

DRILL RESULTS AND IMMINENT NEW NI 43-101 RESOURCE ESTIMATE

Recommendation	STRONG BUY	Price Target	12p	
AIM Mid Price on 25/1/2012	4.13p	Market Cap	£9.73m	
TSX-V Mid Price on 24/1/2012	C\$0.07	Shares Issued	235.65 m	
Quotations	AIM, TSX Venture	Free Float	58.0%	
52 week High/Low	6.38 p / 3.63 p	Management Holding	22.8%	
Website	www.Galantas.com			

BOARD DIRECTORS Roland Phelps *Executive* (President/CEO), L Jack Gunter (Chairman), Leo O'Shaughnessy (CFO)

CORPORATE OVERVIEW With exceptionally low production costs relative to many of its peers, **GALANTAS GOLD CORPORATION** is a Canadian junior resource company involved in the production, exploration and development of gold properties in Ireland. The shares are quoted on both the London AIM and the Toronto Venture Exchange. Through its wholly-owned Ontario holding company, Cavanacaw Corp., Galantas wholly owns the shares of Omagh Minerals Ltd (owner of prospecting and mining rights around Omagh, Northern Ireland) and Galantas Irish Gold. The company's prospecting licences cover an area of 435 sq kms, including over 50 identified gold targets.

At June 2009, Galantas had estimated NI.43-101 total gold resources of 16,000oz (Measured), 88,000oz (Indicated) and 295,000oz (Inferred). In June and July 2010, Galantas raised C\$2.28 m in two tranches of equity-with-warrants placed privately with Kenglo One. The warrants are exercisable within 2 years at C\$0.10. These were followed in March 2011 by a £1.25 m Conv.Loan agreement with Kenglo One.

Following this, Kenglo One, the strategic investment vehicle associated with Chris R Brown, the former CEO of London Mining, had a 19.3% equity stake and a warrant stake which, if converted today, would yield a further 13.1% of the equity, taking the stake to 32.4%. However, this may not necessarily presage an all-out bid and the company can still be regarded as 'in play'. With this funding in place, the company has been able to press ahead with its exploration programme. **The company expects to publish an updated NI 43-101 Resource Estimate in Q2 2012.**

Latest drilling and channel sampling results for Joshua Vein and an imminent new NI 43-101 Resource Estimate

The company recently announced exciting results for the Joshua Vein which justify comparison with the potential of the company's Kearney open pit. Furthermore, the company has indicated that it expects to release an updated NI 43-101 Resource Estimate for the Omagh Gold project during Q2 2012.

The hyperlink to the full announcement released through the London Stock Exchange's Regulatory News Service is as follows:-

<http://www.londonstockexchange.com/exchange/news/market-news/market-news-detail.html?announcementId=11085820>

The figures are summarised below and show excellent Average Gold Grades for the samples. Indeed, they compare extremely favourably with the grades achieved at the well-established Kearney pit.

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Joshua Vein Results Summary

Location	Strike Length Sampled	Average Vein Width	Average Gold Grade of Samples	Deepest Intersect Vertical Depth
South Joshua Channels	120 m	2.3 m	7.7 g/t	Surface
Central Joshua Channels	38 m	1.4 m	10.9 g/t	Surface
Core Drilling	350 m	1.4 m	7.5 g/t	66.1 m (un-assayed) 57.2 m (assayed)
Strike Length estimated minimum	785 m			

It is important to stress that these figures relate just to the samples taken but it cannot be denied that they look highly encouraging. The company has described the extent of the sampling as follows:-

“ The South Joshua channel samples were taken over a strike length of approximately 120 metres. The Central Joshua channel set was taken over a strike length of approximately 38 metres. The average width of the Central Joshua mineralisation was approximately 1.4 metres at an average grade of approximately 10.9 g/t gold. The average width of the South Joshua mineralisation was approximately 2.3 metres at an average grade of approximately 7.7 g/t gold. The two sample sets are separated by some 65 metres of mineralisation, the channel sampling results of which are awaited.

Fifteen drill cores on the Joshua Vein have been sampled and analysed in the current program and the results are reported below. The cores have been drilled over a horizontal (strike) length of approximately 350 metres. The deepest core drilled (of those so far analysed) intersected mineralisation at 57.2 metres vertical depth. The average true width of mineralisation within cores was 1.4 metres and the average grade was 7.5 g/t gold.

A further 7 cores have been completed on the Joshua Vein and results are awaited. The intersected mineralisation in these cores, although un-assayed (results awaited) indicates that the Joshua vein extends over 785 metres horizontally (strike), to a vertical depth of 66.1 metres (in one core) and is open to the north, south and to depth.”

The company’s Executive President and Chief Executive, Roland Phelps has commented that “The drilling and channel sampling results so far received on Joshua vein are excellent and compare well with the Kearney* and Kerr* ore bodies profitably worked. Further drilling on Joshua vein will examine this exciting discovery in length and depth. Drilling also continues on the Kearney vein and that sampling data will be released when available and prior to an interim resource report which is due in late spring. The planning for an underground mine on the Kearney vein is laid out in such a way as to allow for the possibility of also working the Joshua vein by underground methods.”

Undoubtedly, this announcement points to another important milestone in the company’s development, culminating in the NI 43-101 Resource Estimate update expected during the Second Quarter of 2012. The superior grades indicated suggest another sharp rise in profitability should be expected for Galantas.

Fourth Quarter 2011

The company should be expected to release a Trading Update for Q4 2011 towards the end of January 2012. In contrast to the previous two winters, this winter has been exceptionally mild. Consequently, the full year result may exceed expectations. However, it should be recognised that harsh conditions could occur in the next month or so and the company acknowledges that a three-week freeze could yet mean the loss of drilling over the period of four holes at Kearney and three to four holes at Joshua.

Comment

The year appears to have got off to a good start and sentiment around the shares should begin to build on both these very encouraging results for the Joshua Vein and the prospect of an upgrade in the NI 43-101 Resource Estimate. After the 15% consolidation in the gold price since early-September 2012, the trend is beginning to show some improvement. Certainly, the shares remain undervalued and we maintain our recommendation of **STRONG BUY**.

STOP PRESS

The company has announced today that it has bought a strategic parcel of 52 acres of freehold land near Omagh, County Tyrone. The land lies adjacent to and touches the existing mine to the north-west of the land already owned and, in part, contains the Joshua Vein discovery.

In the press release, Mr Roland Phelps (President and CEO, Galantas Gold Corporation) has commented that, "This land purchase secures surface rights over the recently discovered northern extension to Joshua Vein and has been financed from cash generated from operations. I am very pleased that the Company managed to acquire the land as I expect it to be an important asset for the future."

It is obviously good news that the company has had the surplus cash to make this strategic acquisition to protect its ability to continue to develop the resources around its existing sites.

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