



For immediate release

**GALANE GOLD LTD. RELEASES FINANCIAL
AND OPERATING RESULTS FOR 2015**

TORONTO, ONTARIO – April 29, 2016: Galane Gold Ltd. (“Galane Gold” or the “Company”) (TSX-V: GG) is pleased to announce the release of its financial results for the year ended December 31, 2015. All amounts are in United States dollars unless otherwise indicated.

A copy of the audited consolidated financial statements for the year ended December 31, 2015 prepared in accordance with International Financial Reporting Standards and the corresponding Management’s Discussion and Analysis will be available under the Company’s profile on www.sedar.com.

Galane Gold CEO, Nick Brodie commented: “The financial results for 2015 reflect the challenging gold price environment that all gold producers faced in 2015. Despite this, the Galane management team managed three significant achievements in the year.

Firstly, the commencement of commercial production at Tau underground in the third quarter of 2015. The work required to build an underground mine and restructure an operation from an open pit mine cannot be underestimated. We have now started exploration from underground of the Tau ore body and are hopeful that this will form the long term backbone of the Mupane operations.

This was followed closely by our acquisition of Galaxy Gold Mining Limited and approximately 1.5 million ounces of gold. The Galaxy Gold mine in South Africa met all of our acquisition criteria, including that the property is near term production, cost a fraction of replacement cost, has the ability to increase production with minimal capital requirements, has a drill ready plan to potentially increase the resource and is surrounded by prospective targets. It is our aim to restart production in 2016 and generate positive operating cash flows from the operations before the year end.

Lastly, the most significant achievement of Galane Gold’s management team was to restructure the business over the course of 2015 as the price of gold fell. These efforts by management put the Company in a positive position in 2016 to take advantage of an increasing gold price.

The Galane management team has committed itself to making 2016 another transformative year for the Company as we look to commence production at Galaxy.”

2015 Highlights

- Commercial production commenced at Tau Underground in Q3 2015. In 2015, 93,617 tonnes at a head grade of 2.74 grams per tonne (“g/t”) were mined.
- Galaxy acquisition completed in Q4 2015 with measured and indicated mineral resources of 602,696 ounces of gold and an inferred mineral resource of 886,199 ounces of gold acquired for approximately \$8.50 per ounce.⁽¹⁾⁽⁴⁾
- Operating cash cost⁽²⁾ of \$1,039 per ounce (excluding royalties) for the year and \$823 per ounce for Q4 2015.
- Produced 24,321 ounces of gold at the Mupane property. Production during the year was managed to control operating costs due to the low gold price environment.

- Closing cash balance of \$1.9 million after:
 - o Operating cash inflow of \$2.3 million;
 - o Repayment of \$2.0 million of the Samsung facility; and
 - o Capital investment in Tau underground of \$5.2 million.
- Loss attributable to Galane shareholders after tax for 2015 of \$8.6 million.

Outlook⁽³⁾

Mupane Property

The Company completed a new five year mine plan for the Mupane property which will form the guide for the Company's short term goals and long term strategy. The Company intends to utilize the following resources during 2016:

- Tau Underground – the Company has previously disclosed its intention to exploit the reported measured and indicated mineral resources of approximately 128,600 ounces of gold for Tau through underground mining.⁽⁴⁾⁽⁵⁾ The Company commenced stoping in August 2015 in the Eastern mineralised body which will continue for approximately six months. Development will continue in some instances through reef to reach the main mineralised body which lies under the current open pit. It is currently anticipated that the Company will commence stoping on the main mineralised body in Q3 2016. It is estimated that the Company will process approximately 200,000 tonnes at an average grade of 2.4 g/t with the grade increasing when we reach the main mineralised body. While developing underground the Company intends to commence exploration to attempt to confirm the extension of the Tau mineralised body at depth.
- Low Grade Stockpiles – the Company will process approximately 700,000 tonnes of low grade stockpile at an average grade of 0.80 g/t, which is located at the run-of-mine pad at the processing plant. The stockpiles being used form part of the 1.4 million tonnes of low grade stockpiles which it reviewed during 2015.
- Tekwane – the Company will continue to selectively strip mine the high grade areas and will use a screening plant at the mine site to reduce the tonnage and increase the potential grade to be delivered to the plant. It is planning to process approximately 23,000 tonnes at an average grade of 2.3 g/t.

The Company's mine plan for Mupane is subject to change according to the prevailing gold price. The Company will adopt the appropriate plan for that prevailing gold price environment.

The Mupane processing plant continues to focus on on-going stabilisation and optimisation of the processing operations. There are no major plant projects scheduled at the Mupane property for 2016 as the Company believes it has implemented all material optimisation projects.

Galaxy Property

The Company acquired Galaxy in Q4 2015. For the remainder 2015, the Company prepared a short term plan to refurbish the existing plant, construct a new tailings retreatment facility and recommence underground mining operations at the Galaxy property. Implementation of the plan is subject to the Company raising sufficient funds, which the Company is currently targeting to do in Q2 2016.

