Condensed Consolidated Interim Financial Statements
(In U.S. dollars) (Unaudited)

GALANE GOLD LTD.

For the three and nine month periods ended September 30, 2015

Note to Reader:

The accompanying unaudited condensed consolidated interim financial statements of Galane Gold Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

GALANE GOLD LTD.

Condensed Consolidated Interim Statement of Financial Position
(In U.S. dollars) (Unaudited)

As at September 30, 2015 and December 31, 2014

	Notes	September 30, 2015	December 31, 2014
Assets			
Current assets:			
Cash		$ 2,805,933	$ 9,653,807
Trade and other receivables	6	933,868	1,837,530
Inventories	7	8,855,839	6,337,040
		12,595,640	17,828,377
Non-current assets:			
Mining and exploration properties	8	25,283,203	21,594,417
Plant and equipment	8	2,940,847	1,885,585
Ore stockpiles		-	5,911,946
		28,224,050	29,391,948
		$ 40,819,690	$ 47,220,325
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	$ 6,548,540	$ 6,635,834
Current portion of interest bearing loans	11	3,189,304	4,667,416
		9,737,844	11,303,250
Non-current liabilities:			
Interest-bearing loans and borrowings	11	4,598,766	4,020,218
Restoration and rehabilitation provision	9	3,322,355	3,083,251
		7,921,121	7,103,469
Shareholders' equity:			
Share capital	13	$ 35,409,195	$ 35,392,969
Reserves	13	1,735,349	1,487,961
Retained earnings		(13,983,819)	(8,067,324)
		23,160,725	28,813,606
		$ 40,819,690	$ 47,220,325

Commitments and contingencies (note 15)
Galaxy acquisition (note 18)
Subsequent events (note 11 and 19)

Approved and authorized by the Board for issue on November 30, 2015:

"Ravi Sood " Director *"Ian Egan "* Director

The notes on pages 5 to 16 are an integral part of these consolidated financial statements.

GALANE GOLD LTD.

Condensed Consolidated Interim Statement of Earnings and Comprehensive Earnings
(In U.S. dollars) (Unaudited)

Three and nine month periods ended September 30, 2015 and 2014.

	Note	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Mining Revenue		$ 8,533,141	$ 9,460,910	$ 19,471,199	$ 32,671,217
Mining Costs	14	(8,565,368)	(8,483,754)	(23,410,586)	(28,892,585)
Earnings (Loss) from mining operations		$ (32,227)	$ 977,156	$ (3,939,387)	$ 3,778,632
Expenses:					
Exploration costs		(29,106)	(20,542)	(111,416)	(85,363)
Foreign exchange gain (loss)		375,175	206,040	499,973	210,742
Corporate general and administration	14	(516,669)	(639,152)	(1,648,998)	(1,713,601)
Financing (costs)income	14	(165,764)	(126,734)	(446,781)	(358,637)
Other (expenses) income	14	(271,377)	(608,869)	(269,886)	(617,761)
		$ (607,741)	$ (1,189,257)	$ (1,977,108)	$ (2,564,620)
(Loss) earnings from comprehensive (loss) earnings for the period before taxation		$ (639,968)	$ (212,101)	$ (5,916,495)	$ 1,214,012
Taxation	12	$ -	$ -	$ -	$ -
Net (loss) earnings and comprehensive (loss) earnings for the period		$ (639,968)	$ (212,101)	$ (5,916,495)	$ (1,214,012)
Basic (loss) earnings per common share	13	$ (0.01)	$ (0.00)	$ (0.11)	$ 0.02
Fully diluted (loss) earnings per common share	13	$ (0.01)	$ (0.00)	$ (0.11)	$ 0.02
Weighted average number of common shares- basic	13	52,837,122	52,677,458	52,826,887	52,173,631
Weighted average number of common shares- fully diluted	13	52,837,122	52,677,458	52,826,887	53,981,865

The notes on pages 5 to 16 are an integral part of these consolidated financial statements.

GALANE GOLD LTD.

