216%	141-263%
Expected life	3 years	0.01-3 years
Risk-free interest rate	0.24%	0.27-1.76%
Forfeiture rate	0%	0%
Expected dividend yield	0%	0%

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)****15. RESERVES (continued)**

The following warrants are outstanding and exercisable at November 30, 2021:

Warrants outstanding and exercisable				
Exercise price \$	Number of Warrants	Weighted average remaining contractual life in years	Weighted average exercise price \$	
0.12	1,166,667	0.55	0.12	
0.12	250,000	0.64	0.12	
0.12	1,000,000	0.82	0.12	
0.12	6,250,000	0.08	0.12	
0.08	875,000	0.08	0.08	
0.075	16,070,050	0.48	0.075	
0.075	14,222,136	0.48	0.075	
0.05	1,728,153	0.48	0.05	
0.075	2,800,000	0.53	0.075	
0.075	9,527,817	0.53	0.075	
0.05	532,000	0.53	0.05	
0.075	31,943,165	1.03	0.075	
0.18	28,870,667	1.87	0.18	
0.18	10,402,987	1.87	0.18	
0.18	18,418,333	1.87	0.18	
0.12	3,411,519*	0.87	0.12	
0.18	908,853	2.11	0.18	
	148,377,347	1.15	0.12	

* Each entitles the holders to purchase one unit of the Company at a price of 0.12 per unit until October 14, 2022, consisting of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.18 until October 14, 2023.

16. ADMINISTRATION AND GENERAL EXPENSES

Included in administration and general expenses are the following:

	November 30, 2021		November 30, 2020	
Consulting ⁽¹⁾	\$	1,175,720	\$	1,194,272
Depreciation		37,070		16,236
Directors' fees		-		53,140
Investor relations		179,948		114,975
Occupancy costs		24,176		27,424
Office and miscellaneous		127,836		97,231
Permit and taxes		8,081		7,451
Professional services		130,294		104,376
Promotion and advertising		71,470		122,116
Regulatory, filing and transfer agent fees		63,257		101,129
Salaries and benefits		361,517		296,615
Share-based compensation		472,094		674,060
Travel		38,813		70,118
Total	\$	2,690,276	\$	2,879,143

⁽¹⁾ Included in consulting as of November 30, 2021, was \$1,167,782 (2020 - \$1,183,460) of total remuneration to the senior executive officers of the Company.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)****17. LOSS PER SHARE**

The weighted average number of shares outstanding used in the computation of loss per share for the year ended November 30, 2021 was 46,510,161 (2020 – 24,033,206) to reflect the consolidation of the Company's Common Shares completed subsequent to November 30, 2021 (Note 24 (b)).

For the years ended	November 30, 2021	November 30, 2020
Loss attributable to common shareholders	\$ (344,660)	\$ (7,123,330)
Weighted average number of common shares outstanding	46,510,161	24,033,206
Loss per share basic and diluted	\$ (0.01)	\$ (0.30)

The outstanding and exercisable options and warrants (Note 15) were excluded from the computation of diluted weighted average shares outstanding for the years ended November 30, 2021 and 2020, as their effect would be anti-dilutive.

18. 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 are as follows:

For the years ended	November 30, 2021	November 30, 2020
Salaries, consulting, and other benefits	\$ 1,454,865	\$ 1,420,960
Directors' fees	–	53,140
Share based compensation	449,869	332,370
Total	\$ 1,904,734	\$ 1,806,470

Included in the accounts payable and accrued liabilities as of November 30, 2021, was \$419,951 (2020 - \$106,891) due to officers of the Company.

19. 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.

As at November 30, 2021	Canada	United States	Total
Current assets	\$ 1,785,804	\$ 66,234	\$ 1,852,038
Property, plant, and equipment	26,217	165,731	191,948
Royalty interest	–	1	1
Exploration and evaluation properties	21,492,456	649,174	22,141,630
Reclamation bond	–	111,930	111,930
	\$ 23,304,477	\$ 993,070	\$ 24,297,547
Current liabilities	\$ 3,363,339	\$ 336,637	\$ 3,554,332
	\$ 3,363,339	\$ 336,637	\$ 3,699,976

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)****19. SEGMENTED INFORMATION (continued)**

As at November 30, 2020	Canada	United States	Total
Current assets	\$ 8,553,676	\$ 103,902	\$ 8,657,578
Property, plant, and equipment	31,036	108,976	140,012
Royalty interest	–	1	1
Exploration and evaluation properties	15,597,414	636,081	16,233,495
Reclamation bond	–	113,444	113,444
	\$ 24,182,126	\$ 962,405	\$ 25,144,531
Current liabilities	\$ 4,283,353	\$ 54,418	\$ 4,337,771
Long-term liabilities	1,254,942	–	1,254,942
	\$ 5,538,295	\$ 54,418	\$ 5,592,713

20. FINANCIAL INSTRUMENTS**(a) Classification of financial instruments**

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

November 30, 2021	Financial assets at fair value through profit of loss	Financial assets at amortized cost	Financial liabilities at amortized cost
Cash and cash equivalents	\$ –	\$ 1,074,656	\$ –
Restricted cash equivalents	–	40,000	–
Marketable securities	544,084	–	–
Reclamation bond	–	111,930	–
Accounts payable and accrued liabilities	–	–	1,672,634
Accrued penalties and Part XII.6 taxes	–	–	1,881,698
Mortgage payable	–	–	145,644

November 30, 2020	Financial assets at fair value through profit of loss	Financial assets at amortized cost	Financial liabilities at amortized cost
Cash and cash equivalents	\$ –	\$ 8,047,764	\$ –
Restricted cash equivalents	–	40,000	–
Marketable securities	115,261	–	–
Reclamation bond	–	113,444	–
Accounts payable and accrued liabilities	–	–	2,395,860
Accrued penalties and Part XII.6 taxes	–	–	1,791,911
Mortgage payable	–	–	287,397

(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.