- Plant refurbishment – the plant is a standard crush, mill, float and carbon in leach ("CIL") with a capacity of 15,000 tonnes per month. To refurbish the whole plant, the Company estimates that it will take three months and material parts of the refurbishment will be a new crusher, maintenance of the conveyors, a new ball

mill gearbox, relining tanks, new gearboxes and agitators for the CIL plant, complete refurbishment of the elution plant and a new cyanide plant.

- Tailings retreatment facility – the Company plans to build a CIL plant within the footprint of the existing plant to process 25,000 tonnes per month of tailings material. It is estimated that the construction of the plant will take four months from commencement. It will involve the construction of six CIL leach tanks, a CIL feeding section, carbon recovery plant and the associated civils.
- Underground – the underground operations have been maintained to a good standard while under care and maintenance. Operations underground can be recommenced within a month of commencement with minor refurbishment to the tramming infrastructure, new hoppers, increased ventilation, a new compressor and refurbishment of the electrical cabling. The Company intends to use the same mining contractor it uses at the Mupane property and the contractor will provide the necessary underground labour and mining equipment.

The short term plan will process material from three sources⁽⁶⁾:

- Giles and Woodbine – Giles has a measured and indicated mineral resource of 898,268 tonnes at 3.94 g/t and Woodbine has a measured and indicated mineral resource of 614,813 tonnes at 3.82 g/t. Mining will be done using the reef over hand method in stopes that have already been developed.⁽⁴⁾ It is estimated that in the first year of mining 20,000 tonnes at an average grade of 3.0 g/t can be mined taking into account dilution.
- Princeton – Princeton has a measured and indicated mineral resource of 1,094,862 tonnes at 4.87 g/t. Mining will be long hole stoping using trackless mining equipment.⁽⁴⁾ It is estimated that it will take up to five months to undertake the necessary development to restart operations and annual production from then on will be approximately 135,000 tonnes at 4.5 g/t based on the Company's internal mine plan.
- Tailings – next to the existing plant are the Hostel East and West Dumps which contain 1,443,397 tonnes at 0.79 g/t. These will be sluiced to the plant with feed going to the new tailings retreatment facility and into the existing plant to fill the plant as required.

The short term plan estimates that in steady state annual production will be approximately 17,000 ounces of gold.

Work has already commenced on an expansion plan to take annual production up to 60,000 ounces of gold over nine years with the expansion commencing in year three after commencement of the short term plan. It is currently envisaged that the Company will commence a desk stop study first, the results of which will then be used to support a pre-feasibility study to be completed within two years.

About Galane Gold

Galane Gold is an un-hedged gold producer and explorer with mining operations and exploration tenements in Botswana and South Africa. Galane Gold is a public company and its shares are quoted on the TSX Venture Exchange and the Botswana Stock Exchange under the symbol "GG". Galane Gold's management team is comprised of senior mining professionals with extensive experience in managing mining and processing operations and large-scale exploration programmes. Galane Gold is committed to operating at world-class standards and is focused on the safety of its employees, respecting the environment, and contributing to the communities in which it operates.

Notes:

- (1) The purchase price equation for Galaxy in the December 31, 2015 annual financial statements estimates a preliminary purchase price of \$12,526,313 and the technical disclosure regarding mineral resources and mineral reserves is reported in the technical report in respect of the Galaxy Gold mine entitled "A Technical Report on the Galaxy Gold Mine, Mpumalanga Province, South Africa" which was issued January 4, 2016 with an effective date of September 1, 2015 (the "Galaxy Technical Report"), and was prepared by Minxcon (Pty) Ltd and approved by Daniel van Heerden, B Eng (Min.), MCom (Bus. Admin.), Pr. Eng., FSAIMM, AMMSA, a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"). The Galaxy Technical Report satisfies the requirements to be a pre-feasibility study and was reviewed by the Directors of Minxcon (Pty) Ltd, specifically, Daniel van Heerden; Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat., MGSSA; Dario Clemente, NHD (Ext. Met.), GCC, BLDP (WBS), MMMA, FSAIMM; and Johan Odendaal, BSc (Geol.), BSc (Min. Econ.), MSc (Min. Eng.), Pr.Sci.Nat., FSAIMM, MGSSA, all of whom are Qualified Persons as defined by NI 43-101 and independent of Galane Gold for the purposes of NI 43-101.
- (2) Total operating cash cost excluding royalties is a non-GAAP measure. Refer to "Supplemental Information to Management's Discussion and Analysis" in the Company's Management's Discussion and Analysis for the year ended December 31, 2015 for reconciliation to measures reported in the Company's financial statements.
- (3) This is forward-looking information and is based on a number of assumptions. See "Cautionary Notes".
- (4) Mineral resources are not mineral reserves and do not have demonstrated economic viability. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.
- (5) On March 18, 2013, Galane Gold issued an update to the mineral resources in respect of the Mupane property with an effective date of December 31, 2012. The full text of the update is available on Galane Gold's SEDAR profile at www.sedar.com. The following table summarises the results at Tau:

