

Galantas Announces Proposed Private Placement and Increase to Loan Facility

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TORONTO, June 26, 2020 - [Galantas Gold Corp.](#) (the "Company" or "Galantas") (TSXV & AIM : Symbol GAL), the AIM and TSX Venture Exchange (TSXV’s) quoted gold mine developer and explorer with a 100% interest in Northern Ireland's Omagh gold mine, announces a proposed private placement of common shares (the "Private Placement") and amendments to the terms of its loan facility with Ocean Partners UK Ltd. (the "Ocean Loan"). The net proceeds to be raised by the Private Placement are intended to be used to support mine operations and provide general working capital for the Company.

The Private Placement is expected to include funds raised in both UK and Canadian currency and is for a maximum of 2,636,355 shares, at an issue price of CAD\$0.225 (UK?0.1328) per share for maximum gross proceeds of CAD\$593,180 (UK?350,000). Provisional indications have been received for CAD\$457,469 (UK?270,000). A four month plus one day hold period will apply to the shares and the shares will rank pari passu with the existing shares in issue of the Company. The Private Placement will be brokered and insiders of the Company are expected to participate in the Private Placement.

A further announcement will be made in due course detailing the results of the Private Placement, which is subject to TSXV and regulatory approval. Galantas has also agreed on terms, subject to final documentation, of an increase in the outstanding Ocean Loan with Ocean Partners UK Ltd. (the "Ocean Loan"). The amount of the Ocean Loan will increase by USD\$200,000 to a total of USD\$1.8 million. The interest rate applicable on the Ocean Loan will be increased from USD 12 month LIBOR + 8.75% to USD 12 month LIBOR + 9.9% and the maturity date will be extended from 30 December 2020 to 31 December 2021. Interest may be rolled into the Ocean Loan until 31 December 2020, at the Company's option. The existing second charge debenture over mine assets will remain in place. Galantas entered into the Ocean Loan through a concentrate pre-payment agreement/ loan agreement signed by its subsidiary Flintridge Resources Ltd. and Ocean on April 11, 2018.

As consideration for amending the terms of the Ocean Loan, Ocean will receive, upon closing of the Ocean Loan agreements, 1,700,000 bonus warrants of Galantas (the "Bonus Warrants") subject to the rules of TSXV Policy 5.1 "Loans, Loan Bonuses, Finder's Fees and Commissions". Each Bonus Warrant will be exercisable for one common share of Galantas (a "Bonus Share") at an exercise price of CDN\$0.33 per Bonus Share, being 110% of the TSXV closing price the day before this announcement. The Bonus Warrants will expire on 31 December 2021 (the "Expiry Time") and the Bonus Shares will be subject to an initial four month plus one day hold period from the date of their issuance. In the event that the weighted average closing price per common share of the Company is more than CDN\$0.4125 per share for more than five consecutive trading days, the Company shall be entitled to accelerate the Expiry Time to a date that is 30 days from the date on which the Company announces the accelerated Expiry Time by press release. The Bonus Warrants are subject to TSXV and regulatory approval.

Following the completion of the Private Placement and the Ocean Loan, G&F Phelps Ltd. (the "G&F Phelps") will enter into an arrangement in respect of its loans with the Company (and its subsidiaries) (the "G&F Phelps Loans") which will provide that G&F Phelps will not call for repayment of the G&F Phelps Loans (which are repayable on demand), until 30 June 2021 at the earliest, unless certain events occur including *inter alia* a sale or insolvency of the Company (or its subsidiaries), a material liquidity event, change of control or breach of the terms of the G&F Phelps Loans. G&F Phelps is a company owned by Roland Phelps, President & CEO of Galantas.

The gold mine at Omagh continues to deliver limited production of gold concentrate, from the processing of low grade stock. The processing plant uses a non-toxic flotation process to produce concentrates, without the use of cyanide or mercury. It satisfies strict environmental monitoring criteria set by the Northern Ireland regulatory authorities.

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

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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