GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2019

Dated: November 25, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of financial condition and results of operations of Galane Gold Ltd. ("Galane" or the "Company") was prepared by management as at November 25, 2019. Throughout this MD&A, unless otherwise specified, "Galane", "the Company", "we", "us" or "our" refer to Galane Gold Ltd. and its subsidiaries and should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto for the three and nine months ended September 30, 2019 (the "interim financial report"), as well as the audited consolidated financial statements and notes thereto for the year ended December 31, 2018 (the "Financial Statements").

The Financial Statements have been prepared by management and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The interim financial report has been prepared by management in accordance with IFRS applicable to interim financial reporting, including IAS 34, Interim Financial Reporting. All amounts are expressed in U.S. dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that interim financial report and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the interim financial report together with the other financial information included in the interim financial report fairly present in all material respects the financial condition, financial performance and cash flows of the Company as the date of and for the periods presented in the interim financial report.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, 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 and mining activities being situated in Botswana and South Africa; risks relating to reliance on the Company's management team and outside contractors; 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 arising from the Company's fair value estimates with respect to the carrying amount of mineral interests; mining tax regimes; risks regarding mineral resources and reserves; 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; risks and expenses related to reclamation costs and related liabilities; lack of infrastructure; employee relations, labour unrest or unavailability; health risks in Africa; the Company's interactions with surrounding communities and artisanal miners; extensive laws and regulations governing the environment, health and safety; 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; risks related to climate change; risks related to information security; risk of using derivative instruments including credit risk, market liquidity risk and unrealized mark-to-market risk; stock market volatility; conflicts of interest among certain directors and officers; lack of dividends; lack of liquidity for shareholders of the Company; risks related to the market perception of junior gold companies; litigation risk; and difficulties in bringing actions and enforcing judgments for foreign investors. See "Risk Factors" in the Company's annual information form for the year ended December 31, 2018, a copy of which is available on the Company's SEDAR profile at 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 MD&A 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 MD&A 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.

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

MINERAL RESERVES AND RESOURCES

Information of a technical and scientific nature that forms the basis of the disclosure in the MD&A has been approved by Kevin Crossling Pr. Sci. Nat., MAusIMM. and Business Development Manager for Galane Gold, and a "qualified person" as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

All mineral reserves and mineral resources have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101. All mineral resources are reported exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no guarantee that any of the mineral resources disclosed in the MD&A 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 on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in the Company's most recent annual information form and the current technical report for each of those properties, all available on the Company's SEDAR profile at www.sedar.com.

CORPORATE OVERVIEW

The Company's principal business activities are the exploration for, development of, and operation of gold mining properties. The Company operates through its wholly-owned subsidiary, Galane Gold Mines Ltd. ("GGM"), which in turn operates two mines: (a) a producing mine which also has the rights to certain mineral exploration tenements (the producing mine and mineral exploration tenements collectively, the "Mupane Property") located in the Republic of Botswana ("Botswana") through subsidiaries located in Botswana; and (b) a mine in the process of restarting and which has the rights to certain mineral exploration tenements (the mine and mineral exploration tenements collectively, the "Galaxy Property") located in the Republic of South Africa ("South Africa") through subsidiaries located in South Africa. The common shares in the capital of the Company (the "Common Shares") have been listed for trading on the TSX Venture Exchange under the symbol "GG" since September 6, 2011 and trades on the OTCQB in the United States under the trading symbol "GGGOF".

OUTLOOK

Certain information set out in this section is forward looking information and is based on a number of risks and assumptions, including those related to gold price volatility, delays in production, regulatory risk, currency fluctuations, integrating successfully new acquired assets and risks and uncertainties inherent with all mining operations. For more details please see above under "Forward-Looking Statements" and below under "Risks and Uncertainties".

Mupane Property

The Company continues to carry out its improvement and exploration plan in Botswana, with a focus on the optimisation of the mining operations and the expansion of the resource base.

The Company completed an updated three year mine plan for the Mupane Property in 2018 which will form the guide for the Company's short term goals and long term strategy. The updated mine plan is based on internal reporting by the Company following underground mining and not based on an independent feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. There has yet to be sufficient exploration on any potential expansion at the Mupane Property to extrapolate that it extends beyond the current mined area.

The Company has been utilizing the following resources during 2019:

- Tau – It is estimated that the Company will process approximately 365,000 tonnes at an average grade of 2.60 grams per tonne ("g/t"). The Company intends to continue exploration to attempt to further expand the potential resource as reported in the press release of October 5, 2017.
- Low Grade Stockpiles – It is estimated that the Company will process approximately 225,000 tonnes of low grade stockpile at an average grade of 0.76 g/t, which is located at the run-of-mine pad at the processing plant.
- Monarch slimes dump – It is estimated that the Company will process approximately 200,000 tonnes of tailings and slimes at an average grade of 0.94 g/t, which is located at the Monarch mine, approximately 53 kilometres from the Mupane processing plant.

The Mupane Property mine plan is subject to change according to the prevailing gold price. The Company will adopt the appropriate plan for the prevailing gold price environment.

The Mupane Property processing plant continues to focus on on-going stabilisation and optimisation of the processing operations. There are no major plant capital projects scheduled at the Mupane Property for 2019 as the Company currently believes it has implemented all material optimisation projects.

