

Galleon Gold Closes on Second Tranche, Completes \$4.5 Million Private Placement and Closes Settlement of Debentures

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Toronto, June 12, 2020 - [Galleon Gold Corp.](#) (TSXV: GGO) (the "Company") is pleased to announce that it has closed a second (the "Second Tranche Offering") and final tranche of its previously announced non-brokered private placement for aggregate gross proceeds of C\$1,328,060 of (i) 5,600,000 units of the Company (the "Units") at a price of C\$0.05 per Unit and (ii) 19,055,636 flow-through units (the "FT Units") at a price of C\$0.055 per FT Unit. Aggregate gross proceeds from the first tranche (the "First Tranche" and together with the Second Tranche Offering, the "Offering"), which closed on May 25, 2020, and the Second Tranche Offering are C\$4,524,500 from the issuance of 47,499,913 FT Units and 38,240,100 Units.

Each Unit issued pursuant to the Offering consists of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to acquire an additional common share at a price of C\$0.075 for a period of 24 months following the date of issuance.

Each FT Unit consists of one common share in the capital of the Company which qualifies as a "flow-through share" as defined in subsection 66(15) of the Income Tax Act (Canada) (the "FT Units Shares") and one-half of one common share purchase warrant (each whole warrant, a "FT Unit Warrant"). Each FT Unit Warrant shall entitle the holder to acquire an additional common share at a price of C\$0.075 for a period of 24 months following the date of issuance.

Red Cloud Securities Inc. was acting as finder in connection with the Offering and received a cash commission equal to 6% of the subscribed amount on certain orders under the Offering. In addition, the Company issued to the finder non-transferable finder's warrants, (each, a "Finders Warrant") equal to 7% of the Units and FT Units sold on certain orders under the Offering. Each Finder's Warrant is exercisable to purchase one common share at a price of \$0.05 for a period of 24 months from the issue date.

The net proceeds from the sale of the Units will be used for exploration and general working capital purposes. The proceeds from the sale of FT Units will be used to incur "Canadian exploration expenses" and will qualify as "flow-through mining expenditures" (the "Qualifying Expenditures"), as defined in subsection 127(9) of the Income Tax Act (Canada). The Company intends to renounce the Qualifying Expenditures to subscribers of FT Units for the fiscal year ended December 31, 2020.

Certain insiders, directors and officers of the Company subscribed for an aggregate of 5,200,000 Units and 46,545 FT Units under the Second Tranche Offering and for an aggregate 8,840,000 Units and 510,195 FT Units under the Offering, on the same terms as arm's length investors. The participation of the insiders, directors and officers in the Offering constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is exempt from the requirements to obtain a formal evaluation or minority shareholder approval in connection with the insider participation in reliance on sections 5.5 (a) and 5.7 (1) (a) of MI 61-101, as neither the fair market value of the securities issued, nor the fair market value of the consideration for the securities issued exceeds 25% of the Company's market capitalization as calculated in accordance with MI 61-101. The Company did not file a material change report containing all of the disclosure required by MI-61-101 more than 21 days before the expected closing date of the Offering as the aforementioned insider participation had not been confirmed at that time and the Company wished to close the Offering as expeditiously as possible.

All the securities issued under the Second Tranche Offering will be subject to a hold period expiring four months and one day which will expire October 12, 2020. The Offering is subject to the final acceptance of the TSX Venture Exchange.

This news release does not constitute an offer of securities for sale in the United States. The securities offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

Settlement of Debentures

The Company announces it has completed the debt settlement for the early retirement of the outstanding C\$945,212 8% convertible debentures due July 3, 2020 and the C\$1,300,000 8% convertible debentures due November 28, 2020 (the "Agreement").

Under the terms of the Agreement, the Company settled the outstanding principal and accrued interest plus interest payable to maturity (the "Outstanding Indebtedness") through the delivery of units of the Company (the "Debt Settlement Units"), with each Debt Settlement Unit being comprised of one common share of the Company and three-quarters (3/4) of one common share purchase warrant (each whole warrant, a "Settlement Warrant"). Each Settlement Warrant is exercisable at a price of C\$0.075 per common share until the date that is 30 months from the closing date.

The aggregate total of Outstanding Indebtedness of C\$2,555,453 was settled by the issuance of 42,590,886 Units at a deemed price of C\$0.06 per Unit. In connection with the settlement, the Company paid a work fee (the "Work Fee") of C\$60,000, that was settled through the issuance of 1,000,000 common shares at a deemed price of C\$0.06 per share.

All the securities issued under the Agreement are subject to a four-month and one day hold period ending October 13, 2020.

About Galleon Gold

Galleon Gold is a North American exploration and development company. Eric Sprott is the Company's partner on the Neal Gold Project in Idaho. The Company's flagship project, the West Cache Gold Project, is located 13 km from Timmins Ontario and is on trend with other major mines in the area.

FOR FURTHER INFORMATION:

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Forward Looking Statements

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, expectations, plans, and objectives of Galleon Gold are forward-looking statements that involve various risks. The following are important factors that could cause Galleon Gold's actual results to differ materially from those expressed or implied by such forward-looking statements: changes in the world-wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining.

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

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