



# GALANE PRESENTATION

February 2019

Website

01/02/2019

# CAUTIONARY STATEMENTS

Certain statements contained in this presentation constitute “forward-looking statements.” All statements other than statements of historical fact contained in this presentation, including, without limitation, those regarding Galane’s results of operations, strategy, 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 Galane’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: Galane’s dependence on two mineral projects; gold price volatility; risks associated with the conduct of Galane’s mining activities in Botswana and South Africa; regulatory, consent or permitting delays; risks relating to Galane’s exploration, development and mining activities being situated in two countries; risks relating to reliance on Galane’s management team and outside contractors; risks regarding mineral resources and reserves; Galane’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 Galane’s fair value estimates with respect to the carrying amount of mineral interests; mining tax regimes; risks arising from holding derivative instruments; Galane’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; Galane’s interactions with surrounding communities and artisanal miners; Galane’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 Galane’s exploration properties into commercially viable mines; stock market volatility; conflicts of interest among certain directors and officers; lack of liquidity for shareholders of Galane; risks related to the market perception of junior gold companies; and litigation risk. Details of certain of the risk factors relating to Galane are discussed under the heading “Risks and Uncertainties” in Galane’s annual management’s discussion and analysis for the year ended December 31, 2014, a copy of which is available on Galane’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this presentation 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, Galane. These forward-looking statements are made as of the date of this presentation and Galane assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this presentation are based on numerous assumptions regarding Galane’s present and future business strategies and the environment in which Galane will operate in the future, including assumptions regarding gold prices, business and operating strategies, and Galane’s ability to operate on a profitable basis.

For more information regarding the mineral resource figures and technical information set out in this presentation, please refer to: (i) the news release dated March 18, 2013 entitled “Galane Ltd. Announces a Mineral Resource Update For its Botswana Properties”; (ii) the news release dated February 5, 2013 entitled “Galane Ltd. Releases Drilling Results from the Jim’s Luck Project That Shows Significant Gold Mineralization from Surface Open at Depth and Along Strike”; (iii) the news release dated October 31, 2013 entitled “Galane Ltd. Announces Mineral Resources at the Tekwane Prospect”; (iv) the news release dated August 5, 2014 entitled “Galane Ltd. Commissions New Screening Plant to Process Seven Hundred Thousand Tonnes of Low Grade Ore”; (v) the news release dated November 20, 2015 entitled “Galane Ltd. Completes Acquisition of Galaxy Gold Mining Limited”; (vi) the news release dated January 26, 2016 entitled “Galane Ltd. Files Technical Report for Galaxy Gold Mine”; (vii) the technical report in respect of the Mupane Property entitled “Independent Technical Report on the Mupane Gold Mine” dated May 10, 2011; and (viii) the technical report in respect of the Galaxy Gold Mine entitled “A Technical Report on the Galaxy Gold Mine, Mpumalanga Province, South Africa” issued on January 4, 2016 with an effective date of September 1, 2015, each of which is available under Galane’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Economic assessments in this presentation are preliminary in nature and include inferred mineral resources that are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the economic assessments will be realized. 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 this presentation 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 this presentation has been approved by Charles Byron Pr. Sci. Nat., MAusIMM., MGSSA and Chief Geologist for Galane, and a “qualified person” as defined by NI 43-101.

## Non-GAAP Measures

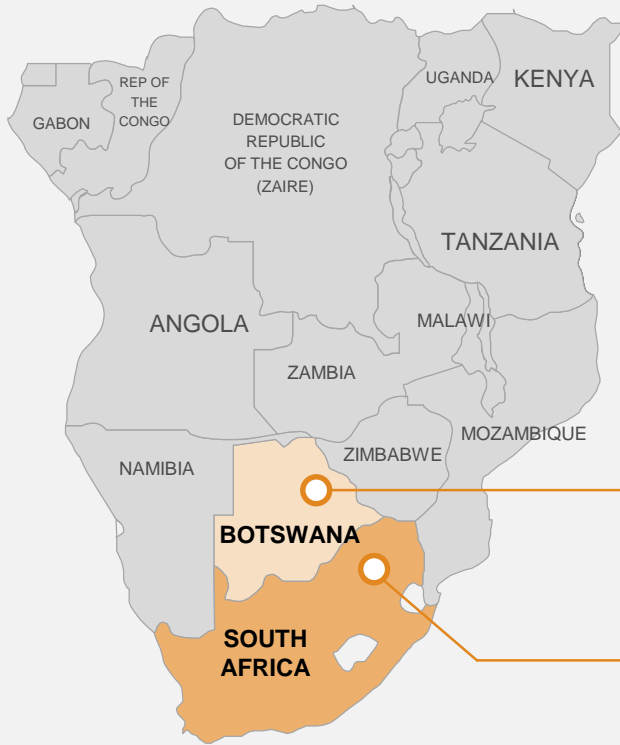
The presentation often refers to earnings from mining operations per ounce, total operating cash cost excluding royalties per ounce, direct cash cost per ounce, all in cash cost per ounce and cash flows from operations before working capital adjustments, all non-GAAP performance measures, in order to provide investors with information about measures used by management to monitor performance. This information is used to assess how well the producing gold mines are performing compared to plan and prior periods, and also to assess the overall effectiveness and efficiency of gold mining operations. Cash cost figures are calculated in accordance with a standard developed by the Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary, and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Cash cost includes mine site operating costs such as mining, processing, administration, and attributable realized derivative gain or loss, but are exclusive of amortization, reclamation, and exploration and development costs. Cash cost excluding royalties is cash cost less royalties. Operating cash cost is the total cash cost less those costs capitalized as attributable to the removal of excess waste in developing new resources. Operating cash cost excluding royalties is operating cash cost less royalties. These costs are then divided by the Company’s ounces of gold produced to arrive at the cash cost measures on a per ounce basis. These measures, along with sales, are considered to be key indicators of a company’s ability to generate operating earnings and cash flow from its mining operations. These measures of cash costs do not have any standardized meaning prescribed by IFRS and differ from measures determined in accordance with IFRS. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under IFRS.