Galaxy Property

In 2017, the Company announced that it had updated its mine plan for the Galaxy Property. The updated mine plan is based on internal reporting by the Company following underground mining and not based on an independent feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. There has yet to be sufficient exploration on any potential expansion at the Galaxy Property to extrapolate that it extends beyond the current mined area.

On March 5, 2018, the Company announced that it had entered into a loan agreement with Barak Fund SPC Limited ("Barak") with respect to a $5,000,000 secured loan facility (the "Barak Facility"), for a term ending three years from the date of the first drawdown and bearing interest at a rate of 14% per annum. The funds have been used towards the refurbishment and expansion of the processing facilities and restarting underground mining operations at the Galaxy Property. The Company will pay to Barak, or its nominee, 0.75% of the net proceeds accruing to Galaxy Gold Mining (Pty) Limited (formerly Galaxy Gold Mining Limited, "Galaxy") under an off-take agreement covering the annual gold concentrate production of the Agnes gold mine in Barberton owned and operated by Galaxy, after taking into account all attributable logistics and freight costs, State Royalties (as defined in the Barak Facility) and value-added tax (if applicable). The last of the conditions precedent relating to the Barak Facility were satisfied in October 2018, with the first drawdown of funds under the Barak Facility occurring in February 2019.

With the re-commencement of the Galaxy project underway following the completion of the Barak Facility, production of its first concentrate occurred in April 2019. The Company has a revised forecast for 2019 to produce 2,400 tonnes of concentrate containing 2,600 ounces of gold. To achieve this outcome the Company will be processing approximately 112,000 tonnes of material from various sources including the Princeton underground and historic tailings facilities.

The Company is targeting for the Galaxy Property to increase the capacity of the processing plant to 30,000 tonnes per month(1) and annual production to over 25,000 ounces of gold at a cash cost per ounce of less than US$800(2). During the implementation of the first phase, the Company expects to complete a study on the second expansion phase with the objective of increasing the capacity at the Galaxy processing plant to 60,000 tonnes per month and decreasing the cash cost per ounce with increased economies of scale.

Notes:

(1) The Company is not basing its decision to expand the throughput capacity of the Galaxy mine's processing plant to 30,000 tonnes per month on a feasibility study of mineral reserves demonstrating economic and technical viability of production at such levels, and as a result there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with producing at such plant's throughput capacity. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts.

(2) Based on a 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 NI 43-101. The Galaxy Technical Report satisfies the requirements to be a pre-feasibility study. Cash cost per ounce is a non-GAAP measure. See "Supplemental Information to Management's Discussion and Analysis".

DISCUSSION OF OPERATIONS

For the three and nine months ended September 30, 2019

The following is an analysis of the Company's operating results for the three months ended September 30, 2019 ("Q3 2019") and the nine months ended September 30, 2019 ("YTD 2019").

Operating activity:

Commentary regarding the Company's operating activity during Q3 2019 and YTD 2019 follows:

Mining

The following table sets forth certain key mining statistics for the Mupane Property:

		2019			YTD 2019	2018				YTD 2018
		Q3	Q2	Q1		Q4	Q3	Q2	Q1	
Mupane (Tau)	Ore (t)	77,054	92,762	87,461	257,277	98,397	114,773	97,913	88,995	400,078
	Grade (g/t)	2.90	3.25	2.11	2.76	2.87	2.66	3.46	3.19	3.03
	Waste (t)	15,472	20,520	10,520	46,512	27,576	17,165	18,720	14,757	78,218
Tekwane and Shashe Pencils	Ore (t)	-	-	-	-	-	-	3,935	9,707	13,642
	Grade (g/t)	-	-	-	-	-	-	1.50	1.89	1.77
	Waste (t)	-	-	-	-	-	-	9,671	36,513	46,184
Low Grade Stockpiles	Ore (t)	62,010	30,719	71,263	163,992	124,864	112,554	118,721	75,691	431,830
	Grade (g/t)	0.75	0.77	0.77	0.76	0.77	0.94	1.04	0.90	0.88
Monarch Slimes Dump	Ore (t)	68,222	57,191	1,736	127,149	-	-	-	-	-
	Grade (g/t)	0.94	0.94	1.00	0.94	-	-	-	-	-

The Company has mined from one deposit at the Mupane Property during 2019 and the Monarch slimes dump:

- Tau – In Q3 2019, the Company continued mining in the main reef of the ore body with 77,054 tonnes at 2.90 g/t being mined (three months ended September 30, 2018 ("Q3 2018') – 114,773 tonnes at 2.66 g/t). The tonnes and grade for Q3 2019 are reflective of the mine plan prepared by the Company. For YTD 2019, 257,277 tonnes at 2.76 g/t were mined compared to 301,681 tonnes at 3.08 g/t for the nine months ended September 30, 2018 ("YTD 2018"). The tonnes and grade for YTD 2019 are reflective of the mine plan prepared by the Company.
- Tekwane – There was no mining at Tekwane during YTD 2019. Mining at Tekwane was completed in Q2 2018 (Q3 2018 – nil tonnes and YTD 2018 – 13,642 tonnes at 1.77 g/t).
- Monarch – Towards the end of Q1 2019 the Company commenced the hauling of material from the Monarch slimes dump located approximately 53 kilometres from the Mupane processing plant. There was 68,222 tonnes at an average grade of 0.94 g/t transported for Q3 2019 (Q3 2018 – nil), with YTD 2019 127,149 tonnes at an average grade of 0.94 g/t (YTD 2018 – nil).

