



FOR RELEASE February 9, 2022

## **Galleon Gold Announces Brokered Private Placement for up to C\$5.0 Million with Participation by Eric Sprott and Concurrent Share Consolidation**

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TORONTO: February 9, 2022. Galleon Gold Corp. (TSXV: GGO) (the "Company" or "Galleon Gold") is pleased to announce that it has entered into an agreement with Red Cloud Securities Inc. (the "**Agent**") to act as sole agent and bookrunner in connection with a best efforts private placement for gross proceeds of up to C\$5,000,000 (the "**Offering**") and its intention to complete a consolidation of its issued and outstanding common shares immediately prior to the closing of the Offering on the basis of ten (10) existing common shares for one (1) post consolidation common share (the "**Consolidation**"). The Offering will be comprised of the sale of any combination of the following:

- units of the Company (each, a "**Unit**") at a pre-Consolidation price of C\$0.05 per Unit (C\$0.50 post-Consolidation);
- flow-through units of the Company (each, a "**FT Unit**") at a pre-Consolidation price of C\$0.055 per FT Unit (C\$0.55 post-Consolidation); and
- FT Units to be sold to charitable purchasers (each, a "**Charity FT Unit**") at a pre-Consolidation price of C\$0.07 per Charity FT Unit. (C\$0.70 post-Consolidation)

Eric Sprott has indicated his intention to subscribe in the Offering.

The Units, FT Units and Charity FT Units shall collectively be referred to as the "**Offered Securities**". Each Unit will consist of one common share of the Company (each a "**Unit Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each FT Unit and Charity FT Unit will consist of one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "**FT Share**") and one half of one Warrant. Each Warrant shall entitle the holder to purchase one common share of the Company (each, a "**Warrant Share**") at a pre-Consolidation price of C\$0.075 (C\$0.75 post-Consolidation) at any time on or before that date which is 24 months after the closing date of the Offering.

The Agent will have an option, exercisable in full or in part up to 48 hours prior to the closing of the Offering, to sell up to an additional C\$1,000,000 in any combination of Offered Securities at the offering prices (the "**Agent's Option**").

Proceeds from the sale of FT Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2022, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares.

The Company intends to use the proceeds raised from the Offering for the exploration and advancement of the Company's West Cache Gold Project in Timmins, Ontario as well as for general working capital purposes. The Offering is scheduled to close on or around March 2, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange. The Unit Shares, FT Shares and Warrant Shares will have a hold period of four months and one day from the closing date.

The Board has concluded that the Consolidation would be in the best interests of the shareholders as it could lead to increased interest by a wider audience of potential investors and could better position the Company to obtain financing and pursue acquisition opportunities. The Consolidation was previously approved by shareholders but remains subject to the approval of the TSXV. The Company currently has 470,915,655 issued and outstanding common shares, and assuming no additional common shares are issued prior to completion of the Consolidation (including under the Offering) upon completion of the Consolidation there will be 47,091,565 common shares issued and outstanding. The Company will not be changing its name in connection with the Consolidation.

*The securities described herein have not been, and will not be, registered under the United States Securities Act, or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.*

## **About Galleon Gold**

Galleon Gold is an exploration and development company focused on advancing the West Cache Gold Project in Timmins, Ontario. The project is situated along the Porcupine-Destor gold belt, approximately 7 km northeast of Pan American Silver's Timmins West Mine and 14 km southwest of Newmont's Hollinger Mine. Since acquiring the project the Company has demonstrated significant resource growth while providing a strong valuation in its maiden Preliminary Economic Assessment. Permitting and baseline studies in support of a bulk sample are currently underway. Eric Sprott holds approximately 23% of the Company's outstanding common shares.

For further information:

### **Galleon Gold**

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## **Forward-Looking Statements**

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including the expectation that the Offering will close in the timeframe and on the terms as anticipated by management and the expectation that Eric Sprott will participate in the Offering. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Such forward-looking information and statements are based on numerous assumptions, including among others, that the Company will complete Offering in the timeframe and on the terms as anticipated by management and that Eric Sprott will participate in the Offering. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the failure to complete the Offering in the timeframe and on the terms as anticipated by management, that Eric Sprott will not participate in the Offering, market conditions and timeliness regulatory approvals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

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