Dated: May 28, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of financial condition and results of operations of Golconda Gold Ltd. ("Golconda" or the "Company"), was prepared by management as at May 28, 2024. Throughout this MD&A, unless otherwise specified, "Golconda", "the Company", "we", "us" or "our" refer to Golconda 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 month periods ended March 31, 2024 and March 31, 2023 (the "Interim Financial Report"), as well as the audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and December 31, 2022 (the "Annual Financial Statements").

The Annual Financial Statements have been prepared by management 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 the Interim Financial Report and MD&A do not contain any untrue statements 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 Company's audit committee (the "Audit Committee") and board of directors (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 their review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to: the Company's dependence on two mineral projects; gold price volatility; risks associated with the conduct of the Company's mining activities in 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 and or resources 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 Property (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. The list above is not exhaustive of the factors that may affect any of the Company's forward-looking statements. For a detailed description of risk factors associated with the Company, refer to the "Risks and Uncertainties" section in the Company's Management's Discussion and Analysis for the year ended December 31, 2023, which may be viewed on the Company's SEDAR+ profile at www.sedarplus.ca. Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. 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., Geological Consultant for Golconda 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.sedarplus.ca.

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., 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") through subsidiaries located in 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 and financing is finalised. The common shares in the capital of the Company (the "common shares") have been listed for trading on the TSX Venture Exchange (the "Exchange") in Canada under the symbol "GG" since September 6, 2011 and trade on the OTCQB in the United States under the trading symbol "GGGOF".

OUTLOOK

The Company continues to execute the Galaxy Property development plan, which is expected to result in an increased annual production over the next three years to 27,000 payable ounces of gold through the addition of new mining equipment and additional face workings to utilize the spare capacity in Galaxy's new 50,000 tonnes per month ball mill circuit. On February 27, 2024, the Company closed the previously announced metal purchase and sale agreement with Empress Royalty Holding Corp. ("Empress"), a wholly-owned subsidiary of Empress Royalty Corp., under which the Company received an up-front cash payment of $5 million for payable gold produced from the Galaxy mine. These funds are being invested in additional new mining equipment, refurbishment of existing mining equipment and working capital to accelerate underground development to access a second level at Galaxy to enable an increase in mining volumes to utilize the significant spare capacity in the processing plant. In April and May 2024, the Company took delivery of one new drill rig, a loader and a dump truck, with additional equipment scheduled to arrive in late Q2 2024 and early Q3 2024.

Work continues on the restart plan for the Summit Property. Management has completed a re-survey of the underground mine and has updated the mine plans accordingly resulting in an update to the 2014 preliminary economic assessment, supporting a 7-year mine life with average annual production of 14,700 gold equivalent ounces, including a significant silver component. A full engineering survey of the in-situ mining equipment was conducted in April 2023 which has identified approximately $1 million of expected savings on the capital re-start cost of the project as a result of the good condition of the majority of the equipment. The Company continues to work with financing providers and off-take partners, with several indicative term-sheets received to date, to put in place a non-dilutive financing package to facilitate the re-start of operations at the Summit Property as soon as possible, providing accretive near-term production and including a significant silver component and geographic diversification.

DISCUSSION OF OPERATIONS

The following is an analysis of the Company's operating results for the three months ended March 31, 2024 ("**Q1 2024**") with comparisons to the three months ended March 31, 2023 ("**Q1 2023**).

Galaxy Property

Mining

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

Ore Source			Q1 2024	YTD 2024
Princeton UG	Ore Mined	(t)	2,317	2,317
	Ore Grade	(g/t)	3.84	3.84
	Waste	(t)	2,510	2,510
Galaxy UG	Ore Mined	(t)	11,175	11,175
	Ore Grade	(g/t)	3.28	3.28
	Waste	(t)	5,453	5,453
Total UG	Ore Mined	(t)	13,492	13,492
	Ore Grade	(g/t)	3.37	3.37
	Waste	(t)	7,963	7,963

Ore Source			Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Princeton UG	Ore Mined	(t)	3,215	3,238	3,442	2,712	12,607
	Ore Grade	(g/t)	3.28	4.85	4.81	3.61	4.17
	Waste	(t)	4,514	1,073	855	578	7,020
Galaxy UG	Ore Mined	(t)	13,539	15,933	12,375	8,932	50,779
	Ore Grade	(g/t)	3.30	2.76	3.54	2.74	3.09
	Waste	(t)	2,671	7,157	10,300	4,446	24,574
Total UG	Ore Mined	(t)	16,754	19,171	15,817	11,644	63,386
	Ore Grade	(g/t)	3.30	3.11	3.82	2.94	3.30
	Waste	(t)	7,185	8,230	11,155	5,024	31,594
Tailings	Reclaimed	(t)	6,347	-	-	-	6,347
	Grade	(g/t)	1.04	-	-	-	1.04

The Company continued to mine from the Princeton and Galaxy deposits during Q1 2024.

