GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2022

Dated: May 26, 2022.

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 May 26, 2022. 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, 2022 (the "Interim Financial Report"), as well as the audited consolidated financial statements and notes thereto for the year ended December 31, 2021 (the "Annual Financial Statements").

The Annual 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 Annual 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 Interim Financial Report, the Annual 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 South Africa and New Mexico; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in South Africa and New Mexico; 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; supply chain disruptions, major health issues, pandemics, and COVID-19; 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 the acquisition of the Summit Assets (as such term is defined below); risks related to ramping-up 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, 2021, 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., Business Development Consultant 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 assets: (a) a producing mine which also 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"); and (b) a mine and processing infrastructure located in the United States of America (the "Summit Property") that is currently in care and maintenance while a restart plan is finalised. The Company completed the disposition of its interest in a producing mine and mineral exploration tenements (the "Mupane Property") located in the Republic of Botswana on May 3, 2022. 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" since September 6, 2011 and trade on the OTCQB in the United States under the trading symbol "GGGOF".

OUTLOOK

Following declaration of commercial production at the Galaxy Property on October 1, 2021, the Company has guided annual production for 2022 at between 15,500 and 18,500 payable ounces of gold. Management is currently working on plans to execute phase 2 of the Galaxy development plan which will see annualized production ramp up to between 24,000 and 27,000 payable ounces of gold through the addition of new mining equipment and additional face workings. Management has started a comprehensive review of options to increase production through the exploitation of the 21 other mineralised bodies at the Galaxy Property.

Work continues on the restart plan for the Summit Property. Management have completed a re-survey of the underground mine and have updated the mine plans accordingly. Work continues and it is expected that a preliminary economic assessment will be released during the three months ended June 30, 2022.

The Company completed the disposition of its interest in the Mupane Property in May 2022, significantly improving the Company's balance sheet and allowing management to focus its attention on the Galaxy and Summit properties moving forward.

DISCUSSION OF OPERATIONS

For the three months ended March 31, 2022

The following is an analysis of the Company's operating results for the three months ended March 31, 2022 ("Q1 2022").

Operating activity:

Commentary regarding the Company's operating activity during Q1 2022:

Mining

Mupane

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

		2022	YTD 2022	2021				YTD 2021
		Q1		Q4	Q3	Q2	Q1	
Mupane (Dinokwe,Tholo, Kwena, & Tawana)	Ore (t)	7 536	7 536	23 793	84 704	70 511	40 043	219 051
	Grade (g/t)	1.10	1.10	1.06	1.55	1.56	1.78	1.54
	Waste (t)	5 503	5 503	100 080	271 321	158 937	251 743	782 081
Mupane (Tau)	Ore (t)	28 672	28 672	37 928	38 234	42 672	48 207	167 041
	Grade (g/t)	2.50	2.50	1.89	1.95	1.79	1.89	1.88
	Waste (t)	1 037	1 037	5 765	13 202	7 328	9 578	35 873
Golden Eagle	Ore (t)	50 777	50 777	32 488	42 222	18 589	3 652	96 951
	Grade (g/t)	1.40	1.40	1.27	1.36	1.50	1.93	1.38
	Waste (t)	75 742	75 742	115 906	250 147	130 953	10 979	507 985
Tailing Dump Material	Ore (t)	0	0	29 955	19 895	21 793	34 917	106 560
	Grade (g/t)	-	-	0.71	0.65	0.70	0.89	0.76
	Waste (t)	-	-	-	-	-	-	-

The Company continued to mine from the Tau deposit at the Mupane Property during Q1 2022 and continued open cut mining operations at Dinokwe and at Golden Eagle's Kite pit, and the underground operations at Golden Eagle.

- Dinokwe – During Q1 2022 the Company finalized the mining of the small-scale open pits associated with the Dinokwe - Kwena trend. For Q1 2022, the mining activities consisted of 5,503 tonnes of waste mined, and 7,536 tonnes of ore at a grade of 1.10 g/t compared to 251,743 tonnes of waste mined, and 40,043 tonnes of ore at a grade of 1.78 g/t during the three months ended March, 2021 ("Q1 2021').

- Tau – In Q1 2022, the Company continued mining in the main reef of the ore body with 28,672 tonnes at 2.50 g/t being mined in comparison to Q1 2021 (48,207 tonnes at 1.89 g/t). The tonnes for Q1 2022 were lower than Q1 2021 with mining activity reduced as a result of the increasing mine depth.