# COMPANY OVERVIEW



# OVERVIEW



## Mupane Mine

Location	North-East District, Botswana
Mine Type	Open pit and underground
Mine Life	4+ years
M&I Resources	414,374 oz Au
Inferred Resources	219,765 oz Au
Forecast Production and AISC	34,804 oz Au/year ~US\$1,050/oz Au

## Galaxy Mine

Location	Mpumalanga Province, South Africa
Mine Type	Underground
Mine Life	10+ years
P & P Reserves	169,586 oz Au at 3.37 g/t Au
M&I Resources	602,696 oz Au at 3.01 g/t Au
Inferred Resources	886,199 oz Au at 3.40 g/t Au
Average Forecast Production and AISC	26,700 oz Au/year ~US\$897/oz Au

A gold producer with management and assets in place to **triple production** and materially **lower production costs**.

# MANAGEMENT TEAM



**Nicholas Brodie | CEO**

- › Executive with 23 years experience with increasingly senior roles
- › Previously with Katanga Mining (DRC), Metallon Gold (Zimbabwe) and Copperbelt Energy Corporation (Zambia)
- › Fellow member of the Chartered Certified Accountants and a B.Sc (Hons) Geography



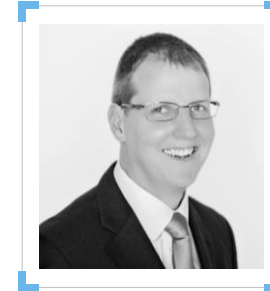
**Wayne Hatton Jones | Chief Operating Officer**

- › Mining Professional with 27 years experience in Africa, Asia and Europe
- › Former GM (Goldridge), GM Metallurgy (Avocet), Process Manager (Randgold) and Metallurgical Manager (Harmony)
- › B.Sc. (Witwatersrand), MDP (University of South Africa)



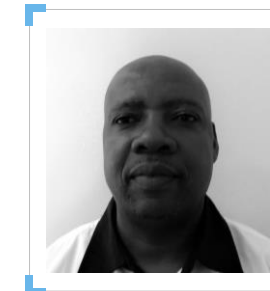
**Kevin Crossling | Chief Geologist**

- › Mining Professional with 14 years experience in progressively senior roles
- › Former Operations Mgr (Allied Gold), Geology Manager (St Barbara), Principle Geologist (Geocross), Mineral Resource Manager (Pilanesberg)
- › B.Sc. (Hons) Geology



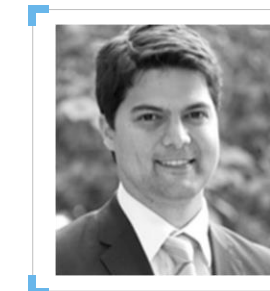
**Gavin Vandervegt | Chief Financial Officer**

- › Executive with over 15 years experience in mining in progressively senior roles
- › Previously with Nautilus Minerals, Katanga Mining (DRC Glencore), Roche Mining and Xstrata Coal (Australia)
- › B.Com Accounting and Chartered Accountant



**Cedric Sam | Mining Manager**

- › 17+ years experience in Africa as a mining engineer
- › Previously with Tati Nickel, African Copper and Botswana Department of Mines.
- › B.Sc. Mining Engineering from Queens University in Kingston, Ontario

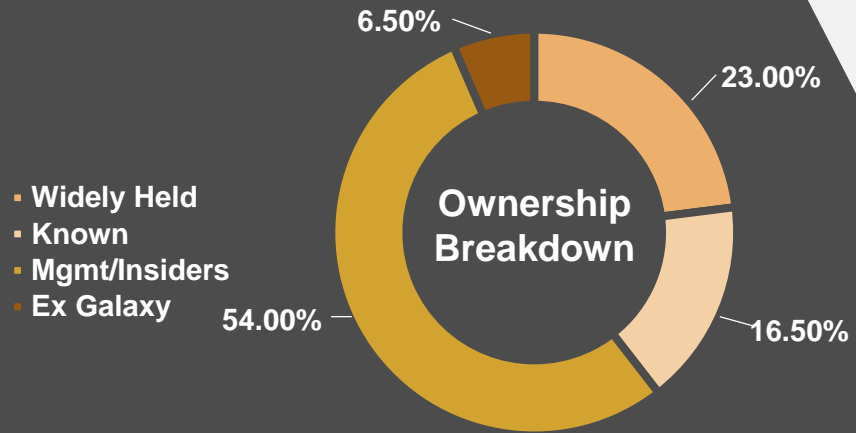


**Ravi Sood | Chairman**

- › Financier and venture capitalist
- › Founder of Navina Asset Management in Toronto
- › Founder of Feronia Inc a large scale plantation operation in the DRC
- › Founder of Blockchain Power an emerging markets renewable energy producer