In addition, the Company is currently processing ore from its previously mined low grade stockpiles, which are located next to the processing plant at the Mupane Property, next to the Golden Eagle mine located approximately 26 kilometres from the Mupane Property, and on the Shashe mining lease located approximately 35 kilometres from the Mupane Property. In Q3 2019, it processed 62,010 tonnes at an average grade of 0.75 g/t (Q3 2018 – 112,554 tonnes at 0.94 g/t) and for YTD 2019, it processed 163,992 tonnes at an average grade of 0.76 g/t (YTD 2018 – 306,966 tonnes at 0.92 g/t). The decrease in tonnes processed from low grade stockpiles is primarily due to the commencement of processing of the Monarch slimes dump material referred to above.

Processing

The following table sets forth certain key processing statistics at the Mupane Property:

	Q3 2019	Q2 2019	Q1 2019	**YTD 2019**	Q4 2018	Q3 2018	Q2 2018	Q1 2018	**YTD 2018**
Ore milled (000 t)	205	179	161	**545**	217	221	214	179	**831**
Head grade (g/t)	1.76	2.12	1.69	**1.85**	1.77	1.87	2.19	2.09	**1.97**
Recovery (%)	72.8%	71.4%	72.3%	**72.1%**	75.1%	64.2%	66.8%	63.5%	**67.4%**
Gold production (oz)	8,435	8,694	6,326	**23,455**	9,245	8,545	10,088	7,649	**35,527**

Gold production in Q3 2019 was 8,435 ounces compared to 8,545 ounces in Q3 2018. The ore milled for Q3 2019 of 205kt (Q3 2018 – 221kt) was lower than the preceding quarters with the average feed rate impacted by a broken crusher swingstock shaft in September, and ongoing issues of inconsistent incoming power feed throughout the quarter. The grade in Q3 2019 of 1.76 g/t was below the grade for Q3 2018 of 1.87 g/t and was reflective of the feedstock available. The recovery for Q3 2019 of 72.8% was above the recovery for Q3 2018 of 64.2%. The increased recovery was reflective of the favourable mineralogy within the ore processed for Q3 2019.

Gold production for YTD 2019 was 23,455 ounces compared to 26,282 ounces for YTD 2018. The ore milled for YTD 2019 of 545kt (YTD 2018 – 614kt) was lower than the preceding quarters with the average feed rate impacted by ongoing issues with the SAG mill motor armature and windings. This was due to inconsistent incoming power feed as mentioned above, which was resolved in May 2019. In addition, the SAG mill ran in closed circuit during the first quarter, while completing the repair of the ball mill starter transformer which was again damaged by inconsistent incoming power feed. The grade for YTD 2019 of 1.85 g/t was below the grade for YTD 2018 of 2.04 g/t and was reflective of the feedstock available. The recovery for YTD 2019 of 72.1% was above the recovery for YTD 2018 of 65.1%. The increased recovery was reflective of the favourable mineralogy within the ore processed for YTD 2019.

Revenue and earnings from mining operations

The table below outlines the revenue and earnings from mining operations on a total dollar basis, and on a per ounce of gold sold basis:

	Q3 2019	Q2 2019	Q1 2019	YTD 2019
Revenue (000)	$ 12,462	$ 11,425	$ 8,476	$ 32,363
Gold sold (oz.)	8,538	8,750	6,565	23,853
Earnings (Loss) from mining operations (000)	$ 1,574	$ 821	$ (823)	$ 1,572
Operating cash cost excluding royalties ($/oz.)(1)	$ 1,026	$ 966	$ 1,189	$ 1,048

	Q3 2018	Q2 2018	Q1 2018	YTD 2018
Revenue (000)	$ 10,555	$ 13,170	$ 9,908	$ 33,633
Gold sold (oz.)	8,837	10,259	7,562	26,658
Earnings (Loss) from mining operations (000)	$ (805)	$ 2,191	$ 274	$ 1,660
Operating cash cost excluding royalties ($/oz.)(1)	$ 1,011	$ 905	$ 976	$ 960

Note:
(1) Operating cash cost excluding royalties per ounce is a non-GAAP measure. See "Supplemental Information to Management's Discussion and Analysis".

In the three months ended September 30, 2019, the Company generated $12.5 million in revenue from the sale of 8,538 ounces of gold plus incidental silver at an average combined price of $1,460 per ounce and earnings from mining operations of $1.6 million. This compares to $10.6 million in revenue from the sale of 8,837 ounces of gold plus incidental silver at an average combined price of $1,194 per ounce and a loss from mining operations of $0.8 million in Q3 2018.

