



## **GALANTAS GOLD ACQUIRES EXPLORATION RIGHTS TO HIGH-POTENTIAL DISTRICT FEATURING A GOLD-BEARING VOLCANOGENIC MASSIVE SULPHIDE DEPOSIT IN SCOTLAND**

January 27, 2023, TORONTO, CANADA - Galantas Gold Corporation (TSX-V & AIM: GAL; OTCQX: GALKF) ("Galantas" or the "Company") is pleased to announce that it has entered into an agreement (the "Lease Agreement" or the "Agreement") to acquire a 100% interest and the exclusive rights to explore and develop the Gairloch Project, a 217 km<sup>2</sup> mineral licence area in Scotland that covers the Gairloch Schist Belt from the owners of the Gairloch Estate lands (the "Lessor"). The Company has acquired exploration and developments rights for an initial payment of £347,000 and annual payments of £69,000 beginning in year 6 (see the Lease Agreement Terms).

### **Historical Exploration Highlights\*:**

- Drill hole GBH39 intersect of 11.29 grams per tonne (g/t) gold (Au), 2.44 g/t silver (Ag), 0.58% copper (Cu) and 0.19% zinc (Zn) over 16 metres (80 to 96 metres downhole).
- Drill hole GBH30 intersect of 3.16 g/t Au, 3.39 g/t Ag, 0.90% Cu and 0.51% Zn over 18 metres (32.82 to 50.82 metres downhole).
- Drill hole GBH68 intersect of 1.5 g/t Au, 16.5 g/t Ag, 5.92% Cu and 0.54% Zn over 6 metres (261.88 to 267.88 metres downhole).
- District-scale potential with an outcrop tested by the British Geological Survey (BGS) 10 km from historical drilling returning 4 g/t Au, 1.5% Cu and 2.3% Zn.
- Elevated levels of cobalt identified in stream sampling and in outcrop up to 410 g/t.

\*True widths not known. Historical drill hole data obtained from logs written by Consolidated Gold Fields Limited in 1979 and 1980, scanned copies supplied by the British Geological Survey.

Mario Stifano, CEO of Galantas, commented: "We are excited about this opportunity to secure rights to a highly prospective, 10 km-long gold bearing volcanogenic-massive-sulphide trend that has had very little exploration since the early 1980s, with high-priority targets identified.

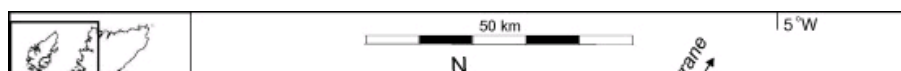
"We have seen high-grade gold intercepts at shallow depths in Gairloch's historical drilling records which were obtained from the British Geological Survey, and are keen to follow up with our own targeting and drill program with the aim of unlocking the first substantial volcanogenic massive sulphide (VMS) deposit in Scotland. The host rocks at Gairloch appear to be geologically similar to those in the Trans-Hudson Orogen in Manitoba and Saskatchewan which contain the prolific Flin-Flon and Snow Lake VMS mining camps. Along with our high-grade gold Omagh Project in Northern Ireland, Galantas has secured two emerging underexplored districts with potential to add significant shareholder value."

