

GALANTAS GOLD CORPORATION
TSXV & AIM : Symbol GAL

GALANTAS REPORTS RESULTS FOR THE YEAR ENDED DECEMBER 31, 2016

April 28, 2017: Galantas Gold Corporation (the ‘Company’) is pleased to announce its audited annual financial results for the year ended December 31, 2016.

Financial Highlights

Highlights of the 2016 audited annual results, which are expressed in Canadian Dollars, are summarized below:

	Year Ended December 31	
<i>All in CDN\$</i>	2016	2015
Revenue	\$ 74,068	\$ 80,989
Cost of Sales	\$ (345,057)	\$ (356,836)
Loss before the items below	\$ (270,989)	\$ (275,847)
Amortization	\$ (168,736)	\$ (207,911)
General administrative expenses	\$ (1,199,023)	\$ (1,462,359)
Sundry income	\$ 0	\$ 18,689
Gain on disposal of property, plant and equipment	\$ 5,479	\$ 0
Unrealized gain on fair value of derivative financial liability	\$ 108,000	\$ 268,000
Foreign exchange loss	\$ (88,029)	\$ (133,649)
Net loss for the year	\$ (1,613,298)	\$ (1,793,077)
Working Capital Deficit	\$ (3,095,124)	\$ (3,606,059)
Cash (loss) generated from operations before changes in non-cash working capital	\$ (1,341,273)	\$ (1,527,331)
Cash at December 31, 2015	\$ 557,005	\$ 1,518,332

The Net Loss for the year ended December 31, 2016 amounted to CDN\$ 1,613,298 (2015: CDN\$ 1,793,077) and the cash outflow from operating activities before changes in non-cash working capital for the year ended December 31, 2016 amounted to CDN\$ 1,341,273 (2015: CDN\$ 1,527,331).

Sales revenues for the year ended December 31, 2016 consisted mainly of jewelry sales and amounted to CDN\$ 74,068 and (2015: CDN \$ 80,989). Following the suspension of production during the fourth quarter of 2013 there have not been any shipments of concentrates from the mine.

Cost of sales, which includes production costs and inventory movement, for the year ended December 31, 2016 amounted to CDN\$ 345,057 (2015: CDN\$ 356,836). Production costs were mainly in connection with ongoing care and maintenance costs at the Omagh mine site.

The Company had a cash balance of \$ 557,005 at December 31, 2016 compared to \$ 1,518,332 at December 31, 2015. The working capital deficit at December 31, 2016 amounted to \$ 3,095,125 compared to a working capital deficit of \$ 3,606,059 at December 31, 2015.

During the second quarter of 2016 the Company announced a private placement of shares and shares for debt exchange. Placing priority was given to existing shareholders, with 18,619,841 common shares issued, at a price of CDN\$ 0.07875 per common share for a total of CDN\$1,466,312. The majority of the placement was taken up by Mr. Ross Beaty, who acquired 12,825,397 common shares. As a consequence of the placing, Mr. Beaty had an interest in 28,825,397 of the Company’s issued common shares.

In addition to the private placement, Roland Phelps, President & CEO, Galantas Gold Corporation, entered into a shares for debt exchange on the same terms as the placement during the second quarter. Mr. Phelps exchanged CDN\$ 935,852

debt accruing to him for 11,883,835 common shares. Shareholder consent was received for the debt exchange by means of a written resolution, with a majority of disinterested shareholder votes consenting. Following the debt exchange, Mr. Phelps holds 33,356,750 common shares, representing 24.2% of the enlarged number of common shares currently in issue.

Subsequent to December 31, 2016 Galantas also completed a part brokered private placement in two parts for aggregate gross proceeds of \$ 2,446,299 (approximately UK£1,482,875) during the first quarter of 2017. The placement comprised of the issue of 33,093,258 common shares. United Kingdom placees subscribed for a total of 27,087,778 shares at a price of UK£0.045 per share. Canadian placees subscribed for a total of 6,005,480 shares at a price of \$0.0725 per shares. The net proceeds raised by the Placing are intended to be used for working capital purposes and to commence development of the underground mine on the Omagh property. Melquart Ltd, a UK based investment institution, subscribed for 22,222,222 Common Shares, which has resulted in a holding of 13% of the Company's issued common shares. In addition Mr. Ross Beaty subscribed for an additional 3,326,170 common shares in the placing. As a consequence of the placing, Mr. Beaty now has an interest in 32,151,567 common shares or 18.8% of the Company's issued common shares.