- Golden Eagle – During Q1 2022, the Company continued underground mining operations as well as Kite open pit operations at its Golden Eagle property located approximately 26 kilometres from the Mupane Property. Historically an open pit operation, the Company continued development on an underground portal, and open pit mining during Q1 2022. During Q1 2022, the Company mined 50,777 tonnes at an average grade of 1.40 g/t from the Golden Eagle deposits compared to 3,652 tonnes at an average grade of 1.93 g/t during Q1 2021.

- Tailings Dump Material – No tailings dump material was mined during Q1 2022, as these resources were depleted during Q4 2021.

Galaxy

The following table sets forth certain key mining statistics for the Galaxy Property that entered commercial production on October 1, 2021. No comparatives are presented to the same quarter of the prior year as Q4 2021 was the first quarter of commercial production.

Production			Q1 2022
Ore Source			Actual
Princeton UG	Ore Mined	(t)	9,487
	Ore Grade	(g/t)	4.45
	Waste	(t)	5,375
Galaxy UG	Ore Mined	(t)	13,189
	Ore Grade	(g/t)	3.39
	Waste	(t)	8,167
Total UG	Ore Mined	(t)	22,676
	Ore Grade	(g/t)	3.83
	Waste	(t)	13,542
Tailings	Ore Mined	(t)	17,019
	Ore Grade	(g/t)	0.70

The Company continued to mine from the Princeton deposit during Q1 2022. Having commenced stoping of the Galaxy deposits on 22 level during Q4 2021, the Company continued to mine from the Galaxy deposit during Q1 2022. Further to the underground operations, the Company continued the reclamation operation of the remaining OMS slimes dump during Q1 2022.

- Princeton – In Q1 2022, the Company continued mining in the PS5 and PS19 ore bodies with 9,487 tonnes at 4.45 g/t being mined.
- Galaxy – In Q1 2022, the Company continued mining the Galaxy deposit with 13,189 tonnes at 3.39 g/t being mined.
- OMS – In Q1 2022, the Company continued the reclamation operation of the remaining OMS slimes dump with 17,019 tonnes at 0.70 g/t being mined.

Processing

Mupane

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

	Q1 2022	YTD 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	YTD 2021
Ore milled (000 t)	105	105	148	196	166	171	682
Head grade (g/t)	1.56	1.54	1.09	1.26	1.45	1.31	1.27
Recovery (%)	74.3%	75.4%	69.9%	71.3%	77.4%	77.6%	75.4%
Gold production (oz.)	3 919	3 919	3 626	5 691	5 990	5 600	20 906

Gold production at Mupane in Q1 2022 was 3,919 ounces compared to 5,600 ounces in Q1 2021. The ore milled for Q1 2022 was 105kt (Q1 2021 – 171kt). The grade in Q1 2022 of 1.56 g/t was above the grade for Q1 2021 of 1.31 g/t as a result of the increased feed from the Golden Eagle property. The recovery for Q1 2022 of 74.3% was below the recovery for Q1 2021 of 77.6%.

The Company processed ore from its mined low-grade stockpiles, which are located next to the Golden Eagle mine approximately 26 kilometres from the Mupane Property and Signal Hill & Molomolo property located approximately 35 kilometres from the Mupane Property. In Q1 2022, the Company processed 26,996 tonnes at an average grade of 0.64 g/t of low-grade ore stockpiles in comparison to the 46,584 tonnes at an average grade of 0.65 g/t processed during Q1 2021

Galaxy

The following table sets forth certain key processing statistics at the Galaxy Property since commercial production commenced on October 1, 2021. No comparatives are presented to the same quarter of the prior year as Q4 2021 was the first quarter of commercial production.

			Q1 2022 Actual
PROCESSING	Ore milled	(dry t)	43,199
	Ore grade	(g/t)	2.49
	Concentrate produced	(t)	2,286
	Concentrate grade	(g/t)	42.75
	Gold produced	(oz)	3,143

In Q1 2022, the Company processed ore from Princeton, Galaxy and the OMS, with 43,199 tonnes at 2.49 g/t being processed at an overall recovery of 84%, producing 2,286 tonnes of concentrate containing 3,143 ounces of gold.

Results

The Company's earnings (loss) comprised of:

	Q1 2022	Q1 2021[1]
Earnings (loss) from mining operations	1,818,379	(343,415)
Corporate general and administrative costs	(593,483)	(767,440)
Stock-based compensation	(12,473)	(12,529)
Foreign exchange gain (loss)	(706,992)	(20,910)
Interest on long term debt	(54,547)	(43,166)
Other financing costs	(404,101)	(62,723)
Galaxy pre-start costs	-	(385,375)
Other income (expenses)	-	(27,354)
Discontinuing operations	104,607	950,605
Net earnings (loss) for the period	$ 151,390	$ (712,307)

[1] The comparative period results have been restated due to the impact of amendments to IAS 16

Earnings from mining operations were $1.8 million for Q1 2022 compared to a loss of $0.3 million in Q1 2021. The improvement was due to Galaxy ramping up production following declaration of commercial production at the beginning of Q4 2021.

