

GALANTAS GOLD CORPORATION
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GALANTAS REPORTS RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

August 24th, 2017: Galantas Gold Corporation (the 'Company') is pleased to announce its financial results for the three and six months ended June 30, 2017.

Financial Highlights

Highlights of the 2017 second quarter's and first six month's results, which are expressed in Canadian Dollars, are summarized below:

<i>All figures denominated in Canadian Dollars (CDN\$)</i>	Second Quarter Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
	Revenue	\$ 16,607	\$ 1,648	\$ 19,341
Cost of Sales	\$ (111,605)	\$ (88,572)	\$ (175,021)	\$ (210,103)
Loss before the undernoted	\$ (94,998)	\$ (86,924)	\$ (155,680)	\$ (180,382)
Depreciation	\$ (50,887)	\$ (42,732)	\$ (90,942)	\$ (90,283)
General administrative expenses	\$ (497,235)	\$ (419,506)	\$ (999,351)	\$ (755,617)
Gain on sale of property, plant and equipment	\$ 0	\$ 5,479	\$ 0	\$ 5,479
Unrealized gain on fair value of derivative financial liability	\$ 28,000	\$ 1,000	\$ 6,000	\$ 80,000
Foreign exchange gain / (loss)	\$ 103,244	\$ (103,146)	\$ 43,863	\$ (78,371)
Net Loss for the period	\$ (511,876)	\$ (645,829)	\$ (1,196,110)	\$ (1,019,174)
Working Capital Deficit	\$ (2,328,303)	\$ (2,068,440)	\$ (2,328,303)	\$ (2,068,440)
Cash loss from operating activities before changes in non-cash working capital	\$ (404,783)	\$ (559,908)	\$ (799,382)	\$ (932,050)
Cash at June 30, 2017	\$ 1,681,739	\$ 1,312,989	\$ 1,681,739	\$ 1,312,989

The Net Loss for the three months ended June 30, 2017 amounted to CDN\$ 511,876 (2016:CDN\$ 645,829) and the cash loss from operating activities before changes in non-cash working capital for the second quarter of 2017 amounted to CDN\$ 404,783 (2016 Q2: CDN\$ 559,908). The Net Loss for the six months ended June 30, 2017 amounted to CDN \$ 1,196,110 (2016:CDN\$ 1,019,174) and the cash loss from operating activities before changes in non-cash working capital for the first six months of 2017 amounted to CDN\$ 799,382 (2016: CDN\$ 932,050).

Production and sales of concentrate await the mining of feed from underground.

Cost of sales, which includes production costs and inventory movement, for the second quarter and six months ended June 30, 2017 amounted to CDN\$ 111,605 and \$ 175,021 respectively (2016: CDN\$ 88,572 and \$ 210,103). Production costs were mainly in connection with ongoing care, maintenance and restoration costs at the Omagh mine site. Costs related to underground mine development were capitalized.

The Company had cash balances of \$ 1,681,739 at June 30, 2017 compared to \$ 1,312,989 at June 30, 2016. The working capital deficit at June 30, 2017 amounted to \$ 2,328,303 compared to a working capital deficit of \$ 2,068,440 at June 30, 2016.

Production

Planning consent was granted during the second quarter of 2015 for an underground operation at the Omagh site. That consent is subject to a judicial review, the judgement of which is awaited. The underground mine, which is now in active development, will utilize the same processing methods as the open pit mine and will be the first underground gold

mine, of any scale, in Ireland. The strategy is to expand the continuing development of 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.

The phased development arrangement, in terms of mine access dimensions, is expected to 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 has not entered into lease finance arrangements in regard to mining equipment as of yet, having secured used equipment suitable for current purposes at lower cost. 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 had commenced on the Omagh gold property.

Post period end, Galantas reported early in the third quarter of 2017 that a narrow stringer vein, an offshoot of the Kearney system had been intersected some 47 metres in from the tunnel portal. The vein was reported as a minimum of 0.5 metres true width. Subsequent results of grab samples have returned values of between 1.1- 11.0 g/t gold and 1.4 – 7.0 g/t silver. Structural analysis, supported by the data in the tunnel intersect, indicates that a second intersection with a potential continuation of the stringer vein is likely. Arrangements are being put in place to develop vein drivages to exploit the stringer vein. This is expected to provide feed to the processing plant in the fourth quarter whilst the tunnel development continues to progress towards accessing the principal target, which are the main Kearney veins. Arrangements with the Police Service Northern Ireland regarding blasting have been working efficiently and improved blasting arrangements have been formalised. The improved arrangements are expected to accelerate development progress and arrangements are being put in hand for the hiring of some additional personnel.

Two additional ground-water monitoring boreholes have been drilled and monitoring data collected. Water make within the tunnel is minimal and water monitoring at the site continues to demonstrate good compliance within the criteria set down by the regulatory authority.

Exploration

A new exploration 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).

Roland Phelps, President and CEO of Galantas Gold Corporation, commented, “I am very pleased with the progress made this quarter on developing the underground mine and I congratulate the Galantas team in Omagh on their excellent achievements. I note particularly that lost time accidents were zero and water monitoring results were compliant.”

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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