

TORONTO, March 29, 2016 /CNW/ - [Galane Gold Ltd.](#) ("Galane Gold" or the "Company") (TSX-V: GG) is pleased to announce that Galane and its subsidiary, Galaxy Gold Mining Limited ("Galaxy") have entered into a full and final settlement agreement with Traxys Europe SA, Mine2Market S. à r.l. and certain others (collectively the "Traxys parties") with respect to various outstanding claims arising from the time period when the Traxys parties operated Galaxy's mining operations. As a result of the settlement, the Traxys parties unconditionally and irrevocably cancelled and waived all claims in relation to the various contract mining, off-take and tailings agreements and indebtedness entered into or owed by Galaxy and/or its subsidiary, Galaxy Gold Reefs Proprietary Limited ("Galaxy Gold Reefs"). The Traxys parties have also released their security interests against Galaxy's assets including its plant and mining licences.

In connection with the settlement, the Traxys parties have agreed to settle its claim for US\$4.3 million of indebtedness owing by Galaxy and Galaxy Gold Reefs in exchange for the issuance by Galane Gold of unsecured convertible debentures in the aggregate principal amount of US\$3.2 million (the "Debentures"). The Debentures mature in November 2019 and bear interest at 4% per annum which accrues until the maturity date. The principal is convertible at the option of the holder into common shares in the capital of Galane Gold ("Common Shares") at a price of Cdn\$1.00 per share, based on a pre-determined exchange rate of US\$1.00:Cdn\$1.30. The interest is convertible into Common Shares, based on a pre-determined exchange rate of US\$1.00:Cdn\$1.30, at a price equivalent to the greater of Cdn\$1.00 and the Discounted Market Price (as defined by the TSX Venture Exchange) at the time of conversion, subject to acceptance of the TSX Venture Exchange.

Chief Executive Officer Nick Brodie stated, "We are pleased to have completed this settlement with the Traxys parties. This settlement is a significant step in our process of cleaning up legacy issues with Galaxy and removes one of the final hurdles to recommencing production. The exchange of a sizeable amount of short-term indebtedness of Galaxy into long term indebtedness and the cancellation of the security on the assets should provide additional financial flexibility to implement our strategic vision for Galaxy."

## 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.

## Galaxy Description

Galaxy's mining assets are located on the Barberton Greenstone Belt ("BGB"), approximately 10 km to the west of the town of Barberton in the Mpumalanga Province of South Africa and include several historical mining operations on the BGB as well as tailings storage facilities comprised of previously mined and processed material. The mining of gold in South Africa began in Barberton, where the first traces of alluvial gold were discovered in 1874. Historic production at Galaxy commenced in the 1880s. To date, the mining assets have produced over one million ounces of gold. The 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.

Galaxy's existing processing plant is in need of refurbishment and consists of a crushing, milling, flotation, thickening, Biox, carbon in leach, elution 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.

## 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](http://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.

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.](#)

Contact  
Nick Brodie, CEO, [Galane Gold Ltd.](#), + 44 7905089878, [Nick.Brodie@GalaneGold.com](mailto:Nick.Brodie@GalaneGold.com), [www.GalaneGold.com](http://www.GalaneGold.com)