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Email statement to mining.com sent on August 31, 2016.

Some information on background on the Galaxy acquisition that we completed last year:

Our core operation in Botswana is now stable, and something we are proud of. However, we do not have any significant growth in production from Botswana and were fundamentally a higher cost producer. We have dramatically lowered costs in the past 3 years and significantly extended the operating life, and benefit significantly from higher gold price. In 2015, we saw an opportunity to add resources and production capacity, at a 'low' point in the gold market. We acquired Galaxy, a nearby (c. 12-14 hours drive, short flights) operation with a long (over 100 year) history of producing gold on some basis. We bought in a state close to insolvency and as a result, were able to negotiate an outstanding deal – shares worth c. CAD\$2m at the time, and unsecured convertible debentures with rolled up interest, discussed in more detail below. This allowed us to acquire an asset with substantial infrastructure in place (mines, mill, biox plant) and substantial compliant resource (c. 1.4m oz all categories) for minimal dilution to our shareholders. With additional funding from our core operation in Botswana, we put together a plan to put Galaxy back into production, and dramatically increase our production profile while lowering our blended cost of production, and do this all for almost no dilution to shareholders.

Now with that in mind, allow me to comment on some of the issues raised by the Hallgarten Report:

1. Debt Load

Prior to the Galaxy acquisition, we faced over 2 years of dramatically depressed gold prices. This affected our cash-flows and our ability to service obligations. Our stakeholders were highly constructive (Samsung and the Government of Botswana) and we structured deals that preserved shareholder value and allowed us to keep them whole, and service those obligations when gold price was higher and we had better operating results. Mission accomplished. We are now coming into a period where we can generate significant cash-flow from operations and fund the modest capital requirements at Galaxy and service debt repayments which are actually quite modest.

The largest component of debt is the unsecured, subordinated, 4% interest convertible debentures due to the former Galaxy debt-holders. There is no cash burden associated with these – the interest rolls up and is payable in November, 2019. Our forecasts show that we can service this debt out of cash-flow by that time. However, it is also convertible at 58c per share. I am optimistic that the convertible holders will convert to stock at that time although that is not what we plan for or rely on.

Our capital structure is near-on ideal at this stage in the cycle and the state of our operations. We have expanding production, declining costs, and a rising gold price. Having financial leverage, particularly leverage that does not have any short-term servicing cost of

any sort (rolled up interest, bullet payment in 2019), is absolutely ideal for common shareholders. It gives us leverage to the upside on our operations, and gold itself.

How we have structured the balance sheet could have worked against us if gold continued to decline, but it has worked massively to our advantage with gold having recovered from its 2015 lows and trading where it is today.

2. Options

The last significant option issuance the company did was in 2012. Yes, four years ago. We issued a small number of options to the new CFO hired in Q4, 2012 and the new COO hired in 2013. The remainder of outstanding options were price at or above 80c per share.

The standard option plan, which we have in place and approved by shareholders and the TSXV, allows for 10% of securities allocated to share-based compensation. We have under-utilised this historically.

In recent months, as stock has more than doubled and we have put out additional constructive and positive disclosure (our Q2 results, progress with Galaxy on production and targets) and dramatically improved volume and share price. On these less dilutive terms for shareholders we put these options in place as an incentive for management.

The vesting terms are actually quite severe by TSXV standards – they are mostly back-end weighted to years 3,4,5 which is a very long vesting period.

Please compare the options granted, the pattern of grants, and the vesting terms to any comparable company on the TSXV – they will show as best-in-class or very close, I am certain of it.

It is worth noting that insiders and immediate family own approximately 24% of the common stock of the company – an anomalously high number in this sector. Please compare this to other comparable companies. This alignment with shareholders ensures that management and the board care more about the share price than any salaries, fees, or any other factor.

3. Exploration Expenditure

We are an operating mining company with established resources. All exploration currently conducted is classified as near-mine. One of the features of Galane is that we do not have exploration risk – we are in production and face risks related to delivering production and cost targets but we do not have significant geological risk. This is again, a positive, not a negative.

4. Profits

The report fails to highlight our cash-flow from operations of \$1.978m from Q2 alone. The income and margin number referenced is an accounting number which also includes re-start

costs at Galaxy, depreciation and amortization, and other non-cash items. Investors should focus primarily on cash generation and what is done with the cash – not accounting results.

A concluding thought. We laboured through very difficult years with a dramatic drop in gold price. We are historically a high cost producer but we made it through by negotiating deals with lenders, and preserved the company. We also completed the acquisition on very accretive terms of a long-life asset, very close and synergistic to our existing asset, that will dramatically reduce our average operating cost once in operation. We did that acquisition virtually at a multi-year low on gold prices – to put it plainly, we nailed it. Now we are coming out of this difficult period with more resources, a lower operating cost, and an increasing production profile. We pushed the debt payments to a period that now has higher gold prices and higher production making it relatively easy for us to service them.

I welcome any attention on Galane – we have an excellent opportunity, outstanding management, and I am excited and highly confident about our future prospects.

If Mr. Ecclestone provides any further comments on Galane (or Feronia, another company I founded) I believe that he should disclose that he has a claim outstanding against a company that was acquired by Transeastern Power Trust (another company I founded, and act as Chair of). In any case, I welcome commentary, analysis and observations from him and anyone else at any time.