Condensed Consolidated Interim Statement of Changes in Equity
(In U.S. Dollars) (Unaudited)

Nine month periods ended September 30, 2015 and 2014

		Capital Stock				Reserves				
	Notes	**Number**		**Amount**		**Stock based payments**		**Retained Earnings**		**Total**
Balance as at December 31, 2013		51,285,622		35,189,146		1,345,154		(9,943,932)		26,590,368
Stock-based compensation for the period	13	-		-		241,082		-		241,082
NLE acquisition		1,375,000		157,986		(157,986)		-		-
Participation in share purchase plan		16,836		18,238		(18,238)		-		-
Net loss for the nine months ended September 30, 2014		-		-		-		1,214,012		1,214,012
Balance as at September 30, 2014		**52,677,458**	**$**	**35,365,370**	**$**	**1,410,012**	**$**	**(8,729,920)**	**$**	**28,045,462**
Balance as at December 31, 2014		52,820,290		35,392,969		1,487,961		(8,067,324)		28,813,606
Stock-based compensation for the period	13	-		-		263,614		-		263,614
Participation in share purchase plan		16,832		16,226		(16,226)		-		-
Net loss for the nine months ended September 30, 2015		-		-		-		(5,916,495)		(5,916,495)
Balance as at September 30, 2015		**52,837,122**	**$**	**35,409,195**	**$**	**1,735,349**	**$**	**(13,983,819)**	**$**	**23,160,725**

The notes on pages 5 to 16 are an integral part of these consolidated financial statements.

GALANE GOLD LTD.

Condensed Consolidated Interim Statement of Cash Flows
(In U.S. Dollars) (Unaudited)

Nine month period ended September 30,

	Notes	2015	2014
Cash flows from operating activities:			
Net earnings (loss) for the period		$ (5,916,495)	$ 1,214,012
Items not involving cash:			
Loss on disposal of equipment		11,159	402,971
Depreciation and amortization	8	2,089,097	4,041,243
Deferral of royalties	11	909,007	-
Share based compensation	14	263,614	241,082
Accretion	9	239,104	241,776
Interest expense	14	207,677	116,861
Foreign exchange (gain) loss		(910,323)	397,995
Working capital adjustments:			
Change in trade and other receivables		828,073	(246,682)
Change in inventories		3,393,147	331,794
Change in trade and other payables relating to operating activities		709,204	(2,684,898)
Cash flows from operating activities		1,823,264	4,056,154
Cash flows from investing activities:			
Mining assets	8	(6,309,304)	(8,968,584)
Cash flows used in investing activities		(6,309,304)	(8,968,584)
Cash flow from financing activities:			
Net proceeds from interest bearing loans		-	8,498,535
Interest paid		(207,677)	(205,980)
Repayment of interest bearing loans		(1,939,000)	(2,533,333)
Capital lease obligations		(186,970)	(62,086)
Cash flows from financing activities		(2,333,647)	5,697,136
(Decrease) Increase in cash		(6,819,687)	784,706
Effect of unrealized foreign exchange gain on cash		(28,187)	23,328
Cash, at January 1		9,653,807	11,239,537
Cash, at September 30		$ 2,805,933	$ 12,047,571

The notes on pages 5 to 16 are an integral part of these consolidated financial statements.

1. Corporate Information

Galane Gold Ltd. (the "Company") operates through its wholly-owned subsidiary, Galane Gold Mines Ltd. which was incorporated under the *Business Corporations Act* (Ontario) on November 15, 2010 and whose principal business activities are the exploration for, development of, and operation of gold mining properties. The Company's registered and head office is located at Suite 1800, 181 Bay St., Toronto, Ontario, Canada.

2. Basis of preparation:

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements (the "Financial Statements") of the Company and all of its subsidiaries as at and for the three and nine months ended September 30, 2015 have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for full annual consolidated financial statements. Accordingly certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

(b) Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The particular areas of estimation uncertainty and critical judgments are outlined in detail in the annual audited consolidated financial statements for the year ended December 31, 2014 (the "Annual Financial Statements").

