



TSXV: GG

OTCQB: GGGOF

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED
DECEMBER 31, 2019**

April 28, 2020

TABLE OF CONTENTS

CORPORATE STRUCTURE	4
GENERAL DEVELOPMENT OF THE BUSINESS	5
DESCRIPTION OF THE BUSINESS.....	9
DIVIDEND RECORD AND POLICY.....	17
DESCRIPTION OF CAPITAL STRUCTURE.....	17
MARKET FOR SECURITIES	17
ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER	18
DIRECTORS AND EXECUTIVE OFFICERS	18
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS	19
CONFLICTS OF INTEREST.....	21
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	21
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	21
TRANSFER AGENT AND REGISTRAR	22
MATERIAL CONTRACTS	22
INTERESTS OF EXPERTS	22
AUDIT COMMITTEE.....	22
RISK FACTORS.....	24
ADDITIONAL INFORMATION.....	37
EXHIBIT "A" AUDIT COMMITTEE CHARTER.....	A-1
EXHIBIT "B" SUMMARY FROM MUPANE TECHNICAL REPORT.....	B-1
EXHIBIT "C" SUMMARY FROM GALAXY TECHNICAL REPORT.....	C-1

FORWARD-LOOKING STATEMENTS

This Annual Information Form (“**AIF**”), and the documents incorporated herein by reference, contain forward-looking statements regarding the future growth, results of operations, performance, business prospects and opportunities of Galane Gold Ltd. (“**Galane**” or the “**Corporation**”). Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions, are forward-looking statements. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of Galane set out under “Description of the Business”. These statements are not historical facts but instead represent only Galane’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.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to: the Corporation’s dependence on two mineral projects; gold price volatility; risks associated with the conduct of the Corporation’s mining activities in Republic of Botswana (“**Botswana**”) and the Republic of South Africa (“**South Africa**”); regulatory, consent or permitting delays; risks relating to the Corporation’s exploration, development, plant expansion and mining activities being situated in Botswana and South Africa; risks relating to reliance on the Corporation’s management team and outside contractors; risks regarding mineral resources and reserves; the Corporation’s inability to obtain insurance to cover all risks, on a commercially reasonable basis or at all; currency fluctuations; risks regarding the failure to generate sufficient cash flow from operations; risks relating to project financing and equity issuances; risks arising from the Corporation’s fair value estimates with respect to the carrying amount of mineral interests; mining tax regimes; the Corporation’s need to replace reserves depleted by production; risks and unknowns inherent in all mining projects, including the inaccuracy of reserves and resources, metallurgical recoveries and capital and operating costs of such projects; contests over title to properties, particularly title to undeveloped properties; laws and regulations governing the environment, health and safety; reclamation costs and related liabilities; operating or technical difficulties in connection with mining or development activities; lack of infrastructure; employee relations, labour unrest or unavailability; health risks in Africa; supply chain disruptions, major health issues, pandemics, and COVID-19; the Corporation’s interactions with surrounding communities and artisanal miners; the Corporation’s ability to successfully integrate acquired assets; 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 Corporation’s exploration properties into commercially viable mines; risks arising from holding derivative instruments; risks related to climate change; risks related to information security; stock market volatility; conflicts of interest among certain directors and officers; lack of liquidity for shareholders of the Corporation; risks related to the market perception of junior gold companies; and litigation risk. Details of the risk factors relating to Galane and its business are discussed under the heading “Risk Factors” below.

In addition to the factors set out above and those identified under the heading “Risk Factors” below, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although Galane has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

The forward-looking statements in this AIF are based on numerous assumptions regarding Galane’s present and future business strategies and the environment in which Galane will operate in the future, including, without limitation, assumptions regarding expected gold production, gold prices, business and operating

strategies, exploration results, renewal of the Corporation's mining and prospecting licences and Galane's ability to operate on a profitable basis. Galane does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report, except as may be required by law.

The mineral resource figures referred to in this AIF are estimates, and no assurances can be given that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Corporation believes that the resource estimates included in this AIF are well established, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, it could have a material adverse impact on the Corporation.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

This AIF has been prepared using a number of conventions, which a reader should consider when reading the information contained herein. The term "Corporation" or "Galane", is a reference to Galane Gold Ltd. itself, or to Galane Gold Ltd. and its consolidated subsidiaries, as the context requires.

Unless otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars.

TECHNICAL INFORMATION

The Mineral Reserves and Mineral Resources estimations for the Mupane Property and Galaxy Property (each as defined below) have been prepared in accordance with the CIM Definition Standards. The following definitions are reproduced from the CIM Definition Standards:

A "***Mineral Resource***" is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An "***Inferred Mineral Resource***" is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An "***Indicated Mineral Resource***" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the

application of Modifying Factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A “**Measured Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A “**Mineral Reserve**” is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.

A “**Probable Mineral Reserve**” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

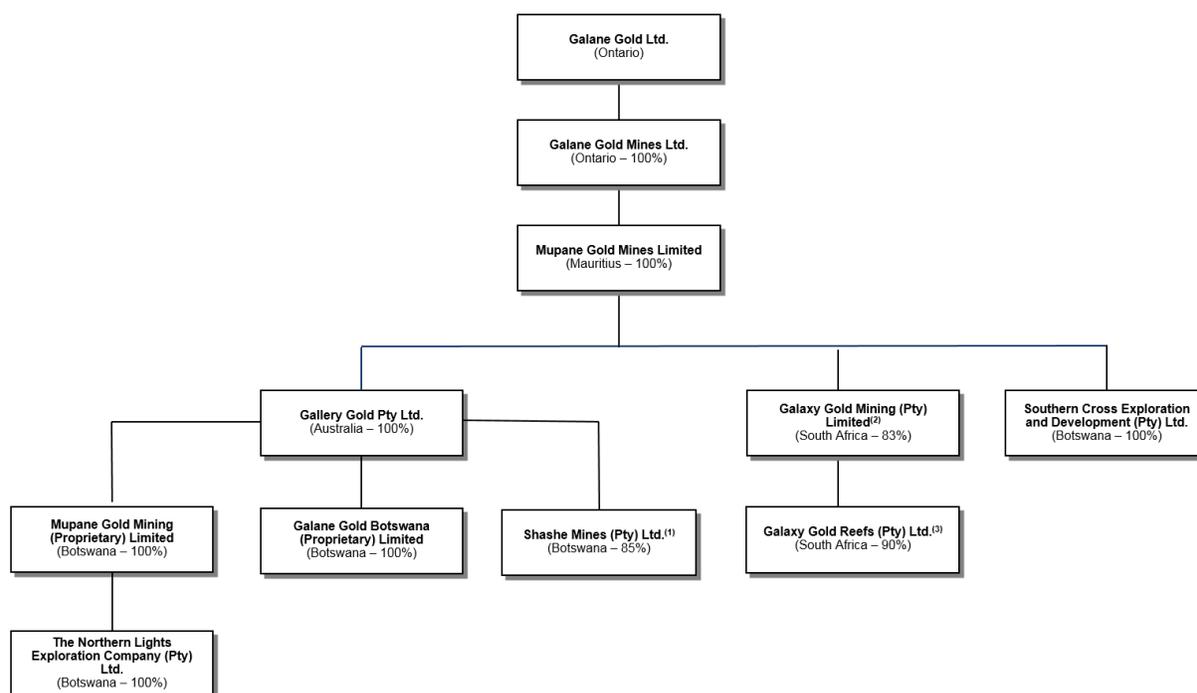
A “**Proven Mineral Reserve**” is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the CIM Definition Standards, “**Modifying Factors**” are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors

CORPORATE STRUCTURE

The Corporation was incorporated on October 24, 2007 as “Carlaw Capital III Corp.” pursuant to the filing of articles of incorporation under the *Business Corporations Act* (Ontario). The articles of incorporation of the Corporation were amended by the filing of articles of amendment dated May 28, 2008, to delete share transfer restrictions. On August 30, 2011, the Corporation’s articles were amended to consolidate its common shares (the “**Common Shares**”) at a ratio of 4:1 and to change its name to “Galane Gold Ltd.”. The registered office of the Corporation is located at 181 Bay Street, Suite 1800, Toronto, Ontario M5J 2T9 and the head office of the Corporation is located at Farm 75 NQ, North East District, Francistown, Botswana. The Common Shares are listed on the TSX Venture Exchange (the “**Exchange**”) under the trading symbol “GG” and trade on the OTCQB Market (the “**OTCQB**”) in the United States under the trading symbol “GGGOF”.

The following chart sets out all of the Corporation's subsidiaries as at the date hereof, their jurisdictions of incorporation and the Corporation's direct and indirect voting interest in each of these subsidiaries.



Notes:

- (1) The remaining 15% of the shares of Shashe Mines (Pty) Ltd. are held by the Government of Botswana.
- (2) The remaining 17% of the shares of Galaxy Gold Mining (Pty) Limited (formerly, Galaxy Gold Mining Limited, “Galaxy”) were donated to the Phakamani Foundation Trust (operating as Phakamani Foundation NPC) on March 19, 2019. The donation was made in relation to the BEE Requirement (as defined herein).
- (3) The remaining 10% of the shares of Galaxy Gold Reefs (Pty) Ltd. were donated to a South African community-based trust and a South African local employee share scheme on March 19, 2019, with each receiving 5% of the shares. The donation was made in relation to the BEE Requirement (as defined herein).

GENERAL DEVELOPMENT OF THE BUSINESS

January 2017 to Present

Acquisition of Galaxy Gold Mines Limited and Debenture Issuance

In 2015, the Corporation completed the acquisition of 74% of the issued and outstanding ordinary shares of Galaxy, a gold mining company with operations in the Mpumalanga Province of South Africa (the mine and mineral exploration tenements collectively, the “Galaxy Property”). In connection with the acquisition, the Corporation issued approximately US\$2.4 million aggregate principal amount of unsecured convertible debentures (the “Debentures”) to settle outstanding debt or contractual obligations owed by Galaxy and its subsidiary Galaxy Gold Reefs (Pty) Ltd. In September 2019, the Corporation prepaid US\$728,000 of the principal of the Debentures. On September 30, 2019, the Corporation and a requisite percentage of the Debenture holders entered into an agreement, whereby certain terms of the Debentures were amended including an extension to the maturity date of the Debentures. Under those amended terms, the Debentures mature on November 20, 2021 and bear 4% interest, calculated and compounded annually, to be paid at maturity. The principal is convertible at maturity into Common Shares, based on a pre-

determined exchange rate of US\$1.00:\$1.30, at a conversion price of \$0.20⁽¹⁾ per Common Share. The interest payable on maturity is convertible into Common Shares, based on a pre-determined exchange rate of US\$1.00:\$1.30, at a conversion price per Common Share equivalent to the greater of \$0.20 and the Discounted Market Price (as defined by the Exchange), subject to acceptance of the Exchange. The conversion price of the principal and the resulting number of Common Shares issuable upon conversion of the Debentures remain subject to standard anti-dilution adjustment provisions. In December 2019, the Corporation prepaid an additional US\$838,486 of the principal of the Debentures and the accrued interest in respect of the prepaid amount.