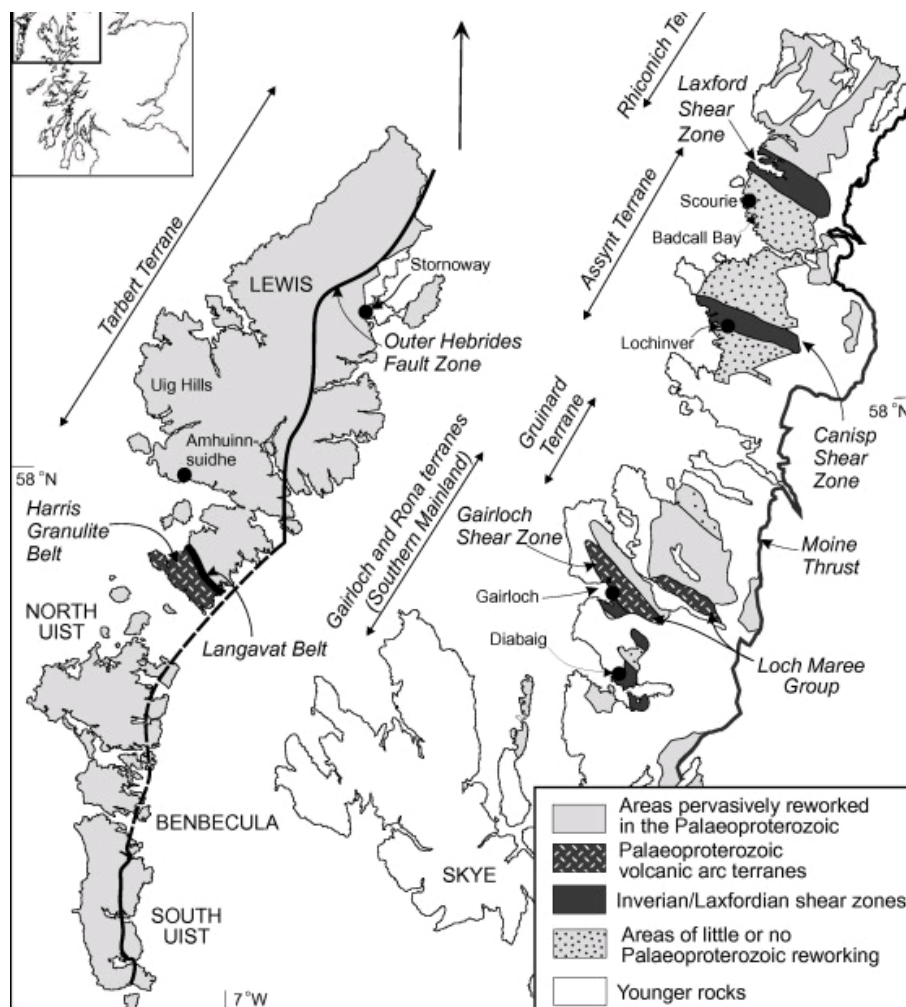
### **Gairloch Project Overview**

The Gairloch Project is a landholding that covers the Gairloch Schist Belt, a Paleoproterozoic volcanic arc terrane on the northwest coast of Scotland. The current licence area includes all mineral rights, other than gold and silver, covering an entire estate of 217 km<sup>2</sup>. An application for an Option to a Lease Agreement for the gold and silver is pending with Crown Estate Scotland.

The project hosts the Kerry Road deposit surveyed from 1977 to 1982 by Consolidated Goldfields, and remains underexplored.

**Figure 1: Location map of the Gairloch Project within the Loch Maree Group in Scotland.**





Source: 'Petrogenesis of rare-metal pegmatites in high-grade metamorphic terranes: A case study from the Lewisian Gneiss Complex of north-west Scotland', June 2016, *Precambrian Research* 281, by R. Shaw, K.M. Goodenough, N. M.W. Roberts, M.S.A. Horstwood, S.R. Chenery and A.G. Gunn.

## Geology

The Archean Rocks of the United Kingdom are located in northwest Scotland and represent part of the North Atlantic Craton, also exposed in Southern Greenland and Labrador in Canada. Within this area in Scotland lies the Paleoproterozoic Loch Maree Group which extends over 30 km and is widely believed to have formed within a juvenile Island arc and/or accretionary tectonic assemblage.

VMS deposits are major sources of zinc, copper, lead, silver and gold. They often form in clusters in areas of ancient underwater volcanic activity. Because of their polymetallic content, VMS deposits are one of the most desirable deposit types for security against fluctuating prices of different metals.

The Kerry Road deposit is a stratabound, Besshi-style, VMS gold-copper-zinc deposit exposed at surface. It is one of the oldest known Besshi deposits, similar in age to Sherridon district in Manitoba, Canada. Drilling by GreenOre Gold PLC (GreenOre) in 2018 confirmed the presence of mineralization at Kerry Road. Rock chip sampling conducted by GreenOre in 2018 also identified elevated levels of cobalt in bedrock.

## Exploration

Based on historical reports from Consolidated Goldfields, the Kerry Road deposit was drill tested in the late 1970s to early 1980s, where 87 drill holes (9,189 metres) were drilled to identify the deposit, which is reportedly open along strike and at depth. Work was abandoned in 1982 due to low metal prices at the time. Other than academic work and national geological surveys, commercial exploration was not conducted over the region until 2018 when GreenOre obtained the licence. A single short hole was drilled in 2018 (see Figure 2 below).

