

TORONTO, Jan. 26, 2016 /CNW/ - [Galane Gold Ltd.](#) ("Galane Gold" or the "Company") (TSX-V: GG) is pleased to announce that the Company has filed a National Instrument 43-101 ("NI 43-101") technical report (the "Technical Report") for its Galaxy Gold Mine located in the Mpumalanga Province of South Africa. The mine is owned by Galaxy Gold Reefs (Pty) Ltd., a wholly-owned subsidiary of Galaxy Gold Mining Limited ("Galaxy"). The Company acquired a 74% ownership interest in Galaxy pursuant to a share purchase transaction in November 2015 and will be making an offer to the remaining shareholders of Galaxy to acquire their shares of Galaxy on economically equivalent terms.

The Technical Report titled "A Technical Report on the Galaxy Gold Mine, Mpumalanga Province, South Africa" issued on January 4, 2016 with an effective date of September 1, 2015 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 NI 43-101. The 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 the Company for the purposes of NI 43-101. The Technical Report is available for review under the Company's profile on SEDAR ([www.sedar.com](#)) and on the Company's website ([www.galanegold.com](#)).

Galaxy Description

The Galaxy Gold Mine is located approximately 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit (Mbombela), in the Mpumalanga Province of South Africa and covers an area of 5,863 ha. The mine comprises 21 east-west trending gold ore bodies and four prospects at 600 – 2,000 m depth. The Technical Report covers the following ore bodies:

- Woodbine, Giles, Galaxy, Golden Hill, Agnes Top, Pioneer & Tiger Trap and Princeton ore bodies;
- Ivy and Ceska Shaft Pillars; and
- Woodbine (East, North and South), Alpine Pioneer, Hostel (East and West) and Biox North historical dumps.

Gold has been prospected at the Galaxy Gold Mine since the 1880s and Agnes has been exploited as an established mine since 1908. Currently, over 75 historical adits exist within the mining area, as well as tailings storage facilities comprised of previously mined and processed material. To date, the mining assets have produced over one million ounces of gold¹. Galaxy's existing processing plants are in need of refurbishment and consist of a crushing, milling, flotation, biological oxidation of flotation concentrate, Carbon in Leach ("CIL") leaching, elution, smelting and tailings disposal designed to treat 16,000 tonnes of ore per month. This facility can be expanded through refurbishment and the introduction of larger mills and flotation equipment.

¹The information regarding the quantity of gold produced historically is based on available public sources, has not been independently verified by the Company and should not be relied upon as a predictor of future results.

Mineral Resource and Mineral Reserve Estimates

The mineral resources for Galaxy Gold Mine are summarized below and have been classified in accordance with the requirements of The Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Counsel, as amended ("CIM") and NI 43-101:

Summarised Galaxy Gold Mine Mineral Resources as at 31 August 2015

Mineral Resource Category	Tonnes	Grade Au	Content Au
	t	g/t	Oz
Measured mineral resource	1,876,126	3.37	203,435
Indicated mineral resource	4,350,781	2.85	399,261
Measured and Indicated	6,226,907	3.01	602,696
Inferred mineral resource	8,095,521	3.40	886,199

Notes:

1. 2015 Mineral Resource estimation were 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 the Technical Report.
2. The inferred mineral resources have a large degree of uncertainty as to their existence and whether they can be mined economically or legally.
3. Only mineral resources lying within the legal boundaries are reported.
4. Mineral resources are inclusive of mineral reserves.
5. Mineral resources are declared at cut-offs: Galaxy, Woodbine, Giles, Golden Hill, Princeton, Pioneer & Tiger Trap, Ivy shaft Pillar, Ivy to Agnes 3-11 Level = 1.8 g/t; Agnes Top = 1.00 g/t; surface dumps = 0.30 g/t.
6. All figures are in metric tonnes.
7. 1 kg = 32.15076 oz.

The mineral reserves for Galaxy Gold Mine are illustrated in the table below and have been classified in accordance with the requirements of CIM and NI 43-101:

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

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

Notes:

1. Tonnages refer to tonnes delivered to the metallurgical plant.
2. All figures are in metric tonnes.
3. 1 kg = 32.15076 oz
4. Different dilution, recovery and mine call factor applied to each ore body and tailings storage facility.
5. Pay limits calculated: USD/oz. = 1,130 and Exchange rate of ZAR11.70/US\$1.00.

Chief Executive Officer Nick Brodie stated, "We are pleased to have completed the Technical Report of Galaxy. It confirms our belief that we have added a significant asset to our portfolio. The Technical Report shows an all-in sustainable cost of \$688 per ounce at an exchange rate of ZAR11.70/US\$1.00 (currently approximately ZAR16.5/US\$1.00) and a net cash positive position at the end of the first year.

Our next step is the refurbishment of the plant, mining facilities and construction of a 25,000 tonnes per month tailings retreatment plant. After this, we will commence a new pre-feasibility study for the expansion of the underground mine and the processing plant to take production to over 50,000 ounces of gold per year and materially increase the life of mine".

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.

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 are set out under the heading "Risks and Uncertainties" in Galane Gold's annual management's discussion and analysis for the year ended December 31, 2014, a copy of which is available on the Company's SEDAR profile at www.sedar.com. 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 or referenced 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 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.

SOURCE [Galane Gold Ltd.](#)

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