Galaxy Claim Settlement and Debenture Issuance

In connection with a settlement agreement between the Corporation and with Traxys Europe SA, Mine2Market S. à r.l. and certain others (collectively the “**Traxys Parties**”) in 2016 with respect to various outstanding claims arising from the time period when the Traxys Parties operated Galaxy’s mining operations, the Traxys Parties settled their claim for US\$4.3 million of indebtedness in exchange for the issuance by the Corporation of an unsecured convertible debenture with US\$3.25 million aggregate principal amount (the “**Traxys Debenture**”). On July 4, 2018, the Corporation and Traxys Europe SA entered an agreement whereby the Traxys Debenture was replaced with a new debenture (the “**Traxys Replacement Debenture**”). The Traxys Replacement Debenture matures on November 20, 2021 and bears interest at 4% per annum interest, calculated and compounded annually, to be paid at maturity. The principal is convertible at the option of the holder into Common Shares at a conversion price of \$0.15⁽¹⁾ per Common Share, based on a pre-determined exchange rate of US\$1.00:\$1.35. The interest is convertible into Common Shares, based on a pre-determined exchange rate of US\$1.00:\$1.35, at a conversion price per Common Share equivalent to the greater of \$0.15 and the Discounted Market Price (as defined by the Exchange) at the time of conversion, subject to acceptance of the Exchange. The conversion price of the principal and interest and the resulting number of Common Shares issuable upon conversion of the Traxys Replacement Debenture remains subject to standard anti-dilution adjustment provisions.

Galaxy Property Rehabilitation

In January 2017, the Corporation provided an update on the commissioning of the mine at the Galaxy Property, which commenced in Q3 2016 and had been put into idle mode in Q4 2016, indicating that further capital expenditures were required to complete full commissioning. The Corporation intended to fund the commissioning and subsidize operations at the Galaxy Property from cash flows generated from the Mupane property (the producing mine and mineral exploration tenements collectively, the “**Mupane Property**”), but with the decline in gold price in November 2016 and the continued uncertainty of the price of gold, management of the Corporation decided to be prudent and delay full commissioning at the Galaxy Property until the Corporation had sufficient funds available. See “Secured Loan Facility”.

In Q3 2017, the Corporation announced that it had updated its mine plan for its Galaxy Property. The updated mine plan prepared by the Corporation is based on internal reporting by the Corporation following underground mining and not based on an independent feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. There has yet to be sufficient exploration on any potential expansion at either property to extrapolate that it extends beyond the current mined area.

⁽¹⁾ The initial conversion price of the Debentures and the Traxys Debenture was \$1.00 per share. As a result of the completion of a rights offering by the Corporation in May 2016, the conversion price in each case was adjusted downward to \$0.58 per share and the number of Common Shares issuable on conversion was correspondingly adjusted upward. As a result of the amendments to the Debentures in September 2019, the conversion price of the Debentures was amended to \$0.20 per Common Share. In connection with the issuance of the Traxys Replacement Debenture, the conversion price of the Traxys Debenture was amended to \$0.15 per Common Share.

In December 2018, the Corporation announced that it had placed material orders for equipment required in connection with the processing plant upgrades and its plan to recommence production at its Galaxy Property.

On April 11, 2019, the Corporation announced that it has mined its first ore from the Princeton ore body at its Galaxy Property.

Tau Mine Plans

In Q3 2017, the Corporation announced that it had updated its mine plan for its Tau property.

The updated mine plan prepared by the Corporation in respect of the Tau property is based on internal reporting by the Corporation following open pit mining and not based on an independent feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. There has yet to be sufficient exploration on any potential expansion at either property to extrapolate that it extends beyond the current mined area.

Loan Facility

On November 28, 2017, the Corporation announced repayment in full of a secured US\$5.0 million loan facility with Samsung C&T U.K. Limited and that the associated security on the Mupane Property had been discharged.

Secured Loan Facility

On March 5, 2018, the Corporation announced that it entered into a loan agreement with Barak Fund SPC Limited (“**Barak**”) with respect to a US\$5.0 million secured loan facility (the “**Barak Facility**”), for a term ending three years from the date of the first drawdown and bearing interest at a rate of 14% per annum. The Corporation agreed to use the proceeds of the Barak Facility for the refurbishment and expansion of processing facilities and restarting underground mining operations at the Galaxy Property. The Barak Facility provides for the Corporation to Barak, or its nominee, 0.75% of the net proceeds accruing to Galaxy under an off-take agreement covering the annual gold concentrate production of the Agnes gold mine in Barberton (“**Agnes**”) owned and operated by Galaxy, after taking into account all attributable logistics and freight costs, State Royalties (as defined in the Barak Facility) and value-added tax (if applicable). The Corporation completed the various conditions precedent to the Barak Facility on October 1, 2018 and began making drawdowns on the Barak Facility in February 2019.

Royalty Terms

On March 19, 2018, the Government of Botswana agreed to the deferral of royalties payable on the sale of gold and subsequent repayment thereof under the following terms:

- US\$8,398,709 of royalties deferred to December 2017 to commence repayment in March 2018 over a period of 34 months as follows:
 - principal repayments of US\$21,593 per month for ten months commencing March 2018;
 - principal repayments of US\$101,593 per month for 12 months commencing January 2019; and
 - the remaining balance to be repaid in 12 equal monthly payments commencing January 2020; and

- interest to be charged at the applicable Bank of Botswana commercial bank prime lending rate at the time plus a premium of 5% applied on a simple interest basis, equating to US\$28,407 per month over the 34 month repayment period; and the deferral amount is unsecured.

Botswana Prospecting Sites

On March 19, 2018, the Corporation announced that it entered into an earn-in option agreement (the “**B2Gold Earn-in Agreement**”) with B2Gold Corp. (“**B2Gold**”). Under the B2Gold Earn-in Agreement, B2Gold has the option to indirectly acquire, in tranches, up to 70% of the shares of a newly incorporated subsidiary (“**Newco**”) of the Corporation, which has applied for two gold prospecting licences over an aggregate of approximately 520 km² located around the Corporation’s Mupane Property, excluding its current operations and mining licences, in Botswana.

The option is exercisable in tranches upon meeting certain exploration project related expenditure thresholds as follows: (i) B2Gold is to contribute US\$500,000 within one year of the Conditions Satisfaction Date (as described below); (ii) B2Gold is to receive a 51% indirect interest in Newco upon contributing an additional US\$2.0 million in exploration project related expenses within three years of the Conditions Satisfaction Date; and (iii) B2Gold is to receive an additional 19% indirect interest in Newco upon contributing an additional US\$1.5 million in exploration project related expenses within four years of the Conditions Satisfaction Date. If B2Gold has not completed the last tranche of expenditures in the stipulated timeframe, B2Gold must transfer its 51% indirect interest in Newco to Galane Gold for no additional consideration. It is expected that the B2Gold Earn-in Agreement will be replaced by a definitive shareholders agreement governing the parties’ interests in Newco.

On October 1, 2018, the Corporation satisfied the various conditions precedent in the B2Gold Earn-in Agreement (the “**Conditions Satisfaction Date**”), including completion of due diligence by B2Gold and the issuance of the prospecting licenses to Newco. B2Gold has agreed to and will carry out exploration on the properties with guidance received from a jointly formed technical committee.

On October 2, 2019, the Corporation announced that B2Gold had met the conditions of tranche 1 of the B2Gold Earn-in Agreement and that B2Gold had confirmed its intent to commence with the tranche 2 expenditures of US\$2.0 million.

2018 Private Placement

On October 1, 2018, the Corporation completed a non-brokered private placement of 54,000,000 units (the “**Units**”) at a price of \$0.05 per Unit for aggregate gross proceeds of \$2,700,000. Each Unit was comprised of one Common Share and one common share purchase warrant (each, a “**2018 Warrant**”), with each 2018 Warrant entitling the holder thereof to acquire one Common Share at an exercise price of C\$0.05 until October 1, 2020. The expiry date of the 2018 Warrants can be accelerated by the Corporation to the date that is 10 business days after the date where the closing price of the Common Shares on the Exchange is higher than \$0.20 for 10 consecutive trading days, provided such trading days occur four months and one day after the issuance of the 2018 Warrants. As of the date hereof, 22,436,150 Common Shares have been issued pursuant to the exercise of 2018 Warrants.

Certain officers and directors of the Corporation purchased 10,563,000 Units for aggregate gross proceeds of \$528,150. The issuance of these Units were considered related party transactions within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

BEE Requirement Donation

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

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

Significant Acquisitions or Dispositions

The Corporation has not completed any significant acquisitions or dispositions during the financial year ended December 31, 2019 for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”).

DESCRIPTION OF THE BUSINESS

Summary

The Corporation’s principal business activities are the exploration for, development of, and operation of gold mining properties. The Corporation operates through its wholly-owned subsidiary, Galane Gold Mines Ltd., which in turn operates two mines: (a) the Mupane Property, a producing mine which also has the rights to certain mineral exploration tenements located in Botswana through subsidiaries located in Botswana; and (b) the Galaxy Property, a mine in steady state production but that has not yet reached commercial production and which has the rights to certain mineral exploration tenements located in South Africa through subsidiaries located in South Africa. The Common Shares have been listed for trading on the Exchange under the symbol “GG” since September 6, 2011 and trade on the OTCQB in the United States under the trading symbol “GGGOF”. For further information regarding the development of the Corporation from inception to the present date, see above under “General Development of the Business”.

Mupane Property

The Mupane Property is an operating gold mining venture situated in the North-East District of Botswana in Southern Africa and comprises three mining licences and one prospecting licence: (i) ML87/3 (Shashe - valid until December 9, 2024); (ii) ML94/2 (Signal Hill - valid until February 26, 2025); and (iii) ML2003/26L (Mupane - valid until September 4, 2023).