# OWNERSHIP STRUCTURE & PERFORMANCE

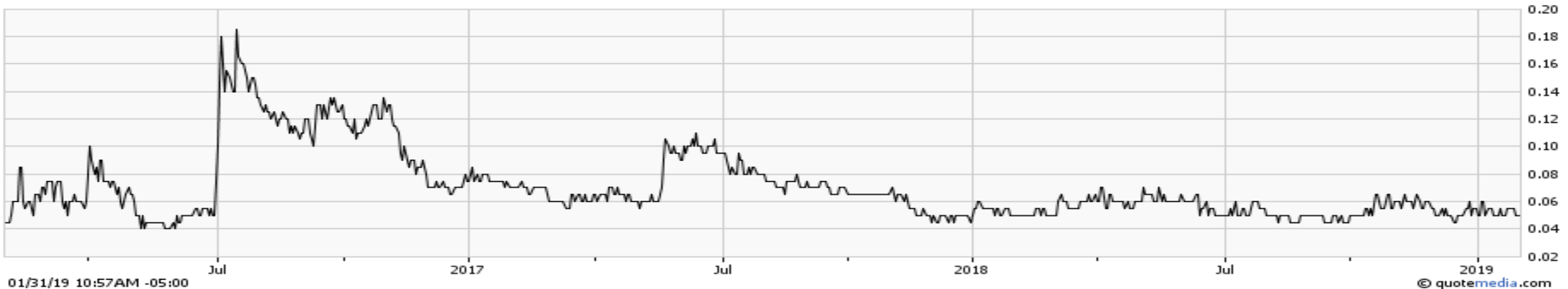
## TSXV – GG OTC QB - GGGOF



### Capital Structure

Share Price	C\$0.05
Basic Shares Outstanding	200,804,760
Stock Options <sup>1</sup>	9,700,000
Deferred Share Units	4,970,046
Warrants <sup>2</sup>	54,520,016
Fully Diluted Shares Outstanding	269,994,822
Basic Market Capitalization	C\$10.0 million
Cash <sup>3</sup>	Approx US\$4.0 million
Debt	US\$14.8 million

### Galane Share Price Performance



<sup>1</sup> Outstanding options have a strike price of C\$0.12 per share.

<sup>2</sup> Outstanding warrants have a weighted average strike price of C\$0.05 per share

<sup>3</sup> As of December 31, 2018

# MUPANE GOLD MINES

Botswana





# OVERVIEW OF THE MUPANE MINE

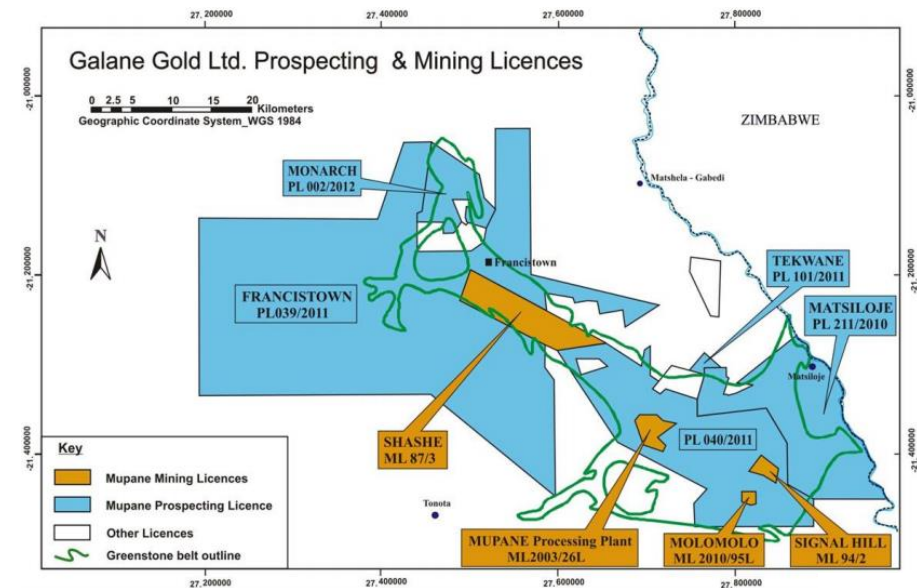
## Overview

Location	› 30 km SE of Francistown (population ~100,000) in northeastern Botswana
Ownership	› 100% - acquired from IAMGOLD in August 2011
Operating History	› Commenced production in 2005 › 738,853 oz of gold production through Dec 31, 2018
Mine Type	› Underground mining with a conventional mill and carbon-in-leach processing plant
Resources (as of Dec. 31, 2012)	› M&I: 414,374 oz Au › Inferred: 219,765 oz Au
Mine Life	› 4 years with the opportunity to extend materially
Production Forecast	› Average of 34,804 oz Au/year › Average AISC of approximately US\$1,050/oz Au

