TORONTO, ONTARIO – November 29, 2016: Galane Gold Ltd. (“Galane Gold” or the “Company”) (TSX-V: GG) is pleased to announce the release of its financial results for the three and nine months ended September 30, 2016. All amounts are in United States dollars unless otherwise indicated.

A copy of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 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.

Third Quarter 2016 Highlights

- Produced 6,243 ounces of gold.
- All-in operating cash cost of $1,055 per ounce (excluding royalties).\(^{(1)}\)
- Positive operating cash flow of $1,803,903.
- Cash balance of $2,011,696 at the end of the quarter.
- Loss for the quarter of $1,585,352

Subsequent Events

- Commenced commissioning of the first phase of the Galaxy Project
- Commenced underground mining at the Woodbine, Agnes and Ivy mineral bodies at the Galaxy property on seventeen level using conventional shrink stope mining.

Galane Gold CEO, Nick Brodie commented: “We are pleased to report that we have again generated positive operating cash flows and continue to advance the re-commissioning of Galaxy, investing approximately one and half million dollars into this project during the quarter.

In the quarter we also commenced the commissioning of the first phase of the Galaxy Project and also re-commenced underground mining activities. Our results were affected by two key factors, a non-cash foreign exchange loss of approximately one million dollars and lower production at Tau underground. At Tau in the quarter we concentrated on development of the declines and reef drives for the commencement of our long term stoping plan for the main reef. We continue to remain focused on operating profitably in Botswana while advancing the development at Galaxy.”

COMMISSIONING OF THE FIRST PHASE OF THE GALAXY PROJECT

Galane Gold is also pleased to announce that it has commenced commissioning the first phase of the Galaxy capital project, as previously announced in the press release dated July 18, 2016, at the Company’s Galaxy Gold mine in South Africa.
The first phase of the capital project has come within budget and on time using internal cash flows from the Company’s other operations. The Company is currently commissioning the tailings retreatment circuit which has been designed at 28,000 tonnes per month to meet the projected monthly production target of approximately 25,000 tonnes per month. This allows for a plant availability of 90% and involves the following steps:

1. **Slime Reclamation** - Slime is reclaimed from two sources, namely the Hostel and Old Mill Sands complexes. The mode of reclamation is in the form of high pressure water monitoring using four inch water cannons which are controlled by trained operators. High pressure water is pumped to the reclamation site dams from the plant which sources water from the underground workings. The monitored slurry at both sites then reports to pump stations which consist of primary in line finger screens to remove grass and trash and then secondary vibrating screens which remove the plus 2mm sized fraction. Screened slurry reports to a pump box where it is mechanically moved to the plant using three pumps in series (with a standby set) which pumps down a single 100mm line at a density between 1.45 and 1.55 specific gravity.

2. **Plant Reception and Mill Area** - Material from the sites is pumped directly to the primary tank reception area. Slime and sand is separated using a cyclone. The product under size (coarse material) reports to the mill for grinding, the product overflow (fine material) continues onto the thickener or de-watering cyclone via a tramp screen. The tramp over size material is discharged off the screen and then is pumped directly to tailings. This thickener is to allow low density slurry to be thickened to control the feed to the CIL plant. In this area lime is added directly to the screen boxes for ph control via a lime ring main system. The single stage mill is used to further mill the coarse sands resulting from the cyclone underflow. Mill discharge is then pumped to a second cyclone which will determine if the material has reached the correct specification to proceed onto the thickener stage. This mill will also be used as the project continues to treat hard rock from the underground operations.

3. **Thickening** - The thickener is 6 meters in diameter and centrally driven. Thickener underflow is pumped to the Filblast oxidation tank area for ph control and oxygen injection. Clarified thickener overflow flows by gravity back to the milling circuit to be used as water make up.

4. **New Leach / CIL Circuit** - Screened slurry is pumped to the Filblast tank for preconditioning before leaching. The leach feed slurry then passes through a slurry sampler before dropping into the pre-conditioner tank. Slurry is pumped from this first tank through 150 m3/hr Filblast Atomaer high shear reactor units for oxidation purposes. Cyanide solution is then added from a ring main to a header tank and from there to the first leach tank, with the facility to add cyanide to the next two subsequent tanks, should it be required. Cyanide control is via a TAC 1000 cyanide controller. Compressed air or oxygen is injected into the bottom of the leach tanks, to ensure sufficient oxygen for the cyanidation reaction. The CIL area has been bunded to retain any overflow, spillage, tank draining with a below ground spillage pump and sump arrangement. The pump delivers spillage back to the first leach tank. Each CIL tank is equipped with an inter-stage screen mechanism. The screen has a cylindrical stainless steel wedge-wire screen surface driven by the tank agitator. The purpose of the screen is to retain the loaded carbon in each tank reactor. Carbon is moved from one tank to another using air lifts.