Mining

The following table sets forth certain key mining statistics for the Mupane Property for 2018 and 2019:

		2019					2018				
		Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Mupane (Tau)	Ore (t)	82,316	77,054	92,762	87,461	339,593	98,397	114,773	97,913	88,995	400,078
	Grade (g/t)	2.67	2.90	3.25	2.11	2.74	2.87	2.66	3.46	3.19	3.03
	Waste (t)	18,258	15,472	20,520	10,520	64,770	27,576	17,165	18,720	14,757	78,218
Tekwane and Shashe Pencils	Ore (t)	-	-	-	-	-	-	-	3,935	9,707	13,642
	Grade (g/t)	-	-	-	-	-	-	-	1.50	1.89	1.77
	Waste (t)	-	-	-	-	-	-	-	9,671	36,513	46,184
Low Grade Stockpiles	Ore (t)	37,110	62,010	30,719	71,263	201,102	124,864	112,554	118,721	75,691	431,830
	Grade (g/t)	0.77	0.75	0.77	0.77	0.77	0.77	0.94	1.04	0.90	0.88
Monarch Slimes Dump	Ore (t)	86,299	68,222	57,191	1,736	213,448	-	-	-	-	-
	Grade (g/t)	1.00	0.94	0.94	1.00	0.96	-	-	-	-	-

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

- Tau – In Q4 2019, the Corporation continued mining in the main reef of the ore body with 82,316 tonnes at 2.67 g/t being mined (three months ended December 31, 2018 (“Q4 2018”) – 98,397 tonnes at 2.87 g/t). The tonnes and grade for Q4 2019 are reflective of the mine plan prepared by the Corporation. For 2019, 339,593 tonnes at 2.74 g/t were mined compared to 400,078 tonnes at 3.03 g/t for the twelve months ended December 31, 2018 (“2018”). The tonnes and grade for 2019 are reflective of the mine plan prepared by the Corporation.
- Tekwane – There was no mining at Tekwane during 2019. Mining at Tekwane was completed in Q2 2018 (Q4 2018 – nil tonnes and 2018 – 13,642 tonnes at 1.77 g/t).
- Monarch – Towards the end of Q1 2019 the Corporation commenced the hauling of material from the Monarch slimes dump located approximately 53 kilometres from the Mupane processing plant. There were 86,299 tonnes at an average grade of 1.00 g/t transported for Q4 2019 (Q4 2018 – nil), with 213,448 tonnes transported for 2019 at an average grade of 0.96 g/t (2018 – nil).

Note:

- (1) The mine plan prepared by the Corporation is based on internal reporting by the Corporation and not based on an independent feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. While there is some increased uncertainty and economic and technical risk associated with the Corporation’s production decision to proceed without an independent feasibility study, the Corporation has been mining underground at the Tau property for the past six years, it carried out its own internal feasibility study based on its historic mining to support the new mine plan and, as a result, it believes it as sufficient knowledge to manage the risks associated with that decision.

In addition, the Corporation is currently processing ore from its previously mined low grade stockpiles, which are located next to the processing plant at the Mupane Property, next to the Golden Eagle mine located approximately 26 kilometres from the Mupane Property, and on the Shashe mining lease located approximately 35 kilometres from the Mupane Property. In Q4 2019, it processed 37,110 tonnes at an average grade of 0.77 g/t (Q4 2018 – 124,864 tonnes at 0.77 g/t) and for 2019, it processed 201,102 tonnes at an average grade of 0.77 g/t (2018 – 431,830 tonnes at 0.88 g/t). The decrease in tonnes processed from low grade stockpiles is primarily due to the commencement of processing of the Monarch slimes dump material referred to above.

The Corporation has been notified by the Republic of Botswana Government that, as a mining operation, Mupane is deemed an essential operation and is allowed to keep operating during the country’s 28 day lockdown which commenced on April 2, 2020. For Mupane to continue in operation it has been working closely with the Department of Mines to agree on protocols to manage the potential for spread of COVID-19 between its employees and in particular, in its underground operations. During this period Mupane production has been restricted, although approval was granted on April 28, 2020 to recommence operations.

Processing

The following table sets forth certain key processing statistics at the Mupane Property for 2018 and 2019:

	2019					2018				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Ore milled (t)	187,548	205,000	178,918	161,323	732,789	216,539	221,156	214,378	179,085	831,158
Head grade (g/t)	1.71	1.76	2.12	1.69	1.72	1.77	1.87	2.19	2.09	1.97
Recovery (%)	82.8%	72.8%	71.4%	72.3%	74.8%	75.1%	64.2%	66.8%	63.5%	67.4%
Gold Production (oz)	6,839	8,435	8,694	6,326	30,294	9,245	8,545	10,088	7,649	35,527

Gold production in Q4 2019 was 6,839 ounces compared to 9,245 ounces in Q4 2018. The ore milled for Q4 2019 of 188kt (Q4 2018 – 217kt) was lower than the preceding quarters as a result of a mill drive fault limiting the feed rate to the semi-autogenous grinding (“SAG”) mill during the quarter. The mill drive fault was ongoing throughout Q4 2019 as the Corporation waited for the arrival of long lead spares from an overseas supplier. The grade in Q4 2019 of 1.71 g/t was below the grade for Q4 2018 of 1.77 g/t and was reflective of the feedstock available. The recovery for Q4 2019 of 82.8% was above the recovery for Q4 2018 of 75.1%. The increased recovery was reflective of the favourable mineralogy within the ore processed for Q4 2019, and the lower feed rate caused by the mill drive fault increasing retention time and having a positive impact on recovery.

Gold production for 2019 was 30,294 ounces compared to 35,527 ounces for 2018. The ore milled for 2019 of 733kt (2018 – 831kt) was lower than the preceding year with the average feed rate impacted by ongoing issues with the SAG mill motor armature and windings. This was due to an inconsistent incoming power feed, which was resolved in May 2019. In addition, the SAG mill ran in closed circuit during the first quarter, while completing the repair of the ball mill starter transformer which was damaged by inconsistent incoming power feed. The average feed rate in Q4 2019 was also negatively impacted by an unresolved mill drive fault. The grade for 2019 of 1.72 g/t was below the grade for 2018 of 1.97 g/t and was reflective of the feedstock available. The recovery for 2019 of 74.8% was above the recovery for 2018 of 67.4%. The increased recovery was reflective of the favourable mineralogy within the ore processed for 2019, and the increased retention time with periods of lower feed rate throughout the year having a positive impact on recovery.

Exploration

As discussed under “General Development of Business – “Botswana Prospecting Sites” above, the Corporation entered into the B2Gold Earn-in Agreement on March 19, 2018. Under the B2Gold Earn-in Agreement, B2Gold has the option to indirectly acquire, in tranches, up to 70% of the shares of Newco, which has been awarded two gold prospecting licences over an aggregate of approximately 520 km² located around the Corporation’s Mupane Property, excluding its current operations and mining licences, in Botswana.

During 2019, an Environmental Impact Statement was authorised by the Department of Environmental Affairs of Botswana. A detailed exploration programme was concluded over the Matopi soil geochemical anomalies and a light detection and ranging survey was flown covering both of Newco’s prospecting licences during 2019.

A joint technical team has approved a similar exploration programme for remaining anomalies during 2020 and it is contemplated that the Corporation will be in a position to report on the findings in early 2021. The

results of the 2020 exploration programme will be used by the technical team to decide on the programme for the next year.

The Corporation is continuing to conduct an exploration program over a number of prospects contained within its mining licences in Botswana with a view to replace resources that have been mined. The Corporation has planned for 2020 to continue to explore on Tau for both extension at depth and along strike, further to this geotechnical work has been planned at the Golden Eagle deposit for the envisaged underground workings. Additional depth extension exploration has been planned for the Dinokwe deposit.

On August 30, 2011, the Corporation filed a National Instrument 43-101 (“**NI 43-101**”) technical report in respect of the Mupane Property entitled “Independent Technical Report on the Mupane Gold Mine” dated May 10, 2011 (the “**Mupane Technical Report**”) authored by: Justin Glanvill, BSc. (Hons), GDE, MGSSA, Pr.Sci. Nat.; Joel Mungoshi, HND Met, BSc (Hons), MDP (Mining), MBL, MSAIMM; Markus Tilman Reichardt, M.A, PhD (candidate), John Francis Winchester Sexton, BSc, BCom, MBL and Robert Charles Croll, BSc, MBA on behalf of MSA Geoservices (Pty) Ltd. The summary section from the Mupane Technical Report is reproduced in its entirety at Exhibit “B” of this AIF and the detailed disclosure in the Mupane Technical Report is incorporated by reference herein. The Mupane Technical Report is available on the Corporation’s SEDAR profile at www.sedar.com.

Mineral Reserve and Mineral Resource Estimate

On March 18, 2013, the Corporation issued an update to the mineral resources in respect of the Mupane Property with an effective date of December 31, 2012 (the “**Mupane Update**”). The full text of the Mupane Update is available on the Corporation’s SEDAR profile at www.sedar.com.

The following tables summarise the calculated mineral reserve and mineral resource statements as at December 31, 2019 and 2018⁽¹⁾⁽²⁾⁽³⁾:

Galane Gold Mineral Reserves Effective Date: December 31, 2019

Mupane Gold Mining (Proprietary) Limited Mineral Reserves										
Category		Proven			Probable			Total		
Deposit	Cutoff grade (g/t)	Tons (000)	AU (g/t)	Au (000 oz)	Tons (000)	AU (g/t)	Au (000 oz)	Tons (000)	AU (g/t)	Au (000 oz)
Jims Luck *	0.90	-	-	-	681	2.16	47.4	681	2.16	47.4
Tholo	0.90	-	-	-	-	-	-	-	-	-
Golden Eagle *	0.90	-	-	-	261	1.50	12.6	261	1.50	12.6
Kwena *	0.90	-	-	-	629	1.83	37.0	629	1.83	37.0
Tau U/G **	1.50	-	-	-	255	2.25	18.4	255	2.25	18.4
Tekwane *	0.60	-	-	-	-	-	-	-	-	-
Mupane Stockpiles		20	0.98	0.6	-	-	-	20	0.98	0.6
Total		20	0.98	0.6	1,827	1.97	115.5	1,847	1.96	116.1

* Mineral reserves have been defined by Whittle analysis of the measured and indicated mineral resources, assuming a gold price of USD 1 400 per oz. See "Risk Factors".

** Mineral reserves have been defined by Mine Stope Optimisation analysis of the measured and indicated mineral resources, assuming a gold price of USD 1 300 per oz. See "Risk Factors"

Galane Gold Mineral Reserves
Effective Date: December 31, 2018

Mupane Gold Mining (Proprietary) Limited Mineral Reserves										
Category		Proven			Probable			Total		
Deposit	Cutoff grade (g/t)	Tons (000)	AU (g/t)	Au (000 oz)	Tons (000)	AU (g/t)	Au (000 oz)	Tons (000)	AU (g/t)	Au (000 oz)
Jims Luck *	0.90	-	-	-	681	2.16	47.4	681	2.16	47.4
Tholo	0.90	-	-	-	-	-	-	-	-	-
Golden Eagle *	0.90	-	-	-	261	1.50	12.6	261	1.50	12.6
Kwena *	0.90	-	-	-	629	1.83	37.0	629	1.83	37.0
Tau U/G **	1.50	-	-	-	517	2.16	36.0	517	2.16	36.0
Tekwane *	0.60	-	-	-	-	-	-	-	-	-
Mupane Stockpiles		24	1.30	1.0	-	-	-	24	1.30	1.0
Total		24	1.30	1.0	2,089	1.98	133.0	2,113	1.97	134.0

* Mineral reserves have been defined by Whittle analysis of the measured and indicated mineral resources, assuming a gold price of USD 1 400 per oz. See "Risk Factors".