The reason for the change in earnings from mining operations from Q3 2019 to Q3 2018 is a result of several factors:

- Gold sales for Q3 2019 were 299 ounces less than in Q3 2018. The impact of the reduced ounces sold was offset by an increase in the average gold price achieved of $266 per ounce, resulting in an overall revenue increase of $1.9 million compared to Q3 2018.
- Mining costs in Q3 2019 were $3.4 million compared to $3.7 million in Q3 2018. The decrease in cost is due mainly to lower mined tonnes in the current quarter.
- Processing costs in Q3 2019 of $5.4 million were consistent with Q3 2018 of $5.3 million. The actual tonnes milled decreased from 221,156 tonnes in Q3 2018 to 205,000 tonnes in Q3 2019; however, costs did not reflect the reduction in feed tonnes for the current quarter. The increase in costs reflected the processing of ore from sources with higher consumable consumption, particularly cyanide and steel mill balls.
- General and administration costs in Q3 2019 were $0.9 million compared to $0.9 million in Q3 2018.
- Depreciation and amortization expense was $1.3 million in Q3 2019 compared to $1.4 million in Q3 2018.

As a result of the above factors the operating cash cost per ounce excluding royalties in Q3 2019 was $1,026 compared to $1,011 per ounce in Q3 2018.

YTD 2019 the Company generated $32.4 million in revenue from the sale of 23,853 ounces of gold plus incidental silver at an average combined price of $1,357 per ounce, generating earnings from mining operations of $1.6 million. This compares to $33.6 million in revenue from the sale of 26,658 ounces of gold plus incidental silver at an average combined price of $1,261 per ounce and earnings from mining operations of $1.7 million for YTD 2018.

The reason for the change in earnings from mining operations for YTD 2019 to YTD 2018 is a result of several factors:

- Gold sales for YTD 2019 were 2,805 ounces less than YTD 2018. The impact of the reduced ounces sold was partially offset by an increase in the average gold price achieved of $96 per ounce, resulting in an overall revenue decrease of $1.3 million compared to YTD 2018.
- Mining costs for YTD 2019 were $9.3 million compared to $10.4 million for YTD 2018. The decrease in cost is due mainly to lower tonnes mined year to date, including no mining occurring at Tekwane during the current year.
- Processing costs for YTD 2019 of $14.7 million were consistent with YTD 2018 of $14.3 million. The actual tonnes milled decreased from 614,619 tonnes YTD 2018 to 545,241 tonnes YTD 2019; however, costs did not reflect the reduction in feed tonnes for the current year. The increase in costs reflected the processing of ore from sources with higher consumable consumption, particularly cyanide and steel mill balls and increased maintenance costs related to the SAG mill motor failure and armature windings.
- General and administration costs for YTD 2019 were $2.5 million compared to $2.9 million for YTD 2018.
- Depreciation and amortization expense was $4.2 million for YTD 2019 compared to $4.3 million for YTD 2018.

As a result of the above factors the operating cash cost per ounce excluding royalties for YTD 2019 was $1,048 compared to $960 per ounce for YTD 2018.

Results

The Company's earnings (loss) comprised of:

	Q3 2019	YTD 2019	Q3 2018	YTD 2018
Earnings (Loss) from mining operations	$ 1,574,050	$ 1,572,090	$ (805,023)	$ 1,659,653
Exploration costs	-	(4,111)	(66,928)	(184,913)
Corporate general and administrative costs	(624,757)	(1,451,862)	(733,743)	(1,906,618)
Stock-based compensation	(52,806)	(125,089)	(43,192)	(167,111)
Foreign exchange gain (loss)	261,592	224,268	457,524	1,091,177
Interest on long term debt	(140,985)	(619,318)	(60,001)	(178,551)
Galaxy on-going costs	(246,231)	(868,779)	94,412	(354,013)
Other income (expenses)	9,756	(21,885)	(12,415)	(17,029)
Other financing income (costs)	(296,175)	(306,351)	(89,399)	(275,052)
	$ 484,444	$ (1,601,037)	$ (1,258,765)	$ (332,457)

Galaxy's on-going costs for Q3 2019 and YTD 2019 were impacted by the re-commencement of the project at the Galaxy Property. By comparison, Galaxy's ongoing costs for Q3 2018 and YTD 2018 represent the net cost incurred to idle the plant while in care and maintenance.

Corporate general and administration costs are comprised of the following:

		Q3 2019		YTD 2019		Q3 2018		YTD 2018
Professional fees	$	146,112	$	444,595	$	230,560	$	502,759
Management fees to officers		281,088		398,737		294,320		906,849
Investor relations		58,717		139,623		59,166		85,431
Corporate general and administration		138,840		468,907		149,697		411,579
	$	624,757	$	1,451,862	$	733,743	$	1,906,618

SUMMARY OF FINANCIAL POSITION

Selected Consolidated Statement of Financial Position Data:

	September 30, 2019 $	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $
Total current assets	9,304,363	9,510,559	7,606,437	10,433,238
Total current liabilities	15,789,107	17,338,010	14,125,556	13,268,658
Working capital	(6,484,744)	(7,827,451)	(6,519,119)	(2,835,420)
Non-current assets	39,784,421	39,855,606	38,705,198	35,921,949
Non-current liabilities	19,790,681	19,056,410	19,413,038	18,101,585
Total shareholders' equity	13,508,996	12,971,745	12,773,041	14,984,944

