Galane Gold Ltd. Announces Replacement of Convertible Debenture and an Update on the Barak Loan Facility

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TORONTO, July 04, 2018 -- Galane Gold Ltd. (“Galane Gold” or the “Company”) (TSXV:GG) today announced that it has entered into an agreement with Traxys Europe SA (“Traxys”) to replace the existing 4% unsecured convertible debenture in the principal amount of US$3,249,433 (the “Debenture”). The Debenture was issued to Traxys on March 29, 2016 and is convertible into common shares in the capital of the Company (“Common Shares”). Under the terms of the new debenture, the conversion price of the principal amount of the Debenture has been reduced from CDN$0.58 to CDN$0.15 per Common Share and the maturity date has been extended from November 20, 2019 to November 20, 2021. The TSX Venture Exchange has conditionally approved the proposed replacement of the Debenture, subject to the satisfaction by the Company of certain conditions.

The Company has made material progress towards the disbursal of the US$5,000,000 secured loan facility with Barak Fund SPC Limited previously announced on March 5, 2018. The Company is working through the various conditions precedent and documentation with respect to the facility and anticipates first drawdown on the facility early in the third quarter of 2018. As a result of such progress, the Company and Barak have entered into an addendum to the loan agreement to extend the expected closing date to on or before July 31, 2018.

Galane Gold CEO, Nick Brodie commented: “We are very pleased to announce the restructuring of Traxys’ Debenture to match when we are planning for the Galaxy project to be in full production. In addition we are pleased to be nearing completion of the conditions for the draw-down of the debt facility provided by Barak Fund and expect to be able to provide further updates with respect to the re-start of Galaxy in the near future.”

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 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.

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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