** Mineral reserves have been defined by Mine Stope Optimisation analysis of the measured and indicated mineral resources, assuming a gold price of USD 1 300 per oz. See "Risk Factors"

Galane Gold Mineral Resource Statement
Effective Date: December 31, 2019

Mupane Gold Mining (Proprietary) Limited Mineral Resource statement													
Category		Measured			Indicated			Measured and Indicated			Inferred		
Deposit	Cutoff grade (g/t)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)
Jims Luck	0.50	859	1.05	29.0	1,659	1.20	64.0	2,519	1.15	93.0	1,337	1.08	46.4
Tholo	0.50	20	1.14	0.7	208	1.52	10.2	227	1.49	10.9	54	1.58	2.7
Golden Eagle	0.50	180	1.04	6.0	827	1.27	33.8	1,007	1.23	39.8	854	1.45	39.8
Kwena	0.50	217	0.92	6.4	519	1.20	20.0	736	1.12	26.4	1,641	1.11	58.6
Tau	0.80	307	3.06	30.2	535	2.59	44.6	842	2.76	74.9	474	2.94	44.8
Tekwane	0.60	-	-	-	-	-	-	-	-	-	125	2.36	9.5
Mupane Stockpiles		20	0.98	0.6	-	-	-	20	0.98	0.6	-	-	-
Total		1,603	1.42	73.0	3,748	1.43	172.6	5,352	1.43	245.6	4,485	1.40	201.9

Category		Measured			Indicated			Measured and Indicated			Inferred		
Dump	Cutoff grade (g/t)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)
Mupane Slimes Dump	0.30	12,851	0.42	174.2	-	-	-	12,851	0.42	174.2	-	-	-
Total		12,851	0.42	174.2	-	-	-	12,851	0.42	174.2	-	-	-

Galane Gold Mineral Resource Statement
Effective Date: December 31, 2018

Mupane Gold Mining (Proprietary) Limited Mineral Resource statement													
Category		Measured			Indicated			Measured and Indicated			Inferred		
Deposit	Cutoff grade (g/t)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)
Jims Luck	0.50	859	1.05	29.0	1,659	1.20	64.0	2,519	1.15	93.0	1,337	1.08	46.4
Tholo	0.50	20	1.14	0.7	208	1.52	10.2	227	1.49	10.9	54	1.58	2.7
Golden Eagle	0.50	180	1.04	6.0	827	1.27	33.8	1,007	1.23	39.8	854	1.45	39.8
Kwena	0.50	217	0.92	6.4	519	1.20	20.0	736	1.12	26.4	1,641	1.11	58.6
Tau	0.80	311	3.06	30.6	593	2.61	49.8	904	2.77	80.4	534	2.95	50.7
Tekwane	0.60	-	-	-	-	-	-	-	-	-	125	2.36	9.5
Mupane Stockpiles		24	1.30	1.0	-	-	-	24	1.30	1.0	-	-	-
Total		1,611	1.42	73.8	3,806	1.45	177.7	5,417	1.44	251.5	4,545	1.42	207.8

Category		Measured			Indicated			Measured and Indicated			Inferred		
Dump	Cutoff grade (g/t)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)	Tonnes (000)	AU (g/t)	Au (000 oz)
Mupane Slimes Dump	0.30	12,118	0.42	161.7	-	-	-	12,118	0.42	161.7	-	-	-
Total		12,118	0.42	161.7	-	-	-	12,118	0.42	161.7	-	-	-

Notes:

- Resource tonnages and gold grades were reported at a 0.5 g/t Au cut-off grade. Resources from contiguous portions of the mineralisation outside of the optimized pit shell, and potentially amenable to underground mining methods, were reported at a cut-off grade of 0.8 g/t Au. A cut-off grade of 0.3 g/t Au was used for the slimes dump due to the possible need for a different processing method. All resources were modelled using a 0.5 g/t Au grade cut-off for each mineralised zone, except Tau where a 0.8 g/t Au grade shell was used. A gold price of US\$1,400 was used for all deposits other than for Tau which used a gold price of US\$1,300. As at December 31, 2019, the spot price for gold was approximately US\$1,523 per ounce. See “Risk Factors”.
- All mineral reserves and mineral resources have been estimated in accordance with the CIM Definition Standards, and have been reviewed and approved by **Kevin Crossling Pr. Sci. Nat., MAusIMM.** and 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”). **Mr. Crossling** verified the technical and scientific data disclosed herein and has conducted appropriate verification on the underlying data.
- All mineral resources are reported exclusive of those mineral resources that were converted to mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The December 31, 2019 and 2018 mineral reserves and mineral resources were verified and approved by **Kevin Crossling Pr. Sci. Nat., MAusIMM.** and Business Development Consultant for Galane Gold, and a “qualified person” as defined by NI 43-101 and were partly based on earlier work, including the Mupane Technical Report. The authors of the Mupane Technical Report study were not directly involved with the calculation of the mineral reserves and mineral resources as at December 31, 2019, and 2018, and cannot comment on factors that could materially affect the updated mineral reserve and resource estimate.

There are numerous parameters inherent in estimating mineral reserves and mineral resources, including many factors beyond the Corporation’s control. The estimation of mineral reserves and mineral resources is a subjective process, and the accuracy of any mineral reserves and mineral resources estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. There is no certainty that such estimates will be realized. Results from drilling, testing and production, as well as material changes in metal prices subsequent to the date of an estimate, may justify a revision of such estimates.

Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized

as mineral reserves. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

Galaxy Property

The Galaxy Property is located approximately 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit (Mbombela), in the Mpumalanga Province of South Africa and covers an area of 5,863 ha.

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

On March 5, 2018, the Corporation announced that it had entered into the Barak Facility. See “General Development of the Business – Secured Loan Facility”. The Corporation completed the various conditions precedent to the Barak Facility on October 1, 2018 and began making drawdowns on the Barak Facility in February 2019. The mining of the first ore and production of the first concentrate at the Galaxy Property occurred in April 2019.

The Galaxy project was placed on temporary care and maintenance in late March, as mandated by the Government of South Africa. On April 23, 2020, the Corporation was notified that Galaxy had been designated as an essential service and can operate at 50% of its normal capacity. The Corporation is currently working on a plan that complies with the capacity and enhanced operating requirements and is expecting to see the recommencement of operations at Galaxy on or about May 4, 2020.

On January 26, 2016, the Corporation filed a NI 43-101 technical report in respect of the Galaxy Property entitled “A Technical Report on the Galaxy Gold Mine, Mpumalanga Province, South Africa” which was issued January 4, 2016 with an effective date of September 1, 2015 (the “**Galaxy Technical Report**”), and was prepared by Minxcon (Pty) Ltd and approved by Daniel van Heerden, B Eng (Min.), MCom (Bus. Admin.), Pr. Eng., FSAIMM, AMMSA, a Qualified Person as defined by NI 43-101. The Galaxy Technical Report satisfies the requirements to be a pre-feasibility study and was reviewed by the Directors of Minxcon (Pty) Ltd, specifically, Daniel van Heerden; Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat., MGSSA; Dario Clemente, NHD (Ext. Met.), GCC, BLDP (WBS), MMMA, FSAIMM; and Johan Odendaal, BSc (Geol.), BSc (Min. Econ.), MSc (Min. Eng.), Pr.Sci.Nat., FSAIMM, MGSSA, all of whom are Qualified Persons as defined by NI 43-101 and independent of the Corporation for the purposes of NI 43-101. The mine comprises 21 east-west trending gold ore bodies and four prospects at 600 – 2,000 m depth. The Galaxy Technical Report covers the following ore bodies:

- Woodbine, Giles, Galaxy, Golden Hill, Agnes Top, Pioneer & Tiger Trap and Princeton ore bodies;
- Ivy and Ceska Shaft Pillars; and
- Woodbine (East, North and South), Alpine Pioneer, Hostel (East and West) and Biox North historical dumps.

The summary section from the Galaxy Technical Report is reproduced in its entirety at Exhibit “C” of this AIF and the detailed disclosure in the Galaxy Technical Report is incorporated by reference herein. The Galaxy Technical Report is available on the Corporation’s SEDAR profile at www.sedar.com. The following table summarises the mineral resource and mineral reserve estimates of the Galaxy Technical Report. A gold price of US\$1,130 and an exchange rate of ZAR11.70/US\$1.00 was used. As at December

31, 2019, the spot price for gold was approximately US\$1,515 per ounce and the exchange rate was ZAR13.97/US\$1.00. See “Risk Factors”.

Summarised Galaxy Property Mineral Resources as at August 31, 2015

Mineral Resource Category	Tonnes t	Grade Au g/t	Content Au Oz
Measured mineral resource	1,876,126	3.37	203,435
Indicated mineral resource	4,350,781	2.85	399,261
Measured and Indicated	6,226,907	3.01	602,696
Inferred mineral resource	8,095,521	3.40	886,199

Notes:

1. Mineral resource estimation was carried out by Mr. P. Obermeyer of Minxcon (BSc Hons (Geol.), Pr.Sci.Nat.) under supervision of and verified by Mr U Engelmann, as qualified person of the Technical Report.
2. The inferred mineral resources have a large degree of uncertainty as to their existence and whether they can be mined economically or legally.
3. Only mineral resources lying within the legal boundaries are reported.
4. Mineral resources are inclusive of mineral reserves.
5. Mineral resources are declared at cut-offs: Galaxy, Woodbine, Giles, Golden Hill, Princeton, Pioneer & Tiger Trap, Ivy shaft Pillar, Ivy to Agnes 3-11 Level = 1.8 g/t; Agnes Top = 1.00 g/t; surface dumps = 0.30 g/t.
6. All figures are in metric tonnes.
7. 1 kg = 32.15076 oz.