## Historical Operating Results

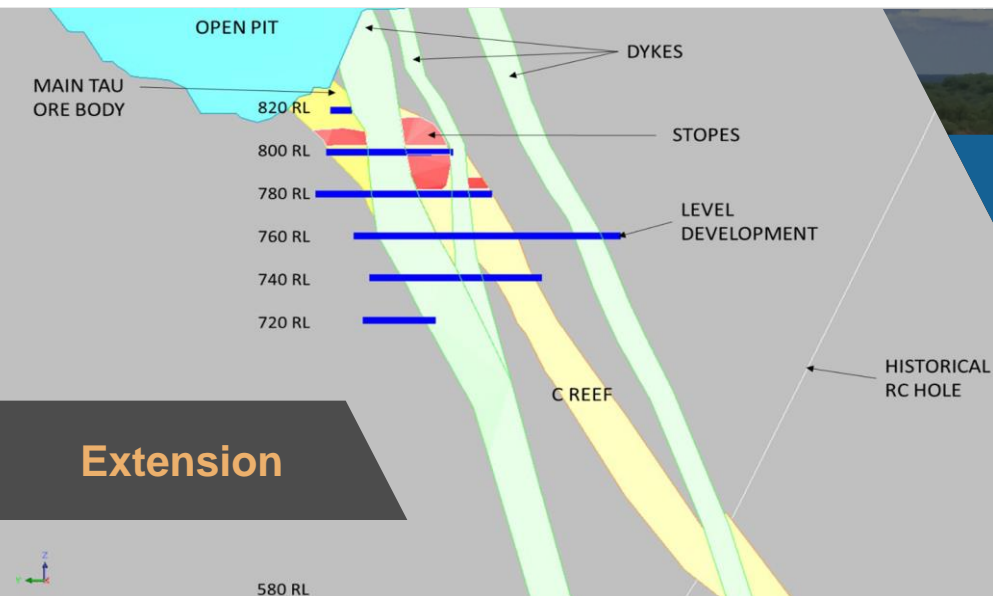
	2014	2015	2016	2017	YTD 2018
Ore Processed (000 tonnes)	745	810	908	740	615
Head Grade (g/t Au)	1.69	1.29	1.29	1.75	2.04
Recovery	76.0%	72.1%	71.3%	70.3%	65.1%
Gold Production (oz)	30,791	24,321	26,783	29,534	26,282
Gold Sold (oz)	31,753	24,205	26,188	29,896	26,658
Cash Cost Excluding Royalties (US\$/oz Au)	US\$965	US\$1,039	US\$974	US\$933	US\$960

## Map of the Mupane Property





# TAU: THE FUTURE C REEF



## Tau Extended Life

Tau commenced open-pit production in 2005 and the transition to underground commercial production was completed in 2017. The life of the Tau operation has been extended through:

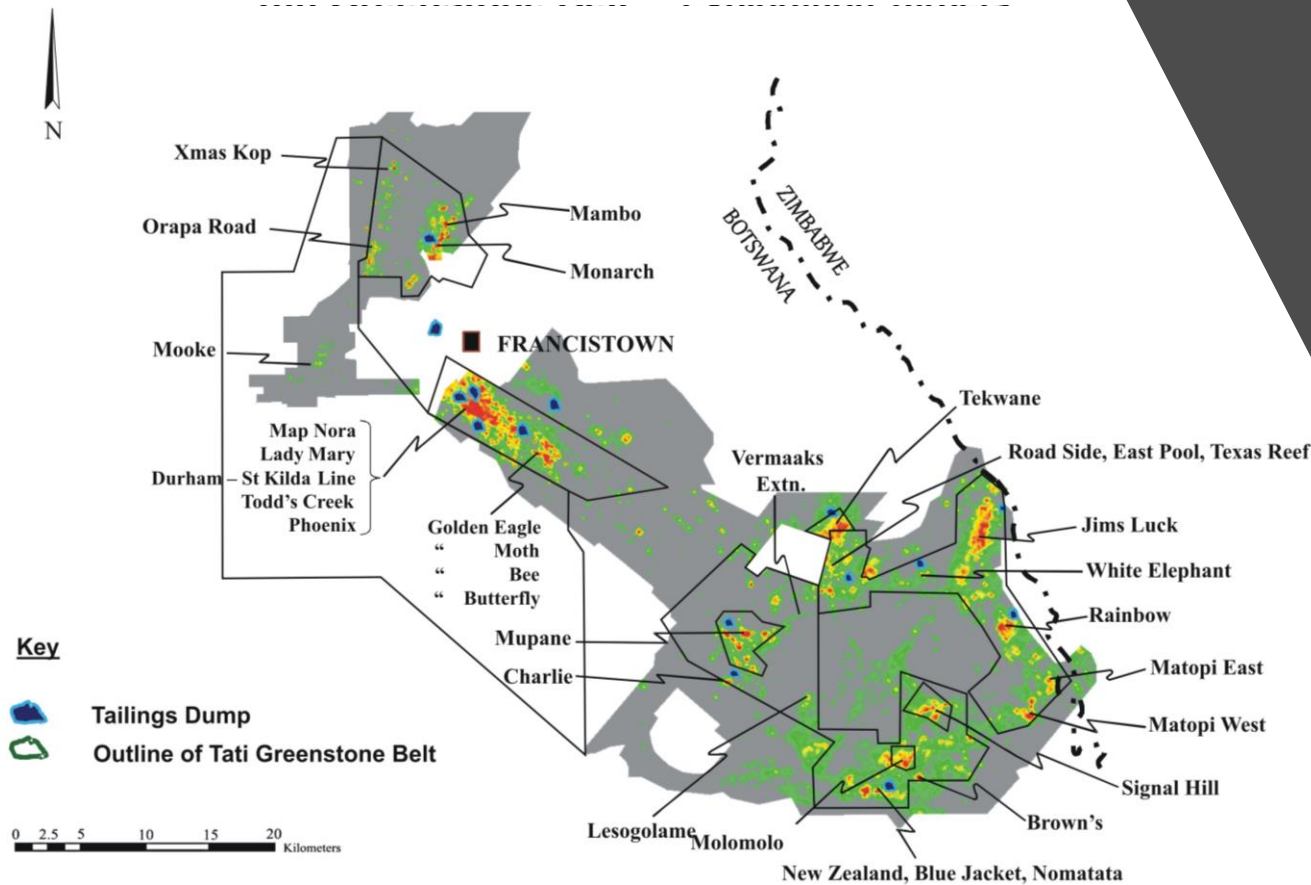
- › Discovery of the extension of the reef
- › Conversion of inferred resources through cover drilling
- › Effective targeted underground exploration

