

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Galantas Gold Corporation (the "**Corporation**")
82 Richmond Street East, Suite 201
Toronto, Ontario M5C 1P1

Item 2 Date of Material Change

August 30, 2022

Item 3 News Release

A news release with respect to the material change referred to in this report was issued by the Corporation through Canada Newswire on August 30, 2022 and a copy was subsequently filed under the Corporation's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4 Summary of Material Change

On August 30, 2022, the Corporation closed a private placement, pursuant to which the Corporation sold an aggregate of (i) 14,826,674 units of the Corporation ("**Units**") at a price of C\$0.45 per Unit (the "**Offering Price**") on a "best efforts" brokered private placement basis (the "**Brokered Offering**") for gross proceeds of C\$6,672,003.30 and (ii) 506,667 Units at the Offering Price on a non-brokered private placement basis (together with the Brokered Offering, the "**Offering**") for gross proceeds of C\$228,000.15, for aggregate gross proceeds to the Corporation of approximately C\$6.9 million, including full exercise of the agents' option. Each Unit was comprised of one common share in the capital of the Corporation (each, a "**Common Share**") and one-half of one common share purchase warrant of the Corporation (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at a price of C\$0.55 per Warrant Share until February 28, 2025.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On August 30, 2022, the Corporation closed the Offering, pursuant to which the Corporation sold an aggregate of (i) 14,826,674 Units at the Offering Price on a "best efforts" brokered private placement basis for gross proceeds of C\$6,672,003.30 and (ii) 506,667 Units at the Offering Price on a non-brokered private placement basis for gross proceeds of C\$228,000.15, for aggregate gross proceeds to the Corporation of approximately C\$6.9 million, including full exercise of the agents' option. Each Unit was comprised of one Common Share and one-half of one Warrant. Each Warrant will entitle the holder thereof to purchase one Warrant Share at a price of C\$0.55 per Warrant Share until February 28, 2025.

Canaccord Genuity Corp., Cormark Securities Inc. and Research Capital Corporation acted as agents (the "**Agents**") in connection with the Brokered Offering pursuant to the terms of an agency agreement dated August 30, 2022. In consideration for their services in connection with the Brokered Offering, the Corporation paid the Agents a cash commission equal to C\$355,320, being 6% of the aggregate gross proceeds from the sale of Units under the Brokered Offering, and a reduced cash commission equal to 3% of the aggregate gross proceeds from the sale of Units under the Brokered Offering to certain purchasers identified by the Corporation's management to the Agents (the "**President's List**"). As additional consideration for their services in connection with the Brokered Offering, the Corporation issued the Agents 789,600 non-transferable broker warrants of the Corporation ("**Broker Warrants**"), being 6% of the aggregate number of Units issued pursuant to the Brokered Offering, and a reduced number of Broker Warrants equal to 3% of the number of Units issued pursuant to the Brokered Offering to certain purchasers on the President's List. Each Broker Warrant is exercisable to acquire one Common Share at an exercise price of C\$0.45 per share until August 30, 2024. In addition, the Corporation also paid the Agents a cash advisory fee equal to C\$13,680 and issued the Agents an additional 30,400 Broker Warrants.

The Corporation intends to use the net proceeds of the Offering for exploration and development at the Joshua Target as well as for working capital and general corporate purposes.

The Offering was made by way of private placement in each of the provinces of Canada pursuant to applicable exemptions from the prospectus requirements and in certain other jurisdictions, in each case in accordance with all applicable laws. The securities issued under the Offering are subject to a four month hold period under applicable Canadian securities laws which will expire on December 31, 2022. The Offering is subject to final acceptance of the TSX Venture Exchange.

Multilateral Instrument 61-101

Melquart Limited, an insider of the Corporation, Eric Sprott, an insider of the Corporation, and Mario Stifano, an officer and a director of the Corporation, subscribed for 2,666,667 Units, 1,333,334 Units and 55,556 Units, respectively, under the Offering on the same terms as arm's length investors. Participation in the Offering has not resulted in a material change in the percentage of securities of the Corporation beneficially owned or controlled by Melquart Limited, Mr. Sprott or Mr. Stifano.

The participation of Melquart Limited, Mr. Sprott and Mr. Stifano in the Offering constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Corporation is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering in reliance on sections 5.5(b) and 5.7(1)(a), respectively, of MI 61-101, as no securities of the Corporation are listed or quoted on the specified markets and neither the fair market value of the securities to be received by the related parties nor the fair market value of the consideration for the securities exceeds 25% of the Corporation's market capitalization as calculated in accordance with MI 61-101. The Corporation did not file a material change report more than 21 days before the expected closing date of the Offering as the

aforementioned insider participation had not been confirmed at that time and the Corporation wished to close the Offering as expeditiously as possible.

A special committee was not established in connection with the Offering. The Offering was approved by the board of directors of the Corporation pursuant to a resolution consented to in writing in accordance with the provisions of the *Business Corporations Act* (Ontario). No materially contrary view was expressed or made by any director who voted on the resolution.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

The following executive officer of the Corporation is knowledgeable about the material change and this report and may be contacted as follows:

Mario Stifano
Chief Executive Officer
Telephone: +44(0)28 8224 1100

Item 9 Date of Report

September 9, 2022