GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2012

Dated: May 24, 2012

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 May 24, 2012. 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 months ended March 31, 2012 (the "interim financial report"), as well as the audited annual consolidated financial statements and notes thereto for the year ended December 31, 2011 (collectively, 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") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). 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 the interim financial report and MD&A do not contain any untrue statement of 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 filings 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 filings.

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 a single mineral project; gold price volatility; risks associated with the conduct of the Company's mining activities in Botswana; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in a single country; 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; 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; 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; and litigation risk. See "Risks and Uncertainties" below. 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.

CORPORATE OVERVIEW

The Company's principal business activities are the exploration for, development of, and operation of gold mining properties. Since August 30, 2011, the Company operates through its wholly owned subsidiary, Galane Gold Mines Ltd. ("GGM"), which in turn operates a producing mine located in the Republic of Botswana ("Botswana") through subsidiaries located in Botswana. GGM was incorporated under the laws of Ontario on November 15, 2010.

Effective August 30, 2011, GGM, concurrent with the closing of the Carlaw Acquisition referred to below, through its wholly owned subsidiary, Mupane Gold Mines Limited, a Mauritius company, acquired all of the issued and outstanding shares of an Australian company, Gallery Gold Pty Ltd. from IAMGOLD Corporation ("IAMGOLD") (the "Gallery Acquisition"). The purchase price for such acquisition was paid by a combination of cash, shares, and the issuance of interest bearing debt.

Effective August 30, 2011, GGM closed a transaction with a capital pool company then named Carlaw Capital III Corp. ("Carlaw"), whereby Carlaw acquired (the "Carlaw Acquisition") all of the issued and outstanding shares of GGM by issuing an aggregate of 44,420,500 common shares from treasury in exchange for all of the issued and outstanding common shares of GGM. As a result of this share exchange, the former shareholders of GGM acquired control of Carlaw, and the Financial Statements reflect the results as a continuation of the business of GGM. Carlaw was incorporated under the *Business Corporations Act* (Ontario) on October 24, 2007, and on August 30, 2011 filed articles of amendment to change its name to Galane Gold Ltd. Since September 6, 2011, the common shares in the capital of the Company (the "Common Shares") have been listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "GG".

The Carlaw Acquisition was completed by way of a "three-cornered" amalgamation, whereby a wholly owned subsidiary of Carlaw amalgamated with GGM. Through the amalgamation, shareholders of GGM received the 44,420,500 Common Shares. The resulting amalgamated entity, possessing the rights to the assets and business of GGM, is now the Company's wholly-owned subsidiary.

CORPORATE OVERVIEW (continued…)

Financings

On August 5, 2011, GGM completed a brokered private placement (the "GGM Private Placement") of an aggregate of 20,545,500 subscription receipts (the "GGM Subscription Receipts") at a subscription price of CDN$0.80 per receipt for aggregate gross proceeds of $16,806,220 (CDN$16,436,400). Each GGM Subscription Receipt entitled the holder to receive one common share in the capital of GGM (a "GGM Share") and one-half of one common share purchase warrant of GGM (a "GGM Warrant"). Each whole GGM Warrant was exercisable for one GGM Share for a period of 18 months from the date of closing of the Carlaw Acquisition at a price of CDN$1.10 per share. The gross proceeds from the GGM Private Placement were held in escrow until immediately prior to the closing of the Gallery Acquisition on August 30, 2011.

The agent (the "Agent") retained by GGM pursuant to the GGM Private Placement received a cash commission of $1,545,186 (CDN$1,511,184) and was issued warrants ("GGM Agent Warrants") to purchase up to an aggregate of 1,888,980 GGM Shares with each GGM Agent Warrant being exercisable for one GGM Share for a period of 18 months from closing of the Acquisitions at a price of CDN$0.80 per share. Additional costs of $352,002 were incurred in connection with the financing.