Other financing costs increased by $0.3 million for Q1 2022 due to a $0.3 million charge related to the revaluation of the warrants denominated in a foreign currency while there were no outstanding warrants during Q1 2021.

The foreign exchange gain for Q1 2022 was impacted by a strengthening of currencies, specifically the South African Rand, against the US dollar during Q1 2022.

Corporate general and administration costs are comprised of the following:

	Q1 2022	Q1 2021
Professional fees	259,512	326,772
Management fees to officers	184,907	298,225
Investor relations	47,544	47,630
Corporate general and administration	101,520	94,813
	$ 593,483	$ 767,440

Corporate general and administrative costs decreased by $0.2 million for Q1 2022 compared to Q1 2021, predominantly due to no bonus provision being recorded in Q1 2022.

SUMMARY OF FINANCIAL POSITION

Selected Consolidated Statement of Financial Position Data:

	March 31, 2022 $	December 31, 2021 $	September 30, 2021 $	June 30, 2021 $
Total current assets	19,167,157	20,128,111	10,002,431	10,033,315
Total current liabilities	21,188,288	23,120,657	23,037,895	23,127,606
Working capital	(2,021,131)	(2,992,546)	(13,035,464)	(13,094,291)
Non-current assets[1]	41,066,901	41,198,985	58,854,077	56,955,836
Non-current liabilities	4,649,590	3,974,121	6,978,125	10,733,544
Total shareholders' equity[1]	34,396,180	34,232,318	38,840,488	33,128,001

	March 31, 2021 $	December 31, 2020 $	September 30, 2020 $	June 30, 2020 $
Total current assets	9,408,535	11,560,086	12,296,919	10,107,858
Total current liabilities	24,035,650	23,996,806	21,404,293	23,274,143
Working capital	(14,627,115)	(12,436,720)	(9,107,374)	(13,166,285)
Non-current assets[1]	43,957,783	42,586,905	39,535,357	38,355,067
Non-current liabilities	6,200,674	6,335,755	10,638,000	10,864,398
Total shareholders' equity[1]	23,129,994	23,814,430	19,789,983	14,324,384

[1] The comparative period balances have been restated due to the impact of amendments to IAS 16

As at the end of Q1 2022, there was a working capital deficiency of $2.0 million, a reduction of $1.0 million from the end of Q4 2021. The decrease in working capital deficiency was mainly due to a decrease in interest bearing loans and borrowings of $1.0 million, an increase of inventories of $0.2 million and an increase of trade receivables of $0.2 million partly offset by a reduction in cash of $0.4 million.

As at the end of Q1 2022, non-current liabilities had increased $0.7 million with a $0.3 million increase in the warrant liability due to the increased share price in the quarter and an increase of $0.3 million to the restoration and rehabilitation provision due to foreign exchange movements.

Total shareholders' equity in Q1 2022 increased by $0.2 million primarily due to the income recorded for the quarter.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company defines capital as consisting of shareholders' equity, being made up 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 Galaxy mining operations, now that it is in commercial production, will begin to provide positive cash flow from its operations that is sufficient to support its corporate expenses and Galaxy capital expenditure requirements. As described above under "Summary of Financial Position", at March 31, 2022, the Company had a working capital deficiency of $2.0 million and generated cash flows from operations of $1.0 million for the three month period ended March 31, 2022.

In April 2022, Durban, South Africa suffered severe flooding as a result of unseasonably high rain fall. The Port of Durban was impacted by these floods including the warehouse that the Company uses to store its gold concentrate before it is exported overseas for smelting. Subsequent to the floods, the Company has been able to physically verify over 99% of its concentrate that was in the warehouse at the time of the flood, meaning that there are no material losses anticipated, however, there has been a delay to the time it is taking to finalize, ship and receive any remaining payments for those concentrate lots that were not fully paid at the time of the flood. A new warehouse facility has been set up on the outskirts of Durban which is accepting all new concentrate production from the Galaxy mine and payment for concentrate production going forward is not expected to be materially impacted.

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.

Going Concern

This Interim Financial Report was prepared using international financial reporting standards that are applicable to a going concern.