	September 30, 2018 $	June 30, 2018 $	March 31, 2018 $	December 31, 2017 $
Total current assets	8,635,671	10,032,561	8,530,210	8,906,012
Total current liabilities	10,347,024	11,052,174	11,885,613	19,784,067
Working capital	(1,711,353)	(1,019,613)	(3,355,403)	(10,878,055)
Mining assets	35,608,850	36,366,842	36,839,800	37,645,844
Non-current liabilities	19,971,442	20,205,601	20,800,825	12,676,388
Total shareholders' equity	13,926,055	15,141,628	12,683,572	14,091,401

In Q3 2019 there was a working capital deficiency of $6.5 million, a decrease of $1.3 million from Q2 2019. The decrease in working capital deficiency was mainly due to the following movements in total current liabilities and cash balance:

- A cash balance decrease of $0.6 million.
- An increase of $0.4 million in trade and other receivables, relating to trade receivables at Galaxy for accrued gold concentrate sales.
- Inventories remained consistent at $3.9 million, with an increase of $0.2 million in stores inventory for the quarter, offset by a decrease of $0.1 million in each of gold in process and ore stockpiles.
- A decrease of $1.0 million in accounts payable and accruals, with accounts payable decreasing $1.1 million, due to a decrease of $0.5 million in each of the Mupane and Galaxy creditors at quarter end, offset by an increase of $0.1 million in accrued liabilities for Q3 2019.
- A decrease of $0.5 million in interest bearing loans and borrowings in Q3 2019, with a decrease of $2.7 million with the current portion of the Galaxy Debentures (as defined below) allocated to non-current following the re-negotiation of the maturity date to November 2021 (refer to detailed explanation in "Debentures" section of this MD&A), offset by current deferred royalties increasing $1.4 million consistent with the repayment schedule agreed to with the Government of Botswana in March 2018, and an increase of $0.8 million for the current portion of the Barak facility.

In Q3 2019, non-current liabilities increased by $0.7 million, with an increase of $1.7 million for the current portion outstanding of the Galaxy Debentures allocated to non-current following the re-negotiation of the maturity date to November 2021, (see "Debentures" below), an increase of $0.8 million for the non-current portion of Barak funding for the Galaxy project, an increase of $0.2 million on revaluation of the outstanding warrants, offset by a decrease of $1.7 million in deferred royalties re-allocated to current, a decrease of $0.2 million in the right of use liability, and a decrease of $0.1 million on the revaluation of the rehabilitation provision.

Total shareholders' equity in Q3 2019 increased by $0.5 million primarily as a result of the net earnings for the quarter of $0.5 million.

For YTD 2019 there was a working capital deficiency of $6.5 million, an increase of $3.7 million from the year ended December 31, 2018. The increase in working capital deficiency was mainly due to the following movements in total current liabilities and cash balance:

- A cash balance decrease of $1.0 million.
- Trade and other receivables increased by $0.2 million, with an increase of $0.5 million in trade receivables, offset by a decrease of $0.1 million in taxes recoverable and $0.2 million decrease in prepayments.
- A decrease of $0.5 million for inventories, with a decrease of $0.2 million in stores inventory for the year to date, a $0.2 million decrease in gold in process inventory, and a decrease of $0.1 million in ore stockpiles.
- A decrease of $1.3 million in accounts payable and accruals with a $1.2 million decrease in accounts payable, and a $0.1 million decrease in accrued liabilities. Accounts payable at Mupane were lower by $0.7 million with creditors from December 2018 impacted by the build-up of consumable inventory stored to cover the Christmas period, and a decrease of $0.2 million for payments made to historic creditors at Galaxy during the year.
- An increase of $3.8 million in interest bearing loans and borrowings, with current deferred royalties increasing $4.3 million consistent with the repayment schedule agreed with the Government of Botswana in March 2018, the addition of $0.5 million for the Right of Use liability recognized with the adoption of changes to IFRS 16 Leases (refer to "Changes in Accounting Standards"), an increase of $1.5 million for the current portion of the Barak loan facility and $0.1 million on recognition of the royalty payable on initial drawdown of funding for the Galaxy project, by a decrease of $2.7 million with the current portion of the Galaxy Debentures allocated to non-current following the re-negotiation of the maturity date to November 2021 (refer to detailed explanation in "Debentures" section of this MD&A).

For YTD 2019, non-current liabilities increased by $1.7 million, with an increase of $1.1 million for the Right of Use liability recognized with the adoption of changes to IFRS 16 Leases (refer to "Changes in Accounting Standards"), an increase of $3.8 million for the initial drawdown of funding for the Galaxy project, an increase of $1.7 million for the current portion outstanding of the Galaxy Debentures allocated to non-current following the re-negotiation of the maturity date to November 2021, (see "Debentures" below), an increase of $0.2 million on recognition of the royalty payable on initial drawdown of funding for the Galaxy project, an increase of $0.1 million on the revaluation of the foreign currency denominated warrants outstanding, and a $0.1 million increase in rehabilitation provisions, offset by a decrease of $5.2 million in deferred royalties re-allocated to current.

Total shareholders' equity for YTD 2019 decreased by $1.5 million primarily as a result of the net loss for the year to date of $1.6 million.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholders' equity, being comprised of issued capital stock, contributed surplus and deficit and long term debt. The Company's objectives when managing capital are primarily to support the creation of shareholder value, but also to ensure that the Company is able to meet its financial obligations as they become due. The Company has not declared or paid any dividends on its Common Shares.