20. FINANCIAL INSTRUMENTS (continued)

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 marketable securities – warrants, which is classified as level 3. The carrying value of the marketable securities - warrants is determined using the Black-Scholes option pricing model.

(c) Credit risk

The Company has no trade accounts. The exposure credit risk for cash and cash equivalents is considered immaterial. The Company maintains all of its cash and 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 November 30, 2021, the Company had cash and cash equivalents of \$1,107,656 (November 30, 2020 - \$8,047,764) to settle current liabilities of \$3,699,976 (November 30, 2020 - \$4,337,771).

(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 debentures have fixed interest rates and accrued penalties bear interest at the rate prescribed by CRA, which is revised quarterly. As at November 30, 2021, 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 November 30, 2021, the Company had net monetary liabilities denominated in United States funds of approximately \$113,000 (US\$95,700). Based upon the balance as at November 30, 2021, 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 \$21,600, and a reduction of 15% would result in an increase in the net loss and comprehensive loss of \$21,600. 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.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
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21. CAPITAL MANAGEMENT

The Company considers all of the components of shareholders' equity to be capital, the balance of which is \$20,597,571 (November 30, 2020 – \$19,551,818). 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.

22. COMMITMENTS AND CONTINGENT LIABILITIES**Flow-through obligations**

As a result of the amalgamation with Explor (Note 4), 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 calendar years ("2011-2013 FT") and 2016–2017 calendar years ("2016-2017 FT"), respectively. As a result, CRA and Revenue Quebec have assessed a combined associated penalties and taxes of approximately \$2,600,000, of which \$764,000 has been paid to CRA. As of November 30, 2021, the appeal filed with CRA with respect to 2011-2013 FT is in review, and the Company plans to file an objection with regards to the 2016-2017 FT within the prescribed time frame.

As of the November 30, 2021, the Company has fully spent the flow-through funds, originated from private placements completed in 2020, which are required to be spent by December 31, 2021.

First Nations Agreement

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

23. INCOME TAXES

In assessing the realization of the Company's deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on deferred taxable income generated during the carry-forward period.

(a) Income tax expense (recovery)Reconciliation of income tax expense (recovery)

	November 30, 2021	November 30, 2020
Current tax expense (recovery)		
Current period	\$ -	\$ -
Deferred tax expense (recovery)		
Origination & reversal of temporary differences	(456,807)	(580,513)
Change in unrecognized deductible temporary differences	456,807	580,513
Income tax expense (recovery)	\$ -	\$ -

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021****AND 2020****(Expressed in Canadian dollars)**

23. INCOME TAXES (continued)Income tax rate reconciliation

The actual income tax provision differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate tax rates to income before tax. These differences result from the following:

	November 30, 2021	November 30, 2020
Loss before tax	\$ (344,660)	\$ (7,078,117)
Statutory income tax rate	26.50%	26.50%
Expected income tax	(91,335)	(1,875,701)
Increase (decrease) resulting from:		
Non-taxable items	(375,488)	1,116,518
Unrecognized deductible temporary differences change	456,807	580,513
Tax rate differences	-	179,550
Other	10,016	(880)
Income tax expense (recovery)	\$ -	\$ -

(b) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in these consolidated financial statements in respect of the following items:

	November 30, 2021	November 30, 2020
Deductible temporary differences	\$ 28,581,556	\$ 36,821,231
Tax losses	42,213,082	40,384,394
	\$ 70,794,638	\$ 77,205,625

(c) Non-capital losses

As at November 30, 2021, the Company aggregate of \$42,051,398 (2020 - \$40,222,710) in Canadian and United States non-capital loss carry forwards. These losses expire between the years 2025 and 2041. In addition, the Company also has \$161,684 of Canadian capital loss carryforwards that carryforwards indefinitely. The Company has not recognized the deferred tax assets associated with these loss carryforwards balances.

24. SUBSEQUENT EVENTS

- (a) On December 2, 2021, the Company granted a total of 2,000,000 pre-consolidation stock options to a consultant of the Company at a price of \$0.06. The options vest over 24 months and expire on December 1, 2026.
- (b) On February 8, 2022, the Company acquired 91 mineral claims and 12 patent claims (the "Mineral Claims") contiguous to the Company's existing property position at its West Cache Gold project. Pursuant to the agreement, the Company issued 2,000,000 pre-consolidation Common Shares of the Company to obtain 100% interest in the Mineral Claims.
- (c) On February 24, 2022, the Company consolidated its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every ten pre-consolidation Common Shares.

GALLEON GOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED NOVEMBER 30, 2021
AND 2020****(Expressed in Canadian dollars)**

24. SUBSEQUENT EVENTS (continued)

- (d) On March 2, 2022, the Company entered into an agreement to acquire 100% interest of 129 mining claims contiguous to the Company's existing property position at its West Cache Gold project. Pursuant to the agreement, the Company will issue 250,000 post-consolidation Common Shares of the Company and grant a 2% NSR (the "Royalty"). The Company may, at any time, purchase 1% of the Royalty for \$1,000,000.