

TORONTO, ONTARIO--(Marketwired - Aug 27, 2015) - [Galantas Gold Corp.](#) (the 'Company') (TSX VENTURE:GAL)(AIM:GAL) is pleased to announce its unaudited financial results for the three and six months ended June 30, 2015.

## Financial Highlights

Highlights of the 2015 second quarter's and first six months 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	
	2015	2014	2015	2014
Revenue	\$ 13,774	\$ 0	\$ 14,897	\$ 0
Cost of Sales	\$ (114,656 )	\$ (99,446 )	\$ (184,653 )	\$ (176,680 )
Loss before the undernoted	\$ (100,882 )	\$ (99,446 )	\$ (169,756 )	\$ (176,680 )
Depreciation	\$ (49,881 )	\$ (62,171 )	\$ (102,174 )	\$ (127,603 )
General administrative expenses	\$ (624,852 )	\$ (347,528 )	\$ (886,384 )	\$ (619,703 )
Gain on sale of property, plant and equipment	\$ 0	\$ 19,312	\$ 0	\$ 19,860
Unrealized gain on fair value of derivative financial liability	\$ 95,000	\$ 210,000	\$ 103,000	\$ 210,000
Foreign exchange loss	\$ (28,142 )	\$ (16,770 )	\$ (67,542 )	\$ (104,000 )
Net Loss for the period	\$ (708,757 )	\$ (296,603 )	\$ (1,122,856 )	\$ (798,703 )
Working Capital Deficit	\$ (4,273,046 )	\$ (2,607,058 )	\$ (4,273,056 )	\$ (2,607,058 )
Cash loss from operating activities before changes in non-cash working capital	\$ (457,670 )	\$ (450,143 )	\$ (958,758 )	\$ (969,676 )
Cash at June 30, 2015	\$ 198,696	\$ 458,849	\$ 198,696	\$ 458,849

The Net Loss for the three months ended June 30, 2015, which includes stock-based compensation charge of \$ 338,000 in connection with the stock options granted during the second quarter which vested immediately amounted to CDN\$ 708,757 (2014 Q2: CDN\$ 296,603). The cash loss from operating activities before changes in non-cash working capital in the second quarter of 2015 amounted to CDN\$ 457,670 (2014 Q2: CDN\$ 450,143). The Net Loss for the six months ended June 30, 2015 amounted to CDN\$ 1,122,856 (2014:CDN\$ 798,703) and the cash loss from operating activities before changes in non-cash working capital for the first six months of 2015 amounted to CDN\$ 958,758 (2014: CDN\$ 969,676).

Sales revenues for the second quarter and six months ended June 30, 2015 consisted of jewelry sales and amounted to CDN\$ 13,774 and CDN\$ 14,897 respectively (2014: CDN \$ Nil and \$ Nil respectively). 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 second quarter and six months ended June 30, 2015 amounted to CDN\$ 114,656 and \$ 184,653 respectively (2014: CDN\$ 99,446 and \$ 176,680). Production costs were mainly in connection with ongoing care and maintenance costs at the Omagh mine site.

The Company had cash balances of \$ 198,696 at June 30, 2015 compared to \$ 458,849 at June 30, 2014. The working capital deficit at June 30, 2015 amounted to \$ 4,273,046 compared to a working capital deficit of \$ 2,607,058 at June 30, 2014.

During the first quarter of 2015 the Company completed a Private Placement for aggregate gross proceeds of approximately UK£ 316,677 through the issuing of 10,599,999 new shares at a price of UK£ 0.03/CDN\$0.05727 per common share. The proceeds were used for working capital purposes and to finance the Company's continued commitments in regard to its underground planning application, now granted.

Subsequent to June 30, 2015 Galantas completed a non-brokered private placement for aggregate gross proceeds of \$ 2,400,000 (approximately UK£ 1,189,000). The placement comprised of the issue of 20 million units, each unit comprising of one common share and one share purchase warrant. The price of each unit was \$ 0.12 (approximately UK£ 0.06). Each warrant entitles the holder to acquire a further common share of the Company at a price of \$ 0.16 per share for a period twelve months from the date the subscription was closed. A four month hold period from closing will apply. The majority of the placement was taken up by Mr. Ross Beaty who acquired 16,000,000 Units resulting in an interest before the exercise of warrants of 14.9% of Galantas issued and outstanding shares. The Company intends to use the net proceeds of the placement for exploration, initiating the development of the underground Omagh gold-mine and for working capital purposes.

## Production

Production at the Omagh mine remains suspended. However the granting of planning consent during the second quarter for an underground operation at the Omagh site 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 robust results of

the recent economic study, now with the positive planning determination, are expected to lead to the establishment of a sound business based on the Omagh gold property. The strategy is to establish the underground mine as soon as finance is available and look for further expansion of gold resources on the property, which has many un-drilled targets.

## Exploration

The Company has not carried out any exploration drilling in the vicinity of the mine site following the suspension of drilling during 2013 pending the availability of cash for future exploration. In total, 17,348 metres were drilled following the commencement of the programme in March 2011. Channel sampling was also carried out, during this period, on the Joshua, Kearney and Kerr vein systems. Assay results released to date from both the drilling and channel sampling programmes have been encouraging with significant gold intersections being identified. Additional funding is now available and the programme will continue and further drilling is planned.

The granting of a further two prospecting licences in the Republic of Ireland (ROI) during 2014 brought the total number of licences held in both Northern Ireland and the Republic of Ireland to eleven covering a total area to 766.5 square kilometres. Fieldwork, which commenced within the three more recently acquired ROI licences during the first quarter of 2015, continued into the second quarter with regional samples being collected, analysed and evaluated in all three licence areas. A total of thirty samples were collected, thirteen of which yielded notable results. Most interesting were sediments collected from first order and second order streams which drained an upland area situated close to a distinct magnetic anomaly. These showed gold grades of 1.6, 1.9 and 2.5 parts per million (ppm) (g/t) (see press release dated June 22, 2015).

## Permitting

In June 2015 the Company reported that the Minister of Environment, Northern Ireland, Mr. Mark H. Durkan, 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. Some conditions require clarification but appear workable with some modifications to operating and construction methodology. A number of conditions precedent to development are required to be satisfied and the Company is carrying those out.

Roland Phelps, President & CEO, [Galantas Gold Corp.](#), commented, "The receipt of the planning permit is very significant for Galantas. Our open pit gold mine, operated until recently, is the only one in Ireland. It had excellent environmental standards, monitored with detailed studies by NIEA and used a safe processing methodology to produce a smelter concentrate. We recently completed a substantial fund-raising which is being used to push our exploration and mine development plans 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.

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.

## Contact

[Galantas Gold Corp.](#)

Jack Gunter P.Eng  
Chairman  
+44 (0) 2882 241100

[Galantas Gold Corp.](#)

Roland Phelps C.Eng  
President & CEO  
+44 (0) 2882 241100  
info@galantas.com  
www.galantas.com

Grant Thornton UK LLP (Nomad)

Philip Secrett

Richard Tonthat

+44(0)20 7383 5100

Whitman Howard Ltd (Broker & Corporate Adviser)

Ranald McGregor-Smith

Nick Lovering

+44(0)20 7659 1234