In order to fund the business activities intended in its current business plan, management expects that the Company's mining operations will continue to provide positive cash flow from its operations that is more than sufficient to support its corporate expenses, capital expenditure requirements and exploration activities. As described above under "Summary of Financial Position", at September 30, 2019, the Company had a working capital deficiency of $6.5 million with cashflow from operations of $2.6 million for YTD 2019.

The revenue of the Company is dependent upon the spot price of gold. At the current level of operating costs, the Company will continue to generate positive cash flow on an annual basis from operations even if there was a 10% reduction in the spot price of gold as at the date of this MD&A.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through monthly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

On March 5, 2018, the Company announced that it had entered into the Barak Facility. The funds have been used towards the refurbishment and expansion of the processing facilities and restarting underground mining operations at the Galaxy Property. The last of the conditions precedent to the Barak Facility were satisfied in October 2018, with the first drawdown of funds under the Barak Facility occurring in February 2019. See "Outlook" above.

Liquidity risk

As at September 30, 2019, the Company had a working capital deficiency of $6.5 million compared to a deficiency of $2.8 million at December 31, 2018.

During the nine months ended September 30, 2019, the Company paid, on a timely basis, the 5% royalty to the government of Botswana on all gold sales in accordance with the terms of the royalty. The royalty expense for the nine months ended September 30, 2019, was $1.6 million, which was funded from cash flows from operations, in addition to $1.2 million repaid from deferred royalties in accordance with the agreement with the Government of Botswana for the repayment of deferred royalties. The Company renegotiated the terms of the Galaxy Debentures that were due in November 2019, extending the maturity to November 2021. See "Debentures" below.

The operating performance at the Mupane mine for the nine months ended September 30, 2019 was impacted by operational challenges, with earnings from operations of $1.6 million, compared to earnings of $1.7 million for the same period in 2018. However, with the ongoing strength in gold price, the Company remains confident in achieving its full year budget allowing the Company to generate sufficient cashflow from operations in order to meet its obligations as they fall due for at least the next 12 months.

The current commodity price and exchange rate environment can be volatile which may have an impact on the Company's cash flows. Despite the higher gold price currently being realized, the Company continues to review its near term operating plans and to take steps to reduce costs and maximize cash flow generated from operations.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's selected quarterly information for each of the eight most recently completed quarters:

	Three months ended			
	September 30, 2019 $	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $
Revenue	12,462,310	11,424,704	8,476,421	11,017,035
Total mining costs	(10,888,260)	(10,603,441)	(9,299,644)	(9,705,264)
Non-mining expenses	(1,089,606)	(658,639)	(1,424,882)	(1,301,258)
(Loss) earnings	484,444	162,624	(2,248,105)	10,513
(Loss) earnings per share				
- Basic	0.00	0.00	(0.01)	(0.00)
- Fully diluted	0.00	0.00	(0.01)	(0.00)
Total assets at end of quarter	49,088,784	49,366,165	46,311,635	46,355,187
Total liabilities at end of quarter	35,579,788	36,394,420	33,538,594	31,370,243
Total equity at end of quarter	13,508,996	12,971,745	12,773,041	14,984,944

	Three months ended			
	September 30, 2018 $	June 30, 2018 $	March 31, 2018 $	December 31, 2017 $
Revenue	10,555,280	13,169,757	9,907,949	10,555,110
Total mining costs	(11,360,303)	(10,978,749)	(9,634,281)	(8,189,893)
Non-mining expenses	(453,744)	208,143	(1,746,510)	(401,662)
Earnings (loss)	(1,258,765)	2,399,151	(1,472,842)	1,963,555
Earnings (loss) per share				
- Basic	(0.01)	0.02	(0.01)	0.01
- Fully diluted	(0.01)	0.02	(0.01)	0.01
Total assets at end of quarter	44,244,521	46,399,403	45,370,010	46,551,856
Total liabilities at end of quarter	30,318,466	31,257,775	32,686,438	32,460,455
Total equity at end of quarter	13,926,055	15,141,628	12,683,572	14,091,401

Note:
(1) Information for all periods is presented in accordance with IFRS applicable to interim financial reporting and in U.S. dollars.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, interest bearing loans and borrowing, and warrants denominated in foreign currencies. The fair value of the Company's trade and other receivables, and accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instruments, specifically interest bearing loans and borrowings are recorded at amortized cost using the effective interest rate method.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company currently has no trade receivables for the purchase of the gold it produces, and the other receivable balance consists of amounts outstanding on tax credits from governmental authorities, each of which are expected to be paid in the near term at face value. The Company's exposure to credit risk is minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had current assets of $9,304,363 (December 31, 2018 - $10,433,238) to settle current liabilities of $15,789,107 (December 31, 2018 - $13,268,658). All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. See "Liquidity and Capital Resources" section for further commentary on the Company's liquidity risks.

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's operations are in Botswana, South Africa and Canada and its functional currency is U.S. dollars. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currencies, including the Botswana Pula, the South African Rand and Canadian Dollars. The operating results and the financial position of the Company are reported in U.S. dollars. The fluctuations of the operating currencies in relation to the U.S. dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company monitors the volatility of foreign exchange rates and will hedge its currency risk if it determines that the need arises.