Production

Production at the Omagh mine remains suspended. However the granting of planning consent during the second quarter of 2015 for an underground operation at the Omagh site, now subject to a judicial review, will permit the continuation and expansion of gold mining. The underground mine will utilize the same processing methods and will be the first underground gold mine, of any scale, in Ireland. The strategy is to establish the underground mine as soon as finance is available and look for further expansion of gold reserves on the property, which has many undrilled targets.

Galantas announced In December that subject to suitable financing, it intends to commence the first phase of underground development and re-start concentrate shipments at its Omagh mine. The Company, under the planning consent which it can implement, has been carrying out pre-conditions attaching to the planning consent and is ready for the next phase of implementation. On the basis of legal advice received, the Board of Directors have decided to press ahead with immediate implementation of underground mining, to a plan as outlined in a NI 43-101 economic study (reported 4th September 2014). It is anticipated that a phased start-up of that plan will deliver early positive cash flow for a relatively modest capital expenditure. The phased arrangement, in terms of mine access dimensions, will allow for rapid expansion of production as additional capital becomes available. The mill has now been re-commissioned in anticipation of a restarting of concentrate shipments in the first half of 2017, subject to suitable financing. A budget of £ 2,000,000 (excluding lease finance) for the first phase of underground mining has been estimated. The Company is at an advanced stage of negotiation with a provider of lease finance, which will provide funding for additional mine equipment (see press release dated December 6, 2016). Subsequent to December 31, 2016 and following the closure of a part-brokered private placement for aggregate gross proceeds of \$ 2,446,299 (approximately UK£ 1,482,875) the Company announced that underground development has commenced on the Omagh gold property. The initial works are for the formation of a portal (initial tunnel entry area) in the western side wall at the base of the Kearney open pit. The portal works were completed in mid-April 2017, the underground development will continue in order to access ore beneath a crown pillar retained in the base of the open pit when arrangements have been put in place with the Police Service of Northern Ireland. Galantas subsequently reported that the underground development at the Omagh mine has been put on hold following the receipt of notification that the Police Service of Northern Ireland (PSNI) will not provide its required anti-terrorism cover in regard to blasting operations required for mine development. The Company has been told that, due to PSNI resource constraints and competing priorities, PSNI is currently only prepared to provide anti-terrorism cover for a maximum of a 2 hour period, 2 days per week which is insufficient to sustain the development or operation of the mine. The PSNI will also require a cost recovery agreement. The Company disagreed with the principle of cost recovery for anti-terrorism policing but advised the PSNI that the Company was prepared to enter into a costs recovery agreement, without prejudice to its legal remedies in that respect, for a 2 hour period, 5 days per week. Although PSNI provided the costs analysis for the 5 day and 2 hour period anti-terrorism cover, which was agreed without prejudice, the PSNI has refused to provide the cover, citing competing priorities. The Company has been given no alternative other than pursuing its legal options, which may include seeking substantial compensation for the cost of delays.

Exploration

An exploration programme carried out between 2011 and 2013 included the drilling of 17,348 metres of core and channel sampling on the Joshua, Kearney and Kerr vein systems. Assay results from both the drilling and channel sampling programmes were encouraging with significant gold intersections encountered. A new programme commenced in September 2015 to target the Joshua vein at depth. In total, 3,602 metres were drilled by March 2016. In early 2016 Galantas reported the assay results for three holes completed in 2015 (see press release dated January 26, 2016). Most notable was hole OML-DD-15-155 which intersected a wide zone (13 m true width) of the Joshua vein at a vertical depth of 117 m grading 9.9 g/t Au. This drilling programme also identified a new vein, Kestrel, running 70 m west of Joshua. An initial shallow (42.4 m) intersect returned 35.8 g/t Au over 0.7 m true width. A further drill hole targeted the Kestrel vein ~80 metres north and hit mineralisation at a vertical depth of 73 m (3.2 g/t Au over 1.2 m true width).