As at March 31, 2022, the Company had a working capital deficiency (current assets less current liabilities) of $2.0 million compared to a deficiency of $3.0 million at December 31, 2021. Earnings from continuing mining operations were $1.8 million (earnings from discontinuing mining operations were $0.8 million) for the three months ended March 31, 2022. Cashflow from continuing operating activities was $1.0 million (cashflow from discontinuing operating activities of $0.3 million) for the three months ended March 31, 2022. The Company has no material commitments for capital expenditures at the Mupane Property or Galaxy Property as of March 31, 2022.

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.

The Company's financial position and the ability to generate sufficient positive cash flow from operating activities result in material uncertainties that give rise to significant doubt as to the ability of the Company to continue as a going concern. Because of these uncertainties, there can be no assurance that the measures that management is taking to mitigate the Company's liquidity position will be successful.

This Interim Financial Report does not reflect adjustments to the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

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			
	March 31, 2022 $	December 31, 2021 $	September 30, 2021 $	June 30, 2021 $
Revenue[1]	4,485,758	2,938,697	3,125,988	2,297,277
Total mining costs[1]	(2,667,379)	(3,368,361)	(1,263,902)	(1,289,843)
Non-mining (expenses) earnings	(1,771,596)	400,960	2,881,098	(1,151,455)
Earnings (loss) from discontinuing operations	104,607	(7,234,866)	465,200	1,484,410
Earnings (loss) [1]	151,390	(7,263,570)	5,208,384	1,340,389
Earnings (loss) per share[1]				
- Basic	0.00	(0.03)	0.02	0.00
- Diluted	0.00	(0.03)	0.02	0.00
Total assets at end of quarter[1]	60,234,058	61,327,096	68,856,508	66,989,151
Total liabilities at end of quarter	25,837,878	27,094,778	30,016,020	33,861,150
Total equity at end of quarter[1]	34,396,180	34,232,318	38,840,488	33,128,001

[1] The comparative period balances have been restated due to the impact of amendments to IAS 16

	Three months ended			
	March 31, 2021 $	December 31, 2020 $	September 30, 2020 $	June 30, 2020 $
Revenue[1]	883,901	1,315,453	1,786,904	960,327
Total mining costs[1]	(1,227,316)	(1,134,014)	(1,044,589)	(725,298)
Non-mining (expenses) earnings	(1,319,497)	(821,267)	(4,348,516)	(2,370,808)
Earnings (loss) from discontinuing operations	950,605	4,798,209	3,536,779	1,980,054
Earnings (loss) [1]	(712,307)	4,158,381	(69,421)	(155,724)
Earnings (loss) per share[1] - Basic	0.00	0.02	(0.00)	(0.00)
- Diluted	0.00	0.02	(0.00)	(0.00)
Total assets at end of quarter[1]	53,366,318	54,328,430	52,574,592	48,697,955
Total liabilities at end of quarter	30,236,324	30,332,561	32,042,293	34,138,541
Total equity at end of quarter[1]	23,129,994	23,995,869	20,532,299	14,559,414

[1] The comparative period balances have been restated due to the impact of amendments to IAS 16

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 credit risk related to the trade receivable is considered minimal as gold and gold concentrate is sold to creditworthy major banks and offtake partners and settled promptly, usually within the following month, 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. Management believes that 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 try to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2022, the Company had current assets of $19.2 million (December 31, 2021 - $20.1 million) to settle current liabilities of $21.2 million (December 31, 2021 - $23.1 million). 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 South Africa, the U.S.A. and Canada and its presentation 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 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 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 356,366,541 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 up to 4,750,000 common shares are outstanding and options to purchase up to 30,886,654 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 has adopted a deferred share unit plan (the "DSU Plan"). 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 7,170,046 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.

As of the date of this MD&A, the Company has (a) 60,028,700 common share purchase warrants, exercisable at C$0.30 per common share until May 19, 2024 outstanding and (b) 3,048,602 common share purchase warrants, exercisable at C$0.22 per common share until May 19, 2023 outstanding.

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 Gold Mining (Pty) Limited (formerly Galaxy Gold Mining Limited, "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 Exchange) at the time of conversion, subject to acceptance of the 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 (as defined by the Exchange) at the time of conversion, subject to acceptance of the 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. On December 15, 2019, the Company prepaid an additional $838,486 of the principal and $12,517 of the interest on the Galaxy Debenture.