Market risk is the risk that the fair values of financial instruments or that the Company's future cash flows will fluctuate because of changes in market commodity rates. The Company's efforts are currently focused on the production of gold. As such, the Company's future cash flows and valuation of its future mineral assets will be exposed to market risk on the price fluctuations of gold as a commodity.

ISSUED AND OUTSTANDING SHARE CAPITAL

The Company's authorized capital consists of an unlimited number of Common Shares, of which 200,964,760 Common Shares are issued and outstanding as of the date of this MD&A.

The Company adopted a stock option plan (the "Option Plan"). Under the terms of the Option Plan, officers, directors, employees and consultants are eligible to receive grants of stock options to purchase Common Shares for a period of up to ten years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant. As of the date of this MD&A, subject to the terms of the Option Plan, options to purchase 11,950,000 Common Shares are outstanding and options to purchase 8,130,476 Common Shares are available for grant.

The Company adopted a share purchase plan ("SPP") on June 12, 2012. Under the terms of the SPP, each participating officer, director, or employee that has been employed with the Company or its subsidiaries for at least six months is entitled to receive the matching number of Common Shares acquired pursuant to the SPP at no cost to such officer, director or employee. Subject to certain conditions, such deferred matching shares will be issued to the participating officers, directors or employees over a three-year period following the date of the purchase of the qualifying shares. As of the date of this MD&A, no deferred matching shares are owed to the participating officers, directors and employees of the Company.

The Company adopted a deferred share unit plan (the "DSU Plan") on June 3, 2014. Subject to adjustment in certain circumstances, the maximum aggregate number of Common Shares that may be reserved for issuance pursuant to the DSU Plan is 13,262,888 Common Shares. As of the date of this MD&A, subject to the terms of the DSU Plan, participating officers, directors, employees and consultants of the Company may be issued an aggregate of up to 4,967,020 Common Shares pursuant to outstanding deferred share units awarded under the DSU Plan and 1,125,782 Common Shares have been issued under the DSU Plan.

DEBENTURES

As part of the acquisition of the Galaxy Property in 2015, the Company issued approximately $2.4 million aggregate principal amount of unsecured convertible debentures (the "Galaxy Debentures") to settle outstanding debt or contractual obligations owed by Galaxy and its subsidiary Galaxy Gold Reefs (Pty) Ltd. The original terms of the Galaxy Debentures were: (i) to mature on November 20, 2019, (ii) to bear 4% interest per annum, accrued and paid at maturity, (iii) to allow conversion of the principal at the option of the holder into Common Shares at a price of C$0.58(1) per Common Share, based on a pre-determined exchange rate of $1.00: C$1.30, and (iv) to allow conversion of the interest at the option of the holder into Common Shares, based on a pre-determined exchange rate of $1.00: C$1.30, at a price per Common Share equivalent to the greater of C$1.00 and the Discounted Market Price (as defined by the TSX Venture Exchange) at the time of conversion, subject to acceptance of the TSX Venture Exchange. On September 27, 2019, the Company prepaid $728,000 of principal amount of the Galaxy Debentures. On September 30, 2019, the Company entered into an agreement with a requisite percentage of Galaxy Debenture holders to amend certain terms of the Galaxy Debenture. Under the terms of the amended Galaxy Debentures: (i) the maturity date is extended to November 20, 2021, (ii) the principal is convertible at the option of the holder into Common Shares at a price of C$0.20 per Common Share, at a pre-determined exchange rate of $1.00:C$1.30, (iii) the interest is convertible at the option of the holder into Common Shares, based on a pre-determined exchange rate of $1.00: C$1.30, at a price per Common Share equivalent to the greater of C$0.20 and the Discounted Market Price at the time of conversion, subject to acceptance of the TSX Venture Exchange, and (iv) the Company has the right of forced conversion with respect the principal if the trading price of the Common Shares exceeds C$0.20 for 10 consecutive trading days.

In addition, on March 29, 2016, the Company announced that it and its subsidiary, Galaxy, entered into a full and final settlement agreement with Traxys Europe SA, Mine2Market S. à r.l. and certain others (collectively the "Traxys parties") with respect to various outstanding claims arising from the time period when the Traxys parties operated Galaxy's mining operations. In connection with the settlement, the Traxys parties settled their claim for $4.3 million of indebtedness in exchange for the issuance by the Company of an unsecured convertible debenture of approximately $3.2 million in aggregate principal (the "Traxys Debenture"). On June 29, 2018, the Company entered into an agreement with applicable Traxys parties to replace the existing Traxys Debenture with an amended and restated debenture (the "A&R Debenture"). Under the terms of the A&R Debenture: (i) the principal is repayable on November 20, 2021 and is convertible at the option of the holder into Common Shares at a price of C$0.15 per share, based on a pre-determined exchange rate of $1.00:C$1.35; (ii) interest is convertible at the option of the holder into Common Shares, based on a pre-determined exchange rate of $1.00:C$1.35, at a price equivalent to the greater of C$0.15 and the Discounted Market Price (as defined in the policies of the TSX Venture Exchange) at the time of conversion; (iii) the Company has a right of forced conversion with respect to the principal where the trading price of the Common Shares exceeds C$0.15 for 10 consecutive trading days; (iv) commencing January 1, 2018, interest for a calendar year will be due and payable on March 31 of the subsequent year, with the first such payment being due on March 31, 2019. The first payment of interest under the rescheduled agreement was made in April, 2019.