**Figure 2: Core from hole 18-G-01 drilled by GreenOre Gold Plc grading 1 g/t Au, 0.9% Cu and 0.6% Zn over 17 metres (19 to 36 metres downhole) including 8 metres at 1.8g/t Au, 1.4% Cu and 0.7% Zn (22 to 30 metres downhole). Photo and data obtained from**

GreenOre.



**Figure 3: Main outcrop at Kerry Road deposit grading 4.09 g/t Au, 6 g/t Ag, 1.58% Cu and 2.27% Zn. Photo and data obtained from GreenOre.**



**Figure 4: Second outcrop at Kerry Road deposit with visible chalcopyrite, 30 metres northwest of main outcrop, grading 2.16 g/t Au, 14 g/t Ag, 5.23% Cu and 0.30% Zn. Photo and data obtained from GreenOre.**



A number of follow-up targets have also been identified by Galantas from regional geophysical and geochemical datasets supplied by the BGS. It has been observed that the main minerals of interest are chalcopyrite, sphalerite, pyrite and pyrrhotite found within quartz-carbonate schist. A review of the historical assays indicates that gold is often associated with higher copper grades



review of the historical assays indicates that gold is often associated with higher copper grades. Recent academic studies, fieldwork and government surveys have demonstrated the wider potential of the area, which to date has had no commercial mining of any scale, despite the highly prospective nature of the geology.

The BGS recorded an outcrop of 4 g/t Au in their MRP146 report associated with a significant geophysical anomaly approximately 10 km south of the Kerry Road deposit, but the area remains untested. The G-base stream sediment data collected in the 1970s by the BGS over the wider area have also shown high occurrences of copper, zinc and cobalt. Multiple historical geophysical anomalies identified by the BGS in their regional magnetics and gravity surveys remain untested. No official resource model has been completed to date.

**Table 1: Drill hole locations for holes GBH39, GBH30, GBH68 and 18-G-01.**

Hole	Easting	Northing	Elevation (ft)	Azimuth (grid north)	Dip	Depth
GBH30	183879	872512	148	223	-45	57.30
GBH39	183912	872521	256	223	-53	102.50
GBH68	184181	872339	126	229	-74	278.95
18-G-01	183807	872534	146	223	-45	55.00

*Note: Easting and northings digitized from historical map as historical logs only recorded location on a local grid.*

### **Lease Agreement Terms**

The Lease Agreement will continue for 30 years and will be renewable at the election of Galantas, upon 90 days' prior written notice and upon the approval of the Lessor, not to be unreasonably withheld, for a further 20-year period, assuming all conditions of this Agreement have been met satisfactorily according to the Lessor, acting reasonably, in respect of the Galantas' conduct and operations. Galantas may terminate the Agreement with 18 months' notice.

Galantas will make a payment of £347,000 representing payment for the first five years of the lease. If the exploration phase continues past the fifth anniversary of the effective date of the Agreement, Galantas will pay the Lessor £69,400 index linked per lease year for each such lease year following the fifth anniversary of the effective date, with such payment to be made at the commencement of each such lease year.

During any mining phase, Galantas will pay the Lessor £50,000 index linked per lease year, with such payment to be made at the commencement of each such lease year. Galantas will grant a 5% net profits interest royalty (the "NPI"), calculated according to standard industry terms and practices with the option by the Lessor to convert the NPI to a 2% net smelter returns royalty (the "NSR"), calculated according to standard industry terms and practices.

The Company has separately entered into an agreement to acquire the historical drill and exploration database for (i) a payment of CAD\$420,000 (approximately £252,153), to be satisfied through the issuance of common shares of the Company based on the 5-day volume weighted average price at the time of signing (subject to the approval of the TSX Venture Exchange) and (ii) £50,000 in cash.

### **Qualified Person**

The historical technical information in this release has been reviewed and approved by Gavin Berkenheger (CGeol, EurGeol) who is considered, by virtue of his education, experience and professional association, a Qualified Person under the terms of NI 43-101. Mr. Berkenheger is not considered independent under NI 43-101 as he is a consultant of Galantas Gold Corporation.

### **Quality Assurance / Quality Control and Data Verification**

Mr. Berkenheger has verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in the written disclosure as required by section 3.1 of NI 43-101.

