

TORONTO, ONTARIO--(Marketwired - Nov 23, 2016) - [Galantas Gold Corp.](#) (TSX VENTURE:GAL)(AIM:GAL) (the 'Company') is pleased to announce its unaudited financial results for the three and nine months ended September 30, 2016.

Financial Highlights

Highlights of the 2016 third quarter's and first nine months results, which are expressed in Canadian Dollars, are summarized below:

All figures denominated in Canadian Dollars (CDN\$)

	Third Quarter Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
Revenue	\$ (1,006)	\$ 37,262	\$ 28,715	\$ 52,159
Cost of Sales	\$ (45,780)	\$ (101,871)	\$ (255,883)	\$ (286,524)
Loss before the undernoted	\$ (46,786)	\$ (64,609)	\$ (227,168)	\$ (234,365)
Depreciation	\$ (37,932)	\$ (54,166)	\$ (128,215)	\$ (156,393)
General administrative expenses	\$ (174,816)	\$ (291,525)	\$ (930,433)	\$ (1,177,000)
Gain on sale of property, plant and equipment	\$ 0	\$ 0	\$ 5,479	\$ 0
Unrealized gain on fair value of derivative financial liability	\$ 1,000	\$ 70,000	\$ 81,000	\$ 173,000
Foreign exchange gain / (loss)	\$ 1,320	\$ (69,580)	\$ (77,051)	\$ (137,000)
Net Loss for the period	\$ (257,214)	\$ (409,880)	\$ (1,276,388)	\$ (1,532,736)
Working Capital Deficit	\$ (2,621,298)	\$ (2,543,114)	\$ (2,621,298)	\$ (2,543,114)
Cash loss from operating activities before changes in non-cash working capital	\$ (159,472)	\$ (726,635)	\$ (497,295)	\$ (1,686,393)
Cash at September 30, 2016	\$ 728,962	\$ 2,065,442	\$ 728,962	\$ 2,065,442

The Net Loss for the three months ended September 30, 2016 amounted to CDN\$ 257,214 (2015:CDN\$ 409,880) and the cash loss from operating activities before changes in non-cash working capital for the third quarter of 2016 amounted to CDN\$ 159,472 (2015 Q3: CDN\$ 726,635). The Net Loss for the nine months ended September 30, 2016 amounted to CDN\$ 1,276,388 (2015:CDN\$ 1,532,736) and the cash loss from operating activities before changes in non-cash working capital for the first nine months of 2016 amounted to CDN\$ 497,295 (2015: CDN\$ 1,686,393).

Sales revenues for the third quarter and nine months ended September 30, 2016 consisted of jewellery sales and amounted to CDN\$ (1,006) credit and CDN\$ 28,715 respectively (2015: CDN\$ 37,262 and CDN\$ 52,159 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 third quarter and nine months ended September, 2016 amounted to CDN\$ 45,780 and CDN\$ 255,883 respectively (2015: CDN\$ 101,871 and CDN\$ 286,524). Production costs were mainly in connection with ongoing care, maintenance and restoration costs at the Omagh mine site.

The Company had cash balances of CDN\$ 728,962 at September 30, 2016 compared to CDN\$ 2,065,442 at September 30, 2015. The working capital deficit at September 30, 2016 amounted to CDN\$ 2,621,298 compared to a working capital deficit of CDN\$ 2,543,114 at September 30, 2015.

During the second quarter the Company announced a private placement of shares and shares for debt exchange. Placing priority was given to existing shareholders, with 18,619,841 common shares issued, at a price of CDN\$ 0.07875 per common share for a total of CDN\$1,466,312. The majority of the placement was taken up by Mr. Ross Beaty, who acquired 12,825,397 common shares. As a consequence of the placing, Mr. Beaty has an interest in 28,825,397 Common Shares or 20.9% of the Company's issued common shares.

In addition to the private placement, Roland Phelps, President & CEO, [Galantas Gold Corp.](#), entered into a shares for debt exchange on the same terms as the placement during the second quarter. Mr. Phelps exchanged CDN\$ 935,852 debt accruing to him for 11,883,835 common shares. Shareholder consent was received for the debt exchange by means of a written resolution, with a majority of disinterested shareholder votes consenting. Following the debt exchange, Mr. Phelps holds 33,356,750 common shares, representing 24.2% of the enlarged number of common shares in issue.

Permitting

In June 2015 the Company reported that the Minister of Environment, Northern Ireland 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 the Northern Ireland Environment Agency and

independent specialists. The consent includes operating and environmental conditions, which the Company has reviewed. A number of conditions precedent to development are required to be satisfied and the Company is carrying those out.

