

Galantas Reports Results for the Year Ended December 31, 2018

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TORONTO, April 18, 2019 - [Galantas Gold Corp.](#) (the "Company") is pleased to announce its audited annual financial results for the year ended December 31, 2018. A copy of the Annual Report and Accounts will be sent to shareholders shortly and are available on the Company's website at <https://www.galantas.com/investors/financial-statements>.

Financial Highlights

Highlights of the 2018 audited annual results, which are expressed in Canadian Dollars, are summarized below:

<i>All in CDN\$</i>	Year Ended December 31	
	2018	2017
Revenue	\$ 71,243	\$ 35,308
Cost of Operations	\$ (185,058)	\$ (225,451)
Loss before the items below	\$ (113,815)	\$ (190,143)
Aggregates levy	\$ (352,168)	-
Depreciation	\$ (350,999)	\$ (203,431)
General administrative expenses	\$ (2,131,872)	\$ (1,714,264)
Unrealized gain on fair value of derivative financial liability	\$ 10,000	\$ 14,000
Foreign exchange gain	\$ 53,417	\$ 15,699
Net loss for the year	\$ (2,885,437)	\$ (2,078,139)
Working Capital (Deficit)	\$ (272,783)	\$ (3,492,608)
Cash loss generated from operations before changes in non-cash working capital	\$ (1,848,019)	\$ (1,357,221)
Cash at December 31, 2018	\$ 6,188,554	\$ 779,758

The Net Loss for the year ended December 31, 2018 amounted to \$ 2,885,437 (2017: \$ 2,078,139) and the cash outflow from operating activities before changes in non-cash working capital for the year ended December 31, 2018 amounted to \$ 1,848,019 (2017: \$ 1,357,221).

The Company had a cash balance of \$ 6,188,554 at December 31, 2018 compared to \$ 779,758 at December 31, 2017. The working capital deficit at December 31, 2018 amounted to \$ 272,783 compared to a working capital deficit of \$ 3,492,608 at December 31, 2017.

Galantas completed two private placements during 2018. During the third quarter Galantas completed a private placement of shares on a part-brokered basis for aggregate gross proceeds of \$ 1,571,771 (approximately UK£ 929,780). The placement comprised of the issue of 22,137,619 common shares of no par value. United Kingdom placees subscribed for a total of 17,416,667 shares at a price of UK£ 0.042 per share. Canadian placees subscribed for a total of 5,720,952 shares at a price of \$ 0.071 per share. In the fourth quarter Galantas completed an additional private placement of shares on a part-brokered basis in two parts for aggregate gross proceeds of \$ 6,900,000 (approximately UK£ 4,000,000). The placement comprised of the issue of 80,000,000 common shares of no par value. United Kingdom placees subscribed for a total of 75,200,000 shares at a price of UK£ 0.05 per share. Canadian placees subscribed for a total of 4,800,000 shares at a price of \$ 0.08625 per share. The net proceeds raised from both placements are for both working capital purposes and the continued underground development at the Omagh gold mine. In addition under a shares for debt arrangement, Mr. Roland Phelps, President & CEO of [Galantas Gold Corp.](#), following TSXV and shareholder approvals exchanged 10,000,000 common shares for debt owed to him for past management fees, in the amount of £500,000 (CAD \$862,500) at £0.05 (CAD \$0.08625) per share. Additional loan advances from G&F Phelps Ltd, a related party, during 2018 totaled \$ 883,128 (UK£ 506,410).

During the second quarter Galantas announced that its operating subsidiary, Flintridge Resources Ltd. had signed a concentrate sales agreement together with a loan facility agreement for US\$ 1.6 million (CDN\$ 2.012 million) with Ocean Partners UK Ltd. a United Kingdom based company, together with an increased, on-demand loan facility of UK£ 600,000 with G&F Phelps Ltd. The loans are to be used for further development of the Omagh Mine and working capital. As consideration for the US\$ 1.6 million loan facility Ocean Partners received 15,000,000 bonus warrants of Galantas which will be exercisable into one common share of Galantas at an exercise price of \$ 0.1575 per bonus warrant. The bonus warrants have a maximum life of two years and the bonus shares will be subject to an initial four month plus one day hold period from the date of issuance of the bonus warrants. No bonus warrants were issued in respect of the G&F Phelps loan facility.

Permitting

During the fourth quarter of 2018, the Company announced that the Court of Appeal has delivered a positive judgement in regard to an appeal against the Company's planning consent. The Court has determined that the appeal has failed and thus the planning consent is confirmed.

Production/Mine Development

The Omagh gold mine commenced limited production of gold concentrate during the third quarter of 2018 from feed produced in the development of the Kearney vein. During the fourth quarter Galantas reported that delivery had been made of the first consignment of concentrate derived from underground feedstock at the mine.

The granting of planning consent in 2015 for an underground operation at the Omagh site permits the continuation and expansion of gold mining. The strategy is to establish the underground mine 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 will allow for rapid expansion of production as additional capital becomes available. The main underground decline has been driven at a size to accommodate 30 tonne mine trucks, which would be required to service a larger production rate and minimise haulage costs.

Underground development of a decline tunnel, located at the base of the existing open pit, commenced in the first quarter 2017. After over-coming initial difficulties, tunnelling continued throughout the remainder of 2017 and 2018. A detailed plan is being implemented to accelerate progress in line with the planning consent. The main decline tunnel descends at a slope of 1 in 7, from near the base of the former Kearney open pit. A horizontal west to east access tunnel driven from the decline tunnel intersected the north / south Kearney vein in mid 2018 at approximately a right angle and exposed the vein to be approximately 2.8 metres wide at that point. A horizontal development tunnel was driven on vein, at this level, in both directions during the third quarter, beneath a safety (Crown) pillar which resulted in limited feed to the mill during the third quarter. While the decline continued to be progressed during the fourth quarter the main focus was on the construction and completion of a second means of egress / escapeway. The decline continues to be progressed with further cross-cuts planned to access to lower levels of vein development which will form the development necessary to demarcate production panels. The increased number of development headings is expected to provide an enhanced supply of mill feed. As of March 26, 2019 the company reported that operations have commenced on the third level (1072 level) of the mine.

The underground development, using drill and blast techniques, is being carried out by an in-house crew which is trained in safety and operating procedures. An in-house, mines rescue team has also been trained and equipped.

New drilling equipment has been acquired on a rental basis, with options to purchase, and has led to a marked improvement in advance rates. In addition, a new 3.6t capacity load-haul-dump unit has been acquired on a rental purchase basis which will improve productivity in loading operations from the smaller cross-section vein drives. It is equipped with radio remote control which enhances safety in stope mucking operations. Further equipment purchases are under negotiation.

Environmental monitoring by the regulatory authorities continues to demonstrate compliance with the standards imposed. Safety is a high priority and the zero lost time accident rate, since the start of

underground operations, continues.

The mine processing plant commenced operating on limited feed from the development of in-vein drivages of the Kearney gold vein. The processing plant, which was used formerly for open-pit operations, has recently had the benefit of a recent upgrade to some sections and further upgrades are planned. Recent analyses suggest that the product from the plant meets quality criteria and operates at a high efficiency. The plant is expected to operate part-time until the supply of mill feed increases.

Post year-end (26th March 2019), the company announced that it expected to add a second milling shift late in the second quarter of 2019 and additional shift in the third quarter to process anticipated increases in the supply of mill feed.

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 and AIM Rules. 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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