- Princeton – In Q1 2024, the Company continued mining in the PS5 ore body with 2,317 tonnes at 3.84 g/t being mined, 28% lower than Q1 2023 tonnes but at a 17% higher grade.
- Galaxy – In Q1 2024, the Company continued mining the Galaxy deposit with 11,175 tonnes at 3.28 g/t being mined, a decrease of 17% on Q1 2023 tonnes and at a consistent grade.
- Progress was made in Q1 2024 equipping the 3.2km access ramp to Princeton Top, to enable ore to be delivered starting in Q2 2024.

Low equipment availabilities continued to impact mining volumes, especially during the first two months of Q1 2024. The existing mining equipment is in the process of being overhauled, aided by the Stream Investment (defined below) which is also being used to purchase new, additional equipment, with the aim to increase mining volumes going forward.

Processing

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

Processing		Q1 2024	YTD 2024
Concentrate produced	(t)	1,095	1,096
Concentrate grade	(g/t)	42.8	42.8
Gold produced	(oz)	1,507	1,507

Processing		Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Concentrate produced	(t)	1,449	1,422	1,343	932	5,146
Concentrate grade	(g/t)	34.0	37.0	40.6	43.9	38.3
Gold produced	(oz)	1,584	1,689	1,752	1,314	6,339

In Q1 2024, the Company produced 1,095 tonnes of concentrate at a grade of 42.8 g/t containing 1,507 ounces of gold, an increase of 193 ounces (15%) from Q4 2023.

Results

The Company's earnings were comprised of:

	Q1 2024	Q1 2023	FY 2023
Revenue	2,203,327	1,977,167	9,366,220
Income (loss) from operations	189,900	(482,172)	349,301
Corporate general and administrative costs	(490,052)	(421,035)	(2,011,408)
Stock-based compensation	-	(52,110)	(57,867)
Foreign exchange gain (loss)	119,497	157,197	187,501
Interest on borrowings	(254,747)	(97,880)	(872,178)
Other financing income / (expense)	(40,120)	(1,749)	94,804
Other income (expenses)	(356,743)	(52,497)	160,025
Net loss for the period from continuing operations	(832,265)	(950,246)	(2,149,822)
Discontinued operations	-	-	-
Net loss for the period	(832,265)	(950,246)	(2,149,822)

Revenue for Q1 2024 was $2.2 million which is $0.2 million higher than Q1 2023 and was generated from the sale of 1,372 provisional contained ounces of gold (1,099 payable ounces of gold) at a realised gold price of $2,060 / payable oz ($1,650 / contained oz). The increase in revenue seen versus Q1 2023 is due to selling at an 11% higher gold price partially offset by 4% lower ounces sold.

Income from mining operations was $0.2 million for Q1 2024 compared to a loss of $0.5 million in Q1 2023. The increase in earnings in Q1 2024 is due predominantly to the movements in revenue noted above, further enhanced by savings in operational expenditure due to lower mining volumes and processing throughput in the current quarter.

Corporate general and administrative costs increased by $69,000 in Q1 2024 compared to Q1 2023, totaling $0.5 million for the current quarter.

The foreign exchange gain of $0.1 million for Q1 2024 was driven by a further strengthening of currencies, specifically the U.S. Dollar against the South African Rand during the quarter.

Interest on borrowings increased to $0.25 million in Q1 2024 due to the increase in borrowings in Q1 2024 with an additional $200,000 drawn on the loan note and the inclusion of $44,000 of finance costs associated with the significant financing component associated with the deferred revenue recognised as part of the Stream Investment.

Other financing expense was $40,000 for Q1 2024 compared $2,000 in Q1 2023. This represents the accretion charge on the Company's restoration and rehabilitation provision, which in the comparative quarter was offset by a fair value gain on the Company's warrants.

Other expenses of $0.35 million for Q1 2024 include $324,000 of transaction costs incurred on the Stream Investment agreement (comprising reimbursable technical, legal and financial due diligence costs, and both the Company's and Empress's legal fees) and also $32,000 representing costs associated with the Summit Property that have been expensed during the current year.