Immediately prior to the closing of the Gallery Acquisition, the GGM Subscription Receipts converted into an aggregate of 20,545,500 GGM Common Shares and 10,272,750 GGM Warrants. At the effective time of the closing of the Carlaw Acquisition, the GGM Common Shares, GGM Warrants and GGM Agent Warrants were then exchanged for an equivalent number of Common Shares, warrants and agent warrants of the Company without payment of any additional consideration. Accordingly, at the closing of the Acquisitions, the Company issued an aggregate of 20,545,500 Common Shares, 10,272,750 warrants and 1,888,980 agent warrants in connection with the GGM Private Placement.

On the closing of the Carlaw Acquisition, the Company received working capital of $88,299 for consideration of the issuance of 687,500 Common Shares. On the closing of the Gallery Acquisition, the Company received working capital of $12.8 million plus producing mine assets valued at $21.7 million for total consideration of $34.5 million. Consideration included 21,875,000 Common Shares, a note payable of US$3.8 million, repayable every six months in three equal principal installments of $1,266,667 commencing February 28, 2013, and 1,265,253 warrants to purchase Common Shares exercisable until March 1, 2013 at CDN $1.10 per share.

Recent Developments

As described below, on July 27, 2011, the Company reached an agreement to acquire all of the issued and outstanding shares of The Northern Lights Exploration Company (Pty) Ltd. ("NLE"), which was subsequently completed on April 10, 2012 (the "NLE Acquisition").

Further details regarding the Carlaw Acquisition, the Gallery Acquisition and the NLE Acquisition are discussed in the "Acquisitions activity" section of the Company's annual management's discussion and analysis for the year ended December 31, 2011, available at www.sedar.com.

OUTLOOK

As discussed above under "Corporate Overview", on August 30, 2011, the Company completed the Gallery Acquisition and the Carlaw Acquisition (collectively, the "Acquisitions") and thereby took control of the mining operations of Mupane Gold Mining (Pty) Ltd mining operations in Botswana. Following such Acquisitions, management of the Company immediately commenced the implementation of its improvement plan, with a focus on optimization of the mining operations and expansion of the mine-life resource base. While the Company is still in the early stages of the implementation of the plan, positive progress has thus far been achieved in the stabilization of operations, restructuring of the organization and recruitment of quality senior personnel. This progress has prepared the mining operation for the next phase of improvement, where the focus is on mining and processing efficiency improvement. A comprehensive exploration program, including 8,000 metres of near-mine drilling and an additional 8,000 metres on the Company's prospecting license areas, has been budgeted for 2012. This exploration program commenced at the end of March 2012 and the results are expected to be released after the Company has completed the current phase.

The NLE Acquisition was completed on April 10, 2012. Management believes that the additional exploration potential generated from NLE and its assets will be accretive to the Company's share value.

The improvement programs commenced in Q4 2011 were an area of focus for the Company's operation through Q1 2012 and will continue to be going forward. Following the above-noted achievement of the stabilization of operations, organizational restructuring and recruitment of additional quality senior personnel, the improvement programs are expected to continue building momentum. There remain significant opportunities for further improvement in the mining and processing areas of the business and all employees are increasingly focused on these opportunities.

The transition of mining operations from Signal Hill to Golden Eagle is expected to take place in Q2 2012 and Q3 2012, while the cut-back on the Tholo pit continues. It is anticipated that the Signal Hill pit mine will be depleted by June or July 2012 based on the current mine plan and mining activity will ramp up at the Golden Eagle mine concurrently to maintain ore tonnage production rates.

Following the completion of the NLE Acquisition, the Company intends to further extend the planned exploration program across all tenements within its portfolio. Q2 2012 and Q3 2012 are expected to be an intensive phase of the initial exploration program, with the main activity being the drilling program across multiple sites both near mine and the additional prospects in the Company's portfolio of tenements.

As an un-hedged gold producing and exploration company, the Company's results are sensitive to the price of gold. The Company's average gold sale price for Q1 2012 was above the price used for internal planning purposes. Based on recent Company performance, it is management's view that the operation will continue to fund all of its planned capital requirements, including its exploration program, and generate additional free cash-flow for general working capital purposes.