Vertical longitudinal sections were constructed in Micromine for the Joshua and Kearney veins. Each intersect was categorised according to its width and grade. This enabled an evaluation of the spatial variability of mineralisation across the site and has identified key areas that should be investigated during the next drill programme. A series of new targets has been drawn up in preparation for future drilling.

A re-mapping exercise was completed during the second quarter, focussing on a 2 km stretch of the Creeven Burn running directly south of the main veins. This section of the burn incorporates several known vein outcrops, the most recent exploration phase uncovered two new mineralised outcrops which were identified close to the 'Discovery' veins. Good evidence for both ductile and brittle deformation was recorded, particularly around Sharkey. Field observations and existing geophysical evidence confirm a dextral offset and support the theory that Sharkey and McCrossan veins are sheared extensions of the main Joshua vein. Structural measurements fed into the construction of a conceptual model, later tested through comparison with lithological and textural changes in logged drill core. The geological model is one of an imbricated thrust stack, the upward extension of which may have formed weak zones which were later re-activated by the Creeven Burn Shear. Results for final samples collected during the Creeven mapping project were received during Q3 (see press release dated August 9, 2016). Of particular note are grab samples on strike extensions to two of the 'Discovery' vein outcrops which register 38.3 g/t and 25.9 g/t gold; 90.9 g/t and 13.5 g/t silver, respectively.

Mapping of the existing open pit walls was completed during the second quarter. Lithological and structural information were recorded for areas which previously could not be accessed. A change in strike of the visible units is coincident with vein location, an important observation for future exploration.

The geology team completed Advanced Micromine training at the beginning of July; the Joshua vein has since been re-strung, encompassing the results of the latest drilling programme (completed in March 2016). Arsenic levels have also been modelled for Joshua for the purpose of ore processing planning. A similar re-modelling of the Kearney vein is currently in progress.

Following approval of exploration plans by Department for the Economy (Northern Ireland), two soil grids were completed in a central area of licence OM4 during September. A total of 102 soil samples were collected. This extends the original (2013) grid 1.2 km to the west and 400 m to the east, incorporating two major NE-SW trending faults within Southern Highland and Argyll group lithologies. Outcrop within this central region is poor, with exposures generally limited to small quartzite crags on hill sides. However, an outcropping quartz vein with visible sulphides was identified within a small portion of the western grid and samples were collected for analysis. The vein is trending NE-SW coinciding with regional scale faulting. Further fieldwork included stream sediment and heavy mineral concentrate sampling within both central and south-east areas of OM4. Geochemical results for all of the OM4 2016 samples were recently released. These show minor Ag anomalies (0.2, 0.3 and 0.8 g/t) in clustered soils within 200 m of the Derg Fault, the central soil also contains raised Pb (2210 g/t), Zn (192 g/t) and trace Au (0.03 g/t). The outcropping vein referred to above returned Ag 0.7 g/t, Cu 218 g/t, and a first order panned stream sediment collected ~600 m north contained 0.3 g/t Au. Raised Zinc is common throughout the gridded area with seven samples yielding >150 g/t and peaks of 637 g/t and 1030 g/t recorded for sites <100 m apart.

Part of licence area PL3039 in the Republic of Ireland was revisited during Q2. The results of earlier fieldwork had shown bedrock gold anomalies of 2.1 and 1.8 g/t, associated with significant silver. A recently excavated road cutting now reveals narrow mineralised quartz veins along 5 m strike. Samples of these were taken for analysis and the results were received in September. All nine outcrop samples contain detectable gold ranging from 0.1 g/t to 1.8 g/t; and silver: 0.1 g/t to 8.7 g/t. During the last quarter geologists examined an area of PL 3135 associated with strong magnetic and conductivity signals. Earlier work in the vicinity showed high Cr and Ni values associated with a possible ultramafic intrusion (see press release 5th November, 2015). New results for sediments and heavy mineral concentrates extracted

from nearby streams indicate low level Mo (0.2-3.1 g/t) and As (<238 g/t) with an important gold component (0.01 – 2.13 g/t). Gold in stream sediments was previously reported for samples in close proximity to a similar, but larger, ultramafic intrusion in bordering licence 4034. Follow up work planned for 2017 will focus on this area and the aforementioned site in PL3039.

