TORONTO, ONTARIO – March 22, 2013: Galane Gold Ltd. (“Galane Gold” or the “Company”) (TSX-V: GG) is pleased to announce the release of its financial results for the year ended December 31, 2012. All amounts are in United States dollars unless otherwise indicated.

A copy of the audited consolidated financial statements for the year ended December 31, 2012 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.

2012 Highlights and Subsequent Events

Financial

- Produced 48,940 ounces of gold and sold 49,014 ounces of gold plus incidental silver at an average combined selling price of $1,671 per ounce.
- Net earnings after tax of $17,411,071.
- Total operating cash cost of $1,027 per ounce (excluding royalties)\(^{(1)}\)
- Realized earnings per share as follows:
  - Basic $0.37; and
  - Diluted $0.34.

Operating

- Total ore mined of 906 thousand tonnes and total ore milled of 1,084 thousand tonnes at an average head grade of 1.70 grams per tonne.
- Recovery rate at the processing plant of 83.0%.
- In Q1 2012 the Company reviewed the mine plan at its Tholo pit. As a result the Company implemented a revised mine plan that involved accelerated stripping of the Tholo pit cutback to make more ore available at a higher grade sooner. The accelerated stripping program at the Company’s Tholo pit has progressed well and remains on schedule.
- In Q1 2012 Signal Hill pit provided the majority of the ore to the processing plant. As planned, Signal Hill effectively closed in Q3 2012 and the Company successfully transitioned to Golden Eagle, a new pit, as the major source of ore for the processing plant.
- The Company’s previously disclosed Operational Improvement Program has resulted in the following:
  - blasting designs have been revised, improving fragmentation and ore dilution levels;
  - all mining, drilling and blasting contracts have been reviewed and renewed to align with the Company’s objectives with regards to performance and efficiency; and
real time geology updates of the mine plan have been implemented allowing active management of the mine plan as mining activity progresses;

- In March 2013, the Company completed a review of its own mining fleet, which it uses to mine at Tholo pit, and decided to outsource this function. A retrenchment process for the employees affected has commenced. There will be cash savings over the next two years as a result of a reduction in the cost of mining, increased operating availability and reduced capital expenditure requirements.
- The processing plant maintenance program was established in Q1 2012 and has made advances during 2012. In addition, condition monitoring programs have been introduced. As a result, a major shutdown was completed on the SAG mill in September 2012 that required significant downtime to complete.
- In Q1 2012 the tailings deposition method was revised to reduce risk and improve water recovery. This resulted in an improvement in water recovery from approximately 5% to 20%. This reduced the Company’s water supply risk and operating costs due to lower water consumption and decreased environmental impact. In addition, a process water dam extension was commissioned in Q3 2012 which resulted in an increase in water storage capacity of approximately 200%.
- The process control (SCADA) system upgrade was completed in 2012 and it is providing a more reliable and refined dynamic control of the processing plant.

**Mineral Resource Update**

- On March 18, 2013, the Company issued an update to the mineral resources in respect of its Mupane Property. In summary the results of the update were:
  - Measured and Indicated Resources of 508.4 thousand ounces of gold; and
  - Inferred Resources of 261.1 thousand ounces of gold.
- The full text of the resource update is available on the Company’s SEDAR profile at www.sedar.com.

**Exploration**

- The Company announced an expansion of its exploration program in 2012 and is conducting a comprehensive exploration over a large number of prospects. Work has been carried out at:
  - Tau Deeps – 2,210m of diamond core drilling with the aim of confirming continuity of the existing ore body at depth.
  - Jim’s Luck – 12,755m of reverse circulation drilling which provided the support for an initial resource of 93 thousand ounces of gold in the measured and indicated categories. In addition it highlighted the potential for significant extensions of the ore body. The Company issued a press release in respect of Jim’s Luck dated February 5, 2013 which is available under the Company’s profile on SEDAR at www.sedar.com.
  - Tekwane – 518 pits for 804 samples were completed during 2012. An update to the prospect was provided in a press release dated December 3, 2012 which is available under the Company’s profile on SEDAR at www.sedar.com.
  - Tailings Dumps – 681 holes for 3,448 samples were collected. The results for the Mupane Slimes Dump were included in the resources update and showed a measured and indicated resource of 91.8 thousand ounces of gold.
  - Orapa Road – 9,500 soil samples were collected and the results show a soil anomalism along 10km the most significant of which measure 2.5km of strike outlined by 100 -150 parts per billion of gold contours.
  - Matopi – reverse circulation drilling of 847m and diamond core drilling of 300m was completed in June 2012.
Outlook