(1) The initial conversion price of the Galaxy Debentures was C$1.00 per share. As a result of the completion of the rights offering of the Company in May 2016, the conversion price was adjusted downward to C$0.58 per share.

GALAXY SHARE DONATION

On March 19, 2019, the Company donated 17% of the issued and outstanding shares of Galaxy to Phakamani Foundation Trust (operating as Phakamani Foundation NPC). The donation was made in relation to the terms of the *Mineral and Petroleum Resources Development Act, 2004* of South Africa, together with the *Broad-Based Social-Economic Empowerment Charter for Mining and Mineral Industry, 2018* and the requirement for Galaxy, as holder of existing gold mining rights, to be comprised, directly or indirectly, of at least a 20% shareholding by historically disadvantaged persons (the "BEE Requirement").

On March 19, 2019, 10% of the issued and outstanding shares of Galaxy Gold Reefs (Pty) Ltd, was donated to a South African community based trust and a South African local employee share scheme. The donation was made in relation to the BEE Requirement.

TRANSACTIONS WITH RELATED PARTIES

During the three and nine months ended September 30, 2019 and 2018, there were no related party transactions.

CHANGES IN ACCOUNTING STANDARDS

The following accounting standard was adopted for the current year:

(a) IFRS 16 Leases - The Company adopted IFRS 16 on a retrospective basis effective January 1, 2019. The adoption of this standard did not have any measurement impact on prior period financial results or financial position.

On adoption of IFRS 16, the group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8.5%.

The change in accounting policy had the following effect on the balance sheet on January 1, 2019:

- Recognition of Right of Use liabilities of $1,896,294.
- Recognition of Right of Use assets of $1,896,294.

From January 1, 2019, leases are recognized as a right of use asset and corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use assets are depreciated over the shorter of their useful life and the lease term on a straight-line basis.

COMMITMENTS

As at the date of this MD&A, the Company had the following commitments:

(a) Claims

The Company is also subject to the possibility of revised tax assessments for some years. The Company does not believe that, should unfavourable decisions arise from any review of its tax filings, that any amount it might be required to pay will be material. No such amounts have been provided for in the Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

Other than the low value operating lease arrangements not recognized on the initial adoption of the revised IFRS 16 Leases, the Company currently has no off-balance sheet arrangements.

SUPPLEMENTAL INFORMATION TO MANAGEMENT'S DISCUSSION AND ANALYSIS

CASH COSTS

The Company's MD&A refers to operating cash cost per ounce, and operating cash cost excluding royalties per ounce, all non-GAAP performance measures, in order to provide investors with information about measures used by management to monitor performance. Management of the Company uses this information 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, but are exclusive of impairment, amortization, reclamation, and exploration and development costs. Operating cash cost is the total cash cost less those costs capitalized as attributable to the removal of excess waste in developing new resources. 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.

The following tables provide a reconciliation of cash cost measures for the mine to the mining costs excluding impairment, depreciation and amortization reflected in the Financial Statements.

	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Mining costs excluding impairment, depreciation and amortization	$ 9,617,217	$ 8,934,073	$ 8,030,333	$ 8,321,085
Adjust for:				
Inventory movement	(222,748)	41,530	(82,961)	(28,678)
Total operating cash cost	$ 9,394,469	$ 8,975,603	$ 7,947,372	$ 8,292,407
Royalties	(631,199)	(579,792)	(427,112)	(562,172)
Total operating cash cost excluding royalties	$ 8,763,270	$ 8,395,811	$ 7,520,260	$ 7,730,235
Gold production (ounces)	8,538	8,694	6,326	9,245
Total operating cash cost excluding royalties per oz.	$ 1,026	$ 966	$ 1,189	$ 836

	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Mining costs excluding impairment, depreciation and amortization	$ 9,963,751	$ 9,460,240	$ 8,251,129	$ 9,304,692
Adjust for:				
Inventory movement	(763,182)	354,647	(287,650)	(800,041)
Total operating cash cost	$ 9,200,569	$ 9,814,887	$ 7,963,479	$ 8,504,651
Royalties	(557,603)	(686,653)	(499,998)	(569,779)
Total operating cash cost excluding royalties	$ 8,642,966	$ 9,128,234	$ 7,463,481	$ 7,934,872
Gold production (ounces)	8,545	10,088	7,649	8,812
Total operating cash cost excluding royalties per oz.	$ 1,011	$ 905	$ 976	$ 900

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is responsible for designing internal controls over financial reporting or causing them to be designed under the supervision of the CEO and CFO in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis disclosure controls and procedures as well as internal controls over financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. A discussion of the principal risk factors relating to the Company's operations and business appear in the Company's annual information form for the year ended December 31, 2018, which may be viewed on the Company's SEDAR profile at www.sedar.com. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2018, can be found on the Company's SEDAR profile at www.sedar.com.