DISCUSSION OF OPERATIONS

For the three months ended March 31, 2012

The following is an analysis of the Company's operating results for the three months ended March 31, 2012 ("Q1 2012"). As the financial results are reflected as a continuation of GGM, and GGM was incorporated on November 15, 2010 and its only operating activity in the first quarter of 2011 involved the raising of capital required to complete the Acquisitions, comparisons to the corresponding period in the previous year will be limited only to costs incurred in that capacity. A comparison with the immediately preceding quarter ("Q4 2011") has been provided.

Financing activity:

The Company had no financing activity in Q1 2012. In the three months ended March 31, 2011, the Company commenced seeking the capital required to complete the Acquisitions, and incurred $90,000 in professional fees related thereto.

Operating activity:

The Company commenced active mining operations on the closing of the Acquisitions on August 30, 2011.

The first phase of the Company's operations improvement program was completed and the second phase commenced in Q1 2012. The second phase focuses on gold production efficiency improvement programs and risk minimisation in the mining and processing operations.

Mining:

- Pit optimisation for the Tholo pit was completed and a revised mine plan has been finalised and implemented.
- Blasting designs have been revised, improving fragmentation and ore dilution levels.
- More frequent real-time mine geology updates of the mine plan have been implemented, allowing further refinement of the mine plan as mining activity progresses.

Processing:

- Tailings deposition method has been revised to reduce risk and improve water recovery.
- Process water dam extension to increase process water storage capacity has commenced and is due for completion in Q3 2012.
- Tonnage throughput optimisation study commenced and is ongoing. Results of the first stage review expected by the end of Q2 2012.
- Gold recovery optimisation study in anticipation of changing ore blends is underway and ongoing.

Early benefits of some of these programs have resulted in improved performance as planned for Q1 2012. The combination of average gold ore grade of 2.18 g/t and 88.1% recovery was anticipated and resulted in: (i) a total gold production of 17,523 ounces of fine gold as compared to 15,554 ounces for Q4 2011; and (ii) a total cash cost before royalties of $929 per ounce, inclusive of $239 per ounce in capitalised stripping costs, for Q1 2012.

A discussion of the results for Q1 2012 with comparisons to Q4 2011 follows:

Revenue:

In Q1 2012, the Company generated $25.936 million in revenue from the sale of 15,155 ounces of gold plus incidental silver at an average combined price of $1,711 per ounce and earnings from mining operations of $715.40 per ounce. This compares to $27.125 million in revenue from the sale of 16,203 ounces of gold plus incidental silver at an average combined price of $1,674 per ounce and earnings from mining operations of $443.62 per ounce in Q4 2011.

Expenses:

Cash Costs:

- Total cash cost excluding royalties for Q1 2012 was $16.273 million (Q4 2011 - $15.945 million) with 17,523 ounces of gold (Q4 2011 - 15,554 ounces) produced. This resulted in total cash cost excluding royalties of $928.66 per ounce (Q4 2011 - $1,025.15 per ounce). Including royalties, total cash cost for Q1 2012 was $1,001.56 per ounce (Q4 2011 - $1,094.59 per ounce).

  Further details are as follows (in $millions):

		Q1 2012		Q4 2011
Mining and processing costs	$	14.823	$	14.230
Mine administration costs		1.414		1.690
Refining costs		0.036		0.025
Total cash cost excluding royalties	$	16.273	$	15.945
Capitalised mining costs		(4.185)	$	(1.784)
Total operating cash cost excluding royalties	$	12.088	$	14.161
Royalties		1.277		1.080
Total operating cash cost	$	13.365	$	15.241
Total cash cost	$	17.550	$	17.025

- Key operating data for the quarters:

	Q1 2012	Q4 2011
Total material mined (000 t)	4,329	4,450
Strip ratio	12.09	14.98
Ore milled (000 t)	285	281
Ore mined (000 t)	331	278.2
Head grade (g/t)	2.18	1.93
Recovery (%)	88.1%	87.4%
Gold production (oz.)	17,523	15,554
Total cash cost excluding royalties ($/oz.)(1)	$ 928.66	$ 1,025.15
Total operating cash cost excluding royalties ($/oz.)(1)	$ 689.84	$ 910.47
Royalties ($/oz.)	$ 72.90	$ 69.44

Note:

(1) Total cash cost excluding royalties and total operating cash cost excluding royalties are non-GAAP measures. Refer to the Supplemental Information section below for a reconciliation to measures reflected in the Financial Statements.

