

Galane Gold Ltd. Releases Financial and Operating Results for 2020

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TORONTO, April 28, 2021 - [Galane Gold Ltd.](#) ("Galane Gold" or the "Company") (TSX-V: GG; OTCQB: GGGOF) is pleased to announce the release of its financial results for the year ended December 31, 2020. All amounts are in United States dollars unless otherwise indicated.

A copy of the audited consolidated financial statements for the year ended December 31, 2020 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.

2020 Highlights

- Positive operating cash flow of \$13,877,756 and net earnings of \$4,434,028 (2019 - \$2,919,378 and a loss of \$3,823,364).
- Mupane produced 27,369 ounces of gold at a head grade of 1.74 g/t and a recovery of 73.8% (2019 - 30,294 ounces at a head grade of 1.81 g/t and recovery of 71.2%). Production was constrained in the first half of 2020 due to the COVID-19 restrictions.
- Mupane's average sales price achieved for 2020 was \$1,766 per ounce (2019 - \$1,378) offset by an operating cash cost⁽¹⁾ of \$1,070 per ounce (2019 - \$1,090).
- Galaxy produced 3,742 tonnes of concentrate containing 3,932 ounces of gold for gross sales proceeds, on payable ounces of 2,721, of \$4,948,678.
- In 2020, Galane Gold made debt repayments of \$4,824,898 (2019 - \$3,442,292).
- The closing cash balance at December 31, 2020 was \$4,971,880 (2019 - \$2,201,853).
- A new technical report and preliminary economic assessment (the "PEA") was produced for Galaxy that showed:⁽³⁾⁽⁴⁾
 - A sixty percent increase, 891,773 ounces, in all resource categories when compared to the previous technical report to give a new total of 970,904 ounces of measured and indicated mineral resources, and 1,409,764 ounces of inferred mineral resources.
 - New Preliminary Economic Assessment, modelled at an average gold price of \$1,466 per ounce, with:
 - an initial 11 year mine plan;
 - producing 413,421 ounces;
 - at an all in sustainable cost of \$747 per ounce; and
 - a peak funding requirement of approximately \$600,000.
 - At a gold price of \$1,700 per ounce and a 11-year life, the project has an internal rate of return of 1,498% and a NPV (5%) of \$147 million.⁽⁵⁾

Galane Gold CEO, Nick Brodie commented: "In 2020, as with the rest of the world, we faced the challenges resulting from the impacts of the COVID-19 pandemic. It is a testament to our teams in Botswana and South Africa that we managed to prioritise the health and safety of our employees, while still ensuring the continuation of economic operations and the advancement of our projects.

This has given us a stable platform to take into 2021 from which we can leverage our goals of continuing to grow our operations both organically and through acquisitions.⁽²⁾ As an executive management team, we are focused on the expansion of Galaxy to reach the Phase 2 target annual production of 43,000 ounces per annum at an all-in cost of \$747 per ounce, the addition of resources at Mupane to continue to extend life and the closing of the acquisition of the Summit Mine and the Banner Mill in New Mexico, following which we plan to bring the mine out of care and maintenance and back into production.⁽²⁾ We relish the challenge and are looking forward to what we believe will be a transformative two years for Galane.⁽²⁾"

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" and the OTCQB under the symbol "GGGOF". 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 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, 2020, 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".*
- (3) Information based on the PEA entitled "NI 43-101 Technical Report on the Galaxy Gold Mine, South Africa" issued on July 3, 2020, with an effective date of June 29, 2020, prepared by Minxcon (Pty) Ltd and approved by Mr. Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.) Pr.Sci.Nat., MGSSA, and Mr. Daniel (Daan) van Heerden, B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng., FSAIMM, AMMSA, both "qualified persons" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), and independent of the Company for the purposes of NI 43-101. The PEA is available under the Company's profile on www.sedar.com.*
- (4) The PEA is preliminary in nature as the resources included in the PEA are comprised 54% of inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized.*
- (5) Based on the valuation information and assumptions contained in the PEA, with the exception of the replacement of the gold price of \$1,466 as stated in the PEA, with a gold price of \$1,700.*

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 plans to expand Galaxy, plans to extend life at Mupane, the closing of the acquisition of the Summit Mine and Banner Mill, 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. Forward-looking statements may specifically include, without limitation, statements relating to the Company's ability to conduct operations amid COVID-19 related restrictions; the Company's ability to put proper controls in place to retain funds and minimize the financial effect of COVID-19; the estimated impact of COVID-19 on the Company's business and operations; and the ability of the Company to complete its Preliminary Economic Assessment to support the Phase 2 expansion at Galaxy. 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; the ability of the communities in which the Company operates to manage and cope with the implications of COVID-19; the economic and financial

implications of COVID-19 to the Company; 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.

Information of a technical and scientific nature that forms the basis of the disclosure in the press release has been prepared and approved by Kevin Crossling Pr. Sci. Nat., MAusIMM. and Business Development Manager for Galane Gold, and a "qualified person" as defined by NI 43-101. Mr. Crossling has verified the technical and scientific data disclosed herein and has conducted appropriate verification on the underlying data.

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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