Galane Gold Ltd. Announces Proposed Acquisition of Vantage Goldfields Limited

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TORONTO, May 23, 2017 - Galane Gold Ltd. ("Galane" or the "Company") (TSX VENTURE:GG) is pleased to announce that it has entered into a letter of intent (the "LOI") for the acquisition of all of the outstanding shares of Vantage Goldfields Ltd. ("Vantage"), a gold mining company with operations in the Mpumalanga Province of South Africa (the "Acquisition").

The LOI establishes the terms of the acquisition as between the parties and is expected to be followed by the execution of a binding acquisition agreement (the "Acquisition Agreement") setting forth the detailed terms of the Acquisition and containing conditions customary in transactions of this nature including completion of satisfactory legal and technical due diligence, delivery by Vantage of a 43-101 technical report and receipt of all other necessary regulatory or third party approvals including the approval of the TSX Venture Exchange and approval of the Business Rescue Practitioner according to applicable legislation in South Africa. The final structure of the Acquisition will be determined by Galane and Vantage to accommodate various legal, tax and accounting considerations. The LOI is not binding (other than certain provisions including exclusivity obligations) and may be terminated by, among other things, mutual consent or if the Acquisition Agreement and related transaction documents have not been entered into by June 16, 2017. Further details regarding the Acquisition including the consideration to be paid for the outstanding Vantage shares shall be provided in connection with the announcement of the signing of the Acquisition Agreement.

CEO Nick Brodie stated, "This represents another significant step towards Galane's stated goal to reshape the Company into a long-life and low-cost operation that can produce positive returns for investors across commodity cycles. The Vantage mines are located within 30 kilometres of our existing operations at Galaxy Gold and obvious synergies exist between the two operations. We hope to leverage these synergies to create an operating asset in the Barberton area which, together with the Company's Galaxy property, is expected to result in a combined resource exceeding 5,800,000 ounces, production of over 160,000 ounces per annum and an all in sustaining cost of less than US$900 per ounce." (1)(2)(3)

Vantage Description

Vantage is an Australian company with mining assets located on the Barberton Greenstone Belt ("BGB"), proximate to the town of Barberton in the Mpumalanga Province of South Africa and includes several historical mining operations on the BGB as well as prospecting rights covering an area of approximately 160 km^2.

Vantage's Barbrook Mine and Lily Mine suspended operations in 2016 due to financial difficulties and were placed in Business Rescue, a form of creditor protection pursuant to the laws of South Africa. A plan has been agreed with Vantage management and the Business Rescue Practitioner that would see operations recommence within 90 days of the completion of the Acquisition.

The historical estimate set out in the table below (the "Historical Estimate") was disclosed in a report provided by Vantage to the Company with an effective date of January 1, 2015 entitled "An Independent Competent Persons' Report on Vantage Goldfields Ltd., Mpumalanga Province, South Africa".

Mineral Resource Category	Tonnes (t)	Grade (g/t)	Content (oz)
Measured	10,541,000	2.54	861,600
Indicated	11,039,000	3.14	1,100,200
Inferred	23,510,000	3.15	2,381,300

Note:

1. All figures are quoted at 100% and not attributable with respect to ownership.

Mineral Reserve Category	Tonnes (t)	Grade (g/t)	Content (oz)
Proved	685,000	2.89	64,000
Probable	6,408,000	2.68	552,900
TOTAL	7,093,000	2.71	616,900

Notes:

1. Mineral reserves are included in mineral resources.
2. Grade and tonnes reported to plant - head grade.
3. Rounding may cause some apparent discrepancies in totals.
4. All figures are quoted at 100% and not attributable with respect to ownership.

The Historical Estimate was prepared in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (July 2009 Amended Edition) 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"). The Qualified Person reviewing this release believes that there is no material difference in the definitions. The report was prepared by a well-known South African advisory company that offers a wide range of exploration, mining, management, valuation, financing and advisory services. A qualified person has not done sufficient work to classify the Historical Estimate as current mineral resources or mineral reserves in accordance with NI 43-101. The issuer is not treating the Historical Estimate as current mineral resources or mineral reserves and the Historical Estimate should not be relied on.

The business of mining and mineral exploration, development and production by their nature contain significant operational risks. The business depends upon, amongst other things, successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues. Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of any operating entity.

More recent estimates or data is not available. The Company intends to verify the Historical Estimate based on a NI 43-101 technical report to be delivered prior to the closing of the Acquisition. Work required to upgrade or verify the Historical Estimate as current mineral resources or mineral reserves will be based on recommendations in the NI 43-101 report. The Company will also prepare a mine plan based on recommendations in the NI 43-101 report.

[1] 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.

[2] This is a forward looking statement and is based on a number of assumptions and risks, including the Company's ability to successfully complete and integrate the acquired assets; gold price volatility; risks associated with proposed activities in South Africa; regulatory, consent or permitting delays; risks and unknowns inherent in all mining projects, including the inaccuracy of metallurgical recoveries and capital and operating costs of such projects; and operating or technical difficulties in connection with mining or development activities.

[3] 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).

About Galane

Galane is an un-hedged gold producer and explorer with mining operations and exploration tenements in Botswana and South Africa. Galane is a public company and its shares are quoted on the TSX Venture Exchange and the Botswana Stock Exchange under the symbol "GG". Galane's management team is comprised of senior mining professionals with extensive experience in managing mining and processing operations and large-scale exploration programmes. Galane 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 include, but are not limited to: the Company's ability to complete the Acquisition including the Galane Financing in accordance with the terms disclosed herein, or at all; the Company's ability to obtain all necessary consents and approvals for the Acquisition or the Galane Financing; 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 Kevin Crossling B.Sc Earth Sciences (Geology and Chemistry), B.Sc Honours in Geology, AusIMM and SACNASP, 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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