- The grade of ore mined and the excess waste costs vary throughout the Company's mine plan resulting in material variations in total operating cash costs on a quarterly basis. In future quarters lower grades and/or excess waste costs may lead to higher total cash cost per ounce.

- The Company produced 17,523 ounces of gold in Q1 2012, which is 1,969 ounces higher than Q4 2011, at a total cash cost excluding royalties of $16.272 million. Of these costs, $4.185 million was capitalized as excess waste from stripping activity on one of the Company's pits that is being developed for increased resource availability (the "Tholo" pit). As a result, total operating cash cost excluding royalties was $689.84 per ounce produced. In Q4 2011 $1.784 million was capitalized as excess waste from stripping activity, resulting in total operating cash cost excluding royalties of $910.47 per ounce for that period. The significant reduction in total operating cash cost excluding royalties in Q1 2012 results from the positive effect of two factors:
  1. Higher grade ore (2.18 vs. 1.93 g/t) was mined in the period; and
  2. Low stripping costs were experienced on one of the pits mined in Q1 2012 ("Signal Hill") as it is nearing the end of its economic life.

Non-Cash Costs:

- Non-cash costs (depreciation and amortization) of $1.830 million ($104.41 per ounce produced) were also recognized in Q1 2012 (Q4 2011 - $1.543 million; $99.22 per ounce produced), with the increase consistent with the higher number of ounces produced in the period.

Non mining expenses and income:

Corporate general and administration costs totaling $257,248 for Q1 2012 (Q4 2011- $519,091) include the following:

	Q1 2012	Q4 2011
Acquisition related costs	$ -	$ 325,000
Legal and audit costs	96,373	294,212
Management fees to officers	115,849	113,714
Investor relations	16,132	-
Corporate general and administration	28,894	57,114
Share based compensation	-	(270,949)
	$ 257,248	$ 519,091

Other notable non-mining expenses (income) for Q1 2012 and Q4 2011 are as follows:

	Q1 2012	Q4 2011
(Gain) loss in foreign exchange	$ 103,693	$ (720,026)
Movement in fair value of warrants	(1,236,201)	1,443,904
Interest on long term debt	58,018	59,609
Accretion on the Company's rehabilitation and restoration provision	127,357	174,425
Total non-mining expenses (income)	$ (947,133)	$ 957,912

Earnings

The earnings for Q1 2012 and Q4 2011 were therefore comprised of:

	Q1 2012	Q4 2011
Income from mining operations	$ 10,842,004	$ 7,188,582
Exploration costs	(73,061)	(35,916)
Corporate general and administrative costs	(257,248)	(790,039)
Stock-based compensation	-	270,949
Foreign exchange (loss) gain	(103,639)	720,026
Interest on long term debt	(58,018)	(59,609)
Other expenses	(11,534)	888
Other financing income (including $1,236,201 (Q4 2011- $1,443,904) movement in the fair value of warrants)	1,108,844	(1,618,329)
	$ 11,447,348	$ 5,676,554

DISCUSSION OF OPERATIONS (continued…)

For the Three months ended March 31, 2012 (continued…)

Overall performance:

The operations of Q1 2012 resulted in the generation of $12,499,600 in working capital as compared to $6,234,201 in Q4 2011.

Events and conditions in the global financial markets impact gold prices, commodity prices, interest rates and currency rates. These conditions and market volatilities may have a positive or negative impact on the Company's revenues, operating costs, project development expenditures and project planning.

In the three months ended March 31, 2012, the gold price continued to display considerable volatility with spot daily closings between $1,598 and $1,781 per ounce from London Bullion Market Association. The closing price of gold at March 31, 2012 was $1,662.50 per ounce.