Summarised Galaxy Property Mineral Reserve Statement as at August 31, 2015

Mineral Reserve Category	Tonnes t	Grade Au g/t	Content Au Oz
Probable Mineral Reserves	1,457,322	3.37	169,586
Total Mineral Reserves	1,457,322	3.37	169,586

Notes:

1. Tonnages refer to tonnes delivered to the metallurgical plant.
2. All figures are in metric tonnes.
3. 1 kg = 32.15076 oz.
4. Different dilution, recovery and mine call factor applied to each ore body and tailings storage facility.
5. Pay limits calculated: USD/oz. = 1,130 and exchange rate of ZAR11.70/US\$1.00.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that any of the mineral resources disclosed in this AIF 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.

Special Skill and Knowledge

Operations in the gold exploration, development and production industry mean that the Corporation requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development, and production activities, the Corporation requires the expertise of engineers, exploration geophysicists and geologists, among others, and employs, directly and indirectly, such persons as required.

Competition

The mining industry in Botswana, South Africa and Africa in general is intensely competitive in all of its phases. Galane competes with a number of other entities in the search for and the acquisition of productive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than Galane, it may be unable to acquire attractive properties in the future on terms it

considers acceptable. Galane competes for funding with other public resource companies, many of whom have greater financial resources and/or more advanced properties and whom are better able to attract equity investments and other capital.

Environmental Matters

Galane's exploration, development and production activities are subject to various laws and regulations regarding the protection of the environment. If needed, and to the extent that it can be done economically, Galane will make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse effect on the Corporation, both financially and operationally, by potentially increasing capital and/or operating costs and delaying or preventing the development of mineral properties.

Employees

As of December 31, 2019, the Corporation had approximately 207 full-time employees, of which 162 are located in Botswana and 45 in South Africa. In addition, Galane engages contractors and consultants from time to time to work on specific properties and for administrative, legal and other services as required.

DIVIDEND RECORD AND POLICY

The Corporation has never declared nor paid dividends on the Common Shares. Currently, Galane intends to retain its future earnings, if any, to fund the development and growth of its business, and the Corporation does not anticipate declaring or paying any dividends on the Common Shares in the near future, although it reserves the right to pay dividends if and when it is determined to be advisable by Galane's board of directors. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in the Common Shares in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares of which 223,400,910 Common Shares are issued and outstanding as of the date hereof. The holders of Common Shares are entitled to dividends as and when declared by the board of directors of the Corporation, to receive notice of and one vote per Common Share at meetings of the shareholders of the Corporation and, upon liquidation, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the Exchange and trade under the stock symbol "GG". The Common Shares are also listed on the OTCQB and trade under the stock symbol "GGGOF". The following table sets forth, for the periods indicated, the reported high and low prices and the trading volume of the Common Shares on the Exchange:

Calendar Period	High	Low	Trading Volume
January 2019	0.06	0.05	1,186,840
February 2019	0.055	0.045	1,484,160
March 2019	0.05	0.04	1,748,410
April 2019	0.05	0.045	878,090
May 2019	0.05	0.04	1,944,780
June 2019	0.06	0.045	3,934,470
July 2019	0.055	0.045	2,535,110
August 2019	0.095	0.05	22,306,380
September 2019	0.13	0.065	13,691,250
October 2019	0.11	0.075	3,751,630
November 2019	0.13	0.09	4,065,170
December 2019	0.11	0.08	2,177,160

Prior Sales

The following table sets forth the securities of the Corporation that were issued during the most recently completed financial year but not listed or quoted on a market place:

Issue/Grant Date	Type of Security	Number of Securities	Exercise Price	Expiry Date
November 7, 2019	Common Shares ⁽¹⁾	160,000	-	-
December 31, 2019	Common Shares ⁽¹⁾	22,436,150	-	-

Notes:

- (1) Issued pursuant to the Corporation's Restricted Share Unit Plan.
- (2) Issued pursuant to the exercise of 2018 Warrants.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

As of December 31, 2019, none of the securities of the Corporation were held in escrow or were subject to contractual restriction on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

The table presented below provides the names of Galane's current directors and executive officers, the offices held by them and the date of their first appointment, as of the date hereof:

Name and Place of Residence	Position(s) Held	Principal Occupation During Previous Five Years	Director Since ⁽¹⁾
Ravi Sood ⁽²⁾ Ontario, Canada	Chairman	Signal 8 Limited, Managing Director (Oct/10 to present)	October 24, 2007

Name and Place of Residence	Position(s) Held	Principal Occupation During Previous Five Years	Director Since ⁽¹⁾
Nicholas Brodie London, United Kingdom	Chief Executive Officer and Director	Galane, Chief Executive Officer (Nov/14 to present); Galane, Chief Financial Officer (Oct/10 to Nov/14)	November 10, 2014
Gavin Vandervegt Queensland, Australia	Chief Financial Officer	Galane, Chief Financial Officer (Oct/16 to present); Nautilus Minerals, Group Financial Controller (Nov/11 to Oct/16)	-
Wayne Hatton-Jones Queensland, Australia	Chief Operating Officer	Galane, Chief Operating Officer (Nov/14 to present); Galane (Mupane Gold Mining (Pty) Ltd.), General Manager (July/13 to present)	-
Amar Bhalla ⁽²⁾⁽³⁾ Ontario, Canada	Director	Capit Investment Corp., President (1999 to present)	October 24, 2007
Ken Crema ⁽³⁾	Director	S&P Data, Partner (2005 to present)	November 25, 2019
Dino Titaro ⁽²⁾⁽³⁾	Director	Yamana Gold Inc., Director (August/05 to present) Avidian Gold Corp., Director (June/16 to present); Avidian Gold Corp., President (June/16 to August/18); Avidian Gold Corp., Chief Executive Officer (June/16 to March/18)	June 14, 2019

Notes:

- (1) All of the Corporation's directors serve until the next annual meeting of shareholders or until such director's successor is duly elected or appointed.
- (2) Member of the Audit Committee,
- (3) Member of the Corporate Governance and Nominating Committee and Compensation Committee.

Shareholdings

As of the date hereof, Galane's directors and executive officers as a group beneficially owned, or controlled or directed, directly or indirectly 29,988,984 Common Shares, representing approximately 12.85% of the issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as set forth below, no director or executive officer of the Corporation is, as at the date of this AIF, or has been within the last ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Other than as set forth below, no director or executive officer of the Corporation or any shareholder holding a sufficient number of Common Shares to affect materially the control of the Corporation:

- (a) is, as at the date of this AIF, or has been within the last ten years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Corporation.

Each of Amar Bhalla and Ravi Sood was a director of TriNorth Capital Inc. (now Difference Capital Funding Inc.), a reporting issuer that became subject to a cease trade order issued by the Ontario Securities Commission on May 19, 2010 as a result of the failure to file audited annual financial statements for the financial year ended December 31, 2009, the related management's discussion and analysis and the certification of the foregoing filings when due as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The order was revoked on July 6, 2010.

Dino Titaro was a director of Carpathian Gold Inc. (now Euro Sun Mining Inc.), a reporting issuer that became subject to a cease trade order issued by the Ontario Securities Commission on April 4, 2014 as a result of the failure to file audited annual financial statements for the financial year ended December 31, 2013, the related management's discussion and analysis and the certification of the foregoing filing when due as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The order was revoked on June 19, 2014, following the filing of the required disclosure documents.

Dino Titaro was a director of Royal Coal Corp., a reporting issuer, that became subject to a cease trade order issued by the Ontario Securities Commission on May 17, 2012 as a result of the failure to file audited annual financial statements for the financial year ended December 31, 2011, the related management's discussion and analysis and the certification of the foregoing filing when due as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The order was remains in effect.

The Corporation was delisted from the Botswana Stock Exchange (the “BSE”) effective August 14, 2017 for failure to pay certain fees required by the BSE’s listing requirements. The delisting of Galane from the BSE followed a temporary suspension of Galane’s listing on the BSE that was imposed on July 13, 2017.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors and executive officers.

CONFLICTS OF INTEREST

To the best of the Corporation’s knowledge, other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Corporation and any directors or officers of the Corporation, except that certain of the directors and officers serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Corporation and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors and officers conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (Ontario) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the directors and officers of the Corporation, there are no legal proceedings material to Galane to which Galane or its subsidiaries, are or were a party to, or of which any of their respective property is or was the subject matter of, during the financial year ended December 31, 2019, nor are any such proceedings known to be contemplated.

To the knowledge of the directors and officers of Galane, no penalties or sanctions have been imposed against Galane or its subsidiaries by a court or by a regulatory authority during the financial year ended December 31, 2019, no penalties or sanctions have been imposed against Galane by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision in respect of Galane, and no settlement agreements have been entered into by Galane before a court relating to securities legislation or with a securities regulatory authority during Galane’s financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, none of the directors or executive officers of the Corporation, or persons or companies that beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Common Shares, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since January 1, 2017, or during the current financial year, which has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal offices in the city of Toronto, Ontario.

MATERIAL CONTRACTS

The only contracts that are material to the Corporation that were entered into either (i) during the year ended December 31, 2019; or (ii) prior to January 1, 2019 that are still in effect, other than contracts entered into in the ordinary course of business, are:

- (a) the Barak Facility; and
- (b) the B2Gold Earn-in Agreement.

Particulars of the Barak Facility and the B2Gold Earn-in Agreement are disclosed under the heading “General Development of the Business” above.

INTERESTS OF EXPERTS

The auditor of the Corporation is PricewaterhouseCoopers LLP. The Corporation’s consolidated financial statements as of December 31, 2019, and for the year then ended have been filed under NI 51-102 in reliance on the report of PricewaterhouseCoopers LLP, given its authority as an expert in auditing and accounting. PricewaterhouseCoopers LLP is independent with respect to the Corporation within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The authors of the Mupane Technical Report are listed under “Description of the Business – Mupane Property” above. As a group, such authors beneficially own, directly or indirectly, less than 1% of any class of the Corporation’s outstanding securities. The authors of the Galaxy Technical Report are listed under “Description of the Business – Galaxy Property” above. As a group, such authors beneficially own, directly or indirectly, less than 1% of any class of the Corporation’s outstanding securities.

AUDIT COMMITTEE

Audit Committee’s Charter

The charter (the “**Audit Committee Charter**”) of the Corporation’s Audit Committee is reproduced as Exhibit “A”.

Composition of Audit Committee

The Audit Committee is composed of Amar Bhalla, Ravi Sood and Dino Titano, each of whom is a director of the Corporation. In accordance with Exchange Policy 3.1, the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation.

A majority of the members of the Audit Committee are “independent” as such term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Mr. Sood is an executive officer of the Corporation and is not considered to be independent under NI 52-110. The Corporation is of the opinion that all three members of the Audit Committee are “financially literate” as such term is defined in NI 52-110.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Ravi Sood was educated at the University of Waterloo (B. Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards. From 2001 to 2010, he led the investment activities of Navina Asset Management Inc. and its predecessor company, Lawrence Asset Management Inc. He currently serves as an officer or director of several public and private companies.