During 2013 for mining:
- Tholo Pit – as the accelerated stripping program completes it is anticipated that Tholo in Q2 2013 will provide up to 50% of the ore to the processing plant. As the grade is higher than other sources available to the Company it will have the effect of averaging up the head grade at the processing plant. Mining is expected to cease at the end of 2013 but due to the volumes of ore it is expected that some will be stockpiled and used in 2014.
- Golden Eagle – It is anticipated that as Golden Eagle is mined the grade will increase with depth. The mining rate at Golden Eagle will be sustained to compliment Tholo.
- Stockpiles - the Company has a stockpile of ore from previous mining next to the processing plant. Although the grade is low it provides a source of comparatively cheap ore, as the mining costs have already been incurred, and it will be used during the first six months of 2013 in conjunction with the ore from Tholo and Golden Eagle to maintain the tonnage throughput levels.

At the processing plant:
- Secondary crushing – An opportunity has been recognized to increase the tonnage throughput capacity of the plant from a nominal 140 tonnes per hour to 160 tonnes per hour (depending on ore type and grinding index) by the addition of a secondary crushing unit. It has been anticipated that the cost will be approximately $3.5 million and the Company is currently reviewing the optimum time to implement the crushing unit.
- Mupane Slimes Dump – an application for the establishment of an extension of the existing tailings storage facility has been initiated with the first step being the production of an environmental impact assessment which started in Q1 2013. On approval of the application the Company will be in a position to advance opportunities of processing the existing tailings facilities.

The exploration program for 2013 is focused on extending the mine life by defining depth extensions for potential underground mining of both operating and previously mined open pits, and following up on targets identified by the 2012 work.

Galane Gold CEO, Philip Condon commented: “2012 has been a significant year for Galane Gold. It was our first full year of operations and we have taken major steps toward meeting the objectives we set for the Company when we assumed control of Mupane Gold Mines in September 2011.

A strong and committed management team has been built and they are constantly striving to improve the operational efficiencies through the operational improvement program. We have critically reviewed the costs of the business to drive costs down in every aspect. Where optimisation opportunities have arisen, for example the accelerated cut back at Tholo, we have taken advantage of them for the long term benefit of the Company. In addition we have extended the mine resources with the latest update to a total of 508.4 thousand ounces of gold in the measured and indicated category and 261.1 thousand ounces of gold in the inferred category and we expect to increase that over the coming year, whilst continuing to produce.

The Company going forward will continue to focus on operational improvement and extending mine life so that when new opportunities arise it will be in a strong position to take advantage of them.”
Performance Shares

In connection with the completion of the acquisition by the Company of all of the issued and outstanding shares of Gallery Gold Pty Ltd. from IAMGOLD Corporation, the Company entered into performance share agreements dated August 30, 2011 (the “Performance Share Agreements”) with each of Philip Condon and Ravi Sood, the Chief Executive Officer and Chairman of the Company, respectively. Pursuant to the Performance Share Agreements, the Company is required to issue 1,250,000 common shares to each of Mr. Condon and Mr. Sood upon the achievement of either of the following milestones with respect to the Company’s Mupane Property by September 2, 2014: (i) 130,000 ounces of gold production at an average cash cost per ounce of $900 or less over any eight consecutive fiscal quarters of the Company; or (ii) $25,000,000 of cash flow from operations in any four consecutive fiscal quarters (the “Financial Performance Milestone”). On March 22, 2013, upon approval of the audited financial statements for the year ended December 31, 2012 and after receiving confirmation from the Company’s auditors that the Financial Performance Milestone had been achieved, the board of directors of the Company authorized the issuance of 1,250,000 common shares to each of Mr. Condon and Mr. Sood in accordance with the terms of the Performance Share Agreements.

About Galane Gold

Galane Gold is an un-hedged gold producer and explorer with mining operations and exploration tenements in Botswana. Galane Gold is a public company and its shares are quoted on the TSX Venture Exchange and the BSE 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 year ended December 31, 2012 for a reconciliation to measures reported in the Company’s financial statements.

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, potential savings as a result of outsourcing the mining fleet, the anticipated cost of a secondary crushing unit, 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 a single mineral project; gold price volatility; risks associated with the conduct of the Company’s mining activities in Botswana; regulatory, consent or permitting delays; risks relating to the Company’s exploration, development and mining activities being situated in a single country; 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; 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.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that any of the mineral resources disclosed in the press release will be converted to mineral reserves. There is also no guarantee that any of the inferred mineral resources will be upgraded to measured or indicated mineral resources. Information of a technical and scientific nature that forms the basis of the disclosure in the MD&A 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.

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