## C Reef

- › At 820RL the strike extent was found to be 60m; at 800RL the strike extent increased significantly to 135m
- › 780RL we are currently mining along strike and a total of 70m of strike with a width of 15m has been exposed.
- › From development channel sampling the intersected grade on the 820 level was 4.78g/t and on the 800RL level was 2.51g/t.
- › At 780RL the intersected grade is 3.66g/t for the 70m of exposed strike length.
- › Mineralisation discovered at 580 level

# MUPANE MINE: EXPLORATION POTENTIAL WITH B2 GOLD

## Tati Greenstone Belt – Exploration Targets



A joint venture between Galane and B2 Gold owns ~90% of the highly prospective, 1,200 km<sup>2</sup> Tati Greenstone Belt area

- Earn in Agreement signed with B2 Gold on Prospecting Licences for extensive exploration of the prospecting licences
  - B2 Gold to spend \$4m over 3 years for 70% of the JV
  - Targeting a 1moz+ resource
- Over 120 exploration targets have been generated from soil geochem and aero-magnetics work carried out
- Mupane will continue to focus on exploration on mining licences which are not part of the JV, including Tau Deep



# **GALAXY GOLD MINES**

South Africa





# KEY FEATURES OF GALAXY



**1**

Near-term producing asset with an existing underground mine and processing facilities

**2**

Acquisition cost was a fraction of the replacement cost of the Galaxy assets

**3**

Ability to manageably expand production for minimal capital expenditures

**4**

Excellent potential to expand existing gold resources to over 4 million oz

**5**

Highly accretive to Galane shareholders on a production, resource and NAV basis

**6**

Greenstone belt underground project consistent with Galane management's technical expertise and track record

# OVERVIEW OF THE GALAXY MINE



## Location

- › 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit in the Mpumalanga Province of South Africa
- › 58.6 km<sup>2</sup> property is part of the prolific Barberton Greenstone Belt



## Operating History

- › Gold prospecting dates back to the 1880s, while production dates back to 1908
- › Mine was placed on care-and-maintenance in 2007
- › Approximately 1.3 million oz Au has been produced to date



## Reserves & Resources (as of Aug. 31, 2015)

- › P&P Reserves: 169,586 oz Au at average grade of 3.37 g/t Au
- › M&I Resources: 602,696 oz Au at average grade of 3.01 g/t Au
- › Inferred Resources: 886,199 oz Au at average grade of 3.40 g/t Au



## Mine Plan

- › 21 east-west trending gold ore bodies and four prospects at 600 - 2,000 m depth
- › Existing infrastructure includes adit access to all mineralized bodies and a functional shaft to 700 m depth
- › Mine plan based on fully mechanized long hole stopping and cut-and-fill mining
- › Contractor mining planned for first 3 years followed by owner-operated mining starting in year 4



## Processing Plant

- › Conventional crush, mill, flotation followed by a carbon-in-leach plant
- › Current capacity of 500 tpd with plans to expand to 1,500 tpd
- › Existing BIOX plant could be re-started or an alternative is to sell as concentrate with the high sulphur content making it attractive to roasters
- › Forecast initial recoveries of 72% whether through oxidisation step or concentrate sales



## Mine Life

- › 10++ years (dependent on mine plan selected)