Dino Titaro had held senior management positions at Carpathain Gold Inc., A.C.A. Howe International and currently serves as a director of Yamana Gold Inc. and Avidian Gold Corp. He has considerable experience in project management, feasibility studies, reserve estimation, due diligence studies, valuation studies, social and environmental permitting process for mine construction and development and related risk management, and has extensive corporate and operational experience. Mr. Titaro is a geologist with an MSc degree in economic geology for the University of Western Ontario and is a qualified person as defined by National Instruction 43-101 and is registered as a P.Geo in Ontario.

Amar Bhalla is the President of Capit Investment Corp., an investment management firm focused on private equity and venture capital. He has also served as a member of the audit committee of a number of other reporting issuers. Mr. Bhalla received his C.F.A. designation in September 2004 and received his B.A. degree from McGill University in June 1999.

Audit Committee Oversight

At no time since the commencement of Galane's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of Galane's external auditors not been adopted by the board of directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

Audit Fees – Galane's external auditor invoiced approximately \$228,985 for the financial year ended December 31, 2018 and \$239,130 for the financial year ended December 31, 2019.

Audit-Related Fees – Galane's external auditor invoiced approximately \$3,500 for the financial year ended December 31, 2018 and \$8,600 for the financial year ended December 31, 2019.

Tax Fees – Galane's external auditor invoiced nil for the financial year ended December 31, 2018 and nil for the financial year ended December 31, 2019.

All Other Fees – Galane did not pay any other fees during the financial years ended December 31, 2018 and 2019 respectively, for services other than those reported above.

Venture Issuer Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

RISK FACTORS

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Corporation faces. Additional risks and uncertainties, including those that the Corporation does not know about now or that it currently deems immaterial, may also adversely affect the Corporation's business.

Risk Factors relating to the Business of Galane

Galane depends on two mineral projects

The Mupane Property and the Galaxy Property are the Corporation's only material properties, and account for all of the Corporation's current mineral resources and reserves and the potential for the future generation of revenue under the current work program. Any adverse development affecting the progress of the Mupane Property or the Galaxy Property such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Corporation's financial performance and results of operations.

Gold price volatility may affect the future production, profitability, financial position and financial condition of the Corporation

The development and success of the Mupane Property and the Galaxy Property are primarily dependent on the future price of gold. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Corporation. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious metals has fluctuated widely in recent years and declined dramatically in 2013, and future serious price declines could cause continued development of, and commercial production from, the Corporation's properties to be impracticable or uneconomic. Depending on the price of gold, projected cash flow from planned mining operations may not be sufficient and the Corporation could be forced to discontinue development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Corporation's mining properties is dependent on gold prices that are adequate to make these properties economically viable.

Furthermore, reserve calculations and life-of-mine plans using lower gold prices could result in material write-downs of the Corporation's investment in mining properties and increased amortization, reclamation and closure charges. In addition to adversely affecting the Corporation's mineral reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately

determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Fluctuations in gold prices may materially adversely affect the Corporation's financial performance or results of operations. If the world market price of gold was to drop and the prices realized by the Corporation on gold sales were to decrease and remain at such a level for any substantial period, the profitability of the Corporation and cash flow would be negatively affected. The world market price of gold has fluctuated widely during the last several years. If the market price of gold falls and remains below production costs of the Corporation's mining operations for a sustained period, losses would be sustained, and, under certain circumstances, there may be a curtailment or suspension of some or all of its mining and exploration activities. The Corporation would also have to assess the economic impact of any sustained lower gold prices on recoverability and, therefore, the cut-off grade and level of the Corporation's gold mineral reserves and resources. These factors could have an adverse impact on the Corporation's production estimates, future cash flows, earnings, results of operations, stated mineral reserves and financial condition.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions

The Corporation conducts its mining, development and exploration activities in Botswana and South Africa. The Corporation's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Corporation's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits (including permits necessary for executives and key employees to work in Botswana and South Africa), corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties to honour contractual relations, corruption, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Corporation of its legal rights to exploit its properties may not be recognized by the government of Botswana or government of South Africa or by their respective court systems. These risks may limit or disrupt the Corporation's operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

The economies and political systems of Botswana and South Africa should be considered by investors to be less predictable than those in countries in which the majority of investors are likely to be resident. The possibility that the current, or a future, government may adopt substantially different policies, take arbitrary action which might halt production, extend to the re-nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Corporation's results of operations and financial condition.

The Corporation may experience regulatory, consent or permitting delays

The business of mineral exploration, project development, mining and processing is subject to various national and local laws and plans relating to: permitting and maintenance of title; environmental consents;

taxation; employee relations; heritage/historic matters; health and safety; royalties; land acquisition; and other matters.

There is a risk that the necessary permits, consents, authorizations and agreements to implement planned exploration, project development, or mining may not be obtained under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

The Corporation's exploration, development and mining activities are situated entirely in two countries

The Corporation conducts its exploration, development and mining activities entirely in Botswana and South Africa. Galane believes that the Government of Botswana and the Government of South Africa support the development of natural resources. There is no assurance that future political and economic conditions in Botswana and South Africa will not result in their respective governments adopting different policies respecting foreign development and ownership of mineral resources. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the Corporation's ability to undertake exploration and development activities in respect of future properties as well as its ability to continue to explore, develop and mine those properties in respect of which it has obtained mineral exploration rights to date.

The Corporation relies on its management team and outside contractors, and the loss of one or more of these persons may adversely affect Galane

The success of the operations and activities of the Corporation is dependent to a significant extent on the efforts and abilities of its management and outside contractors. The Corporation's management team is concentrated on a small number of key employees. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. Galane does not have in place formal programs for succession of management and training of management, nor does it hold key person insurance on these individuals. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect the Corporation's profitability, results of operations and financial condition. Certain executives and key employees of the Corporation require permits to work and reside in Botswana or South Africa. There is no guarantee that the Government of Botswana or the Government of South Africa, as applicable, will grant such permits, or if granted, that such permits will be renewed or not revoked.

Galane's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

Galane's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes or slowdowns, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment or laws, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Galane's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Corporation may also be unable to maintain insurance to cover certain risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any

resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Galane or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, labour force disruptions, unavailability of materials and equipment, weather conditions, pit wall failures, rock bursts, groundfalls, slope failures, cave-ins, flooding, seismic activity, water conditions and gold bullion losses and other natural or man-provoked incidents that could affect the mining of ore, most of which are beyond the Corporation's control. These risks and hazards could result in: damage to, or destruction of, mineral properties or production facilities; personal injury or death; environmental damage; delays in mining; and monetary losses and possible legal liability. As a result, production may fall below historic or estimated levels and the Corporation may incur significant costs or experience significant delays that could have a material adverse effect on the Corporation's financial performance, liquidity and results of operations. To minimize risks in these areas, the Corporation provides training programs for employees and has joint management-worker committees to review work practices and environment.

Currency fluctuations may affect the costs that the Corporation incurs in its operations

The revenue from financing activities may be received in Canadian dollars while a significant portion of its operating expenses will be incurred in United States dollars, Botswana Pulas, South African Rand and other foreign currencies. From time to time, the Corporation will borrow funds and will incur capital expenditures that are denominated in foreign currency. Gold is sold throughout the world, based principally on a U.S. dollar price, but as stated above, a significant portion of the Corporation's operating expenses are incurred in non-U.S. dollar currencies. The appreciation of non-U.S. dollar currencies in those countries where the Corporation has mining, exploration and/or development operations against the U.S. dollar would increase the costs of gold production at such operations which could materially and adversely affect the Corporation's profitability, results of operation and financial position.

Failure to generate sufficient cash flow from operations to fund the Corporation's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production.

To fund growth, Galane may depend on securing the necessary capital through loans or other forms of permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Corporation and its projects. In addition, a portion of Galane's activities is directed to the search for and the development of new mineral deposits. The Corporation may be required to seek additional financing to maintain its capital expenditures at planned levels. Galane will also have additional capital requirements to the extent that it decides to expand its present operations and exploration activities or construct additional new mining and processing operations or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise. Financing may not be available when needed or, if available, may not be available on terms acceptable to the Corporation. Failure to obtain any financing necessary for the Corporation's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production.

In order to finance future operations and development efforts, Galane expects to have sufficient cash flow from operations, but may raise funds through project financing or the issue of Common Shares or the issue of securities convertible into Common Shares.

The constating documents of Galane allow it to issue, among other things, an unlimited number of Common Shares for such consideration and on such terms and conditions as may be established by the directors of the Corporation, in many cases, without the approval of shareholders. The Corporation cannot predict the size of future issues of Common Shares or the issue of securities convertible into Common Shares or the effect, if any, that future issues and sales of the Common Shares will have on the market price of the Common Shares. Due to recent market volatility, there may be an increased risk of dilution for existing shareholders should Galane need to issue additional Common Shares at a lower share price to meet its capital requirements. Any transaction involving the issue of previously authorized but unissued Common Shares or securities convertible into Common Shares, would result in dilution, possibly substantial, to the then current shareholders.

The Corporation's fair value estimates with respect to the carrying amount of mineral interests are based on numerous assumptions and may differ significantly from actual fair values.

Periodically, the Corporation evaluates the carrying amount of mineral interests to determine whether the effect of current events and circumstances indicate such carrying amount may no longer be supportable, which becomes more of a risk in the global economic conditions that exist currently. The fair values of its reporting units are based, in part, on certain factors and assumptions that may be partially or totally outside of the Corporation's control. This evaluation involves a comparison of the estimated fair value of the Corporation's reporting units to their carrying values. The Corporation's fair value estimates are based on numerous assumptions and may differ from actual realizable values and these differences may be significant and could have a material effect on the Corporation's financial position and/or results of operation. If the Corporation fails to achieve its valuation assumptions or if any of its reporting units experiences a decline in its fair value, then this may result in an impairment charge, which would reduce the Corporation's earnings.

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and may be vulnerable to sudden changes.

Mining tax regimes in foreign jurisdictions may be subject to different interpretations and may be subject to sudden changes. In some cases, fiscal stability guarantees are in place which provide a measure of protection. Galane's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Corporation's operations may be assessed, which could result in significant additional taxes, penalties and interest.

Galane's mineral reserves and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold will be produced.

