



Golconda Gold Announces Closing of Gold Streaming Transaction for Its Galaxy Project

TORONTO, Feb. 27, 2024 -- Golconda Gold Ltd. ("Golconda Gold" or the Company") (TSXV: GG; OTCQB: GGGOF) today announces that further to its November 23, 2023 press release, it has completed the US\$5 million stream transaction relating to its Galaxy project in South Africa with Empress Royalty Holding Corp. ("Empress"), a wholly-owned subsidiary of Empress Royalty Corp. ("Empress Royalty") (TSXV: EMPR | OTCQX:EMPYF).

Golconda Gold, its subsidiary Galaxy Gold Reefs (Pty) Ltd., and certain of its affiliates, entered into a metal purchase and sale agreement dated November 21, 2023 (the "Agreement") with Empress for payable gold production from the Galaxy mine in South Africa. Pursuant to the terms of the Agreement, Empress has made an up-front cash payment totalling US\$5 million (the "Investment") for payable gold produced from the Galaxy mine. The Investment is based on 3.5% of the payable gold production from the Galaxy mine for an initial 8,000 payable ounces; thereafter, the percentage will reduce to 2.0% of the payable gold production until the earlier of: (i) 20,000 ounces having been paid to Empress; or (ii) 20 years after the first payment was made. The purchase price for the payable gold delivered pursuant to the Agreement is 20% of the gold spot price. The use of proceeds from the transactions contemplated by the Agreement will enhance and expand the production profile at Galaxy moving forward.⁽¹⁾

"The primary use of the funds will be used to procure new underground mining equipment and cover the working capital costs of underground development. The primary goal of the Investment is to increase underground production at both the Princeton and Galaxy ore bodies, to complete Phase 2 of the Company's expansion plan at the Galaxy mine, and to fill the 35,000 tonnes per month of spare capacity at the plant.

The Investment represents a huge opportunity for Golconda to meet its objectives at Galaxy and I am confident that we have the management team and workforce to execute our expansion plans successfully.

Now that the transactions contemplated under the Agreement are completed, we intend to explore the opportunities available to the Company to complete a non-dilutive financing to recommence production at Summit," said Nick Brodie, Chief Executive Officer of the Company.⁽¹⁾

The Galaxy Gold Mine⁽²⁾

Golconda Gold acquired the Galaxy mine in November 2015. Galaxy is situated 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit in the Mpumalanga Province of South Africa. The property covers 58.6 km² and is part of the prolific Barberton Greenstone Belt.

Galaxy consists of 22 ore bodies, all of which can be accessed via adits at level 17 and level 22. Galaxy is currently mining at the following two main ore bodies:

- Galaxy ore body – a massive pipe shaped ore body with a thickness of 35m and a strike of around 100m (the "Galaxy Ore Body"); and
- Princeton ore body – a steeply dipping ore body with a thickness of 5m and a strike of 300m (the "Princeton Ore Body").

The current mine plan includes the mining of the Galaxy Ore Body and the Princeton Ore Body using a mechanised cut and fill mining method. There are also extensive tailings around the Galaxy mine site which Golconda Gold intends to use to supplement production.⁽¹⁾ Golconda Gold has already upgraded the crushing circuit, float plant and filtration plant to 50,000 tpm, from the original 15,000 tpm plant, which produces a gold concentrate.

Galaxy is currently in Phase 1 of its expansion program taking production to 15,000 tpm and 1,100 recovered gold ounces per month. The proceeds from the Agreement will be used to fund the expansion required in Phase 2 to take production to 48,000 tpm and 2,800 recovered gold ounces per month.⁽¹⁾

Golconda Gold has completed the Galaxy Technical Report and the PEA (as such terms are defined below) for the Galaxy mine, which supports the expansion plans already undertaken and the future plans for expansion. In addition, Golconda Gold has a drill ready plan to expand the resource to over 4 million ounces, which encompasses the other 20 identified ore bodies. Work is already underway to determine how this can support future expansion of Galaxy.

About Golconda Gold

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

About Empress Royalty Corp.

Empress Royalty is a global royalty and streaming creation company providing investors with a diversified portfolio of gold and silver investments. Since listing in December 2020, Empress Royalty has built a portfolio of precious metal investments and is actively investing in mining companies with development and production stage projects who require additional non-dilutive capital. Empress Royalty has strategic partnerships with Endeavour Financial and Terra Capital which allow Empress Royalty to not only access global investment opportunities but also bring unique mining finance expertise, deal structuring and access to capital markets. Empress Royalty is looking forward to continuously creating value for its shareholders through the proven royalty and streaming models.

Notes:

(1) This is forward-looking information and is based on a number of assumptions. See "Cautionary Notes".

(2) The deposits at the Galaxy mine are supported by a technical report entitled "NI 43-101 Technical Report on the Galaxy Gold Mine, South Africa" which was issued on July 3, 2020 (the "Galaxy Technical Report"), with an effective date of June 29, 2020, a copy of which is available under the Company's profile on www.sedar.com. The Galaxy Technical Report was prepared by Minxcon (Pty) Ltd and approved by Mr. Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.) Pr.Sci.Nat., MGSSA, and Mr. Daniel (Daan) van Heerden, B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng., FSAIMM, AMMSA, both "qualified persons" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), and independent of the Company for the purposes of NI 43-101. The preliminary economic assessment ("PEA") supported by the Galaxy Technical Report is preliminary in nature as the resources included in the PEA are comprised 54% of inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized.

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 projected plans for expansion and production at the Galaxy mine, the Company's use of proceeds from the transactions contemplated by the Agreement, the achievement of the goals of the Investment in the future, any projected financings of the Company, any future transactions contemplated by the Company, the impact of the transactions contemplated by the Agreement on the Company and its expansion plans, creation of long term value for stakeholders, 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 South Africa and New Mexico; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in South Africa and New Mexico; 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; the ability of the communities in which the Company operates to manage and cope with the implications of any local, regional, national or international outbreak of a contagious disease; 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.

Information of a technical and scientific nature that forms the basis of the disclosure in the press release has been prepared and approved by Kevin Crossling Pr. Sci. Nat., MAusIMM. and former Business Development Manager for Golconda Gold, and a "qualified person" as defined by NI 43-101. Mr. Crossling has verified the technical and scientific data disclosed herein and has conducted appropriate verification on the underlying data.

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

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