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 common 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 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.
On May 27, 2021, a debenture holder converted (i) $600,000 of principal amount of Traxys Debenture into 5,400,000 common shares at a price of C$0.15 per common share and at a pre-determined exchange rate of $1.00:C$1.35 and (ii) $29,195 of interest payable on such principal into 210,200 common shares at a price of C$0.1875 per common share, being the Discounted Market Price as of the date of the notice of conversion, and at a pre-determined exchange rate of $1.00:C$1.35.

On June 16, 2021, the Company exercised its right to force the conversion of (i) $834,350 of principal amount of Galaxy Debenture into 5,423,275 common shares at a price of C$0.20 per common share and at a pre-determined exchange rate of $1.00:C$1.30 and (ii) $199,186 of interest payable on such principal into 1,294,709 common shares at a price of C$0.20 per common share and at a pre-determined exchange rate of $1.00:C$1.30.

On November 11, 2021, the Company exercised its right to force conversion of $2,649,433 of principal amount of Traxys Debenture into 23,844,897 common shares at a price of C$0.15 per common share and at a pre-determined exchange rate of $1.00:C$1.35.

As of the date of this MD&A, no Galaxy or Traxys Debentures remain outstanding.

TRANSACTIONS WITH RELATED PARTIES

On August 13, 2020, the Company entered into loan agreements with its CEO, COO and former CFO (the "Executives") as partial compensation for the services provided by the Executives in 2019. The loans are non-interest bearing, non-recourse loans with a term of three years. Pursuant to the terms of the loan agreements, the Executives used the proceeds of the loans to exercise 4,563,000 common share purchase warrants, exercisable at C$0.05 per common share, held by the Executives. The shares issued to the Executives on exercise of the warrants are held by the Company as security for the outstanding loan balance. In February 2022, the Company settled C$118,482 of the loans with certain Executives. The loan receivable balance at March 31, 2022 is C$109,668.

COMMITMENTS

As at the date of this MD&A, the Company did not have any material commitments.

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, both 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 Interim Financial Report.

Mupane Property

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Mining costs excluding impairment, depreciation and amortization	$ 6,512,124	$ 6,764,939	$ 10,076,574	$ 8,471,367
Adjust for:				
Inventory movement	(41,416)	665,561	(537,231)	150,932
Total operating cash cost	$ 6,470,709	$ 7,430,500	$ 9,539,343	$ 8,622,299
Royalties	(368,459)	(272,291))	(558,887)	(529,905)
Total operating cash cost excluding royalties	$ 6,102,249	$ 7,158,209	$ 8,980,456	$ 8,092,394
Gold production (ounces)	3,919	3,626	5,691	5,990
Total operating cash cost excluding royalties per oz.	$ 1,557	$ 1,975	$ 1,578	$ 1,351

	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Mining costs excluding impairment, depreciation and amortization	$ 8,242,418	$ 8,490,051	$ 9,770,640	$ 6,889,365
Adjust for:				
Inventory movement	56,928	1,840	(640,376)	(304,234)
Total operating cash cost	$ 8,299,346	$ 8,491,891	$ 9,130,264	$ 6,585,131
Royalties	(507,591)	(717,397)	(756,174)	(523,194)
Total operating cash cost excluding royalties	$ 7,791,755	$ 7,774,494	$ 8,374,090	$ 6,061,937
Gold production (ounces)	5,600	7,122	7,738	5,691
Total operating cash cost excluding royalties per oz.	$ 1,391	$ 1,092	$ 1,082	$ 1,065

Galaxy Property

	Q1 2022	Q4 2021
Mining costs excluding impairment, depreciation and amortization	$ 2,153,719	$ 2,635,002
Adjust for:		
Inventory movement	382,263	163,994
Total operating cash cost	$ 2,535,983	$ 2,798,996
Royalties	(20,840)	(82,360)
Total operating cash cost excluding royalties	$ 2,515,143	$ 2,716,636
Gold production (ounces payable)	2,357	1,620
Total operating cash cost excluding royalties per oz.	$ 1,067	$ 1,677

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 an Exchange 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, 2021, 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, 2021, can be found on the Company's SEDAR profile at www.sedar.com.

SUBSEQUENT EVENTS

On May 3, 2022, the Company completed its disposition of the Mupane Property through the sale of 100% of the issued and outstanding share capital of Mupane Gold Mining (Proprietary) Limited and Galane Gold Botswana (Proprietary) Limited to certain members of the Mupane Property's management team.

On May 23, 2022, the Company was notified by Barak Fund SPC Limited ("Barak") that it was in default under the loan facility as a result of non-compliance of certain obligations. The Company is in discussions with Barak to remedy these breaches. The facility is guaranteed by the Company and secured by all of the assets of Galaxy and the Company's subsidiary that indirectly owns those assets.