GALANE GOLD LTD. COMPLETES ACQUISITION OF GALAXY GOLD MINING LIMITED

TORONTO, ONTARIO – November 20, 2015: Galane Gold Ltd. (“Galane Gold” or the “Company”) (TSX-V: GG) is pleased to announce that it has closed its previously announced acquisition of a majority of the issued and outstanding ordinary shares (each, a “Galaxy Share”) of Galaxy Gold Mining Limited (“Galaxy”), a gold mining company with operations in the Mpumalanga Province of South Africa. Galane Gold will make an offer to all other shareholders of Galaxy to acquire the remaining Galaxy Shares on economically equivalent terms (the “Mandatory Offer”).

Chief Executive Officer Nick Brodie stated, “We are pleased to have completed the acquisition of Galaxy and added what we believe is a significant asset to our portfolio. Our experienced management team looks forward to taking an underperforming asset and returning it to full and profitable production within the next 12 months. The team can draw from the experience gained in revitalising Mupane and an in depth knowledge of mining and processing in the greenstone belt, including in Barberton itself.

From our due diligence we have confidence that the potential of the Galaxy asset will assist Galane in being able to operate in any realistic gold price environment. To support that confidence we are currently in the process of completing a National Instrument 43-101 technical report and commencing a pre-feasibility study to support the expansion of Galaxy’s operations up to 50,000 ounces per annum.

Galaxy has been operating with a working capital deficiency which has led to disputes with critical suppliers and contractors. As a result Galaxy has also not met all of its statutory requirements. This has required an extended review of the business to satisfy ourselves that Galaxy can be resurrected to its historic production levels.

This represents the first step in our strategic plan to build a mid-tier gold company through the acquisition of near term production assets, with existing mine and processing facilities which will present us with the ability to increase both resource and production in easy manageable steps.”

Galaxy Description

Galaxy’s mining assets are located on the Barberton Greenstone Belt (“BGB”), approximately 10 km to the west of the town of Barberton in the Mpumalanga Province of South Africa and include several historical mining operations on the BGB as well as tailings storage facilities comprised of previously mined and processed material. The mining of gold in South Africa began in Barberton, where the first traces of alluvial gold were discovered in 1874. Historic production at Galaxy commenced in the 1880s. To date, the mining assets have produced over one million ounces of gold. The information regarding the quantity of gold produced historically is based on available public sources, has not been independently verified by the Company and should not be relied upon as a predictor of future results.

Galaxy’s existing processing plant is in need of refurbishment and consists of a crushing, milling, flotation, thickening, Biox, carbon in leach, elution and tailings disposal designed
to treat 16,000 tonnes of ore per month. This facility can be expanded through refurbishment and the introduction of larger mills and flotation equipment.

**Historical Estimate**

The historical estimate set out in the table below (the “Historical Estimate”) was disclosed in a report provided by Galaxy to the Company with an effective date of August 30, 2011 entitled “An Independent Competent Persons’ Report on the Galaxy Gold Mineral Assets, Mpumalanga Province, South Africa”.

<table>
<thead>
<tr>
<th>Mineral Resource Category</th>
<th>Tonnes (t)</th>
<th>Gold Grade (g/t)</th>
<th>Content (oz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>2,113,200</td>
<td>3.39</td>
<td>230,520</td>
</tr>
<tr>
<td>Indicated</td>
<td>4,422,900</td>
<td>2.85</td>
<td>405,352</td>
</tr>
<tr>
<td>Total Measured and Indicated</td>
<td>6,536,100</td>
<td>3.02</td>
<td>635,872</td>
</tr>
<tr>
<td>Inferred</td>
<td>8,070,000</td>
<td>3.40</td>
<td>882,562</td>
</tr>
</tbody>
</table>

The Historical Estimate was prepared in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves as at June 27, 2011 and does not comply with the CIM Definition Standards on Mineral Resources and Mineral Reserves as required by National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). A qualified person has not done sufficient work to classify the Historical Estimate as a current mineral resource in accordance with NI 43-101 and the issuer is not treating the Historical Estimate as a current mineral resource. It is expected that a new NI 43-101 technical report will be issued in the upcoming few weeks.

**Transaction Details**

Galane Gold entered into share purchase agreements with certain majority shareholders of Galaxy, pursuant to which a wholly-owned subsidiary of the Company agreed to acquire approximately 74% of the issued and outstanding Galaxy Shares in, exchange for 18,334,492 common shares in the capital of the Company (the “Common Shares”), with an aggregate value of approximately Cdn.$2.3 million, based on a deemed price of Cdn.$0.125 per Common Share, and common share purchase warrants (the “Warrants”) exercisable to acquire an aggregate of up to 4,076,599 Common Shares for a period of two years at Cdn.$0.175 per Common Share. Galane acquired 66% of the outstanding Galaxy Shares today with the remaining 8% of the Galaxy Shares held by the majority shareholders of Galaxy expected to close within the next two weeks.

Upon full completion of the acquisition of Galaxy Shares from the above-noted majority vendors, such vendors of Galaxy Shares will hold an aggregate of approximately 26% of the issued and outstanding Common Shares on an undiluted basis, based on the outstanding number of Common Shares as of today’s date, or 30% assuming the exercise of the Warrants and no other convertible securities of the Company. If all of the remaining minority shareholders of Galaxy tender their Galaxy Shares pursuant to the Mandatory Offer in exchange for Common Shares and Warrants, the shareholders of Galaxy, including the majority vendors, will hold approximately 31.8% of the Common Shares on an undiluted basis, based on the outstanding number of Common Shares as of today’s date, or 36.3% assuming the exercise of the Warrants and no other convertible securities of the Company.

In connection with the transaction, Galaxy has also issued or has agreed to issue approximately US$2.4 million aggregate principal amount of unsecured convertible debentures (the “Debentures”) to settle outstanding debt obligations owed by Galaxy.
and its subsidiary Galaxy Gold Reefs (Pty) Ltd. The Debentures have a four year maturity and bear 4% interest per annum, accrued and paid at maturity. The principal is convertible at maturity into Common Shares, based on a pre-determined exchange rate of US$1.00:Cdn$1.30, at a price of Cdn$1.00. The interest payable on maturity is convertible into Common Shares, based on a pre-determined exchange rate of US$1.00:Cdn$1.30, at a price equivalent to the greater of Cdn$1.00 and the Discounted Market Price (as defined by the TSX Venture Exchange), subject to acceptance of the TSX Venture Exchange.

One of the above-noted majority vendors of Galaxy Shares is Wayne Hatton-Jones, the Chief Operating Officer of Galane Gold. The acquisition of the Galaxy Shares from Mr. Hatton-Jones constitutes a “related party transaction” under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). Galane Gold issued 1,229,515 Common Shares and 273,378 Warrants to Mr. Hatton-Jones as consideration for his Galaxy Shares. Based on the outstanding number of Common Shares as of today’s date and assuming the exercise of all of the Warrants issued to Mr. Hatton-Jones and no other convertible securities of the Company, Mr. Hatton-Jones holds approximately 2.2% of the issued and outstanding Common Shares. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, based on a determination that the fair market value of the consideration paid to Mr. Hatton-Jones did not exceed 25% of the market capitalization of the Company at the time such transaction was agreed to. The purchase of Mr. Hatton-Jones’ Galaxy Shares was unanimously approved by the board of directors of the Company.

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 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.

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 are set out under the heading “Risks and Uncertainties” in Galane Gold’s annual management’s discussion and analysis for the year ended December 31, 2014, a copy of which is available on the Company’s SEDAR profile at www.sedar.com. 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 or referenced 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.

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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