(c) Basis of consolidation

The significant subsidiaries of the Company are accounted for as follows:

	Country of Incorporation	% equity interest	Accounting Method
Galane Gold Mines Ltd.	Canada	100%	Consolidation
Mupane Gold Mines Limited	Mauritius	100%	Consolidation
Gallery Gold Pty Ltd.	Australia	100%	Consolidation
Mupane Gold Mining (Pty) Ltd.	Botswana	100%	Consolidation
The Northern Lights Exploration Company (Pty) Ltd.	Botswana	100%	Consolidation

The Company's other subsidiaries are Galane Gold Botswana (Pty) Ltd. (Botswana) (100% owned) and Shashe Mines (Pty) Ltd. (Botswana) (85% owned).

(d) Functional and presentation currency

The consolidated financial statements are presented in U.S. dollars, which is the functional currency of the Company and each of its subsidiaries. All amounts are in U.S. dollars, except where otherwise indicated.

3. Significant Accounting Policies:

These Financial Statements have been prepared following the same accounting policies and methods of computation as the Annual Financial Statements.

4 Future Accounting Policies:

The following new standards and amendments to standards and interpretations which were issued but not yet effective for the quarter ended September 30, 2015, have not been applied in preparing these Financial Statements. They are summarized as follows

IFRS 9 – Financial Instruments

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposing to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for annual periods beginning or after January 1, 2018, with early adoption permitted. The Company will evaluate the impact of the change to its financial statements based on the characteristics on its financial instruments at the time of adoption.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers (IFRS 15). The standard replaces IAS 11 “Construction Contracts”, IAS 18 “Revenue”, IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfer of Assets From Customers” and SIC 31 “Revenue – Barter Transactions Involving Advertising Services”. IFRS 15 is effective for periods beginning on or after January 1, 2018, permits early adoption, and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. The Company is in the process of evaluating the requirements of the new standard.

5. Financial instruments:

The following table presents the carrying and estimated fair values of the Company's financial instruments.

Financial Assets		Carrying and Fair value September 30, 2015		December 31, 2014
Cash (level 1 of fair value hierarchy [4])	$	2,805,933	$	9,653,807
Trade and other receivables [1]		933,868		1,837,530
	$	3,739,801		11,491,337

Financial Liabilities		September 30, 2015		December 31, 2014
Accounts payable and accrued liabilities [2]	$	6,548,540	$	6,635,834
Loans and borrowings [3]		7,788,070		8,687,634
	$	14,336,610		15,323,468

(1) The fair value of trade and other receivables approximates the carrying amount given the short maturity period.

(2) The fair value of accounts payable and accrued liabilities approximates the carrying amount given the short maturity period.

(3) The fair value of loans and borrowings approximates the carrying amount given the short maturity period, and the fair market value rate of interest that it carries.

(4) The levels of the fair value hierarchy are defined as follows:

1. Level 1- there are quoted prices in active markets for identical assets or liabilities.
2. Level 2- there are inputs other than quoted prices that are either directly or indirectly observable for the asset or liability.
3. Level 3- these are inputs that are not based on observable market data.

6. Trade and other receivables

		September 30, 2015		December 31, 2014
Trade receivables	$	73,213	$	90,020
Other receivables		8,004		995,472
Taxes recoverable		159,442		286,801
Prepaid expenses		693,209		465,237
	$	933,868	$	1,837,530

7. Inventories

The amount of inventories recognized as an expense during the period is included in mining costs in the condensed consolidated interim statement of earnings and comprehensive earnings. The carrying values at the end of the respective periods are:

		September 30, 2015	December 31, 2014
Gold in process	$	885,323	$ 871,747
Ore stockpiles		5,469,433	1,600,000
Supplies		2,501,083	3,865,293
	$	8,855,839	$ 6,337,040

8. Mining assets

The continuity of mining assets for the nine months ended September 30, 2015 is as follows:

		Construction in Progress		Mining and Exploration Properties		Plant and Equipment		Total
Cost at December 31, 2014	$	150,235	$	59,579,355	$	5,229,681	$	64,959,271
Additions:								
Additions in the period		575,281		5,441,476		827,546		6,844,303
Transfers in the period		(199,560)		40,055		159,505		-
Disposals in the period		-		-		(166,433)		(166,433)
Cost at September 30, 2015	$	525,956	$	65,060,886	$	6,050,299	$	71,631,141
Accumulated depreciation and amortization at December 31, 2014	$	-	$	(37,984,938)	$	(3,494,331)	$	(41,479,269)
Amortization charge for the period		-		(1,792,745)		(296,352)		(2,089,097)
Disposals in the period		-		-		155,275		155,275
Accumulated depreciation and amortization at September 30, 2015	$	-	$	(39,777,683)	$	(3,635,408)	$	(43,413,091)
Net book value, September 30, 2015	$	525,956	$	25,283,203	$	2,414,891	$	28,224,050

9. Restoration and rehabilitation provision

		Restoration and rehabilitation provision
At December 31, 2014	$	3,083,251
Accretion during the nine month period ended September 30, 2015		239,104
At September 30, 2015	$	3,322,355

10. Trade accounts payable and accrued liabilities:

		September 30, 2015		December 31, 2014
Trade accounts payable	$	4,806,329	$	5,099,177
Accrued liabilities		1,742,211		1,536,657
	$	6,548,540	$	6,635,834

Trade accounts payable and accrued liabilities are non-interest bearing and are normally settled on 60 day terms after date of receipt of invoice.

11. Interest-bearing loans and borrowings:

		September 30, 2015		December 31, 2014
Current				
Mining Royalties (1)	$	-	$	1,773,360
Secured facility (2)		3,061,000		2,770,000
Capital lease obligation (3)		128,304		124,056
	$	3,189,304	$	4,667,416
Non-Current				
Mining Royalties (1)	$	4,238,128	$	1,773,361
Secured facility (2)		-		2,230,000
Capital lease obligation (3)		360,638		16,857
	$	4,598,766	$	4,020,218

(1) The Government of Botswana has agreed to the deferral of royalties payable on the sale of gold under the following terms:

- Royalties due to June 2016 have been deferred
- Repayment of royalties due to June 2016 to commence in July 2017 over 12 months
- Interest to be charged from July 1, 2017 at Bank of Botswana commercial bank prime lending rate plus 5%

The deferral amount is unsecured.

(2) The Company entered into a loan facility and gold prepayment agreement with Samsung C&T UK Ltd dated as of August 22, 2014. Details are as follows:

- Initial principal amount - $5,000,000
- Interest rate - a variable rate dependent upon the price of the gold sold to Samsung with a minimum rate of LIBOR plus 4.5% and a maximum rate of LIBOR plus 14.7%. It will be calculated using a fixed discount rate to the then prevailing spot price upon delivery of up to 1,607 ounces of gold per month at 1.5% for the first 12 months and 0.5% for the remaining 12 months. Any amount of gold delivered in excess of 1,607 ounces in a month is sold at the prevailing spot price without discount.
- Principal repayment - 17 instalments of $277,000 and a final instalment of $291,000 with the first instalment paid in March 2015.
- Gold - delivery of a minimum of 1,607 ounces of gold per month for a period of two years (38,568 ounces in aggregate) payable by Samsung at the prevailing spot price upon delivery subject to discount as noted above.
- Security - The facility is currently secured by a first charge against the assets of Mupane.

(3) The Company acquired seven light vehicles for use at the mine for total cost of $405,448 and financed the purchase through capital lease obligations. The capital leases are for a term of 36 months, with average monthly payments per vehicle of $1,070 per month principal and interest and a final payment of $11,889, with the final payment in 2017. In addition, the Company acquired a Komatsu Dozer in March 2015 and financed $535,000 of the acquisition costs. The lease term is 48 months with monthly payments of approximately $13,500 per month principal and interest.

12. Income and Mining Taxes:

The Company estimates the effective tax rate expected to be applicable for the full fiscal year and uses that rate to provide for income taxes in interim reporting periods. The Company also recognizes the tax impact on certain discrete (unusual or infrequently occurring) items, including changes in judgment concerning the probable realization of losses and effects of changes in tax laws or rates, in the interim period in which they occur.

As a result of the effect of utilization of loss carry forwards available to the Company, the Company reported no income tax expense for the three and nine months ended September 30, 2015 (three and nine months ended September 30, 2014 - $nil). The effective income tax rates vary from the combined Canadian federal and provincial statutory income tax rate of 26.50% for the nine months ended September 30, 2015 (nine months ended September 30, 2014 – 26.50%) due to the geographical distribution of earnings, which are subject to different tax rates, fluctuations in exchange rates and other non-deductible expenses.

