TORONTO, ONTARIO--(Marketwired - Apr 28, 2015) - Galantas Gold Corp. (the 'Company') (TSX VENTURE:GAL)(AIM:GAL) is pleased to announce its annual financial results for the Year Ended December 31, 2014.

Financial Highlights

The Net Loss for the Year Ended December 31, 2014 amounted to $ 5,264,727 which compared with a Net Loss of $ 1,944,355 for the Year Ended December 31, 2013. Highlights of the 2014 results, which are expressed in Canadian Dollars, are summarized below:

	Year Ended December 31	
All in CDN$	2014	2013
Revenue	$ 8,332	$ 1,531,473
Cost of Sales	$ 379,379	$ 1,591,069
(Loss)Income before the undernoted	$ (371,047)	$ (59,596)
Amortization	$ 237,813	$ 500,756
General administrative expenses	$ 1,347,736	$ 1,188,397
(Gain)Loss on disposal of property, plant and equipment	$ (20,098)	$ 105,811
Unrealized gain on fair value of derivative financial liability	$ (15,000)	-
Impairment of property, plant and equipment	$ 3,170,202	-
Foreign exchange loss	$ 173,027	$ 89,795
Net (Loss) for the year	$ (5,264,727)	$ (1,944,355)
Working Capital (Deficit)	$ (3,731,696)	$ (3,904,304)
Cash (loss) generated from operations before changes in non-cash working capital	$ (1,914,269)	$ (1,351,897)
Cash at December 31, 2014	$ 20,259	$ 166,617

The Net Loss for the year ended December 31, 2014, amounted to CDN$ 5,264,727 (2013: Net Loss CDN$ 1,944,355).The net loss for 2014 includes an impairment loss on property, plant and equipment which amounted to $ 3,170,202 (2013: CDN$ Nil).

Sales revenues for the year ended December 31, 2014 amounted to CDN$ 8,332 (2013: CDN $ 1,531,473). Following the suspension of production during the fourth quarter of 2013 due primarily to lower concentrate gold grade coupled with falling gold prices, there were no shipments of concentrates from the mine in 2014.

Cost of sales for the year ended December 31, 2014 amounted to CDN$ 379,379 (2013: CDN$ 1,591,069). There was a decrease in all production costs at the Omagh mine during 2014 following the suspension of production during 2013.

During the third quarter of 2014, and following a strategic review of its business, the Company established a separate, wholly owned subsidiary, Flintridge Resources Limited, following which certain assets, including freehold land, buildings, equipment etc, owned by Omagh Minerals were acquired by Flintridge Resources Limited at their recoverable amount. As a result there was an impairment of assets during 2014 which amounted to $ 3,170,202 compared to $ Nil for 2013.

The Company had cash balances of $ 20,259 at December 31, 2014 compared to $ 166,617 at December 31, 2013. The working capital deficit at December 31, 2014 amounted to $ 3,731,696 compared to a working capital deficit of $ 3,904,304 at December 31, 2013.

During the second quarter of 2014 Galantas completed a private placement financing for aggregate gross proceeds of approximately UK£ 516,500. Pursuant to the offering, an aggregate of 10,330,000 units were sold at a price of UK£ 0.05/CDN$0.09375 per common share. Each unit comprised of one common share and one common share purchase warrant. In addition a shares for debt exchange of 15,125,140 common shares for CDN$ 1,389,150/ UK£ 756,157 of the Company's debt was also completed during the second quarter of 2014.

The Company's ongoing viability is dependent on obtaining planning consent for the development of an underground mine at Omagh and securing sufficient financing to fund ongoing operational activity and the development of the underground mine.

The Consolidated financial statements have been prepared on a going concern basis. The Company's auditors (Abraham Chan LLP), in their audit report without qualifying their opinion, drew attention to note 1: Going Concern within the accounts. The going concern assumption is dependent on the ability of the Company to obtain planning permission for the development of an underground mine in Omagh and securing sufficient financing to fund ongoing operational activity and the development of the underground mine. Should the Company be unsuccessful in securing this, there would be significant uncertainty over the Company's ability to continue as a going concern.

On 16 February 2015, the Company announced the closing of Private Placement of 10,599,999 new shares raising gross proceeds of £316,677 to be used for working capital purposes and to finance the Company's continued commitments in regard to its underground planning application.