During the first quarter of 2016 Galantas confirmed that a third party had obtained leave from Belfast High Court to bring a judicial review challenging the actions of the Department of Environment Northern Ireland in granting planning permission for underground mining beneath the existing open pit. The judicial review hearing commenced in late September 2016, and the Company was notified of a likely extension for the time required for the hearing beyond the current September 27th-29th listing dates. Galantas were subsequently advised that the continuation of the review hearing had been listed for the 6th- 8th of December 2016. Most of the Applicant's evidence was heard on the September 27th-29th listing dates. It is anticipated that the planning authorities, who, as respondent are defending the judicial review, will have their defence heard at next listing. Pre-hearing materials have been filed with the court and the Company stands ready to defend its planning permission, alongside the planning authorities.

The Company has since been informed that the dates previously allocated in December 2016 are now no longer available and the Company awaits further information. Meanwhile, the Company, which holds a valid planning consent, is continuing preparation activities on the site.

Production

Production at the Omagh mine remains suspended. However the granting of planning consent during the second quarter of 2015 for an underground operation at the Omagh site, now subject to a judicial review hearing which commenced in September 2016 and was adjourned to December, will permit the continuation and expansion of gold mining. The underground mine will utilize the same processing methods. 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 undrilled targets.

Exploration

The drilling program, which commenced in September 2015 to target the Joshua vein at depth. In total, 3,602 metres were drilled by March 2016. In early 2016 Galantas reported the assay results for three holes completed in 2015 (see press release dated January 26, 2016). Most notable was hole OML-DD-15-155 which intersected a wide zone (13 m true width) of the Joshua vein at a vertical depth of 117 m grading 9.9 g/t Au. This drilling program also identified a new vein, Kestrel, running 70 m west of Joshua. An initial shallow (42.4 m) intersect returned 35.8 g/t Au over 0.7 m true width. A further drill hole targeted the Kestrel vein ~80 metres north and hit mineralisation at a vertical depth of 73 m (3.2 g/t Au over 1.2 m true width).

Vertical longitudinal sections were constructed in Micromine for the Joshua and Kearney veins. Each intersect was categorised according to its width and grade. This enabled an evaluation of the spatial variability of mineralisation across the site and has identified key areas that should be investigated during the next drill programme. A series of new targets has been drawn up in preparation for future drilling.

A re-mapping exercise was completed during the second quarter, focussing on a 2 km stretch of the Creeven Burn running directly south of the main veins. This section of the burn incorporates several known vein outcrops, the most recent exploration phase uncovered two new mineralised outcrops which were identified close to the 'Discovery' veins. Good evidence for both ductile and brittle deformation was recorded, particularly around Sharkey. Field observations and existing geophysical evidence confirm a dextral offset and support the theory that Sharkey and McCrossan veins are sheared extensions of the main Joshua vein. Structural measurements fed into the construction of a conceptual model, later tested through comparison with lithological and textural changes in logged drill core. The geological model is one of an imbricated thrust stack, the upward extension of which may have formed weak zones which were later re-activated by the Creeven Burn Shear. Results for final samples collected during the Creeven mapping project were received during Q3 (August 9th 2016). Of particular note are grab samples on strike extensions to two of the 'Discovery' vein outcrops which register 38.3 g/t and 25.9 g/t gold; 90.9 g/t and 13.5 g/t silver, respectively.

Following approval of exploration plans by Department for the Economy (Northern Ireland), two soil grids were completed in a central area of licence OM4 during September. A total of 102 soil samples were collected. This extends the original (2013) grid 1.2 km to the west and 400 m to the east, incorporating two major NE-SW trending faults within Southern Highland and Argyll group lithologies. Outcrop within this central region is poor, with exposures generally limited to small quartzite crags on hill sides. However, an outcropping quartz vein with visible sulphides was identified within a small portion of the western grid and samples were collected for analysis. The vein is trending NE-SW coinciding with regional scale faulting. Further fieldwork included stream sediment and heavy mineral concentrate sampling within both central and south-east areas of OM4. Geochemical results for this program of work are not yet available.

Part of licence area PL3039 in the Republic of Ireland was revisited during Q2. The results of earlier fieldwork had shown bedrock gold anomalies of 2.1 and 1.8 g/t, associated with significant silver. A recently excavated road cutting now reveals narrow mineralised quartz veins along 5 m strike. Samples of these were taken for analysis and the results were received in September. All nine outcrop samples contain detectable gold ranging from 0.1 g/t to 1.8 g/t; and silver: 0.1 g/t to 8.7 g/t.

Provisional plans for a high resolution magnetic and IP survey over the Pigeon Top target have been drawn up. The 1km² target zone is centred on significant pionjar (deep soil) anomalies which correspond with structural breaks shown in regional geophysical

data.

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.

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