13. Share Capital

(a) Authorized share capital:

As at September 30, 2015, the authorized share capital of the Company consisted of an unlimited number of common shares. All issued shares are fully paid.

(b) Issued share capital:

During the nine month period ended September 30, 2015 the Company had the following share transaction:

On July 1, 2015, 16,832 common shares were issued as deferred matching shares under the Company's share purchase plan ("SPP").

During the nine month period ended September 30, 2014 the Company had the following share transactions:

On April 8, 2014, the Company issued an aggregate of 1,375,000 common shares to the former shareholders of The Northern Lights Exploration Company (Pty) Ltd. ("NLE"). The Company entered into an agreement (the "NLE Agreement") dated July 27, 2011 with the shareholders of NLE (refer to note 16 on related party transactions for Charles Byron) to acquire all of its issued and outstanding shares. NLE owns the rights to a number of exploration licenses near the Company's Mupane Property. On April 7, 2014, the independent members of the Board determined that the resource target for the first milestone in the NLE Agreement was met, waived the requirement to confirm the mineral resource by way of a NI 43-101 technical report and approved the issuance of 1,375,000 common shares by the Company.

On June 15, 2014, 16,836 common shares were issued as deferred matching shares under the Company's SPP.

(c) Stock Options:

The Company has a stock option plan whereby options may be granted to directors, officers, employees and consultants. As at September 30, 2015, a maximum of 5,283,712 options to purchase common shares were issuable under the Company's stock option plan, of which 2,028,712 remained available for issuance.

13. Share Capital (continued):

(d) Earnings (loss) per share:

The calculation of earnings (loss) per share is based on the following data:

	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Earnings (loss)	$ (639,968)	$ (5,961,495)	$ (212,101)	$ 1,214,012
Weighted average number of common shares outstanding for purposes of basic earnings per share	52,837,122	52,826,887	52,677,458	52,173,631
Dilutive deferred share units	-	-	-	1,530,682
Dilutive options	-	-	-	277,552
Weighted average number of common shares outstanding for the purpose of diluted earnings per share	52,837,122	52,826,887	52,677,458	53,981,865
Earnings (loss) per share				
Basic	$ (0.01)	$ (0.11)	$ (0.00)	$ 0.02
Diluted	$ (0.01)	$ (0.11)	$ (0.00)	$ 0.02

Basic earnings (loss) per share is computed by dividing the earnings (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution of outstanding warrants and stock options in the weighted average number of common shares outstanding during the period, if dilutive. For the three and nine months ended September 30, 2015,and the three months ended September 30, 2014, all instruments were considered anti-dilutive due to the net loss in the period. For the nine months ended September 30, 2014, as there was a net profit, the dilutive deferred share units and options were calculated using an average share price of Cdn.0.25 per common share.

(e) Deferred Share Units

The Company has established a deferred share unit plan whereby deferred share units (“DSUs”) may be granted to directors, officers, employees and consultants. As at September 30, 2015, a maximum of 5,266,062 DSUs were issuable under the Company’s deferred share unit plan, of which 1,427,018 remained available for issuance (as at September 30, 2014 – 5,266,062 and 1,323,834 respectively).

14. Breakdown of earnings and comprehensive earnings items:

The following is a breakdown of certain items in the Condensed Consolidated Interim Statement of Earnings and Comprehensive Earnings:

(a) Mining costs

	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Mining and production	$ 7,155,014	$ 17,872,703	$ 6,485,900	$ 22,046,260
Insurance proceeds[1]	-	-	(800,000)	(800,000)
Administrative	1,092,574	3,448,786	1,038,457	3,605,082
Total	$ 8,247,589	$ 21,321,489	$ 6,724,357	$ 24,851,342
Depreciation and amortization	317,779	2,089,097	1,759,397	4,041,243
	$ 8,565,368	$ 23,410,586	$ 8,483,754	$ 28,892,585

[1] Insurance proceeds represents cash received for fixed costs incurred while the mill motor was on breakdown in 2014.