SUMMARY OF FINANCIAL POSITION

Selected Consolidated Statement of Financial Position Data:

	March 31, 2024 ($)	December 31, 2023 ($)	September 30, 2023 ($)	June 30, 2023 ($)
Total current assets	5,779,311	1,210,500	1,450,220	1,892,384
Total current liabilities	9,716,315	8,980,088	8,100,712	8,392,053
Working capital	(3,937,004)	(7,769,588)	(6,650,492)	(6,499,669)
Non-current assets	41,120,731	41,157,368	40,766,184	40,602,386
Non-current liabilities	6,760,443	2,132,231	2,077,228	2,052,063
Total shareholders' equity[1]	30,423,284	31,255,549	32,038,464	32,050,654

	March 31, 2023 ($)	December 31, 2022 ($)	September 30, 2022 ($)	June 30, 2022 ($)
Total current assets	1,631,581	2,045,842	1,653,028	2,112,083
Total current liabilities	7,452,260	6,895,235	5,290,716	4,200,761
Working capital	(5,820,679)	(4,849,393)	(3,637,688)	(2,088,678)
Non-current assets	40,562,715	40,573,511	41,995,530	41,811,099
Non-current liabilities	2,292,308	2,376,614	3,507,883	3,981,185
Total shareholders' equity	32,449,368	33,347,504	34,849,959	35,741,236

Current assets increased by $4.6 million from Q4 2023 predominantly due to an increase in cash of $3.5 million associated with the Stream Investment, an increase of $0.8 million in advance deposits associated with the purchase of new mining equipment and an increase of $0.2 million in finished goods, due to the timing of gold sales at quarter end.

Current liabilities increased by $0.7 million from Q4 2023 predominantly due to additional borrowings of $0.2 million being drawn during Q1 2024 and associated accrued finance charges, and the recognition of $0.4 million of current deferred revenue associated with the Stream Investment.

Non-current assets remained consistent at $41.1 million as additions to mineral properties for capitalized development were offset by depreciation and depletion.

Non-current liabilities increased by $4.6 million compared to Q4 2023 predominantly due to the recognition of $4.6 million of deferred revenue associated with the Stream Investment. The fair value of the Company's warrants remained at $nil, and all warrants expired unexercised on May 19, 2024. There were no material changes in the restoration and rehabilitation provision.

Total shareholders' equity as at the end of Q1 2024 decreased by $0.5 million compared to Q4 2023 due to the loss and comprehensive loss recorded for Q1 2024.

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, the Company closed the $5 million Stream Investment in February 2024, the proceeds of which are being used to invest in mining equipment and underground development at the Galaxy Property, following which management expects that the mining operations at the Galaxy Property will begin to provide positive cash flow from its operations that is sufficient to support its corporate expenses and capital expenditure requirements for the Galaxy Property. As described above under "Summary of Financial Position", at March 31, 2024, the Company had a working capital deficiency of $3.5 million and had negative operating cash flow of $0.7 million for Q1 2024.

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 Board of Directors is responsible for overseeing this process.

Going Concern

The Interim Financial Report was prepared using IFRS that are applicable to a going concern.

As at March 31, 2024, the Company had a working capital deficiency (current assets less current liabilities) of $3.9 million, including a fully drawn $3.0 million rolling prepayment loan facility. Earnings from mining operations were $0.2 million for the quarter ended March 31, 2024. Cashflow from operating activities was negative $0.7 million for the quarter ended March 31, 2024.

The Directors have performed an assessment of the ability of the Company to continue as a going concern which covers a period of at least 12 months from the date of approval of the Interim Financial Report. Risks to the Company's ability to continue as a going concern include the ability of operations to meet production targets to generate sufficient cash flow to manage working capital and re-pay borrowings upon maturity. It is currently anticipated that the Company will re-draw its rolling pre-payment facility during 2024 and with the recent Stream Investment, the Company will invest in the next stage of its development plan, which targets a significant increase in production and operating cash flow. Should the Company not be successful in achieving its production targets and positive cash flow it may be necessary for the Company to raise additional funding which is not guaranteed. This indicates the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern. Therefore, the Company may be unable to realise its asset and discharge its liabilities in the normal course of business. Because of these uncertainties, there can be no assurance that the measures that management is taking to mitigate risks to the Company's liquidity position will be successful. The current commodity price and exchange rate environment can be volatile, which may have an impact on the Company's cash flows and 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 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, 2024 ($)	**December 31, 2023 ($)**	**September 30, 2023 ($)**	**June 30, 2023 ($)**
Revenue	2,203,327	1,898,633	3,003,349	2,487,071
Total operating costs	(2,013,427)	(2,064,680)	(2,165,039)	(2,327,861)
Non-mining (expenses)	(1,022,165)	(617,255)	(852,484)	(561,310)
Earnings (loss)	(832,265)	(783,302)	(14,174)	(402,100)
Earnings (loss) per share - Basic	(0.01)	(0.01)	0.00	(0.01)
- Diluted	(0.01)	(0.01)	0.00	(0.01)
Total assets at end of quarter	46,900,042	42,367,868	42,216,404	42,494,770
Total liabilities at end of quarter	16,476,768	11,112,319	10,177,940	10,444,116
Total equity at end of quarter	30,423,284	31,255,549	32,038,464	32,050,654

