

GALANTAS GOLD CORPORATION
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GALANTAS REPORTS RESULTS FOR THE QUARTER ENDED MARCH 31, 2017

May 26, 2017: Galantas Gold Corporation (the "Company") is pleased to announce its financial results for the Quarter ended March 31, 2017.

Financial Highlights

Highlights of the first quarter 2017 results, which are expressed in Canadian Dollars, are summarized below:

	Quarter Ended March 31	
<i>All in CDN\$</i>	2017	2016
Revenue	\$ 2,734	\$ 28,073
Cost of Sales	\$ (63,416)	\$ (121,531)
Loss before the items below	\$ (60,682)	\$ (93,458)
Amortization	\$ (40,055)	\$ (47,551)
General administrative expenses	\$ (502,116)	\$ (336,111)
Unrealized (loss) / gain on fair value of derivative financial liability	\$ (22,000)	\$ 79,000
Foreign exchange (loss) / gain	\$ (59,381)	\$ 24,775
Net (Loss) for the quarter	\$ (684,234)	\$ (373,345)
Working Capital (Deficit)	\$ (1,395,866)	\$ (4,012,704)
Cash (loss) generated from operations before changes in non-cash working capital	\$ (394,599)	\$ (373,142)
Cash at March 31, 2016	\$ 2,310,653	\$ 568,284

The Net Loss for the quarter ended March 31, 2017 amounted to CDN\$ 684,234 (2016: CDN\$ 373,345) and the cash outflow from operating activities before changes in non-cash working capital items for the quarter ended March 31, 2017 amounted to CDN\$ 394,599 (2016: CDN\$ 373,142).

Sales revenues for the quarter ended March 31, 2017 consisted of jewelry sales and amounted to CDN\$ 2,734 (2016: CDN \$ 28,073). 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 quarter ended March 31, 2017 amounted to CDN\$ 63,416 (2016: CDN\$ 121,531). Production costs were mainly in connection with ongoing care, maintenance and restoration costs at the Omagh mine site.

General administration expenses, which includes stock-based compensation costs of \$ 220,581 (2016: CDN\$ Nil) in connection with the granting of stock options during the quarter, amounted to CDN\$ 502,116 (2016: CDN\$ 336,111).

The Company had a cash balance of \$ 2,310,653 at March 31, 2017 compared to \$ 568,284 at March 31, 2016. The working capital deficit at March 31, 2017 amounted to \$ 1,395,866 compared to a working capital deficit of \$ 4,012,704 at March 31, 2016.

During the first quarter Galantas completed a part brokered private placement in two parts for aggregate gross proceeds of \$ 2,446,299 (approximately UK£1,482,875). The placement comprised of the issue of 33,093,258 common shares. UK 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 and 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, was subject to a judicial review hearing which commenced in September 2016 and was adjourned to February 2017. The hearing has taken place and the company awaits the outcome, for which no date has been set. 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 additional finance is available and look for further expansion of gold resources on the property, which has many undrilled targets.

Galantas announced in December 2016 that subject to suitable financing, it intended 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 decided to press ahead with immediate implementation of underground mining, to a plan as outlined in a NI 43-101 economic study. 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, 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. During the first quarter of 2017 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 were 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, though is subject to the ongoing arrangements with the Police Service of Northern Ireland ("PSNI").

The Company subsequently reported on May 15, 2017 that underground mine development operations were shortly expected to commence at the Omagh gold mine. This followed notification that the Police Service Of Northern Ireland (PSNI) had been able to increase availability of its required anti-terrorism cover in regard to blasting operations, sufficient for underground mine development to start. Whilst insufficient to sustain the development or operation of the Omagh Gold Mine on more than a short term basis, it will form the basis for the PSNI and the Company to review matters after a period of operation. The current project investment program is being cautiously re-opened pending a review of available PSNI cover after a period of operation (see press release dated May 15, 2017).

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. 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). Two 155 m deep water monitoring holes were drilled at the beginning of 2017, these were located according to planning specifications, not with the aim of mineral recovery. However, the PQ drill core provided insight to key lithological changes with depth, north and south of the site. This information was incorporated into the site mapping project instigated last summer.

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 2016. 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. Geochemical results for the OM4 2016 samples were finalised during the first quarter of 2017. 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). 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. Raised zinc was also reported historically by Amax for Lower Limestone localities to the east and south, close to Crawfordstown and Ederny. In these areas vein, disseminated and fault/joint associated accumulations of galena, sphalerite, fluorite and pyrite were recorded but deemed uneconomic at the time (Woodham, 1987). The raised Zn and Pb reported within this Magheranageerah grid are, however, associated with older Dalradian lithologies, lying approximately 8 km west of the closest historic finds. We are currently investigating the hypothesis that these Carboniferous mineral occurrences are re-worked from underlying Dalradian host rocks.

At the end of 2016 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. The centralisation of all our exploration data to a single GIS master project was completed during Q1. Follow up fieldwork in Republic of Ireland PL areas 3234, 4034 and 3135, is planned for the second quarter 2017.

A presentation summarizing the exploration potential within Galantas-held licence areas was given at the 2017 PDAC convention. An exploration report was submitted to the Department for the Economy (DfE) towards the end of the first quarter, this summarized all exploration activities carried out within the OM4 licence over a two year period beginning January 2015. The OM4 exploration licence, which expired in December 2016, awaits renewal by DfE. All relevant application paperwork was completed and submitted to the Department in August 2016. Galantas continues to hold a current option for the exploration of precious metals in OM4, as issued by the Crown Estate Commissioners.

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. The hearing was subsequently listed for February 2017. Most of the Applicant's evidence was heard during the September listing dates. The judicial review hearing was completed in February and Galantas is presently awaiting judgement for which no date has been advised.

Roland Phelps, President & CEO, Galantas Gold Corporation, commented, "Good progress has been made this quarter with the focus being on developing an underground mine at Omagh. I expect the rate of progress to accelerate as we go forward".

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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