EXPLORATION

Exploration activity for Q1 2012 was centred on the ongoing review of previously generated exploration data and associated refinement of the exploration plan across all tenements, including those held within NLE. This will be a continuous process that utilises the data from these previous extensive exploration programs on the tenements and combines such data with ongoing exploration results and the latest technology, thereby providing enhanced interpretation and results.

The planned exploration program for 2012 was finalised and has commenced with site access to all drilling locations on the 2012 drilling program being established:

- Tau Deeps: Near-mine drilling on the "Tau Deeps" program began in March 2012. The aim of this program is to determine the nature and extent of Tau ore body continuity at depth. Two diamond core holes are being drilled to approximately 480m vertical depth (current Tau pit depth is approximately 230m vertical). The drilling program will also log core orientation to enhance the understanding of the structural geology and allow advanced geo-technical planning and mine design optimisation.
- Tekwane: The first phase of the Tekwane pitting program was completed in March 2012. This is a program of 27 pits aimed at understanding the soil and rubble horizons as well as the bedrock characteristics. The area targeted has been chosen because of its in-soil gold geochemical anomalism from previous exploration work. Phase 2 of this program will be a further extension of the pitting program which is scheduled to commence in late Q2 2012.
- Jim's Luck: A review of the previous exploration data on Jim's Luck has been completed and a block model has been developed that assisted in the identification of further drilling required to enable the completion of an initial NI 43-101 compliant resource estimate. The Jim's Luck drilling program is scheduled to commence in late Q2 2012 and will initially focus on this drilling, followed by strike extension drilling.
- Matopi: The drilling program for Matopi has been planned and is scheduled to commence in Q2 2012. This program of diamond core and RC holes is aimed at establishing an initial understanding of the geological structures in the anomalous area, in addition to levels of mineralisation for further exploration plan development.
- Mupane: A sample preparation lab will be established at Mupane during Q2 2012 to ensure close QA/QC management of drill samples and to facilitate efficient processing of the samples for assay.

UPDATE ON USE OF AVAILABLE FUNDS

The following table sets out a comparison of the disclosure regarding the Company's intended use of available funds as set out in in the filing statement of the Company dated August 25, 2011 (the "Filing Statement") and filed on SEDAR at www.sedar.com and the actual use of available funds as at March 31, 2011:

Anticipated Use of Funds	Estimated Use of Funds Over Next 18 Months (as of the date of the Filing Statement)	Actual Use of Funds (as at March 31, 2012)
To finance production at the Mupane Property	-	-
To finance operations for 18 months	-	-
Initial principal and interest payment on the promissory note issued in connection with the Gallery Acquisition (payable 18 months after the closing of the Gallery Acquisition)	$1,480,000	$137,259
Total	$1,480,000	$137,259

There are no variances on uses of funds that have impacted the Company's ability to achieve its business objectives and milestones as outlined in the Filing Statement.

UPDATE ON OBJECTIVES

The following table sets forth the business objectives of the Company for the 2011 and 2012 calendar years as set forth in the Filing Statement and the current status of such objectives:

Objectives	Status
At the Mupane Property:	
• to continue gold production according to the mine plan out to 2016.	No change, in progress
At the NLE projects:	
• to complete the NLE Acquisition by the end of 2011 for consideration of 3,125,000 Common Shares (based on a share price of $0.80 per share); and	Completed on April 10, 2012
• to commence an 18 month exploration plan for the Jim's Luck project for a budgeted cost of a total of $1.52 million.	No change, in progress

Certain information set out in the table above under "Status" is forward-looking information. Such forward-looking information is based on the assumptions and is subject to the material risks discussed above under "Forward-Looking Statements". Actual results may vary significantly from the forward-looking information in this MD&A.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's selected quarterly information for each of the quarters ended March 31, 2012 since the date of incorporation November 15, 2010:

	Three months ended(1)(2)			
	March 31, 2012 $	December 31, 2011 $	September 30, 2011 $	June 30, 2011 $
Total Revenue	25,936,297	27,125,460	1,481,325	-
Mining cost of sales - Cash - Non-cash (depreciation and amortization)	 (13,264,651) (1,829,642)	 (18,394,312) (1,543,231)	 (2,729,954) (942,027)	 -
Total mining cost of sales	(15,094,293)	(19,937,543)	(3,671,981)	
Non mining income (expenses)	605,344	(1,511,366)	(1,703,660)	(357,688)
Profit (loss) from continuing operations attributable to owners of the parent(3)	11,447,348	5,676,551	(3,894,316)	(357,688)
Profit (loss) per share from continuing operations attributable to owners of the parent(3) - Basic - Fully diluted	 0.254 0.254	 0.126 0.126	 (0.23) (0.23)	 n/a n/a
Total assets at end of quarter	61,561,936	53,033,974	49,654,410	254,498
Total liabilities at end of quarter	17,753,398	20,672,784	22,985,280	611,930
Total equity at end of quarter	43,808,538	32,361,190	26,669,130	(357,432)

	Three months ended	
	March 31, 2011 $	December 31, 2010 $
Revenue	-	-
Mining costs - Cash - Non-cash (depreciation)	-	-
Total mining costs	-	-
Expenses	226,343	-
Profit (loss) from continuing operations attributable to owners of the parent(3)	(226,343)	-
Profit (loss) per share from continuing operations attributable to owners of the parent(3) - Basic - Fully diluted	 (0.09) (0.09)	 n/a n/a
Total assets	256	320
Total liabilities	226,343	-
Total equity	(226,087)	320

Notes:

(1) GGM was incorporated on November 15, 2010 and inactive until the first quarter of 2011, therefore there are no results prior to that time.

(2) Information for all periods is presented in accordance with IFRS and in U.S. dollars.

(3) The Company does not have any discontinued operations.

SUMMARY OF QUARTERLY RESULTS (continued…)

The comparison on the Company's results for the three months ended March 31, 2012 with the immediately preceding quarter has been provided in the "Discussion of Operations" section of this MD&A.

SUMMARY OF FINANCIAL POSITION

Selected Consolidated Statement of Financial Position Data:

	March 31, 2012 $	December 31, 2011 $
Total current assets	32,733,758	26,431,189
Total current liabilities	5,402,316	7,196,711
Working capital	27,331,442	19,234,478
Mining assets	28,828,178	26,602,785
Non-current liabilities	12,351,082	13,476,073
Total shareholders' equity	43,808,538	32,361,190

As noted in the "Corporate Overview" section, the Company completed the Gallery Acquisition and the Carlaw Acquisition and operated the Mupane mine for the last four months of the year ended December 31, 2011, resulting in the acquisition and generation of working capital totaling $19,234,478.

In Q1 2012, the Company generated through its mining operations an additional $12,499,600 in working capital to fund future operations, and to provide funds for capital expenditures totaling $4,402,636, resulting in a net increase in the quarter of $8,096,964.

As a result, the Company had working capital at March 31, 2012 of $27,331,442 to meet its ongoing obligations.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's 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 March 31, 2012, the Company had $27,331,442 in working capital and generated $8,641,190 in cash flow from operations for the three months ended March 31, 2012. A continuation of these results is expected to provide sufficient capital to

LIQUIDITY AND CAPITAL RESOURCES (continued…)

the Company to fund annual operating expenses, capital commitments budgeted at $6.0 million and the exploration program contemplated from the NLE Acquisition of $3.4 million.

The revenue of the Company is dependent upon the spot price of gold. At the current level of operating costs, the Company would continue to generate positive cash flow from operations even if there was a 20% reduction in the spot price of gold.

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

ENVIRONMENTAL DISCUSSION

The mining activities of the Company can give rise to obligations for site restoration and rehabilitation. Restoration and rehabilitation work can include land rehabilitation and site restoration. The extent of work required and the associated costs are dependent on the requirements in the local jurisdiction and the interpretations of the requirements by relevant authorities.