Corporate general and administration

	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
On-going Professional fees	$ 103,323	$ 172,379	$ 152,791	$ 391,046
Stock based compensation	50,148	263,614	121,398	241,082
Corporate administration	363,198	1,213,005	364,963	1,081,473
	$ 516,669	$ 1,648,998	$ 639,152	$ 1,713,601

(b) Financing costs

	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Interest on long term debt	$ 84,070	$ 207,677	$ 44,128	$ 116,861
Accretion on restoration and rehabilitation provision	81,694	239,104	82,606	241,776
	$ 165,764	$ 446,781	$ 126,734	$ 358,637

(c) Other expenses

	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Other expenses (income)	$ (6,654)	$ (8,145)	$ (4,215)	$ (22,938)
Loss (Gain) on disposal of equipment	11,159	11,159	375,356	402,971
Staff retrenchment costs	266,872	266,872	237,728	237,728
	$ 271,377	$ 269,886	$ 608,869	$ 617,761

15. Commitments and Contingencies

(a) Royalty expenses

Production from the Company's 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. For the nine month period ended September 30, 2015, the Company accrued $1,017,415 in royalties (2014 - $1,632,805).

(b) Operating contractual obligations

The Company has operating lease obligations which relate to obligations in 2015 for land operating lease agreements as follows:

- Incurred during the nine month period ended September 30, 2015 — $258,746
- To be incurred in the remainder of 2015 — $69,041
- To be incurred 2016-2019 — $1,168,486

(c) Claims

The Company is 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.

16. Related party transactions

During the nine months ended September 30, 2015 and 2014, the following related party transactions occurred:

- Charles Byron, a director of the Company:
  - during the nine months ended September 30, 2014 Mr Byron was issued 660,000 common shares that were payable pursuant to the NLE acquisition (Note 13 (b)); and
  - the Company paid rent of $9,693 for office premises to Great African Services (Pty) Ltd., a company owned by a consortium of individuals that includes Charles Byron (2014 - $7,505).
- IAMGOLD, a shareholder with significant influence, by holding in excess of 20% of the common shares of the Company:
  - during the nine months ended September 30, 2014 the Company paid to IAMGOLD $2,533,333 in cash representing the final payment on its interest bearing note; and
  - the Company paid to IAMGOLD $191,978 representing the final interest payable on its interest bearing note in the nine months ended September 30, 2014.

The remuneration of directors and other members of key management personnel during the nine months ended September 30, 2015 are as follows:

		Nine months ended September 30, 2015	Nine months ended September 30, 2014
Salaries	$	1,259,098	1,107,335
Management fees(1)		-	90,000
Directors fees		121,799	71,705
Share-based compensation(2)		214,864	241,082
	$	1,595,761	1,510,122

(1) Management fees represent compensation paid to officers of the Company pursuant to contracts for services.

(2) Share-based compensation is the fair value of options and deferred share units granted and vested with key management personnel.

17. Segmented information

The Company operates in one reportable segment, being the exploration, development and operation of gold mining properties. All of the Company's equipment and mining assets are located in the Republic of Botswana and all revenues of the Company are earned in the Republic of Botswana. A breakdown of the total assets by geographic segment is as follows:

		Canada		**Botswana**		**Total**
Cash	$	110,019	$	2,695,914	$	2,805,933
All other assets		21,421		37,992,336		38,013,757
Balance, September 30, 2014	$	131,440	$	40,688,250	$	40,819,960

18. Galaxy Acquisition

(a) Transaction details

On November 20, 2015, the Company closed the acquisition of a majority of the issued and outstanding ordinary shares (each, a "Galaxy Share") of Galaxy Gold Mining Limited ("Galaxy"), a gold mining company with operations in the Mpumalanga Province of South Africa. The Company has also made an offer to all other shareholders of Galaxy to acquire the remaining Galaxy Shares on economically equivalent terms (the "Mandatory Offer").

