Bandera
Gold Ltd.

BANDERA ANNOUNCES SHARE CONSOLIDATION

Edmonton, AB, December 31, 2015-Bandera Gold Ltd. (TSXV:BGL)("Bandera") announced today that it will be conducting a share consolidation in order to continue to raise equity financing for its exploration programs and general working capital requirements. Accordingly, the shareholders of Bandera will be asked at the Annual and Special Meeting on January 21, 2016 to consider and, if thought appropriate, approve and adopt a special resolution authorizing the board of directors, in its sole discretion, to consolidate the Common Shares of the Corporation on a one-for-ten basis. The consolidation will have the effect of reducing the 110,252,563 currently issued and outstanding common shares to 11,025,256 issued and outstanding common shares following the consolidation. A special resolution requires approval by a majority of not less than 2/3's of the votes cast by the shareholders who voted in respect of the resolution.

The consolidation is subject to the approval of the TSX Venture Exchange.

On Behalf of the Board,

Peter Gommerud
CEO

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

Notice Regarding Forward-Looking Statements

This news release contains "forward-looking statements," Statements in this press release which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future, including but not limited to, statements regarding Bandera's share consolidation.

Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with mineral exploration and difficulties associated with obtaining financing on acceptable terms. We are not in control of metals prices and these could vary to make development uneconomic. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that the beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that such beliefs, plans, expectations or intentions will prove to be accurate.