

TORONTO, ONTARIO--(Marketwired - May 1, 2017) - [Galane Gold Ltd.](#) ("Galane Gold" or the "Company") (TSX VENTURE:GG) is pleased to announce the release of its financial results for the year ended December 31, 2016. All amounts are in United States dollars unless otherwise indicated.

A copy of the audited consolidated financial statements for the year ended December 31, 2016 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).

## 2016 Highlights

- Increased production and cash-flows and reduced cash cost<sup>(1)</sup> compared to 2015.
- Production at Tau Underground in 2016, 206,591 tonnes at a head grade of 3.05 grams per tonne ("g/t") were mined (2015 - 93,617 tonnes at a head grade of 2.74 g/t).
- Operating cash cost<sup>(1)</sup> of \$918 per ounce (excluding royalties) for the year (2015 - \$1,039).
- Produced 26,783 ounces of gold at the Mupane property at a head grade of 1.29 g/t (2015 - 24,321 at a head grade of 1.29 g/t).
- Operating cash inflow of \$4.7 million (2015 - \$2.3 million).
- Capital investment in the Galaxy property of \$1.3 million and operating costs of \$0.7 million.
- Capital investment in Tau underground of \$3.4 million (2015 - \$5.2 million).

Galane Gold CEO, Nick Brodie commented: "The results for 2016 were very pleasing with an increase in ounces produced, an increase in Tau underground production (ahead of internal forecasts), an increase in operating cash flows and a reduction in cash costs per ounce. We are optimistic that we can continue these trends in 2017. The Company continues to be prudent in managing its cash reserves and, with the decline in gold price towards the end of the 2016 fiscal year, management of the Company decided to delay full commissioning at the Company's Galaxy property. If the price of gold continues to improve and the Company has sufficient funds available, our goal for the 2017 fiscal year is to complete commissioning at the Galaxy property and benefit from the capital and hard work already invested in restarting the operation."<sup>(2)</sup>

## Outlook<sup>(2)</sup>

### *Mupane Property*

The Company completed a new five year mine plan for the Mupane property in 2016 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 2017:

- Tau Underground - It is estimated that the Company will process approximately 400,000 tonnes at an average grade of 2.6 grams per tonne ("g/t"). While developing underground, the Company intends to continue exploration to attempt to confirm the extension of the Tau mineralised body at depth as previously announced in the Company's press release of October 24, 2016 on the discovery of the potential extension.
- Low Grade Stockpiles - the Company expects to process approximately 380,000 tonnes of low grade stockpile at an average grade of 0.78 g/t, which is located at the run-of-mine pad at the processing plant and at Golden Eagle.
- Tekwane - the Company will continue to selectively mine the high grade areas and will use a screening plant at the mine site to reduce the tonnage and increase the potential grade to be delivered to the plant. The Company is planning to process approximately 30,000 tonnes at an average grade of 1.2 g/t.

The Mupane property mine plan is subject to change according to the prevailing gold price. The Company will adopt the appropriate plan for the prevailing gold price environment.

### *Galaxy Property*

The Company announced in January 2017 that at the current stage the Galaxy property does not generate positive cash flows and further capital expenditures are required to complete the full commissioning. The Company is committed to fund the commissioning and operations at the Galaxy property project from cash flows generated from the Company's Mupane mine. Mupane continues to generate positive operating cash flows; however at the current gold price it is insufficient to fully fund commissioning at the Galaxy property. Management has decided to be prudent and delay full commissioning at the Galaxy property until the Company has sufficient funds available.

## 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.

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, 2016 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".*

#### 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 two mineral projects; gold price volatility; risks associated with the conduct of the Company's mining activities in Botswana and South Africa; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in Botswana and South Africa; 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; 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.

*Estimates set out above under "Outlook" in respect of Tau Underground, Tekwane, Low Grade Stockpiles and Galaxy 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.*

## Contact

[Galane Gold Ltd.](#)

Nick Brodie

CEO

+ 44 7905 089878

Nick.Brodie@GalaneGold.com

www.GalaneGold.com