Reserves are statistical estimates of mineral content and ore based on limited information acquired through drilling and other sampling methods and require judgmental interpretations of geology. Successful extraction requires safe and efficient mining and processing. Galane's mineral reserves and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. It

cannot be assumed that all or any part of Galane's mineral resources constitute or will be converted into reserves. Market price fluctuations of gold, as well as increased production and capital costs or reduced recovery rates, may render Galane's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralisation uneconomic. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mineral reserves to be reduced or Galane to be unprofitable in any particular accounting period. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the Corporation to reduce its mineral reserves and resources, which could have a negative impact on the Corporation's financial results. Failure to obtain necessary permits or government approvals could also cause Galane to reduce its reserves. There is also no assurance that Galane will achieve indicated levels of gold recovery or obtain the prices for gold production assumed in determining the amount of such reserves. Level of production may also be affected by weather or supply shortages.

Inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

The Corporation must continually replace reserves depleted by production to maintain production levels over the long term.

Galane must continually replace reserves depleted by production to maintain production levels over the long term. The life-of-mine estimates for the Mupane Property and the Galaxy Property are based on a number of factors and assumptions and may prove to be incorrect. In addition, mine life would be shortened if production is expanded. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Corporation's exploration projects involve many risks and may be unsuccessful. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. The mineral base of Galane may decline if reserves are mined without adequate replacement and the Corporation may not be able to sustain production beyond the current mine life, based on current production rates.

Feasibility studies may be used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future gold prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the gold from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result the Corporation cannot give assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated, thereby impacting on the economic viability of the project.

The ability of the Corporation to sustain or increase its present levels of gold production is dependent in part on the success of its projects, which are subject to numerous known and unknown risks.

The ability of Galane to sustain or increase its present levels of gold production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects include: the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs of such projects; and the future prices of the relevant minerals. Projects have no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Actual costs and economic returns may differ materially from the Corporation's estimates or the Corporation could fail to obtain the governmental approvals necessary for the operation of a project, in which case, the project may not proceed, either on its original timing, or at all.

The validity of mining interests held by Galane can be uncertain and may be contested, and there can be no assurance that Galane will continue to be able to compete successfully with its competitors in acquiring such properties and assets or in attracting and retaining skilled and experienced employees.

The validity of mining interests held by Galane can be uncertain and may be contested. Acquisition of title to mineral properties is a very detailed and time-consuming process, and the Corporation's title to its properties may be affected by prior unregistered agreements or transfers, or undetected defects. Several of the Corporation's licenses will need to be renewed, and on renewal the license may cover a smaller area. There is a risk that Galane may not have clear title to all of its mineral property interests, or they may be subject to challenge or impugned in the future. Although the Corporation has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to undeveloped properties, may be defective. A successful challenge to Galane's title to its properties could result in the Corporation being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material and adverse effect on the Corporation. Galane competes with other mining companies and individuals for mining interests on exploration properties and the acquisition of mining assets, which may increase its cost of acquiring suitable claims, properties and assets, and the Corporation also competes with other mining companies to attract and retain key executives and employees. There can be no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties and assets or in attracting and retaining skilled and experienced employees. The mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labour and these shortages have caused unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Galane is subject to risks and expenses related to reclamation costs and related liabilities.

Galane is generally required to submit for governmental approval a reclamation plan (some of which are reassessed on regular basis) and to pay for the reclamation of its mine sites upon the completion of mining activities. The Corporation estimates the net present value of future cash outflows reclamation costs at all properties under IFRS at approximately US\$5.6 million as at December 31, 2019 based on information available as of that date. Any significant increases over the current estimates of these costs could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

The operations of Galane are carried out in geographical areas which lack adequate infrastructure and are subject to various other risk factors.

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants which

affect capital and operating costs. Lack of such infrastructure or unusual or infrequent weather phenomena, sabotage, terrorism, government, or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition, and results of operations.

Galane is dependent on its workforce to extract and process minerals, and is therefore sensitive to a labour disruption.

Galane is dependent on its workforce to extract and process minerals. The Corporation has programs to recruit and train the necessary manpower for its operations and endeavours to maintain good relations with its workforce in order to minimize the possibility of strikes, lock-outs and other stoppages at its work sites. Relations between the Corporation and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Corporation carries on business. Labour disruptions at the Mupane Property or the Galaxy Property could have a material adverse impact on Galane's business, results of operations and financial condition. Some of the Corporation's employees are represented by labour unions under various collective labour agreements. Galane may not be able to satisfactorily renegotiate its collective labour agreements when they expire. In addition, existing labour agreements may not prevent a strike or work stoppage at the Corporation's facilities in the future, and any such work stoppage could have a material adverse effect on the Corporation's earnings and financial condition.

There are health risks associated with the mining work force in Africa.

Malaria and other diseases such as HIV/AIDS represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa and are a major healthcare challenge faced by Galane's operations in Africa. There can be no assurance that the Corporation will not lose members of its workforce or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition.

Galane is vulnerable to supply chain disruptions, major health issues, pandemics and COVID-19

Galane and its suppliers may be affected by, among other things, disruptions related to major health issues or pandemics, including increases in labour and fuel costs, labour disruptions, regulatory changes, political or economic instability or civil unrest, trade restrictions, tariffs, transport capacity and costs and other factors relating to trade. In particular, major health issues and pandemics may impact commerce and travel and may adversely affect trade and global and local economies.

Recently, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, restrictions on trade and movement of goods, self-imposed isolation or quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. As a result, the Corporation may experience labour shortages, and the inability to operate its facilities as a result of a direction from national, provincial, or local health authorities. The closure of borders and the implementation of travel bans may adversely affect the Corporation's ability to conduct its business.

Effective March 27, 2020, South Africa ordered all mines to be put on care and maintenance. As a consequence, production at the Corporation's Galaxy Property has temporarily ceased. While the Corporation has taken steps to position itself to restart operations immediately once permitted by the government, there is no guarantee as to when operations will be permitted to resume. Such a halt in

operations will have a material adverse effect on the Corporation's ability to operate its business in South Africa.

The order by South Africa will also affect the Corporation's operations at its Mupane Property in Botswana, as the majority of its critical supplies are sourced from South Africa. Botswana has similarly ordered a shutdown of non-essential services within the country. While mining operations are currently classified as essential in Botswana and permitted to operate, such a shutdown may impact critical supplier and businesses on which the Corporation relies. As a result, there is no guarantee the Corporation will be able to attain sufficient supplies to continue operations in the future. There is no assurance when this period will end and, if the period is prolonged, the Corporation's cashflows, business, and financial condition may be adversely affected.

Global equity markets have experienced significant volatility and weakness. Such volatility and weakness in the global equity markets may adversely affect the Corporation's ability to raise necessary capital.

Given the ongoing and dynamic nature of the coronavirus outbreak, it is difficult to predict the impact it will have on the Corporation's business. Such factors are beyond the Corporation's control and may cause disruptions to the Corporation's suppliers and the Corporation's ability to operate its business. Such an outbreak, if uncontrolled, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Surrounding communities may affect mining operations through the restriction of access of supplies and workforce to the mine site or through legal challenges asserting ownership rights.

Surrounding communities may affect the mining operations through the restriction of access of supplies and workforce to the mine site. Certain of the properties of the Corporation may be subject to the rights or asserted rights of various community stakeholders. Active community outreach and development programs are maintained to mitigate the risk of blockades or other restrictive measures by the communities.

Artisanal miners make use of some or all of the Corporation's properties. This condition may interfere with work on Galane's properties and present a potential security threat to the Corporation's employees. There is a risk that Galane's operations may be delayed, or interfered with, due to the use of the properties by artisanal miners. The Corporation uses its best efforts to maintain good relations with the local communities in order to minimize such risks.

Galane's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the environment, health and safety.

Galane's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine and worker safety, protection of endangered and other special status species and other matters. The Corporation's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Corporation's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect Galane's operations, including its ability to explore or develop properties, commence production or continue operations. Failure to comply with applicable environmental and health and safety laws and regulations may result in injunctions, fines, suspension or revocation of permits and other penalties. The costs and delays associated with compliance with these laws, regulations and permits could prevent Galane from proceeding with the development of a project or the operation or further development of a mine or

increase the costs of development or production and may materially adversely affect the Corporation's business, results of operations or financial condition. The Corporation may also be held responsible for the costs of addressing contamination at the site of current or former activities or at third party sites. Galane could also be held liable for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant.

Measures required to address effluent compliance, fines and costs and/or the effluent quality may have a negative impact on Galane's financial condition or results of operations. The Corporation may also incur significant costs in connection with reclamation activities for its mining sites, which may materially exceed the provisions the Corporation has made for such reclamation. In addition, the unknown nature of possible future additional regulatory requirements and the potential for additional reclamation activities create further uncertainties related to future reclamation costs, which may have a material adverse effect on the Corporation's financial condition, liquidity or results of operations. Various environmental incidents can have a significant impact on operations.

Any acquisition that Galane may choose to complete may be of a significant size, may change the scale of Galane's business and operations and may expose Galane to new geographic, political, operating, financial and geological risks.

Galane may pursue the acquisition of producing, development and/or advance stage exploration properties and companies. The search for attractive acquisition opportunities and the completion of suitable transactions are time consuming and expensive, divert management attention away from the Corporation's existing business and may be unsuccessful. Any acquisition that Galane may choose to complete may be of a significant size, may change the scale of Galane's business and operations and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after Galane has committed to complete the transaction and established the purchase price or share exchange ratio; a material orebody may prove to be below expectations; Galane may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Corporation's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Corporation chooses to raise debt capital to finance any such acquisition, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, Galane may choose to finance any such acquisition with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Risks Relating to Ramp-up of Production at the Galaxy Property

The Corporation will require significant additional amounts of funding to increase production at the Galaxy Property, including costs associated with recruiting and training new personnel, refurbishing the existing plant, constructing a new tailings retreatment facility and recommencement underground mining operations. Increasing production will also be subject to various governmental approvals. There can be no assurance that the Corporation will be able to increase production at the Galaxy Property at all or on time or to budget due to, among other things, and in addition to those factors described above, changes in the economics of the mineral projects, the delivery and installation of plant and equipment and cost overruns, or that the

current personnel, systems, procedures and controls will be adequate to support the Corporation's operations. A failure by the Corporation to increase production at the Galaxy Property to the projected amounts could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Precious metal exploration projects may not be successful and are highly speculative in nature

The exploration for and development of precious metals involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a precious metal deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a precious metal deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of precious metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Corporation towards the search and evaluation of precious metal deposits will result in discoveries of commercial quantities of such metals.