## Production Forecast

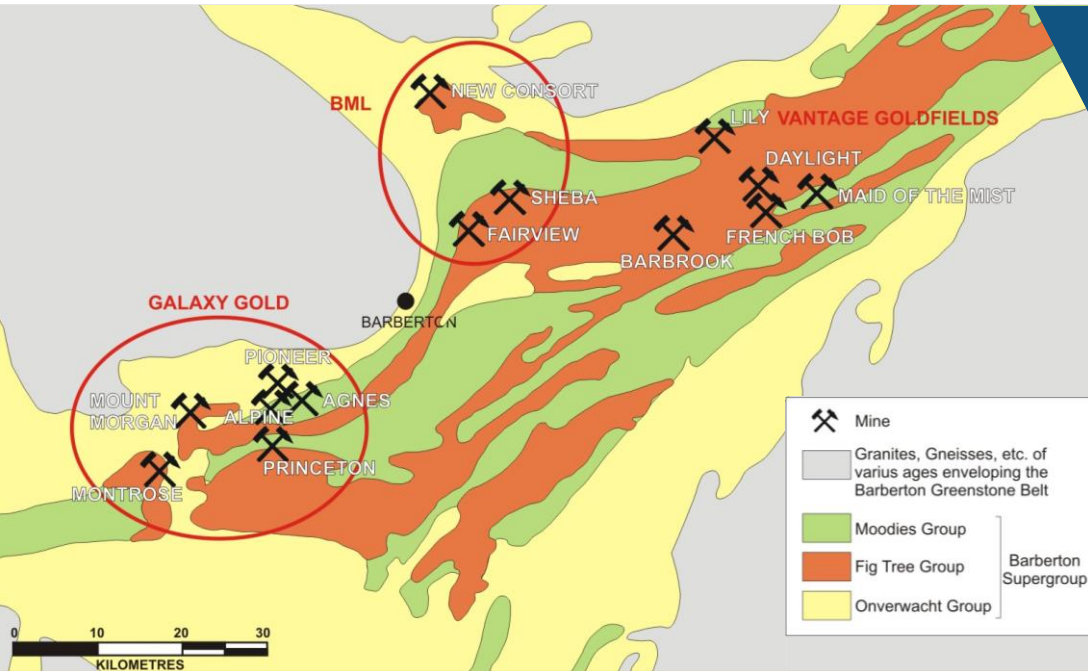
- › Average of 26,700 oz Au/year over 10+ years
- › Average AISC of approximately < US\$897/oz Au



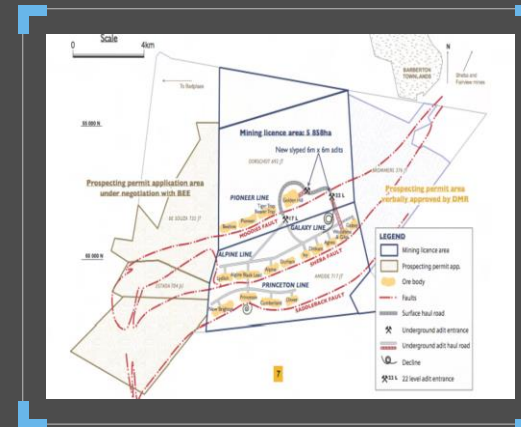
## OVERVIEW



# GALAXY MINE: LOCATION



## Location in the Barberton Greenstone Belt



## Mining License Detail

- › 3 distinct fault lines
- › 21 Ore bodies
- › Access to all ore bodies through 17L adit
- › Processing plant at 17L adit

**Adjacent Mines:** Mines located 30 km to 50 km from the Galaxy properties

### Pan African Resources' Barberton Gold Mine

- › In fiscal 2015, produced 105,776 oz Au at an AISC of US\$902/oz Au
- › JORC resource of 4.0 million oz Au at a grade of 4.19 g/t Au

### Vantage Goldfields' Barberton Gold Operations

- › Annual production of approximately 30,000 oz Au per year at an average cash cost of approximately US\$861/oz Au <sup>(1)</sup>
- › JORC resource of 1.9 million oz Au

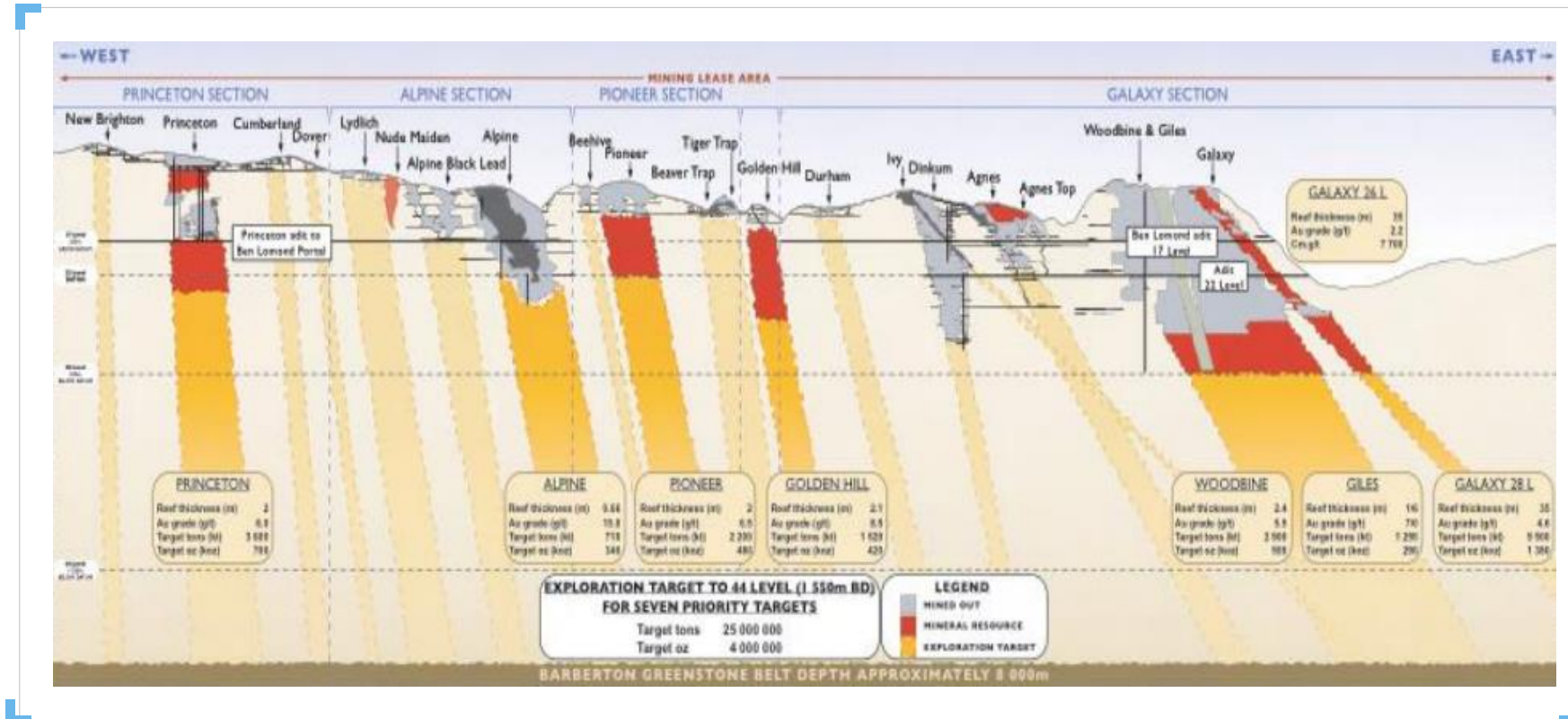
1. During its last year of production.