Category		Measured			Indicated			Measured and Indicated			Inferred		
	Cutoff grade (g/t)	Tons (000)	Au (g/t)	Au (000 oz)	Tons (000)	Au (g/t)	Au (000 oz)	Tons (000)	Au (g/t)	Au (000 oz)	Tons (000)	Au (g/t)	Au (000 oz)
Deposit													
Tau	0.80	578	3.00	55.7	824	2.75	72.8	1,402	2.85	128.6	723	3.05	70.9

Note:

1. Resource tonnages and gold grades were reported at a 0.5 g/t Au cut-off grade. Resources from contiguous portions of the mineralisation outside of the optimized pit shell, and potentially amenable to underground mining methods, were reported at a cut-off grade of 0.8 g/t Au. A 0.8 g/t Au grade shell was used and a gold price of US\$1,700 was used.
- (6) Certain mineral resources and mineral reserves for the Galaxy property are summarised below from the Galaxy Technical Report:

	Measured and Indicated Mineral Resource			Inferred Mineral Resource		
	Tonnes t	Grade Au g/t	Content Oz	Tonnes t	Grade Au g/t	Content Oz
Woodbine	614,813	3.82	75,471	1,021,635	3.36	110,321
Giles	898,268	3.94	113,856	1,267,906	3.86	157,273
Princeton	1,094,862	4.87	171,522	1,249,489	6.14	246,484
Hostel East Dump	958,401	0.76	23,562	164,506	0.68	3,581
Hostel West Dump	484,996	0.86	13,367	107,961	0.85	2,947
Total (underground and surface)	6,226,907	3.01	602,696	8,095,521	3.40	886,199

Note:

1. Manual mineral resource estimate from block plans. Mineral resources estimated from adjacent modelled areas for grade distribution; ore body volume estimated from digital wireframe. Mineral resource estimate was carried out by Mr. P. Obermeyer of Minxcon (BSc Hons (Geol.), Pr.Sci.Nat.) under supervision of and verified by Mr. U. Engelmann, as qualified person of this Report. The inferred mineral resources have a large degree of uncertainty as to their existence and whether they can be mined economically or legally. Only mineral resources lying within the legal boundaries are reported. Mineral resources are inclusive of mineral reserves. Mineral resources are declared at cut-offs shown in the table above. All figures are in metric tonnes. 9. 1 kg = 32.15076 oz.

Summarised Galaxy Gold Mine Mineral Reserve Statement as at August 31, 2015

Mineral Reserve Category	Tonnes t	Grade Au g/t	Content Oz
Probable Mineral Reserves	1,457,322	3.37	169,586
Total Mineral Reserves	1,457,322	3.37	169,586

Note:

1. Tonnages refer to tonnes delivered to the metallurgical plant. All figures are in metric tonnes. 1 kg = 32.15076 oz. Different dilution, recovery and mine call factor applied to each ore body and tailings storage facility. Pay limits calculated: USD/oz. = 1,130 and exchange rate of ZAR11.70/\$1.00

Cautionary Notes

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to: the Company’s dependence on two mineral projects; gold price volatility; risks associated with the conduct of the Company’s mining activities in Botswana and South Africa; regulatory, consent or permitting delays; risks relating to the Company’s exploration, development and mining activities being situated in Botswana and South Africa; risks relating to reliance on the Company’s management team and outside contractors; risks regarding mineral resources and reserves; the Company’s inability to obtain insurance to cover all risks, on a commercially reasonable basis or at all; currency fluctuations; risks regarding the failure to generate sufficient cash flow from operations; risks relating to project financing and equity issuances; risks arising from the Company’s fair value estimates with respect to the carrying amount of mineral interests; mining tax regimes; risks arising from holding derivative instruments; the Company’s need to replace reserves depleted by production; risks and unknowns inherent in all mining projects, including the inaccuracy of reserves and resources, metallurgical recoveries and capital and operating costs of such projects; contests over title to properties, particularly title to undeveloped properties; laws and regulations governing the environment, health and safety; operating or technical difficulties in connection with mining or development activities; lack of infrastructure; employee relations, labour unrest or unavailability; health risks in Africa; the Company’s interactions with surrounding communities and artisanal miners; the Company’s ability to successfully integrate acquired assets; risks related to restarting production; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; development of the Company’s exploration properties into commercially viable mines; stock market volatility; conflicts of interest among certain directors and officers; lack of liquidity for shareholders of the Company; risks related to the market perception of junior gold companies; and litigation risk. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Estimates set out above under “Outlook” in respect of Tau Underground, Tekwane, Low Grade Stockpiles and Galaxy are preliminary in nature and include inferred mineral resources. There is no certainty that such estimates will be realized. Mineral resources are not mineral reserves and do not have

demonstrated economic viability. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

Information of a technical and scientific nature that forms the basis of the disclosure in the press release has been approved by Charles Byron Pr. Sci. Nat., MAusIMM., MGSSA and Chief Geologist for Galane Gold, and a "qualified person" as defined by National Instrument 43-101.

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

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