

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Galane Gold Ltd. (the “**Company**”)  
181 Bay Street, Suite 1800  
Toronto, Ontario  
M5J 2T9

**Item 2. Date of Material Change**

October 1, 2018.

**Item 3. News Release**

A news release issued with respect to the material change was disseminated by the Company on October 2, 2018 through Globe Newswire.

**Item 4. Summary of Material Change**

On October 1, 2018, the Company completed its previously announced non-brokered private placement (the “**Private Placement**”) of 54,000,000 units (the “**Units**”) at a price of C\$0.05 per Unit for aggregate gross proceeds of C\$2,700,000. Each Unit was comprised of one common share of the Company (each, a “**Common Share**”) and one common share purchase warrant (each, a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one Common Share at an exercise price of C\$0.05 until October 1, 2020. The expiry date of the Warrants can be accelerated by the Company to the date that is 10 business days after the date where the closing price of the Common Shares on the TSX Venture Exchange is higher than C\$0.20 for 10 consecutive trading days, provided such trading days occur four months and one day after the issuance of the Warrants.

**Item 5. Full Description of Material Change**

Please refer to the new release issued on October 2, 2018 attached as Schedule “A” hereto.

Pursuant to the Private Placement, the directors and officers of the Company listed below each purchased an aggregate of 10,563,000 Units. Such issuances of Units are considered related party transactions within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Private Placement was approved by the board of directors of the Company, including those directors who did not participate in the Private Placement. The number of Common Shares owned by each of the directors and officers of the Company that participated in the Private Placement is set out below, both before and after the completion of the Private Placement.

Related Party	Number of Common Shares directly or indirectly owned pre-Private Placement  (non-diluted % of total issued and outstanding Common Shares)	Number of Common Shares directly or indirectly owned post-Private Placement  (non-diluted % of total issued and outstanding Common Shares)
Amar Bhalla	7,214,689 (4.91%)	13,214,689 (6.58%)
Nicholas Brodie	180,000 (0.12%)	2,715,000 (1.35%)
Wayne Hatton-Jones	2,532,763 (1.73%)	3,585,763 (1.79%)
Gavin John Vandervegt	0 (0%)	975,000 (0.49%)

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item 7. Omitted Information**

Not Applicable.

**Item 8. Executive Officer**

Nick Brodie  
CEO, Galane Gold Ltd.  
+ 44 7905089878  
Nick.Brodie@GalaneGold.com  
www.GalaneGold.com

**Item 9. Date of Report**

October 11, 2018.

## Schedule "A"



For immediate release

### **GALANE GOLD LTD. CLOSSES C\$2.7MM PRIVATE PLACEMENT AND SATISFIES LAST CONDITION PRECEDENT TO LOAN AGREEMENT**

**TORONTO, ONTARIO** – October 2, 2018: Galane Gold Ltd. ("Galane Gold" or the "Company") (TSXV: GG; OTCQB:GGGOF) is pleased to announce that the Company has closed its previously announced non-brokered private placement (the "Private Placement") of 54,000,000 units (the "Units") at a price of C\$0.05 per Unit for aggregate gross proceeds of C\$2,700,000. Each Unit was comprised of one common share of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to acquire one Common Share at an exercise price of C\$0.05 until October 1, 2020. The expiry date of the Warrants can be accelerated by the Company to the date that is 10 business days after the date where the closing price of the Common Shares on the TSX Venture Exchange is higher than C\$0.20 for 10 consecutive trading days, provided such trading days occur four months and one day after the issuance of the Warrants.

The closing of the Private Placement constituted the satisfaction of the last condition precedent to the effectiveness of the loan agreement for the Company's previously announced US\$5,000,000 secured loan facility with Barak Fund SPC Limited (the "Facility").

The proceeds of the Facility and of the Private Placement will be used towards the restart of the Company's Galaxy mine.

Galane Gold CEO, Nick Brodie commented: "The Galaxy project represents a key change in the future of Galane Gold and the opportunity to bring it into production is unlocked by the Facility and the closing of the Private Placement. We are now in the position to start the next phase, which includes a refurbishment and commissioning of the upgraded processing plant and completing the development work required to restart underground mining. The Company still hopes to have first production from Galaxy in the first quarter of 2019." <sup>(1)</sup>

Pursuant to applicable securities laws, the Common Shares and Warrants comprising the Units, and the Common Shares underlying the Warrants, are subject to a hold period until four months and one day after closing. The Private Placement remains subject to the final approval of the TSX Venture Exchange.

As previously announced, certain directors and officers of the Company purchased 10,563,000 Units for aggregate gross proceeds of C\$528,150. Such issuances of Units were considered related party transactions within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied upon exemptions from the formal valuation and minority approval requirements in sections 5.5(b) and 5.7(b) of MI 61-101.

**Note:**

(1) This is forward-looking information and is based on a number of assumptions. See "Cautionary Notes".

## **About Galane Gold**

Galane Gold is an un-hedged gold producer and explorer with mining operations and exploration tenements in Botswana and South Africa. Galane Gold is a public company and its shares are quoted on the TSXV under the symbol "GG" and on the OTCQB under the symbol "GGGOF". 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 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 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, plant expansion 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 Charles Byron Pr. Sci. Nat., MAusIMM., MGSSA and Chief Geologist for Galane Gold, and a "qualified person" as defined by National Instrument 43-101.

*Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*

**For further information please contact:**

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