GALANE GOLD LTD. ANNOUNCES THAT IT HAS ENTERED INTO A SECURED US$5,000,000 LOAN FACILITY AND GOLD PREPAYMENT AGREEMENT WITH SAMSUNG

TORONTO, ONTARIO – August 25, 2014: Galane Gold Ltd. ("Galane Gold" or the "Company") (TSX-V: GG) is pleased to announce that it has entered into a secured US$5m loan facility and gold prepayment agreement with Samsung C&T U.K. Limited ("Samsung").

Pursuant to the agreement, Samsung has agreed, subject to certain conditions, to provide a US$5m loan facility to Galane Gold in return for the sale and delivery by the Company's Botswana operating subsidiary, Mupane Gold Mining (Pty) Ltd. ("Mupane"), of a minimum of 1,607 ounces of gold per month for a period of two years (38,568 ounces in aggregate) payable by Samsung at a fixed discount rate to the then prevailing spot price upon delivery. Samsung is also provided with the further exclusive option to purchase all gold produced by Mupane above 1,607 ounces per month on a non-discounted basis at the then prevailing spot price for such two year period. The loan facility is repayable by the Company over the two year period by way of 18 equal principal payments commencing seven months after the initial advancement of the facility. The facility shall be secured first by a pledge of the shares of Mupane and then replaced with a first charge against the assets of Mupane. Using recent industry forecasts on gold price, it is anticipated that the arrangement will have an approximate cost of capital of 9.1% per annum. The arrangement requires neither hedging nor share dilution.

The advancement of the facility is subject to certain conditions precedent and is expected to close on or about August 29, 2014. The Company intends to use the proceeds of the facility to repay early and in full the outstanding debt and accrued interest owed to IAMGOLD Corporation with the balance for general corporate and working capital purposes. With the repayment of this debt, all related covenants at the parent company level of Galane Gold including those prohibiting the payment of dividends, share repurchases, and certain other corporate activities will be removed, allowing the Company significant additional flexibility in its pursuit of shareholder value creation.

Chairman Ravi Sood commented "After a period of thorough strategic, technical, legal, financial and management due diligence of Galane Gold by Samsung, we are very pleased to have entered into this arrangement which demonstrates Samsung’s support for our company. We are optimistic that this initial arrangement will pave the way for additional collaboration in the future.”

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 mine plan, 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 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.

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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