

TORONTO, April 7, 2015 /CNW/ - [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, 2014. All amounts are in United States dollars unless otherwise indicated.

A copy of the audited consolidated financial statements for the year ended December 31, 2014 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](http://www.sedar.com).

## 2014 Highlights

- Operating cash cost<sup>(1)</sup> of \$965 per ounce (excluding royalties). This was an improvement on the 2013 operating cash cost<sup>(1)</sup> of \$1,214 per ounce (excluding royalties).
- Closing cash balance of \$9.7m. A reduction of \$1.5m on the balance at the end of 2013, but reflecting that the Company invested over \$4.3m in the development of Tau underground. Tau underground is expected to be in commercial production in Q3 2015.<sup>(2)</sup>
- Produced 30,791 ounces of gold. Production during the year was affected by the failure of the SAG mill motor which has now been resolved. The Company was covered for the failure under its business interruption insurance and has agreed to a final claim with its insurers for \$1.8m after deductible (\$0.8m had been paid at the year-end).
- Total ore mined of 594,649 tonnes at an average grade of 1.76 grams per tonne.
- Total ore milled of 745,195 tonnes at a head grade of 1.69 grams per tonne. The Company installed a screening plant during the year which has given it access to previously mined low grade stockpiles that was used to supplement plant feed during 2014 (please see press release dated August 5, 2014).
- Net earnings after tax for 2014 of \$1,876,608.

## Outlook

The Company has approved a new five-year mine-plan 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 2015<sup>(2)</sup>:

- Tau Underground &ndash; 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. The Company expects to commence stoping in Q3 2015. Development will in some instances be through ore and it is expected that Tau will provide ore to the plant between now and the commencement of stoping. During the underground development phase the Company intends to commence exploration from underground to attempt to confirm the extension of the Tau ore body at depth.
- Golden Eagle &ndash; due to the continued weakness of gold price, the Company has decided to redesign the pit shell based on a \$1,000 gold price. Mining on the \$1,400 pit shell was stopped in Q4 2014 when the Company reached 935 metre mining level. The Company has commenced extensive grade-control drilling to further confirm the ore body and the new pit design. It is envisaged that the Company will commence mining again in Q2 2015 and that the mine will provide ore to the end of Q3 2015. The Company has also commenced a study on the economics of continuing to mine at Golden Eagle as an underground operation.
- Low Grade Stockpiles &ndash; the Company has commenced screening the 702,259 tonnes of low grade stockpile at an average grade of 0.97 g/t, which is located at the run-of-mine pad at the processing plant. The Company is screening the ore using a 40mm screen deck which increases 38% of the stockpile grade by 65%. The screening process is expected to produce an additional 266,858 tonnes of ore at an average grade of 1.60 g/t to feed the processing plant during 2015. The Company is also reviewing a further 1.4 million tonnes of low grade stockpiles which it hopes to use to supplement feed during 2015 and in future years.
- Tekwane &ndash; in 2013, the Company announced an indicated mineral resource of 12,735 ounces and 11,443 ounces of inferred mineral resource at Tekwane. The gold mineralisation is in a flat-lying quartz rubble bed within the soil profile, close to surface. The Company has completed work on the mining and processing methodology which will be strip mining and gravity separation respectively. The mining licence has been issued by the Department of Mines and the Company expects to commence mining in Q2 2015. The Company plans to selectively mine the high grade areas in Q3 and Q4 2015.
- Tholo Pit &ndash; mining of the original pit plan has been completed. The Company has identified an opportunity to reclaim ore left behind in the access roads on the side wall of the pit and this will be mined during Q1 2015. Exploration will be carried out in 2015 to confirm if the Tholo ore body continues at depth.

This mine plan is subject to change according to the prevailing gold price whereby the Company will adopt the appropriate plan for that prevailing gold price environment.

At the processing plant, the Company's efforts continue to be focused on on-going stabilisation and optimisation of the processing operations. The projects identified for 2014, including the screening plant, liquid cyanide, pre-oxidation circuit and commencement of the re-automation of plant controls, have been completed. The major project for 2015 is implementing a gravity concentrating circuit into the plant to concentrate free gold before leaching is initiated.<sup>(2)</sup> This is in response to positive results received on the recovery of free gold from the Company's existing ore resources and to process Tekwane ore. Work will also continue to re-automate plant controls to improve recovery and process efficiencies.<sup>(2)</sup>

Galane Gold CEO, Nick Brodie commented: "The annual results show that Galane has the flexibility and the management team

to deliver against its two key objectives of maximising cash-flow and extending the operating life of our mine. This is despite the challenge of the SAG mill motor failing in May 2014 and the depressed gold price.

We have completed a new five-year mine plan based on a gold price of \$1,200 per ounce which has provided us with a sustainable path forward while retaining flexibility. A key component of that plan is the completion of the development of Tau underground. We therefore expect that our cash position will decline in the next two quarters as we fund this development, but based on our current mine plan we expect to be cash flow positive in 2015."

Notes:

(1) 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, 2014 for reconciliation to measures reported in the Company's financial statements.

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

#### About Galane Gold

Galane Gold is an un-hedged gold producer and explorer with mining operations and exploration tenements in Botswana. 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.

#### 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 a single mineral project; gold price volatility; risks associated with the conduct of the Company's mining activities in Botswana; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in a single country; 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; 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 Golden Eagle 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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