Production

Production at the Omagh mine remains suspended awaiting planning consent to continue operations underground. Due to continued delays in the planning process, management had to make significant redundancies in the workforce, alongside other cost reduction measures.

In early 2014, the Company commenced pilot tests with regards to the processing of tailing cells filled during the earlier operation of the mine. The results confirmed pre-existing data that indicated the tailings contain between 0.5g/t gold and 1 g/t gold and would meet European Union standards for definition as inert material. A low energy cost processing solution, based upon a Knelson CD12 centrifugal gravity concentrator, which was already utilised in the gold processing plant in a secondary role, was pilot tested as a prime re-treatment component for flotation tailings. The initial testwork was encouraging. The tailings did not require comminution (crushing and grinding) for re-processing by this method. Extended in-house tests with the Knelson concentrator produced a variation in results in terms of grade and recovery. Consequently, alternative gravity oriented test-work was carried out. The results successfully indicate that it is possible to uprate tailings by a low energy consuming, bulk gravity method from 0.5-1.0 g/t to 2-3 g/t gold. The higher feed grade produced in testing has been tested with froth flotation in the Company's in-house laboratory to simulate production flotation in the company's processing plant, followed by an additional gravity scavenging treatment. The results indicate that a finer grind than was previously required may be necessary to enhance the concentrate grade.

A subsequent investigation of process economics concluded that the processing of tailing cells may best be carried out in conjunction with processing ore from the underground mine.

Reserves and Resources

During the third quarter of 2014 Galantas reported on the revised updated estimate of gold resources together with a Preliminary Economic Assessment (PEA) update (see press release dated July 28, 2014). The revised estimate of resources is in compliance with the Pan European Reporting Code (PERC), Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards and Canadian National Instrument (NI) 43-101 and is summarized below.

	RESOURCE ESTIMATE : GALANTAS 2014 CUT-OFF 2 g/t Au			
RESOURCE CATEGORY	TONNES	GRADE (Au g/t)	Au Ozs	Increase over GAL 2013 report
MEASURED	138,241	7.24	32,202	55%
INDICATED	679,992	6.78	147,784	21.4%
INFERRED	1,373,879	7.71	341,123	15.4%

Minerals Resources that are not Mineral Reserves do not have demonstrated economic viability.

Overall there has been a 19% increase in resources since the Galantas June 2013 Resource Report and a 60% increase in resources since the July 2012 Resource Report by ACA Howe International Ltd The increases since 2012 largely relate to the Kearney and Joshua veins, since this is where the drilling program has been concentrated. The drilling program was mainly designed to focus on increasing the quantity of Measured and Indicated resources on these two veins, to support potential bank funding opportunities for the financing of production. The resource estimate for each vein is tabulated below.

RESOURCE ESTIMATE BY VEIN : GALANTAS 2014									
	MEASURED			INDICATED			INFERRED		
	Tonnes	Grade Au (g/t)	Contained Au (oz)	Tonnes	Grade Au (g/t)	Contained Au (oz)	Tonnes	Grade Au (g/t)	Contained Au (oz)
KEARNEY	76,936	7.48	18,490	383,220	6.66	82,055	909,277	6.61	193,330
JOSHUA	54,457	7.25	12,693	216,211	7.92	55,046	291,204	10.74	100,588
KERR	6,848	4.63	1,019	12,061	4.34	1,683	23,398	3.2	2,405
ELKINS				68,500	4.24	9,000	20,000	5.84	3,800
GORMLEYS							75,000	8.78	21,000
PRINCES							10,000	38.11	13,000
SAMMY'S							27,000	6.07	5,000
KEARNEY NORTH							18,000	3.47	2,000
TOTAL	138,241	7.25	32,202	679,992	6.78	147,784	1,373,879	7.71	341,123

The resources are calculated at a cut-off grade of 2 g/t gold (Au), numbers are rounded, gold grades are capped at 75 g/t gold and a minimum mining width of 0.9m has been applied.

Measured and Indicated resources on Kearney vein have increased to 100,545 ounces of gold from 69,000 ounces in 2012. Measured and Indicated resources on Joshua vein have increased to 67,739 ounces of gold from 15,800 ounces in 2012. The Kearney and Joshua veins are the early targets of underground mining. Combined Measured and Indicated resource category on these two veins are estimated at 168,284 ounces of gold, with 293,918 ounces of gold in the Inferred resource category. Both vein systems are open at depth.