# GALAXY MINE: EXPLORATION UPSIDE

Excellent potential to expand gold resources to over 4.0 million oz

- Target 6 of the 21 recognised ore bodies
- Exploration will focus on extensions at depth
- Main focus will be on Woodbine, Giles, Galaxy and Princeton which form part of the current mine plan





## Current Status

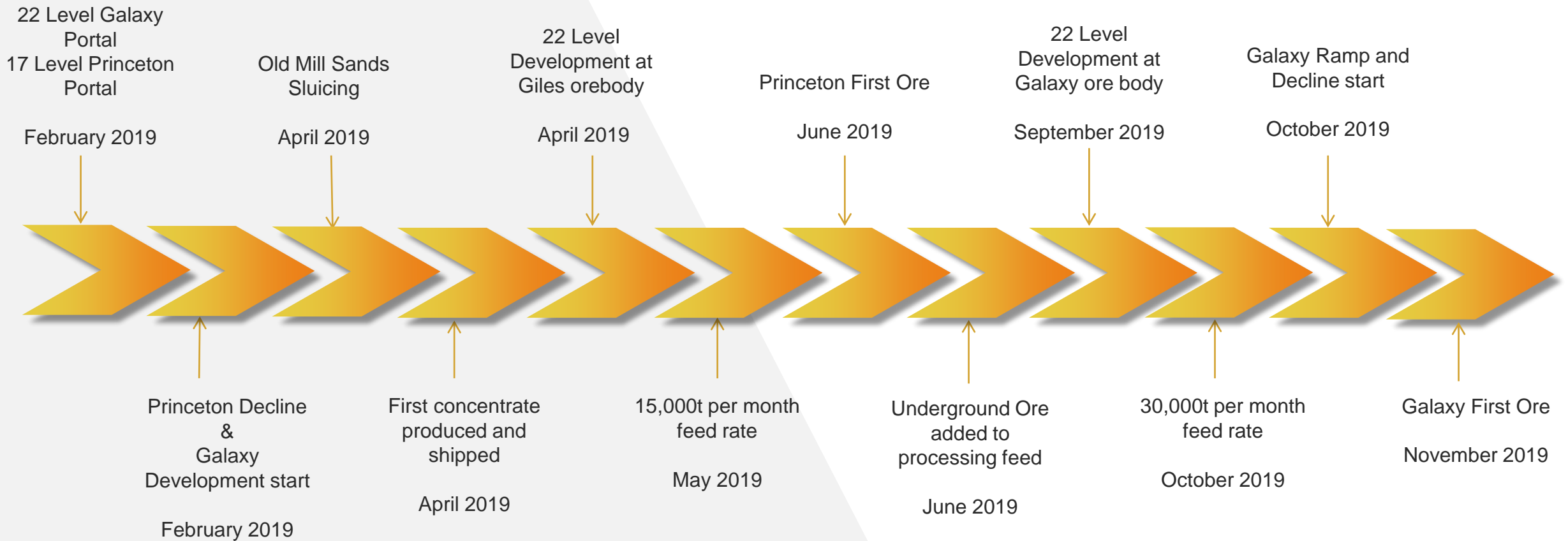
- ✓ Galaxy operation ready to commence start-up with existing 15kt per month plant fully refurbished and operational.
- ✓ Expansion plan to 30kt per month completed
  - › Bara Consulting completed detailed mine plan and costing for Galaxy and Princeton
  - › Logiproc completed detailed design and costing for plant upgrade
- ✓ \$10 million funding completed (\$8.8m total budget; \$1.2m contingency)
  - › \$5m debt raise - completed
  - › \$2m equity raise - completed
  - › \$3m internal cash flows from existing operations - committed
- ✓ BEE Partner sourced and all Environmental permits obtained in association with Digby Wells.
- ✓ Concentrate off-take agreement finalized with Concord with a 75% payable on gold content.