5. **Acid wash** - The acid wash section is still under construction with the loaded carbon from the CIL received in the loaded carbon measuring vessel. Once a batch has been accumulated it will be dropped into the acid wash column where it will be washed with dilute hydrochloric acid to remove scale prior to elution. Once complete, the acid washed carbon will be neutralised and transferred into the elution column.
6. Elution - The elution section is still under construction. It will use a pressurised Zadra system. Loaded carbon will be eluted by initially pumping a hot caustic cyanide solution, typically 3.0% NaOH and 2.0% NaCN, through the column at 90°C. Gold adsorbed onto the loaded carbon will be eluted off the carbon and plated on the electro-winning cathodes. The elution circuit heater has an electric fired boiler and thermal water system with the thermal water being circulated round the heater and the primary heat exchanger. On completion of the elution, within a 13-16 hour period, the eluted carbon will be transferred hydraulically from the elution column to the eluted carbon tank for regeneration.

7. Tailings Circuit - Tailings slurry from the last CIL tank gravitates to a tailings vibrating screen via a distribution box for carbon recovery, in the event of damage, wear or incorrect installation of CIL inter stage screens. Carbon recovered on the screen is delivered to a dewatering bulk bag for re-use. Tailings linear screen underflow passes through an automatic slurry sampler before dropping into the tails sumps. CIL tails and trash from the tramp screen are pumped to the tailings dam. Three pumps and a single pipeline are available to pump the slurry to the tailings site. Fine tails slurry flow towards the centre of the tailings dam from the tailings cyclones at selected outlets. Coarse tailings are used for building the walls of the tailings dam, which is specifically designed to hold any excess water. The slurry floes onto the dam and the solids are allowed to settle. Excess supernatant water will be collected in a pool and pumped back to the plant.

Work on the second phase of the capital project, the crush and float sections, is already underway. In addition, the Company has also recommenced underground mining at the Woodbine, Agnes and Ivy mineral bodies at the Galaxy property on seventeen level using conventional shrink stope mining. It expects to start adding hard rock in the first quarter of 2017 upon commissioning of the second phase.

Production at the Galaxy property is currently expected to commence in the fourth quarter of 2016.(2) Galane Gold CEO, Nick Brodie commented: “This is the first phase of our Galaxy project and is a significant step towards our long term plan of turning Galaxy into a 60,000 ounce of gold producer. As a result, it is an exciting time for Galane as we begin to see the fruition of the investments of energy, capital and management expertise over the last five years to reshape the Company into a long-life and low-cost operation that aims to produce positive returns for investors across commodity cycles.”(2)

**Galaxy Description**

The Galaxy Gold mine is located approximately 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit (Mbombela), in the Mpumalanga Province of South Africa and covers an area of 5,863 ha. The Galaxy Gold mine comprises 21 east-west trending gold bodies and four prospects at 600 – 2,000 meters depth.

The technical disclosure regarding the Galaxy Gold mine is reported in the technical report entitled “A Technical Report on the Galaxy Gold Mine, Mpumalanga Province, South Africa” which was issued January 4, 2016 with an effective date of September 1, 2015 (the “Galaxy Technical Report”), and was prepared by Minxcon (Pty) Ltd and approved by Daniel van Heerden, B Eng (Min.), MCom (Bus. Admin.), Pr. Eng., FSAIMM, AMMSA, a Qualified Person as defined by National Instrument 43-101 (“NI 43-101”). The Galaxy Technical Report satisfies the requirements to be a pre-feasibility study and was reviewed by the Directors of Minxcon (Pty) Ltd, specifically, Daniel van Heerden; Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat., MGSSA; Dario Clemente, NHD (Ext. Met.), GCC, BLDP (WBS), MMMA, FSAIMM; and Johan Odendaal, BSc (Geol.),
BSc (Min. Econ.), MSc (Min. Eng.), Pr.Sci.Nat., FSAIMM, MGSSA, all of whom are Qualified Persons as defined by NI 43-101 and independent of Galane Gold for the purposes of NI 43-101. The Galaxy Technical Report can be found under the Company’s profile on SEDAR (www.sedar.com) and on the Company’s website (www.galanegold.com).

The Galaxy Technical Report covers the following mineralized bodies:-

- Woodbine, Giles, Galaxy, Golden Hill, Agnes Top, Pioneer & Tiger Trap and Princeton mineralized bodies;
- Ivy and Ceska Shaft Pillars; and
- Woodbine (East, North and South), Alpine Pioneer, Hostel (East and West) and Biox North historical dumps.

Currently, over 75 historical adits exist within the mining area, as well as tailings storage facilities comprised of previously mined and processed material. Galaxy’s existing processing plants are in need of refurbishment and consist of a south plant where crushing, milling, flotation, elution and smelting take place, and a north plant where biological oxidation and leaching of flotation concentrate takes place. The south plant is designed to have a total run of mine capacity of approximately 15,000 tonnes per month and can be expanded through refurbishment and the introduction of larger mills and flotation equipment.

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.

Note:

(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 three months ended June 30, 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 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.

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.

For further information please contact:

Nick Brodie  
CEO, Galane Gold Ltd.  
+ 44 7905089878  
Nick.Brodie@GalaneGold.com  
www.GalaneGold.com