	Three months ended			
	March 31, 2023 ($)	**December 31, 2022 ($)**	**September 30, 2022 ($)**	**June 30, 2022 ($)**
Revenue	1,977,167	2,592,552	2,531,524	3,558,309
Total operating costs	(2,459,339)	(2,920,964)	(2,832,165)	(3,085,831)
Non-mining income (expenses)	(468,074)	(1,226,668)	(598,796)	817,709
Earnings (loss) from discontinuing operations	-	-	-	42,500
Earnings (loss)	(950,246)	(1,555,080)	(899,437)	1,332,687
Earnings (loss) per share - Basic	(0.01)	(0.01)	0.00	0.00
- Diluted	(0.01)	(0.01)	0.00	0.00
Total assets at end of quarter	42,194,296	42,619,353	43,648,558	43,923,182
Total liabilities at end of quarter	9,744,928	9,271,849	8,798,599	8,181,946
Total equity at end of quarter	32,449,368	33,347,504	34,849,959	35,741,236

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 offtake partners and settled promptly, usually within the following six to eight weeks 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. See the "Liquidity and Capital Resources" section in this MD&A for further commentary on the Company's liquidity risks.

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.

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 monitors the volatility of interest rates and will hedge its interest 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 71,273,309 common shares are issued and outstanding as of the date of this MD&A.

The Company has an omnibus equity incentive plan (the "Equity Incentive Plan"), which replaced the Company's old stock option plan and deferred share unit ("DSU") plan effective May 23, 2022. Under the terms of the Equity Incentive Plan, officers, directors, employees and consultants are eligible to receive grants of stock options, DSUs, restricted share units, performance share units, and other share-based awards. The Equity Incentive Plan allows for (a) the grant of up to such number of stock options as is equal 10% of the total issued and outstanding common shares at the date of the grant and (b) the grant of other forms of equity incentive awards such that up to an aggregate maximum of 7,127,331 common shares may be issuable pursuant to those awards.

The Company had a share purchase plan ("SPP"). Under the terms of the SPP, each participating officer, director, or employee that had been employed with the Company or its subsidiaries for at least six months was 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 would be issued to the participating officers, directors or employees over a three-year period following the date of the purchase of the qualifying shares. On May 6, 2024, the Company repealed the SPP. As of the date of this MD&A, no deferred matching shares are owed to the participating officers, directors and employees of the Company under the SPP.

As of the date of this MD&A, pursuant to the terms of the Equity Incentive Plan, (a) options to purchase up to 1,283,652 common shares are outstanding and options to purchase up to 5,843,679 common shares are available for grant and (b) up to 1,239,357 common shares may be issued pursuant to outstanding DSUs and 5,887,973 common shares are available for grant pursuant to other non-option based forms of equity incentive awards.

As of the date of this MD&A, the Company has no outstanding warrants to purchase common shares.

FINANCING ARRANGEMENTS

Ocean Partners Offtake Agreement and Credit Facility

On August 3, 2022, the Company entered into a new gold concentrate offtake agreement (the "Ocean Partners Offtake Agreement") with Ocean Partners UK Limited ("Ocean Partners") which included providing the Company with an unsecured $3,000,000 short-tern revolving credit facility bearing interest at US$ 3-month LIBOR (or CME Term SOFR) plus 7.5% ("Ocean Partners Facility"). Interest and principal for the Ocean Partners Facility will be repaid against deliveries of gold concentrate or cash by the Company to Ocean Partners under the Ocean Partners Offtake Agreement. The Company can elect to repay the full principal amount outstanding under the Ocean Partners Facility and any accrued interest without any penalty with two weeks of advance notice. Once a drawdown under the Ocean Partners Facility is repaid, such amount can subsequently be redrawn.