Historical grades reported from the GreenOre database that was conducted by the company from 2018 to 2021 was overseen by the author who was a Qualified Person at the time using appropriate Quality Assurance and Quality Control (QA/QC) protocols with respect to the insertion of blanks, standards and duplicates into the sample stream prior to dispatch to ALS Laboratory, which is consistent with industry best practices.

During GreenOre's drilling, the diamond drill core (HQ Size) was logged, photographed and marked for sampling. There was insignificant core loss. A diamond tipped core saw split the core with one half hoisted and tagged for assay and the other returned to the labeled core box and

with one nail bagged and tagged for assay and the other returned to the labeled core box and stored. Sealed and tagged bags were shipped to ALS Laboratories in Loughrea, County Galway where they were crushed to 70% less than 2mm, riffle split off 1kg then pulverize split to better than 85% passing 75 microns (PREP-31B). Gold fire assay and AAS finish was conducted with a 30g sample (au-AA25). Multi element analysis was completed by high-grade four acid ICP-AES (ICP61a). The QP has reviewed the QA/QC in relation to these drill results and is satisfied that the results as reported are reliable.

Historical grades reported from the Consolidated Gold Fields data is thought to be of good quality as the company, which was listed on the London Stock Exchange and was once a constituent of the FTSE 100 Index, demonstrated best practices at the time and was overseen by a qualified person. After appropriate logging of drill core (BQ size), mineralized sections were split using a manual splitter initially and later using a diamond core saw. There was insignificant core loss. Details of the sample preparation and analysis could not be verified. The laboratory used was the Wheal Jane Laboratory in Cornwall which was consistent with industry best practice at the time. Full details of the QA/QC could not be verified either, but grade data was reviewed, in which select samples of drill core were re-assayed at three different laboratories. There were good correlations with the re-check samples in relation to zinc and copper but some significant discrepancies were noted in some of the gold re-check samples. It is not known whether this was due to laboratory error or due to a "nugget effect" whereby larger grains of gold may be missed or they may enhance the representative sample used to determine the overall grade. GreenOre's drill hole which was a re-drill of Consolidated Gold Fields' hole GBH03 demonstrated similar, in fact enhanced grades of the historical hole, corroborating the reliability of the historical data. Only 20% of the historical drill core remains and this was observed by the author at the British Geological Survey's core storage in Keyworth, Nottingham. Re-assay of historical core has not yet been conducted but may be difficult due to the size of representative core remaining. The QP having reviewed the results in relation to the historical data is satisfied that the results as reported are reliable.

## Historical Reports

Data relating to Consolidated Gold Fields is held by the British Geological Survey listed under MEIGA Project number 173:

- Gairloch Exploration report, December 21, 1977, E. Jones, Consolidated Gold Fields Limited
- Project Gairloch Technical Report and Work Programme, August 18, 1978, Consolidated Gold Fields Limited
- AE173 Gairloch Phase 4, 1978, Consolidated Gold Fields Limited
- Technical Report Phase 2: July 1, 1978 to June 1979, Consolidated Gold Fields Limited
- Technical Report Phase 3: July 1, 1979 to October 1979, Consolidated Gold Fields Limited
- The Petrology, Ore Mineralogy, Geochemistry and Paragenesis of Rocks at Gairloch Site, C.M. Rice, Department of Geology and Mineralogy, University of Aberdeen
- Consolidated Gold Fields Limited, Diamond Drill Core Records, Project Gairloch, DDH No. GBH01 to GBH87
- Gairloch Project Phase 4, Consolidated Gold Fields Limited
- Technical Report: July 1, 1980 to June 30, 1981, Phase 4a, Consolidated Gold Fields Limited
- Technical Report: July 1, 1981 to May 31, 1982, Phase 4b, Consolidated Gold Fields Limited

Data relating to GreenOre Gold can be found in news releases dated October 16, 2018 and March 4, 2020 that are posted on its website at <https://greenoregold.com/>.

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

*The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

## About Galantas Gold Corporation

Galantas Gold Corporation is a Canadian public company that trades on the TSX Venture Exchange and the London Stock Exchange AIM market, both under the symbol GAL. It also trades on the OTCQX Exchange under the symbol GALKF. The Company's strategy is to create shareholder value by operating and expanding gold production and resources at the Omagh Project in Northern Ireland.

## Enquiries

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## 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 the closing of the transaction and results of exploration programs at the Gairloch 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' 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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