Provision for the cost of the Company's restoration and rehabilitation program is recognized at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass obligated and reasonably estimable restoration and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate restoration and rehabilitation activities such as waste material handling conducted as an integral part of a mining or production process are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event gives rise to an obligation that is probable and capable of reliable estimation.

Restoration and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Discount rates used are the ones most appropriate for the location of the mine. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements. As at March 31, 2012, the amount reflected in the Company's restoration and rehabilitation provision is $5,096,942 (on an undiscounted basis, the total payments are estimated at $6,927,601).

The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognized as part of finance costs. Potential changes in the laws and regulations could have an adverse risk on the actual restoration costs that the Company could incur in the future.

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, which is the amount disclosed on the balance sheet dates due to their short-term maturities or ability of prompt liquidation. Cash, under the fair value hierarchy, is based on level-one quoted prices in active markets for identical assets or liabilities. The Company's other financial instruments, specifically interest bearing loans and borrowings and warrants denominated in foreign currency are valued amortized cost using the effective interest rate method.

Strategic and operational risks are risks that arise if the Company fails to identify opportunities and/or threats arising from changes in the markets in which the Company operates. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory developments and competitor actions. These risk factors are more fully addressed in the "Risks and Uncertainties" section of the annual MD&A for the year ended December 31, 2011, available at www.sedar.com.

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's current trade receivables are from a reputable customer for the purchase of the gold it produces, and 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 March 31, 2012, the Company had a cash, gold inventory and receivables balance of $32,733,758 (December 31, 2011 - $26,431,189) to settle current liabilities of $5,402,316 (December 31, 2011 - $7,196,711). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has sufficient working capital to meet its short-term business requirements. 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. The Company's sensitivity to interest rates is currently immaterial.

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 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.

Market risk is the risk that the fair values or future cash flows of the Company 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 48,233,000 Common Shares are issued and outstanding as of the date of this MD&A. On a diluted basis, the Company has 66,911,258 Common Shares outstanding as of the date of this MD&A, assuming the exercise of 14,650,528 outstanding warrants, 1,888,980 outstanding agent's warrants, 2,127,500 outstanding stock options pursuant to the Company's stock option plan and 11,250 outstanding stock options issued to an eligible charitable organization.

TRANSACTIONS WITH RELATED PARTIES

During the three months ended March 31, 2012 the following related party transactions occurred:

- Philip Condon, the Company's CEO and Miniera Group Limited (a consulting company owned by Philip Condon):
    - Management fees of $90,000 were paid in cash to Miniera Group Limited under its contract for the provision of the CEO services of Philip Condon;
- Donald Cameron, the Company's CFO and InHouseCFO Inc. (a consulting company controlled by Donald Cameron):
    - Management fees of $24,000 and accounting fees of $6,000 were paid in cash to InHouseCFO Inc. under its contract for the provision of the CFO services of Donald Cameron;
- Charles Byron, a director of the Company:
    - The Company paid salary in cash to Mr. Byron totaling $65,000- under his contract as Chief Geologist for the Company;
    - The Company paid rent of $4,461 for office premises to Great African Services (Pty) Ltd., a company owned by a consortium of individuals that includes Charles Byron;
    - The Company paid CDN$12,000 in cash and issued 1,500,000 Common Shares to Mr. Byron on the closing of the NLE Acquisition, as he was a shareholder of NLE;
    - Mr. Byron is entitled to receive CDN$192,000 in principal plus interest at 6% for his proportionate share of the note payable issued as part of the NLE Acquisition, and Mr. Byron is also entitled to 4,200,000 of the 8,750,000 Common Shares that are potentially issuable pursuant to the NLE Acquisition;
- IAMGOLD, a shareholder with significant influence, by holding in excess of 20% of the Common Shares of the Company:
    - The Company accrued and paid $58,018 in cash in interest on the interest bearing note to IAMGOLD.

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2012 is as follows:

	Three months ended March 31, 2012	
Salaries	$	65,000
Management fees		120,000
Share-based compensation		-
	$	185,000

CHANGES IN ACCOUNTING POLICIES

Current accounting changes

Consolidated financial statements (Section 1601) and non-controlling interests (Section 1602)

There have been no changes in accounting policies during the three months ended March 31, 2012.