With regards to the Preliminary Economic Assessment a restricted portion of Inferred resources for two veins - Joshua and Kearney have been included with the Measured and Indicated resources. The Inferred resources (which have lower statistical support than Measured or Indicated Resources) are contiguous with Measured or Indicated resources and / or lie within scheduled mining areas. The use of Inferred resources, in a restricted qualifying manner, is permitted by the PERC code in regard to economic studies but is excluded within NI 43-101, except within a Preliminary Economic Assessment. PERC is an approved code in respect of NI 43-101. As part of PERC requirements, a comparative Feasibility study will be included in the detailed technical report which will not include Inferred resources and will also include studies on sensitivity to gold price.

The total of scheduled Measured and Indicated ounces utilised within the mining study is 104,627 ounces. The Inferred resources scheduled in the economic study are estimated at 60,635 ounces. Total Inferred resource estimated on the Joshua and Kearney orebodies is 293,918 ounces of gold. The amount of Inferred resources included in the PEA amounts to 20.6% of the total Inferred resources estimated on these veins. Were Inferred resources excluded within the mining plan, approximately 1 year would be removed from the estimate of mine life and annual output would be reduced.

At a gold price of UK£750 (US$ 1,260 oz at $1.68/UK£), the pre-tax operating surplus after capital expenditure estimates an Internal Rate of Return of 72% and, at an 8% discount rate, a net present value of approximately UK£ 14.5m (CDN$ 26.6m) and a cash cost of production of UK£394 per ounce (USD$ 662 at $1.68/UK£). The study scheduled approximately 36% of the combined resources identified on the Kearney and Joshua veins. The Company notes recent falls in the value of UK£, which are project enhancing and offset recent gold price weakness.

The Company filed the complete Technical Report on SEDAR during the third quarter, as required by NI 43-101.

Exploration

Following the receipt of two new licences in the Republic of Ireland during 2014, Galantas, through its subsidiary companies now holds a total of 11 exploration licenses with a total coverage of 766.5 km^2. Exploration during 2014 was restricted to conserve cash funds. Exploration reports and publications relating to the geology and known mineralisation of the two new licences referred to above were reviewed earlier in 2014. Following this, some reconnaissance fieldwork was carried out and four broad exploration targets were established, based on the potential for mineralisation with consideration given to land accessibility and suitable exposure. During the second half of 2014 exploration work, which included detailed mapping and sampling, focused on these target areas.

In addition detailed sampling took place in an area close to the mine site where, thirty years ago, initial exploration carried out by RioFinex uncovered visible vein outcrops ('Discovery' and 'Sharkey') in the banks of a neighbouring burn. Attention and resources were subsequently diverted towards drilling the Kearney vein, following its discovery in the late 1980's. However, recent resource modelling and underground mine planning activities prompted a re-investigation of the burn veins during the third quarter, when water levels were unusually low. Two in-situ quartz veins were identified 18 m west and 35 m west of the Rio 'Discovery' vein, grab samples of quartz containing pyrite and galena measured 13.5 g/t and 0.4 g/t gold, respectively. A completely isolated zone of sulphide rich clay gouge was also uncovered 70 m east of 'Discovery', two samples were collected and analysed, yielding 23.6 and 9 g/t gold. In addition to these outcrops, several high grade boulders (float) were discovered over 40 metres from the Rio 'Sharkey vein', including those analysed at 30.4 g/t, 34.4 g/t, 39.4g/t and 44.3 g/t gold (see press release dated October 6, 2014). These boulders are comparatively large in size and are likely to be derived from a local source. The presence of these strong gold anomalies found near to the southern boundary of the recently operating Omagh Gold Mine site has instigated a detailed investigation of new and a re-evaluation of existing targets.

Permitting

During 2012 the planning application for an underground mine together with the Environmental Impact Study in connection with the proposed underground development were submitted to the Planning Services. The Company has been advised that officials at the Northern Ireland Department of Environment (Planning) have, by 31st March 2015, completed consultations, reviewed its report and submitted it to the Minister of Environment for determination. The Company understands that the report contains a recommendation to approve the Company's application, though the Minister is not bound by the recommendation.

Roland Phelps, President & CEO, Galantas Gold Corp., commented, "The robust results of the recent economic study, with the upcoming planning determination, which we expect to be positive, lead us to be confident about the establishment of a sound business based on the Omagh gold property."

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.

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.

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.

Galantas Gold Corp. Issued and Outstanding Shares total 87,297,155.

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