

TORONTO, March 30, 2016 /CNW/ - [Galane Gold Ltd.](#) ("Galane" or the "Company") (TSX-V: GG) is pleased to announce that it has filed a rights offering notice (the "Notice") and rights offer circular (the "Circular") on www.sedar.com for an offering (the "Rights Offering") to the eligible holders of its common shares (the "Common Shares") of record at close of business on April 8, 2016 (the "Record Date"). The rights issued under the Rights Offering (the "Rights") will expire on May 6, 2016 (the "Expiry Date"). The Rights Offering will be conducted in all of the provinces and territories of Canada.

Each eligible registered shareholder of Common Shares on the Record Date will receive one (1) Right for each Common Share held by such shareholder. One (1) Right plus the sum of \$0.01 will entitle the Rights holder to subscribe for one Common Share. The Rights issued under the Rights Offering will be evidenced by transferable rights certificates (each, a "Rights Certificate"), and will expire at 4:30 p.m. (Toronto time) on the Expiry Date, after which time unexercised Rights will be void and of no value. The Rights shall not be listed for trading.

Eligible shareholders are entitled to subscribe for additional Common Shares, subject to certain limitations set out in the Circular. It is anticipated that the Notice and accompanying Rights Certificate will be mailed to each of the eligible shareholders of the Company on or about April 15, 2016. Eligible registered shareholders wishing to exercise their Rights must forward the completed Rights Certificates, together with the applicable funds to Equity Financial Trust Company, the rights agent of the Company, on or before the Expiry Date. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

A fully subscribed Rights Offering is expected to generate gross proceeds of approximately \$713,000. The net proceeds from the Rights Offering are expected to be used to recommence operations at the mining facilities of its subsidiary Galaxy Gold Mining Limited ("Galaxy"). While the Company intends to spend the available funds as described, there may be circumstances where, for sound business reasons, a reallocation of the available funds may be necessary. In any event, the available funds will be used by the Company in furtherance of its business.

Chief Executive Officer Nick Brodie stated, "Galane has undertaken an extensive review on its fundraising to recommence operations at its newly acquired Galaxy operation. From the review, we decided that we would like to give existing shareholders the opportunity to invest in the future of the Company. To that end, we believe that the best and most equitable way to achieve this is to undertake a rights offering. We hope that all eligible shareholders will participate as the net proceeds of a fully subscribed rights offering is expected to provide sufficient funds to start the rehabilitation and commence a tailings operation at Galaxy. At current gold prices we expect this will produce positive operating cash flows in the short term. We will also continue to finalise the plan to fully rehabilitate the existing plant and to restart underground mining at Galaxy in the near future."

About Galane Gold Ltd.

Galane is an un-hedged gold producer and explorer with mining operations and exploration tenements in Botswana and South Africa. Galane is a public company and its shares are quoted on the TSX Venture Exchange and the Botswana Stock Exchange under the symbol GG. Galane's management team is comprised of senior mining professionals with extensive experience in managing mining and processing operations and large-scale exploration programmes. Galane 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 completion, timing and quantum of proceeds of the Rights Offering, the Company's future financial position and results of operations, strategy, 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'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.

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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