Towards the end of the year near mine site targets were revisited and prioritised. West and east stretches of the Aghadulla Burn were examined due to structural setting similarities with the Kearney deposit. Outcrop samples contained only trace Ag, with veinlets yielding unusually raised levels of Li (117 g/t) and Sb (3.5 g/t). In addition, a thorough review of historic data associated with the Elkins target was completed and a plan for future diamond drill locations constructed.

The renewal of Republic exploration licences 1469, 3162 (Leitrim), and 2315, 3039, 3040 3235 in Co. Donegal were confirmed in November. New two year phases of the licences will continue until March 2018. Exploration reports covering activities within the first ten months of renewed options OM1 and OM4 were sent to the Crown Estate Commissioners in December and have been approved. Exploration options for OM1 and OM4 are in place until July 2021 and December 2020, respectively.

Permitting

In June 2015 the Company reported that the Minister of Environment, Northern Ireland had granted planning consent for an underground gold mine at the Omagh site. The planning consent will permit the continuation and expansion of gold mining and is expected to create hundreds of jobs locally. The positive decision is the result of 3 years of examination of environmental and other factors regarding the application. Included were environmental studies by NIEA (Northern Ireland Environment Agency) and independent specialists. The consent includes operating and environmental conditions, which the Company has reviewed. A number of conditions precedent to development are required to be satisfied and the Company is carrying those out.

During the first quarter of 2016 Galantas reported that a third party had obtained leave from Belfast High Court to bring a judicial review challenging the actions of the DOENI in granting planning permission for underground mining beneath the existing open pit. The judicial review hearing commenced in late September when the Company was notified of an extension for the time required for the hearing beyond the September listing dates. Galantas was subsequently advised that the continuation of the review hearing has been listed for the 6th, 7th and 8th of December. However the Company was later informed that the dates previously allocated in December were no longer available and the hearing was subsequently listed for February 13 – 15th 2017. Most of the Applicant's evidence was heard during the September listing dates. The judicial review hearing was subsequently completed in February and Galantas is presently awaiting judgement for which no date has been advised.

The detailed results and Management Discussion and Analysis (MD&A) are available on www.sedar.com and www.galantas.com and the highlights in this release should be read in conjunction with the detailed results and MD&A. The MD&A provides an analysis of comparisons with previous periods, trends affecting the business and risk factors.

Qualified Person

The financial components of this disclosure has been reviewed by Leo O' Shaughnessy (Chief Financial Officer) and the production, exploration and permitting components by Roland Phelps (President & CEO), qualified persons under the meaning of NI. 43-101. The information is based upon local production and financial data prepared under their supervision.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS: This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including revenues and cost estimates, for the Omagh Gold project. Forward-looking statements are based on estimates and assumptions made by Galantas in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Galantas believes are appropriate in the circumstances. Many factors could cause Galantas' actual results, the performance or achievements to differ materially from those expressed or implied by the forward looking statements or strategy, including: gold price volatility; discrepancies between actual and estimated production, actual and estimated metallurgical recoveries and throughputs; mining operational risk, geological uncertainties; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign involvement; speculative nature of gold exploration; dilution; competition; loss of or availability of key employees; additional funding requirements; uncertainties regarding planning

and other permitting issues; and defective title to mineral claims or property. These factors and others that could affect Galantas's forward-looking statements are discussed in greater detail in the section entitled "Risk Factors" in Galantas' Management Discussion & Analysis of the financial statements of Galantas and elsewhere in documents filed from time to time with the Canadian provincial securities regulators and other regulatory authorities. These factors should be considered carefully, and persons reviewing this press release should not place undue reliance on forward-looking statements. Galantas has no intention and undertakes no obligation to update or revise any forward-looking statements in this press release, except as required by law.

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Enquiries

Galantas Gold Corporation

Jack Gunter P.Eng – Chairman

Roland Phelps C.Eng – President & CEO

Email: info@galantas.com

Website: www.galantas.com

Telephone: +44 (0) 2882 241100

Grant Thornton UK LLP (Nomad)

Philip Secrett, Richard Tonthat

Telephone: +44(0)20 7383 5100

Whitman Howard Ltd (Broker & Corporate Adviser)

Ranald McGregor-Smith, Nick Lovering

Telephone: +44(0)20 7659 1234