

Galantas Reports Results for the Three and Nine Months Ended September 30, 2017

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TORONTO, ONTARIO--(Marketwired - Nov. 17, 2017) - [Galantas Gold Corp.](#) (the 'Company') (TSX VENTURE:GAL)(AIM:GAL) is pleased to announce its financial results for the three and nine months ended September 30, 2017.

Financial Highlights

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

All figures denominated in Canadian Dollars (CDN\$)

	Third Quarter Ended September 30		Nine Months September 30
	2017	2016	2017
Revenue	\$ 15,861	\$ (1,006)	\$ 35,302
Cost of Sales	\$ (38,915)	\$ (45,780)	\$ (213,936)
Loss before the undernoted	\$ (23,054)	\$ (46,786)	\$ (178,634)
Depreciation	\$ (52,415)	\$ (37,932)	\$ (143,359)
General administrative expenses	\$ (367,257)	\$ (174,816)	\$ (1,366,611)
Gain on sale of property, plant and equipment	\$ 0	\$ 0	\$ 0
Unrealized gain on fair value of derivative financial liability	\$ 6,000	\$ 1,000	\$ 12,000
Foreign exchange gain / (loss)	\$ (16,030)	\$ 1,320	\$ 27,833
Net Loss for the period	\$ (452,756)	\$ (257,214)	\$ (1,648,866)
Working Capital Deficit	\$ (3,266,538)	\$ (2,621,298)	\$ (3,266,538)
Cash loss from operating activities before changes in non-cash working capital	\$ (296,961)	\$ (156,571)	\$ (1,096,343)
Cash at September 30, 2017	\$ 735,325	\$ 728,962	\$ 735,325

The Net Loss for the three months ended September 30, 2017 amounted to CDN\$ 452,756 (2016 Q3:CDN\$ 257,214) and the cash loss from operating activities before changes in non-cash working capital for the third quarter of 2017 amounted to CDN\$ 296,961 (2016 Q3: CDN\$ 156,571). The Net Loss for the nine months ended September 30, 2017 amounted to CDN \$ 1,648,866 (2016:CDN\$ 1,276,388) and the cash loss from operating activities before changes in non-cash working capital for the first nine months of 2017 amounted to CDN\$ 1,096,343 (2016: CDN\$ 1,088,621).

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

Cost of sales, which includes production costs and inventory movement, for the third quarter and nine months ended September 30, 2017 amounted to CDN\$ 38,915 and \$ 213,936 respectively (2016: CDN\$ 45,780 and \$ 255,883). 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 \$ 735,325 at September 30, 2017 compared to \$ 728,962 at September 30, 2016. The working capital deficit at September 30, 2017 amounted to \$ 3,266,538 compared to a working capital deficit of \$ 2,621,298 at September 30, 2016.

Subsequent to September 30, 2017, the Company announced a proposed private placement of shares (November 15, 2017). The proposed placement is for a maximum of 20,000,000 shares, at an issue price of

CDN\$ 0.07 (UK£ 0.041) per share for maximum gross proceeds of CDN\$ 1,400,000 (UK£ 820,000). A four month hold period will apply to the shares and issuance will be subject to TSX Venture Exchange and regulatory approval. The net proceeds to be raised by the placing are intended to be used for working capital purposes and to continue development of an underground mine on the Omagh property. The placing is expected to be on a part brokered basis.

Permitting

During the third quarter Galantas reported a positive outcome to the judicial review into the planning consent for underground development at the Omagh mine with the third party's request for the quashing of the consent being denied. However, subsequent to September 30, 2017, Galantas reported that it had received notice of an application, by a third party, to the Court of Appeal, in relation to the positive judicial review judgment, given by Madam Justice McBride, regarding the grant of planning permission at the Omagh gold mine in July 2015.

Production/Mine Development

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. 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.

Underground development continued to progress during the third quarter with underground development now totaling over 119 metres (announced November 3, 2017). Galantas has a detailed plan to accelerate progress in line with the planning consent. The stringer vein intersected earlier in the third quarter (see press release dated April 24, 2017) has been accessed from the main decline tunnel. Mineralisation is approximately 0.5m wide and will be split-fired (a process where the vein is blasted separately to the surrounding country rock to minimise dilution). A narrow width loader has been acquired to operate short term on the splinter vein. After sampling, it is anticipated that a stockpile of suitable material will be made underground until there is sufficient to operate batch processing in the flotation plant whilst the tunnel development continues to progress towards accessing the principal target, which are the main Kearney veins.

The underground development is being carried out by an in-house crew which is fully trained in safety and operating procedures. An in-house, mines rescue team has also been trained and equipped. The present drilling and loading equipment, which was purchased for training and early tunnel development purposes, is performing above expectations but has lower productivity than is expected with current technology. New drilling equipment is being acquired on a rental basis with options to purchase, and is expected to improve advance rates by over 40%. Shotcreting equipment has been similarly acquired and is in operation. This is expected to cut costs and allow integration of shotcreting with the mining cycle. The rental purchase arrangements cover equipment to the value of approximately one million pounds sterling (£1,000,000). Included in the rental arrangements are various time-dependent options to purchase, for instance if the purchase option is exercised within one year with a rebate of 92% of rental amounts paid expected to be applied against the final purchase price. Additional personnel have been added to the workforce, which now totals 22 on the Omagh site. Safety and environmental matters remains a high priority for Galantas. The Company is pleased to continue to report zero lost time accidents since the start of underground operations and routine water monitoring continues to be compliant.

Roland Phelps, President and CEO of [Galantas Gold Corp.](#), commented, "I continue to be very pleased with the progress being made on developing the underground mine. I note particularly that lost time accidents were zero and water monitoring results continue to be 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; 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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