The Company entered into share purchase agreements (the "Galaxy Share Purchase Agreements") with certain majority shareholders of Galaxy pursuant to which a wholly-owned subsidiary of the Company agreed to acquire approximately 74% of the issued and outstanding Galaxy Shares in exchange for 18,334,492 Common Shares with an aggregate value of approximately Cdn.$2.3 million, based on a deemed price of Cdn.$0.125 per Common Share, and common share purchase warrants ("Warrants") exercisable to acquire an aggregate of up to 4,076,599 Common Shares for a period of two years at Cdn.$0.175 per Common Share. On November 20, 2015, the Company acquired 66% of the outstanding Galaxy shares with the remaining 8% of the Galaxy Shares held by the majority shareholders of Galaxy expected to close by mid December 2015.

Upon full completion of the acquisition of Galaxy Shares from the above-noted majority vendors of Galaxy Shares, such vendors of Galaxy Shares will hold an aggregate of approximately 26% of the issued and outstanding number of Common Shares on an undiluted basis, based on the outstanding number of Common Shares as of the date of this MD&A, or 30% assuming the exercise of the Warrants and no other convertible securities of the Company. If all of the remaining shareholders of Galaxy tender their Galaxy Shares pursuant to the Mandatory Offer in exchange for Common Shares and Warrants, the shareholders of Galaxy, including the majority vendors, will hold approximately 31.8% of the Common Shares on an undiluted basis, based on the outstanding number of Common Shares as of the date of this MD&A, or 36.3% assuming the exercise of the Warrants and no other convertible securities of the Company.

In connection with the transaction, Galaxy has also issued or has agreed to issue approximately US$2.4 million aggregate principal amount of unsecured convertible debentures (the "Debentures") to settle outstanding debt obligations owed by Galaxy and its subsidiary Galaxy Gold Reefs (Pty) Ltd. The Debentures have a four year maturity and bear 4% interest per annum, accrued and paid at maturity. The principal is convertible at maturity into Common Shares, based on a pre-determined exchange rate of US$1.00:Cdn$1.30, at a price of Cdn$1.00. The interest payable on maturity is convertible into Common Shares, based on a pre-determined exchange rate of US$1.00:Cdn$1.30, at a price equivalent to the greater of Cdn$1.00 and the Discounted Market Price (as defined by the TSX Venture Exchange), subject to acceptance of the TSX Venture Exchange.

(b) Accounting

The acquisition of Galaxy will be accounted for as a business combination but at the time of reporting the calculation of the purchase equation for the business combination is incomplete. Galaxy's last completed audited financial statements are for the year ended March 31, 2011 and work has started to bring the accounting up to date. As a result accounting for all classes of assets, liability and equity is incomplete.

The Company has principally acquired mineral properties and a processing plant. However during the process of due diligence a set of draft numbers as of March 31, 2015 were completed which showed total liabilities of approximately $10,000,000 which were offset by current assets of approximately $1,500,000.

19. Subsequent Event

Samsung Facility

On November 5, 2015 the Company agreed with Samsung new terms with regards to the loan facility and gold prepayment agreement (see note 11). The Samsung facility has been amended on the following terms as of October 1, 2015:

- the current schedule of 10 remaining monthly instalments of $277,000 and one monthly instalment of $291,000 has been amended to a repayment of 12 instalments of $20,000 per month effective from October 2015, followed by 9 instalments of $277,000 and a final instalment of $328,000 in July 2017;
- in each month during the repayment period, Mupane must deliver at least 1,607 ounces of gold at a price for the gold selected by Samsung from any one of the four London Bulletin AM or PM dollar gold fixing prices falling either on the delivery date or on the day immediately following the Delivery Date, less a discount of 1.25%;
- in each month following the repayment period and for such period as gold dore is produced Samsung will have the right to request delivery of all gold dore produced from the Tau ore body and the low grade stockpiles. In each case the price for the gold produced can be selected by Samsung from any one of the four London Bulletin AM or PM dollar gold fixing prices falling either on the delivery date or on the day immediately following the delivery date, less a discount of 2%;
- in each month following the repayment period Samsung has been provided with the right of first refusal to purchase all gold produced from the Company's operations in Botswana on terms that are no more favourable than offered by a third party; and
- the rate of interest on the outstanding balance is 3% per annum, compounded annually.