New Standards and Interpretations not yet adopted

There are a number of new standards and interpretations that the Company will be required to adopt. Details are as follows:

(a) IFRS 9 – Financial instruments

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposed to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The first part of this project provides new guidance for the classification and measurement of financial assets and liabilities. The Company is in the process of evaluating the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments.

(b) IFRS 10 – Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements*, which is effective for annual periods beginning on or after January 1, 2013. IFRS 10 replaces the guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 10 to have a material impact on the financial statements

(c) IFRIC 20 – Stripping costs in the production phase of a surface mine

IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 is applicable for annual periods beginning on or after January 1, 2013 and early application is permitted. The Company is in the process of evaluating the requirements of the new standard.

(d) IFRS 12 – Disclosure of Interests in Other Entities

The IASB issued IFRS 12 *Disclosure of Interests in Other Entities*, which is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. The Company intends to adopt IFRS 12 in its financial statements for the annual period beginning on January 1, 2013. When applied, it is expected that the amendment to IFRS 12 will increase the current level of disclosure of interests in other entities.

CHANGES IN ACCOUNTING POLICIES (continued…)

New Standards and Interpretations not yet adopted (cont'd)

(e) IFRS 13 – Fair Value Measurement

The IASB published IFRS 13 *Fair Value Measurement*, which is effective prospectively for annual periods beginning on or after January 1, 2013. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises would be required to adopt IFRS for financial periods beginning on and after January 1, 2011. The Financial Statements include full disclosure of the Company's accounting policies in accordance with IFRS policies in Note 3 therein.

COMMITMENTS

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

Royalty expenses:

Production from the Mupane operation is subject to third party royalties (included in mining costs) of 5% of revenues based on market prices at the date of shipment. During the three months ended March 31, 2012, the Company paid $1,277,431 in royalties (2011 - $nil).

Operating contractual obligations:

The Company has operating lease obligations for land operating lease agreements as follows:

• Incurred during the three month period ended March 31, 2012	$76,525
• To be incurred in the remainder of 2012	$229,574
• To be incurred 2013-2016	$241,609

Claims:

The Company is subject to one known employment-related litigation action, and outside legal advisors have assessed the potential outcome of the litigation. At this time it has been determined that any potential payment will not be material. 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 amounts have been provided for in the financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

Other than the completion of the NLE Acquisition, the Company had no other reportable events occur subsequent to March 31, 2012.

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial and operational risks that could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A. For a more comprehensive discussion of the risks faced by the Company, please refer to the Company's annual MD&A for the year ended December 31, 2011, available at www.sedar.com.

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 can be found on SEDAR at www.sedar.com.

SUPPLEMENTAL INFORMATION TO MANAGEMENT'S DISCUSSION AND ANALYSIS

Cash costs

The Company's MD&A often refers to total cash cost per ounce, total cash cost excluding royalties per ounce, 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. 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.

Cash costs (continued…)

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

	Q1 2012	Q4 2011	Q1 2011
Mining costs excluding depreciation and amortization	$ 13,264,651	$ 18,394,312	$ -
Adjust for:			
Stock movement	100,920	(3,152,775)	-
Capitalized mining costs	4,184,789	1,783,766	-
Total cash cost	$ 17,550,360	$ 17,025,303	$ -
Royalties	(1,277,431)	(1,080,088)	
Total cash cost excluding royalties	16,272,929	15,945,215	
Capitalized cash costs	(4,184,789)	(1,783,766)	-
Total operating cash cost excluding royalties	$ 12,088,140	$ 14,161,449	$ -
Gold production (ounces)	17,523	15,554	-
Total cash cost per oz.	$ 1,001.56	$ 1,094.59	
Total cash cost excluding royalties per oz.	$ 928.66	$ 1,025.15	$ -
Total operating cash cost excluding royalties per oz.	$ 689.84	$ 910.47	$ -