## Next Steps

- ✓ Funding will
  - › Complete adit at 22 level to access Galaxy ore body and remove the constraint of the shaft
  - › Complete pre-development at Galaxy ore body
  - › Re-equip mining infrastructure at Princeton
  - › Expand existing plant by 15kt per month to double the capacity
    - › New 35kt per month mill ordered
    - › Double flotation capacity
    - › Put in infrastructure for concentrate transfer for delivery
- ✓ First production of concentrate to be April 2019. Long term steady state production of approximately 34,000 ounces per annum (26,000 ounces payable) at an all in cost of under \$900 per ounce.
- ✓ Start work on revised PFS to double production up-to over 68,000 ounces per annum (52,000 ounces payable) at a lower all in sustaining cost.

# GALAXY MILESTONE TIMELINE TO FULL PRODUCTION

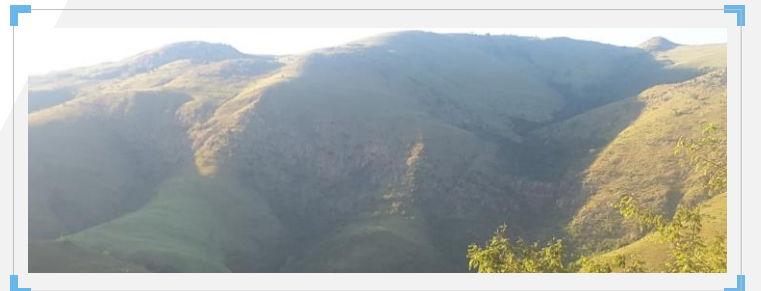
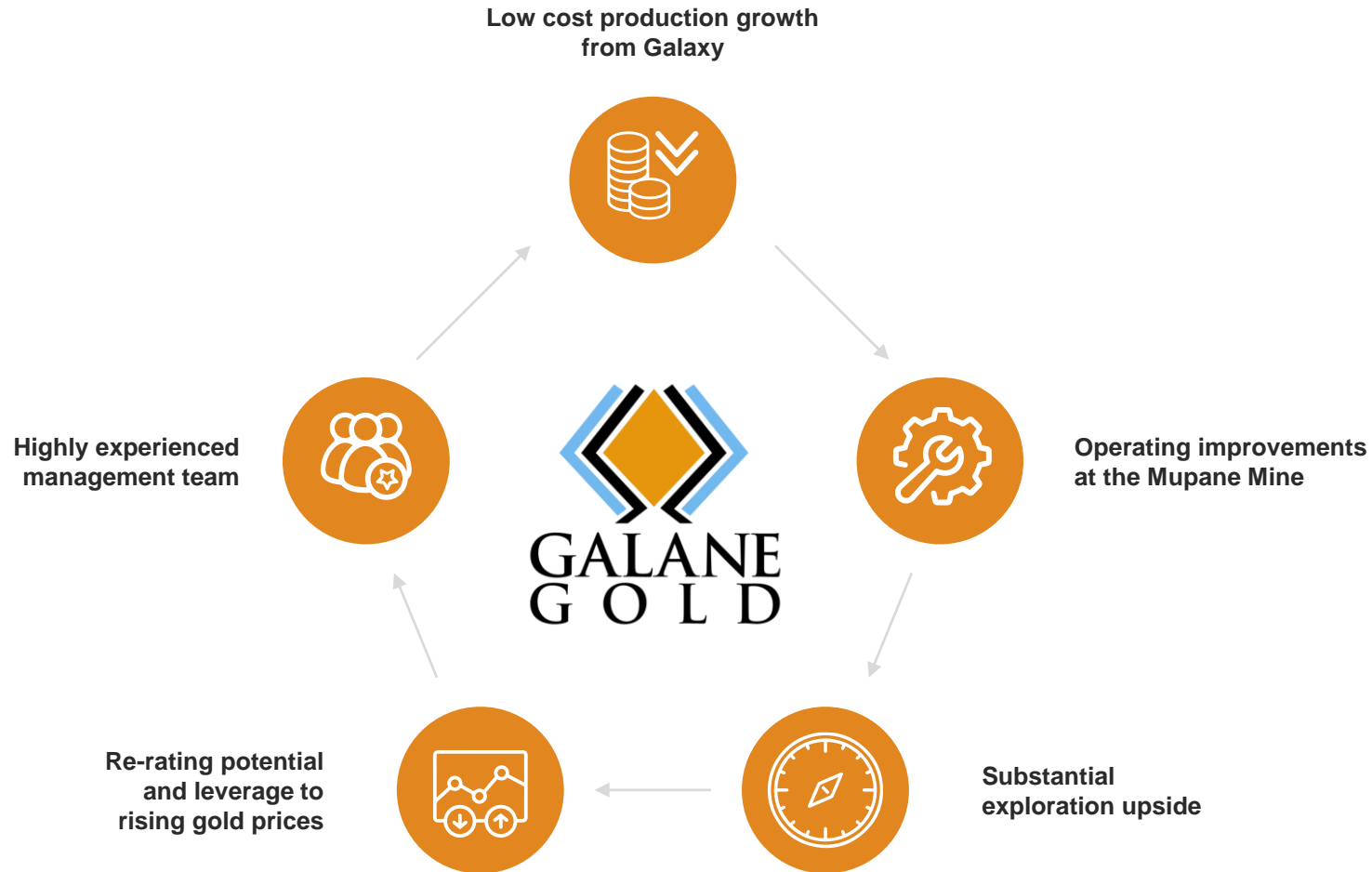




# SUMMARY



# REASONS TO INVEST



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