



## Galleon Gold Closes Private Placement of C\$3,196,440

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**Toronto, Ontario, May 25, 2020 – Galleon Gold Corp.** (the "**Company**") (TSX-V: GGO) is pleased to announce that it has closed a first tranche of its previously announced non-brokered private placement for aggregate gross proceeds of C\$3,196,440 of (i) 32,640,100 units of the Company (the "**Units**") at a price of C\$0.05 per Unit and (ii) 28,444,277 flow-through units (the "**FT Units**") at a price of C\$0.055 per FT Unit (the "**Offering**").

Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant shall entitle the holder to acquire an additional common share at a price of C\$0.075 for a period of 24 months following the closing of the Offering.

Each FT Unit consists of one common share in the capital of the Company which qualifies as a "flow-through share" as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the "**FT Units Shares**") and one-half of one common share purchase warrant (each whole warrant, a "**FT Unit Warrant**"). Each FT Unit Warrant shall entitle the holder to acquire an additional common share at a price of C\$0.075 for a period of 24 months following the closing of the Offering.

Eric Sprott, through 2176423 Ontario Ltd., a corporation that is beneficially owned by him, acquired 20,000,000 Units for an aggregate amount of C\$1,000,000. Prior to the Offering, Mr. Sprott beneficially owned and controlled 71,248,950 shares of the Company. As a result of the private placement, Mr. Sprott now beneficially owns and controls 91,248,950 Common Shares and 10,000,000 Warrants of the Company representing approximately 28.8% of the issued and outstanding Common Shares of the Company on a non-diluted basis and approximately 30.9% of the issued and outstanding Common Shares on a partially diluted basis.

The Units were acquired by Sprott for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of Galleon Gold including on the open market or through private acquisitions or sell securities of Galleon Gold including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors.

A copy of Sprott's early warning report will appear on Galleon Gold Profile on SEDAR and may also be obtained by calling Mr. Sprott's office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

Red Cloud Securities Inc. was acting as finder in connection with the Offering and received a cash commission equal to 6% of the subscribed amount on certain orders under the Offering. In addition, the Company issued to the finder non-transferable finder's warrants, (each a "**Finders Warrant**") equal to 7% of the Units and FT Units sold on certain orders under the Offering. Each Finder's Warrant is exercisable to purchase one Common Share at a price of \$0.05 for a period of 24 months from the issue date.

The Company may complete one or more additional tranches of the Offering. The net proceeds from the sale of the Units will be used for exploration and general working capital purposes. The proceeds from the sale of FT Units will be used to incur "Canadian exploration expenses" and will qualify as "flow-through mining expenditures" (the "**Qualifying Expenditures**"), as defined in subsection 127(9) of the *Income Tax Act* (Canada). The Company intends to renounce the Qualifying Expenditures to subscribers of FT Units for the fiscal year ended December 31, 2020.

Certain insiders, directors and officers of the Company subscribed for an aggregate of 3,640,000 Units and 463,650 FT Units under the Offering on the same terms as arm's length investors. The participation of the insiders, directors and officers in the Offering constitutes a "related party transaction" for the purposes of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the requirements to obtain a formal evaluation or minority shareholder approval in connection with the insider participation in reliance on sections 5.5 (a) and 5.7 (1) (a) of MI 61-101, as neither the fair market value of the securities issued, nor the fair market value of the consideration for the securities issued exceeds 25% of the Company's market capitalization as calculated in accordance with MI 61-101. The Company did not file a material change report containing all of the disclosure required by MI-61-101 more than 21 days before the expected closing date of the Offering as the aforementioned insider participation had not been confirmed at that time and the Company wished to close the Offering as expeditiously as possible.

All the securities issued under the Offering will be subject to a hold period expiring four months and one day which will expire September 26, 2020. The Offering is subject to the final acceptance of the TSX Venture Exchange.

This news release does not constitute an offer of securities for sale in the United States. The securities offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

### **About Galleon Gold**

Galleon Gold is a North American exploration and development company. Eric Sprott holds approximately 28 % of the Company's outstanding common shares and is also the Company's partner on the Neal Gold Project in Idaho. The Company's flagship project, the

West Cache Gold Project, is located 13 km from Timmins Ontario, is on trend with other major mines in the area, and also hosts a million-ounce gold resource.

FOR FURTHER INFORMATION:

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**Forward Looking Statements**

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, expectations, plans, and objectives of Galleon Gold are forward-looking statements that involve various risks. The following are important factors that could cause Galleon Gold's actual results to differ materially from those expressed or implied by such forward-looking statements: changes in the world-wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining.