



# GALANE PRESENTATION

October 2020

Investor Presentation

14/10/2020

# 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.

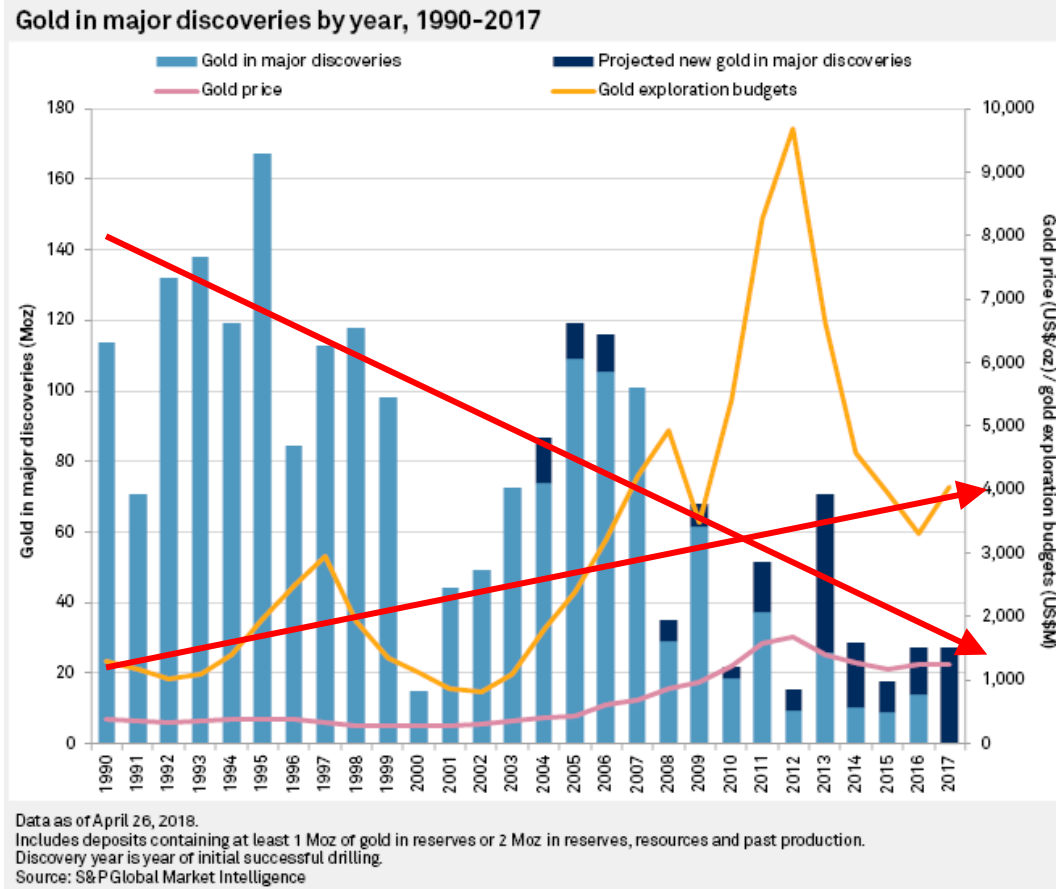
For more information regarding the mineral resource figures and technical information set out in this presentation, please refer to: (i) the news release dated March 18, 2013 entitled "Galane Ltd. Announces a Mineral Resource Update For its Botswana Properties"; (ii) the news release dated February 5, 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.

# A DIFFERENT MINING CYCLE



## The 2002-2011 Bull Market

- › Exploration spending boomed but new discoveries less frequent and lower grade.
- › A large pipeline of advanced stage discoveries and projects that were economic or became economic with rising prices.
- › That pipeline was emptied and re-filled with fewer and more challenging projects.

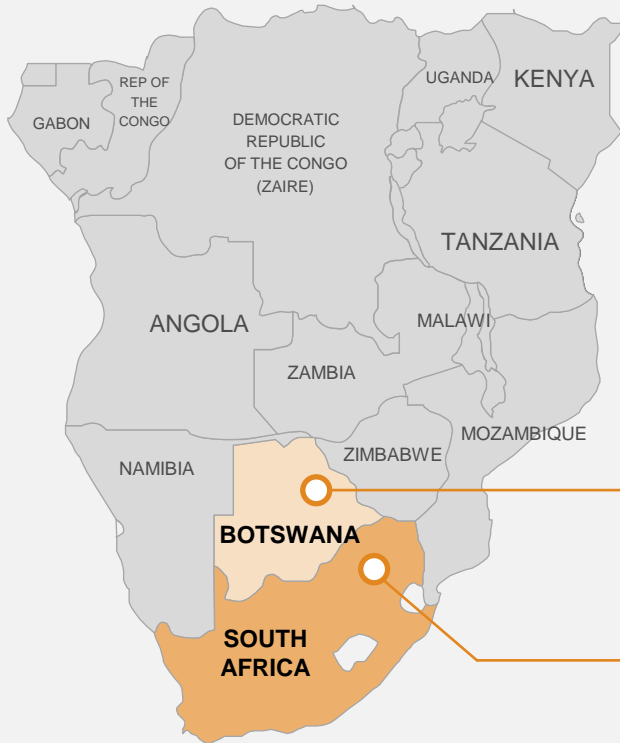
## The 2016+ Bull Market

- › Producers exploiting known deposits through
  - › Extending operating life through near-mine exploration
  - › Low grade resources
  - › Transition to underground mining
  - › Pursuing metallurgically complex ores
  - › Operating in more challenging jurisdictions
- › Majors like high grade, open pit, oxide ores and less challenging jurisdictions. They are not equipped for the new way of operating.

**The Galane Gold team has a proven track record with the skills required for this cycle**

# COMPANY OVERVIEW





## Mupane Mine

Location	North-East District, Botswana
Mine Type	Open pit and underground
Mine Life	3+ years
M&I Resources	414,374 oz Au
Inferred Resources	219,765 oz Au
Forecast Production and AISC	30-35koz Au/year <sup>1</sup> ~US\$1,050/oz Au

## Galaxy Mine

Location	Mpumalanga Province, South Africa
Mine Type	Underground
Mine Life	10++ years
M&I Resources	970,904 oz Au at 2.77 g/t Au
Inferred Resources	1,409,764 oz Au at 2.62 g/t Au
Average Production and AISC phase 1	26,700 oz Au/year ~US\$897/oz Au <sup>2</sup>
Average Production and AISC phase 2	43,000 oz Au/year ~US\$747/oz Au <sup>3</sup>

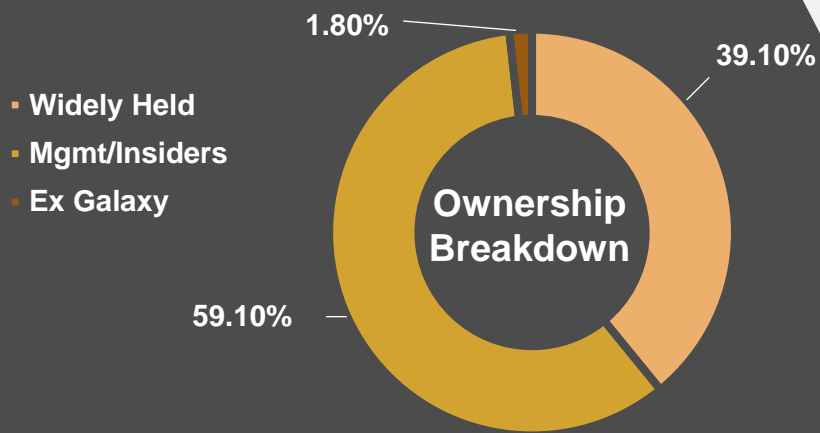
A gold producer with management and assets in place to **triple production** and materially **lower production costs**.

<sup>1</sup> Based on the current mine plan  
<sup>2</sup> As per the 2015 Galaxy technical report  
<sup>3</sup> As per the 2020 Galaxy technical report



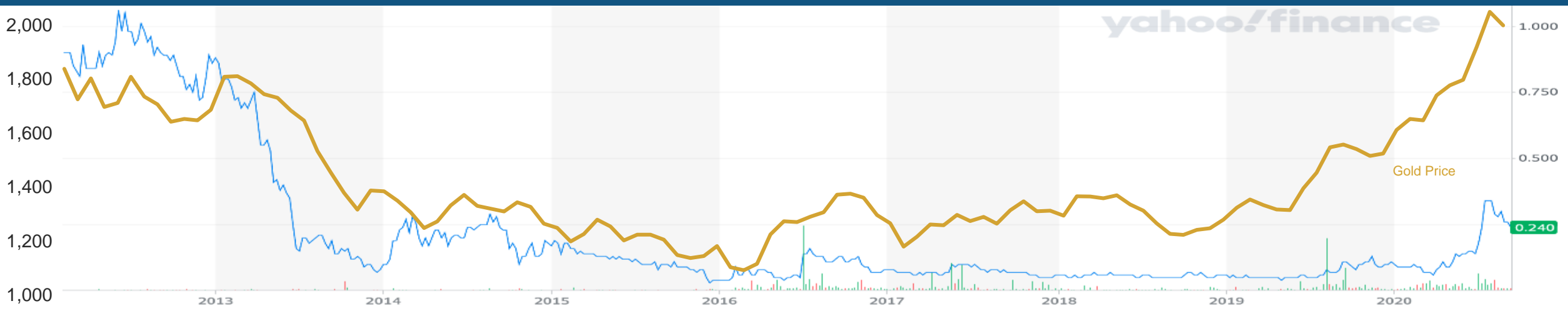
# CAPITAL STRUCTURE

TSXV:GG OTCQB:GGGOF



Capital Structure	
Share Price	C\$0.24
Basic Shares Outstanding	254,964,760
Stock Options <sup>1</sup>	12,700,000
Deferred Share Units	7,170,046
Fully Diluted Shares Outstanding	274,834,806
Basic Market Capitalization	C\$61.7 million
Cash <sup>2</sup>	Approx US\$3.6 million
Debt <sup>2</sup>	US\$16.7 million

Galane Share Price Performance and Average Gold Price



<sup>1</sup> Outstanding options have a strike price of C\$0.10 per share.  
<sup>3</sup> As of June 30, 2020 (debt royalties, Barak and debentures)

# MUPANE GOLD MINES

Botswana



# MUPANE GOLD MINES - OVER 750,000 OZ SINCE 2005

## 2011 – lamGold sells to Galane Gold

- › A non-core, high cost (\$1400+), short life (2013) mine owned by lamGold Corp.
- › Galane saw the potential to transition to a low cost underground operation.

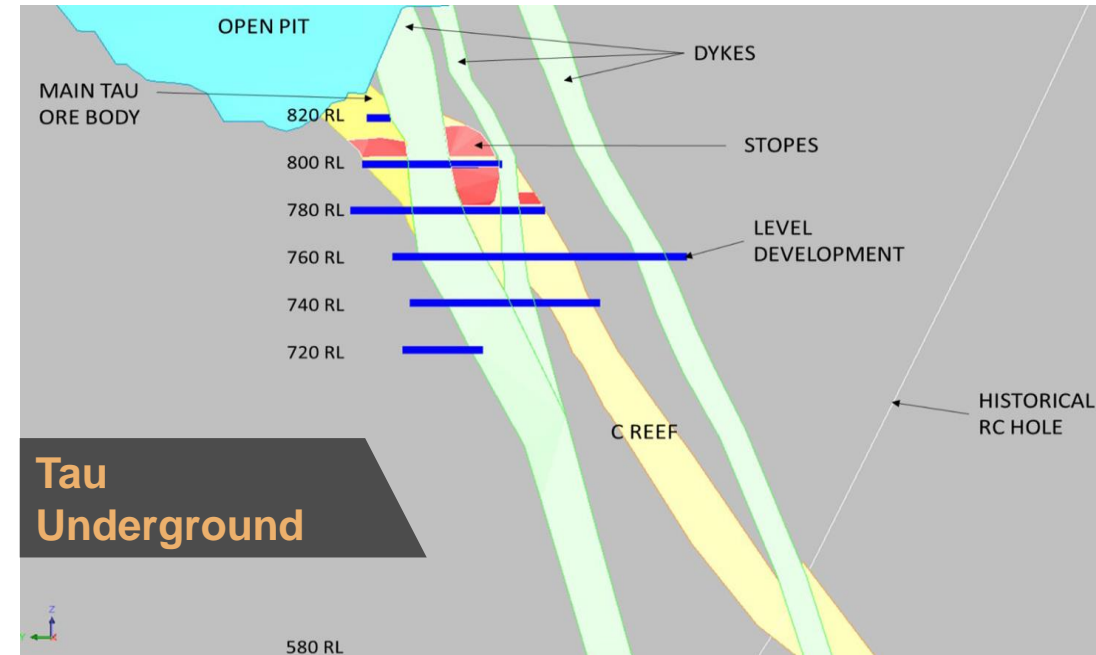
## 2011-2015 – Optimisation and Transition to Underground

- › Changed senior management team to reflect challenges
- › Changed focus to mining based on a cost per ounce
- › Transitioned from open pit mining to underground at Tau
- › Operated as a mature mine replacing resources as mined
- › Automated and upgraded the plant to reflect the change in metallurgy

## 2016 – Cash Flow and Extending Life of Mine

- › Proved extension of Tau at depth
- › Commencing transition to underground at Golden Eagle
- › Transitioned skills to local staff so that management team could move to new projects
- › Unlocked the exploration potential

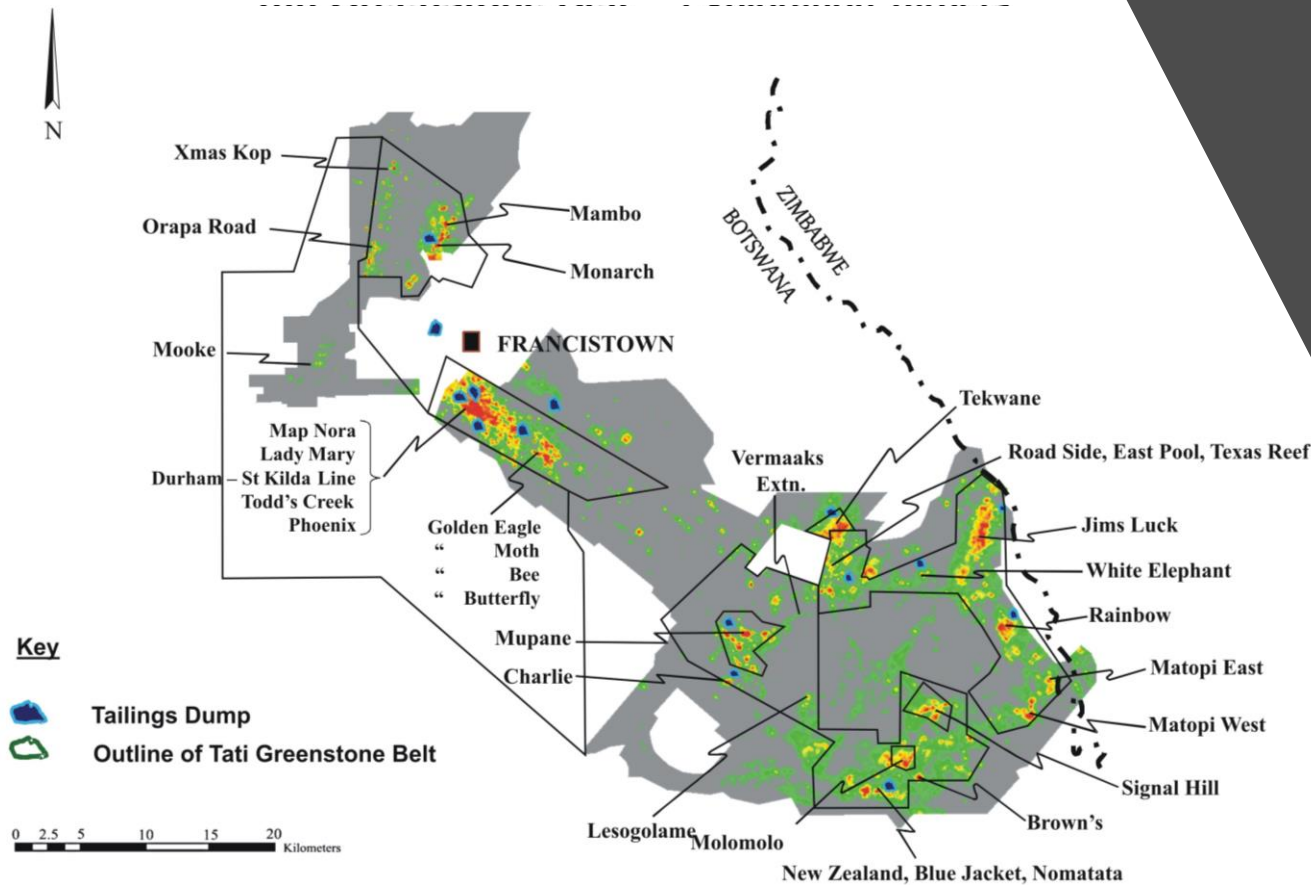
Historical Operating Results					
	2015	2016	2017	2018	2019
Ore Processed (000 tonnes)	810	908	740	831	733
Head Grade (g/t Au)	1.29	1.29	1.75	1.97	1.72
Recovery	72.1%	71.3%	70.3%	67.4%	74.8%
Gold Production (oz)	24,321	26,783	29,354	35,527	30,294
Gold Sold (oz)	24,205	26,188	29,896	35,746	30,052
Cash Cost Excluding Royalties (US\$/oz Au)	US\$1,039	US\$974	US\$933	US\$928	US\$1,090





# MUPANE MINE: EXPLORATION POTENTIAL

## Tati Greenstone Belt – Exploration Targets



Galane owns ~90% of the highly prospective, 1,200 km<sup>2</sup> Tati Greenstone Belt area

- Over 120 exploration targets have been generated from soil geochem and aeromagnetics work carried out
- \$2 million expended in 2019 and 2020 on
  - Identifying priority targets
  - Identifying new targets
  - Work commenced on structuring next exploration programme
- Mupane will continue to focus on exploration on mining licences including Tau Deeps and Golden Eagle.

# GALAXY GOLD MINES

South Africa



# 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



## Resources (as of June, 2020)

- › M&I Resources: 970,904 oz Au at average grade of 2.77 g/t Au
- › Inferred Resources: 1,409,764 oz Au at average grade of 2.62 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



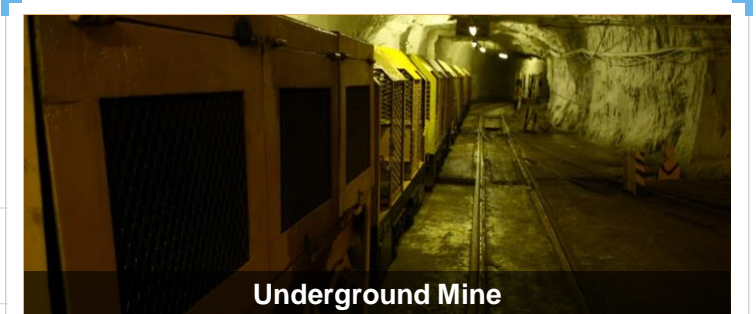
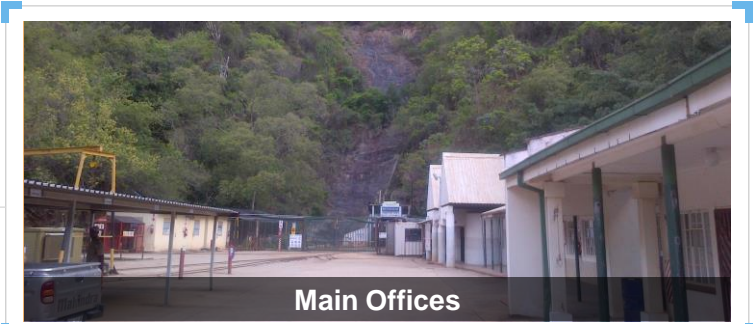
## Processing Plant

- › Conventional crush, mill, and flotation
- › Current capacity of 500 tpd and expanding to 1,500 tpd by May 2020
- › Producing a concentrate with the high sulphur content making it attractive to roasters.
- › Recovery of 75% from sale of concentrate
- › Existing BIOX plant could be recommissioned once in steady state for 90% recovery



## Mine Life

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

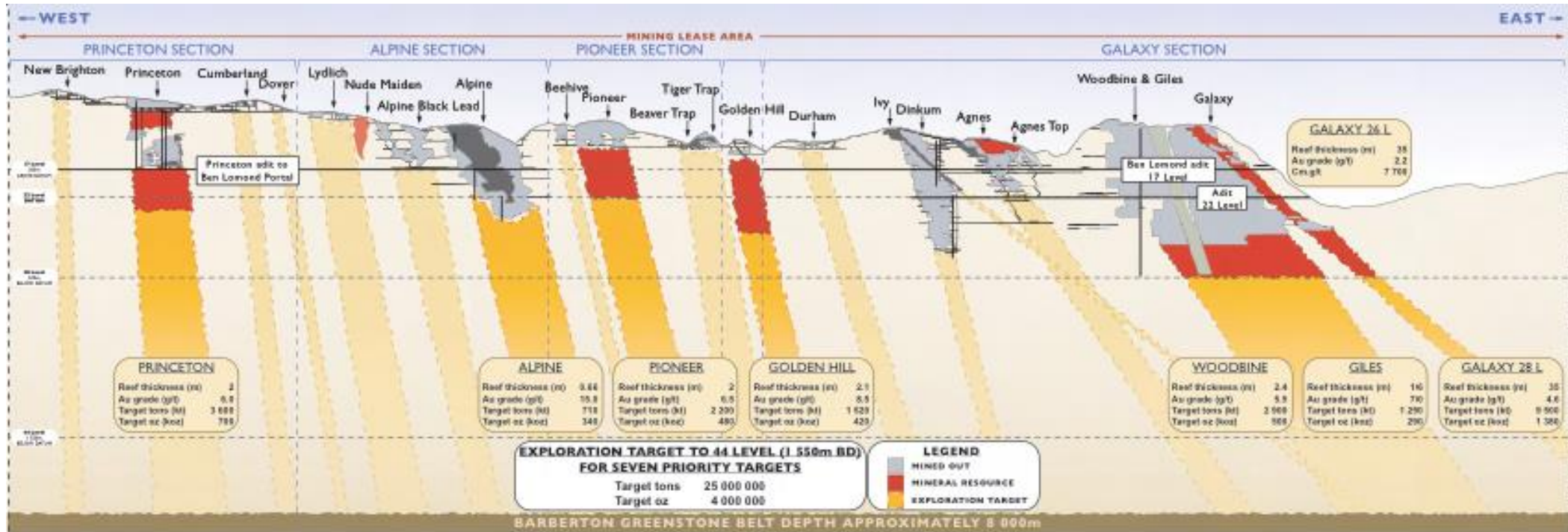


# OVERVIEW

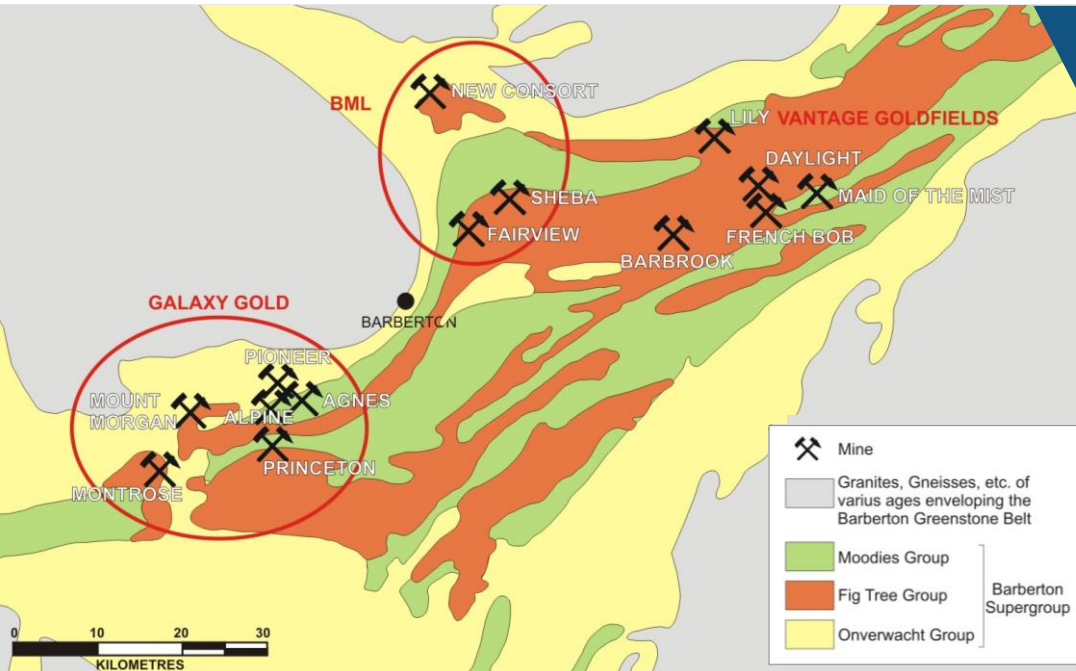
# GALAXY MINE: PRODUCTION AND EXPLORATION

Excellent potential to expand gold resources to over 4.0 million oz

- M&I Resources: 970,904 oz Au at average grade of 2.77 g/t Au
- Inferred Resources: 1,409,764 oz Au at average grade of 2.62 g/t Au
- PEA: 43,000 oz per year @ AISC of \$747 / oz
- Exploration will focus on extensions at depth



# GALAXY MINE: LOCATION



## The Barberton Greenstone Belt

### Galaxy Gold Mines

- › Average of 43,000 oz Au/year over 10+ years
- › Average AISC of approximately < US\$747/oz Au



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

### Pan African Resources' Barberton Gold Mine

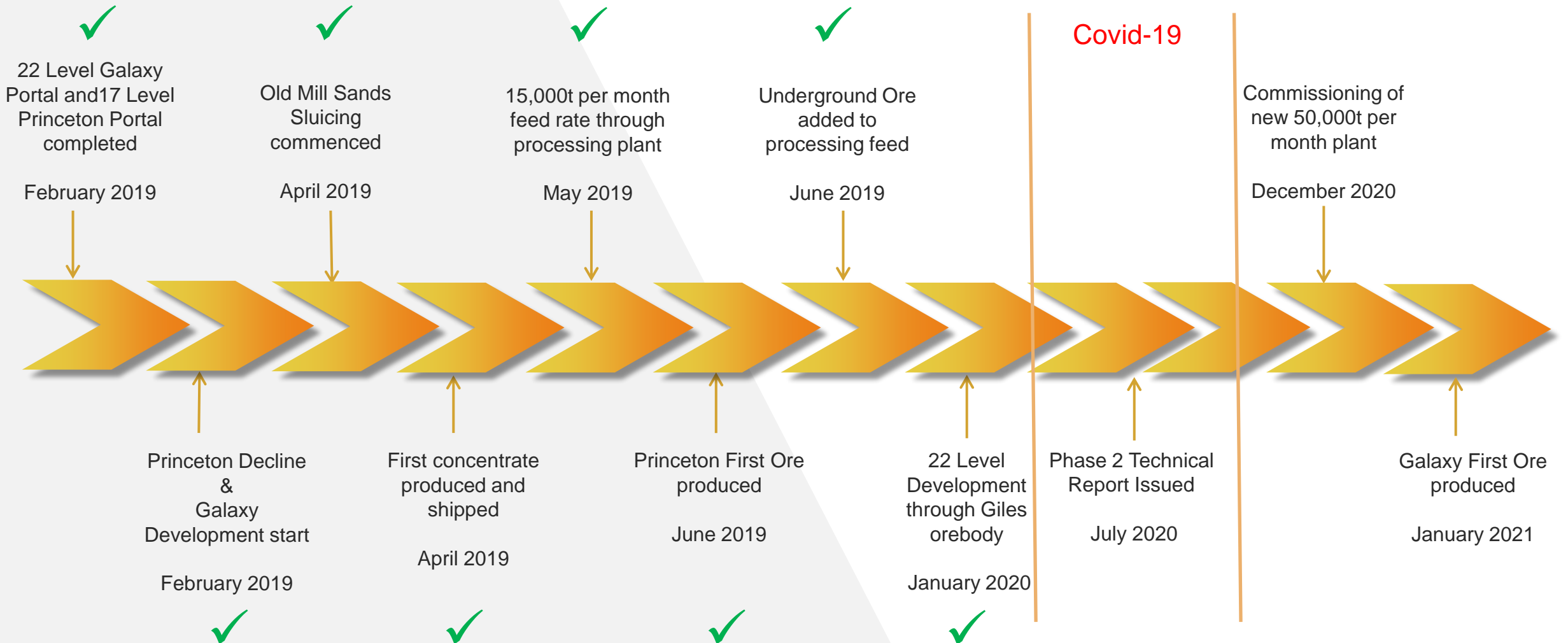
- › In fiscal 2019, produced 99,363 oz Au at a cash cost of US\$927/oz Au
- › Use an oxidization step
- › JORC resource of 4.0 million oz Au at a grade of 4.19 g/t Au

### Vantage Goldfields' Barberton Gold Operations

- › Technical report supporting 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
- › In Business rescue

1. During its last year of production.

# GALAXY MILESTONES TO FULL PRODUCTION



# **GALANE FINANCIAL MODEL**

Galaxy and Mupane



# EXPANSION PLAN: GOLD \$1,600

10 year NPV at 5% USD\$271m (CAD\$358m => CAD\$1.27 per share<sup>1</sup>)

							Mupane mine plan to be finalized				
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Production	Mupane	30,050	34,988	33,421	30,442	37,376	37,743	33,837	33,837	33,837	33,837
	Galaxy	3,515	25,201	31,525	41,280	42,252	46,565	46,953	43,410	38,668	38,812
	<b>Total Ounces</b>	<b>33,565</b>	<b>60,189</b>	<b>63,946</b>	<b>71,722</b>	<b>79,628</b>	<b>84,308</b>	<b>80,790</b>	<b>77,247</b>	<b>72,504</b>	<b>72,649</b>
Cash Flow	Revenue	54	96	102	115	127	135	129	124	116	116
	Operating Costs	(36)	(52)	(57)	(66)	(62)	(62)	(64)	(66)	(64)	(63)
	Cash Cost Per Ounce	1,085	867	891	923	773	734	792	856	884	869
	<b>Operating Cash Flow</b>	<b>17</b>	<b>44</b>	<b>45</b>	<b>49</b>	<b>65</b>	<b>73</b>	<b>65</b>	<b>57</b>	<b>52</b>	<b>53</b>
Capital	(9)	(21)	(22)	(17)	(17)	(13)	(15)	(16)	(16)	(15)	(12)
AISC	1,360	1,220	1,229	1,160	987	885	964	1,048	1,048	1,085	1,020
<b>Cash Flow</b>	<b>8</b>	<b>23</b>	<b>23</b>	<b>32</b>	<b>48</b>	<b>60</b>	<b>51</b>	<b>41</b>	<b>41</b>	<b>37</b>	<b>41</b>
Head Office Costs	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Credit Facility Drawdown	-	-	-	-	-	-	-	-	-	-	-
Warrant Exercise	1	-	-	-	-	-	-	-	-	-	-
Debt Repayment	(5)	(6)	(3)	-	-	-	-	-	-	-	-
<b>Net Cash Flow</b>	<b>2</b>	<b>15</b>	<b>18</b>	<b>30</b>	<b>46</b>	<b>58</b>	<b>49</b>	<b>39</b>	<b>39</b>	<b>35</b>	<b>39</b>


Long-Term Production Potential


<sup>1</sup> . Number of shares outstanding includes warrants and conversion of debentures – 281,158,109



# APPENDICES



# MANAGEMENT TEAM



## Nicholas Brodie | CEO

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



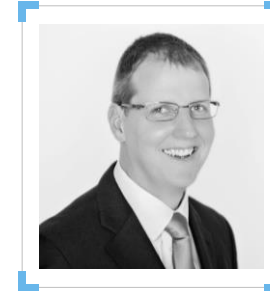
## Wayne Hatton Jones | Chief Operating Officer

- › 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)



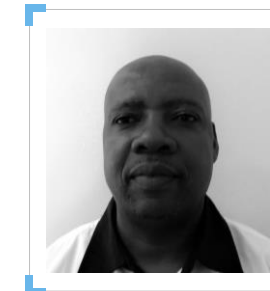
## Kevin Crossling | Chief Geologist

- › 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, Glencore-Katanga Mining (DRC), Roche Mining and Xstrata Coal (Australia)
- › B.Com Accounting and Chartered Accountant



## Cedric Sam | General Manager Mupane

- › 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

- › Investor with extensive capital markets experience
- › Co-Founder and CEO of Navina Asset Management Inc. (Canada)
- › Founder of Jade Power, an emerging markets renewable energy producer and several other companies operating in emerging markets



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