Short-term Loan Note

On March 29, 2023 the Company entered into a loan agreement with Dantinor SA with respect to a term loan facility for $1,000,000 with a maturity date of March 29, 2024.. On March 27, 2024, the maturity was further extended to March 29, 2025. The loan bears an interest rate of 6% per annum and has a redemption premium of 100%. The loan is secured against all of the issued and outstanding shares of Summit Gold Corporation.

On December 21, 2023 the Company entered into an additional loan agreement with Dantinor SA with respect to a term loan facility for $200,000. The facility was fully drawn in January 2024, bears interest at a rate of 6% per annum, is unsecured and matures on June 30, 2024.

Stream Investment

On February 27, 2024, the Company closed the $5 million stream transaction relating to its Galaxy project in South Africa with Empress Royalty Holding Corp. ("Empress") (the "Agreement"). Pursuant to the terms of the Agreement, Empress has made an up-front cash payment totalling $5 million (the "Stream Investment") for payable gold produced from the Galaxy mine. The Investment is based on 3.5% of the payable gold production from the Galaxy mine for an initial 8,000 payable ounces; thereafter, the percentage will reduce to 2.0% of the payable gold production until the earlier of: (i) 20,000 ounces having been paid to Empress; or (ii) 20 years after the first gold delivery was made. The purchase price for the payable gold delivered pursuant to the Agreement is 20% of the gold spot price.

TRANSACTIONS WITH RELATED PARTIES

On August 13, 2020, the Company entered into loan agreements (the "Executive Loans") with its CEO (Nicholas Brodie), COO (Wayne Hatton-Jones) and former CFO (Gavin Vandervegt) (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 912,600 common share purchase warrants held by the Executives.

The common shares issued to the Executives on exercise of the warrants are held by the Company as security for the outstanding loan balance.

On February 2, 2022, the Company settled C$118,482 of the Executive Loans with certain Executives in exchange for the forfeiture of certain vacation days owing to the Executives.

On September 30, 2023, the maturity of C$60,918 of the Executive Loans were extended to August 13, 2024. The balance of Executive Loans as at March 31, 2024 was C$109,668.

COMMITMENTS

As at the date of this MD&A, the Company had commitments totaling approximately $0.5 million for mining equipment at its Galaxy Property.

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.

Under the terms of the purchase agreement for the Summit Property the Company has a contingent cash payment of $8.2 million due to the vendor upon commencement of production at the mine.

SUPPLEMENTAL INFORMATION TO MANAGEMENT'S DISCUSSION AND ANALYSIS

Cash Costs

This MD&A refers to operating cash cost excluding royalties per ounce which is a non-GAAP performance measures, in order to provide investors with information about measures used by management to monitor performance. Management 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.

Galaxy Property

	Q1 2024
Operating costs	2,013,426
Adjust for:	
Impairment, depreciation and depletion	(169,622)
Inventory movement	178,590
Total operating cash cost	2,022,394
Royalties	(9,848)
Total operating cash cost excluding royalties	2,012,546
Gold production (ounces)	1,507
Gold production (ounces payable)	1,207
Total operating cash cost excluding royalties per payable ounce	1,667

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023
Operating costs	2,064,680	2,165,039	2,327,861	2,459,339	9,016,919
Adjust for:					
Impairment, depreciation and depletion	(246,538)	(173,080)	(182,188)	(189,106)	(790,912)
Inventory movement	(27,664)	(9,147)	(21,566)	(57,287)	(115,664)
Total operating cash cost	1,790,478	1,982,812	2,124,107	2,212,946	8,110,343
Royalties	(4,144)	(18,964)	(11,898)	(8,663)	(43,669)
Total operating cash cost excluding royalties	1,786,334	1,963,848	2,112,209	2,204,283	8,066,674
Gold production (ounces)	1,314	1,752	1,689	1,584	6,339
Gold production (ounces payable)	1,059	1,418	1,344	1,231	5,052
Total operating cash cost excluding royalties per payable oz.	1,687	1,385	1,571	1,790	1,596

SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Report has been prepared following the same accounting policies and methods of computation as the Annual Financial Statements. Please see Note 4 in the Annual Financial Statements for further information.

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 National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* 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 Management's Discussion and Analysis for the year ended December 31, 2023, which may be viewed on the Company's SEDAR+ profile at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, 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 has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company's SEDAR+ profile at www.sedarplus.ca.