The development of the properties relating to the B2Gold Earn In Agreement into commercially viable mines cannot be assured

Gold development projects, such as the properties in Botswana relating to the B2Gold Earn In Agreement, have no operating history upon which to base estimates of future commercial viability. Estimates of mineral resources and mineral reserves are, to a large extent, based on the interpretation of geological data obtained from drillholes and other sampling techniques and feasibility studies. This information is used to calculate estimates of the capital cost and operating costs based upon anticipated tonnage and grades of gold to be mined and processed, the configuration of the mineral resource, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that differences from the estimates calculated could have a material adverse effect on Galane's business, financial condition, results of operations and prospects. There can be no assurance that the Corporation will be able to complete development of its mineral projects, or any of them, at all or on time or to budget due to, among other things, and in addition to those factors described above, changes in the economics of the mineral projects, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support the Corporation's operations. Should any of these events occur, it could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Risks related to climate change

The Corporation acknowledges climate change may adversely affect the Corporation's operations, and related legislation is becoming more stringent. The effects of climate change or extreme weather events may cause prolonged disruption to operations and/or the delivery of essential commodities which could negatively affect production efficiency. The Corporation makes efforts to mitigate climate risks by ensuring that extreme weather conditions are included in its emergency response plans. However, there is no assurance that the response will be effective or that the physical risks of climate change will not have an adverse effect on the Corporation's operations and profitability.

Risks related to information security

The Corporation is reliant on the continuous and uninterrupted operation of its information technology (“IT”) systems. User access and security of all sites and corporate IT systems can be critical elements to the operations of the Corporation. Protection against cyber security incidents, cloud security and security of all of the Corporation’s IT systems are critical to the operations of the Corporation. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Corporation. The Corporation’s IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, denial of access extortion, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Corporation’s employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or securities laws and regulations, and remediation costs, which could materially impact the Corporation’s business or reputation.

The use of derivative instruments involves certain inherent risks including credit risk, market liquidity risk and unrealized mark-to-market risk.

Galane may from time to time employ hedge (or derivative) products in respect of commodities, interest rates and/or currencies. Hedge (or derivative) products are generally used to manage the risks associated with, among other things, mineral price volatility, changes in commodity prices, interest rates, foreign currency exchange rates and energy prices. Where Galane will hold such derivative positions, the Corporation will deliver into such arrangements in the prescribed manner. The use of derivative instruments involves certain inherent risks including: (a) credit risk — the risk of default on amounts owing to the Corporation by the counterparties with which the Corporation has entered into such transactions; (b) market liquidity risk — the risk that Galane has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (c) unrealized mark-to-market risk — the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in Galane incurring an unrealized mark-to-market loss in respect of such derivative products.

In the case of a gold option based forward sales program, if the metal price rises above the price at which future production has been committed under an option based forward sales hedge program, Galane may have an opportunity loss. If the metal price falls below that committed price under an option based forward sales hedge program, revenues will be protected to the extent of such committed production. There can be no assurance that the Corporation will be able to achieve future realized prices for metal prices that may exceed the option based forward sales hedge program.

Additional Risk Factors

Galane’s share price will fluctuate.

The trading price of the Common Shares is subject to change and could fluctuate significantly in the future. The fluctuations could be in response to numerous factors beyond the Corporation’s control, including: quarterly variations in results of operations; changes in the price of gold; changes in securities analysts’ recommendations; announcements of acquisitions; changes in earnings estimates made by independent analysts; general fluctuations in the stock market; or revenue and results of operations below the expectations of public market securities analysts or investors. Any of these could result in a sharp decline in the market price of the Common Shares.

With the advent of the Internet, new avenues have been created for the dissemination of information. Galane has no control over the information that is distributed and discussed on electronic bulletin boards and investment chat rooms. The intention of the people or organizations that distribute such information may not be in the Corporation's best interest and the best interests of its shareholders. This, in addition to other forms of investment information including newsletters and research publications, could result in a sharp decline in the market price of the Common Shares. In addition, stock markets have occasionally experienced extreme price and volume fluctuations. These broad market fluctuations may cause a decline in the market price of the Common Shares.

Conflicts of interest may affect certain directors and officers of Galane.

Senior officers and directors of the Corporation own or control approximately 12.85% of the outstanding Common Shares. Certain conflicts may arise between such individuals' interests as members of the management team and their interests as shareholders. Such conflicts could arise, for example, with respect to the payment of salaries and bonuses and similar matters. The Corporation's directors and officers are subject to fiduciary obligations to act in the best interest of the Corporation.

Dividends

To date, Galane has not paid any dividends on the Commons Shares. The Corporation does not currently intend to pay any cash dividends on the Common Shares in the foreseeable future and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The Corporation's current policy is to retain earnings to finance its exploration and development activities and to otherwise reinvest in the Corporation. The Corporation's dividend policy will be reviewed from time to time by the Board of Directors of the Corporation in the context of its earnings, financial condition and other relevant factors. Until Galane pays dividends, which it may never do, its shareholders will not be able to receive a return on its Common Shares unless they sell them.

Lack of Liquidity; Concentration of Holdings

Persons purchasing Common Shares may not be able to resell the shares and may have to hold the shares indefinitely. In addition, purchasers may not be able to use their shares for collateral for loans and may not be able to liquidate at a suitable price.

Market Perception

Market perception of junior gold companies such as the Corporation may shift such that these companies are viewed less favourably. This factor could impact the value of investors' holdings and the ability of the Corporation to raise further funds, which could have a material adverse effect on the Corporation's business, financial condition and prospects.

Galane is subject to the risk of litigation, the causes and costs of which cannot be known.

Galane may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty. If the Corporation is unable to resolve these disputes favourably, it may have a material adverse impact on the Corporation's financial performance, cash flow and results of operations.

In the event of a dispute involving the foreign operations of the Corporation, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Galane's ability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Difficulties for investors in foreign jurisdictions in bringing actions and enforcing judgments

The majority of Galane's directors and officers reside outside of North America, and all or a substantial portion of their assets, and a substantial portion of Galane's assets, are located outside of North America. As a result, it may be difficult for investors in Canada to bring an action against directors or officers who are not resident in Canada. It may also be difficult for an investor to enforce a judgment obtained in a Canadian court or a court of another jurisdiction of residence predicated upon the civil liability provisions of federal or provincial securities laws or other laws of Canada or the equivalent laws of other jurisdictions outside Canada against those persons.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information relating to the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's management information circular for the most recent annual meeting of shareholders.

Additional financial information is provided in Galane's consolidated financial statements and management's discussion & analysis for the year ended December 31, 2019.

EXHIBIT "A"
AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the board of directors:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
- (a) reviewing the audit plan with management and the external auditor;
 - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall not be employees, Control Persons or officers of the Corporation.
4. If practicable, given the composition of the directors of the Corporation, each Member shall be financially literate.
5. The board of directors of the Corporation shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

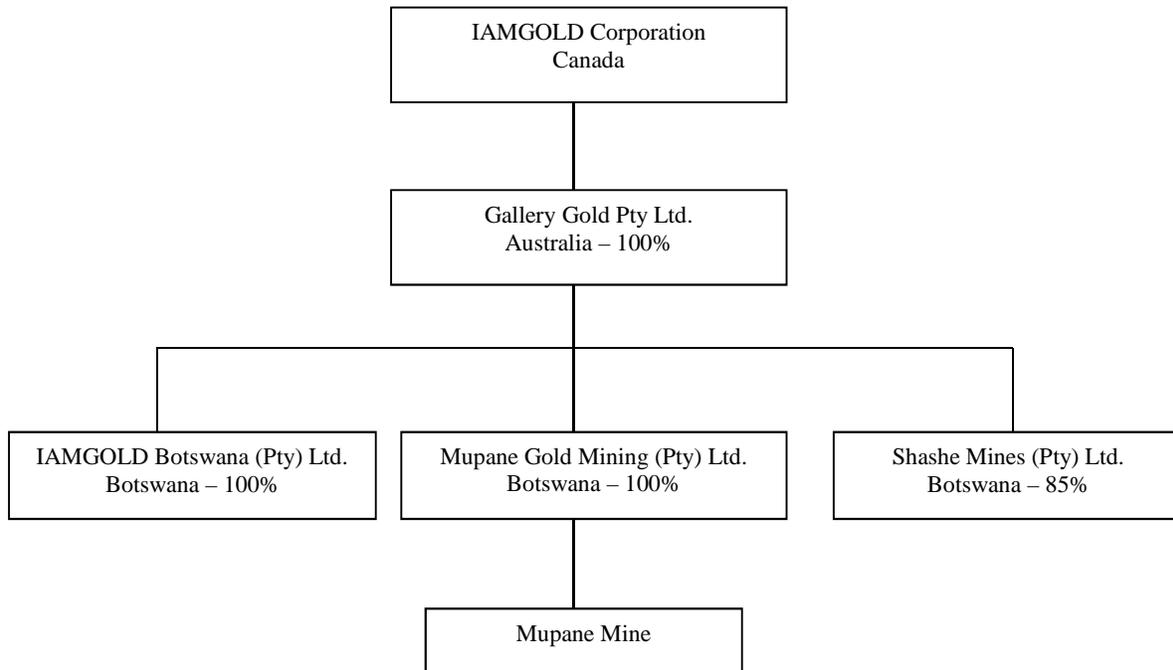
EXHIBIT "B"
SUMMARY FROM MUPANE TECHNICAL REPORT

1. SUMMARY

The Mupane Gold Mine is an operating gold mining venture owned by IAMGOLD Corporation (IAMGOLD) and situated in the Northeastern Province of Botswana, in southern Africa. Botswana has among the highest economic growth and literacy rates in Africa, and has remained stable since independence from Britain in 1966.

The mine has been in operation since 2004 and produced over 468 000 oz of gold up to the end of 2010 at an average grade of 2.19 g/t Au. It currently has a mining plan to mid-2013 based on NI43-101 compliant mineral reserves.

The corporate ownership structure of the mine is as follows:



Carlaw Capital III Corp. (Carlaw) intends to acquire the mine from IAMGOLD through its subsidiary Galane Gold Mines Ltd, by acquiring 100% of Gallery Gold (Pty) Ltd (Gallery Gold) for a net price of USD 33.5 million. The share purchase agreement was signed on 6th May 2011. The main assets of Gallery Gold are as follows:

- 100% of Mupane Gold Mining (Pty) Ltd. (MGM). MGM is a Botswana registered company which owns three mining licenses (ML87/3, ML2003/26L and ML2010/95L) and a prospecting license (section 4.1). It also owns the treatment plant and associated infrastructure.
- 85% of Shashe Mines (Pty) Ltd. (SM). SM is a Botswana registered company. The other 15% of SM is owned by the Botswana Government.

- 100% of IAMGOLD Botswana (Pty) Ltd. This is a Botswana registered company which was previously used as a vehicle for IMG's exploration activities in Botswana. It holds the mining license ML94/2L.

The mine produced 57 000 oz of gold in 2010. The gold is exported as doré bars to Rand Refineries Ltd in South Africa, from where it is sold.

The mine is situated on the Tati Greenstone Belt, a NNW-striking belt of Archaean metavolcanic, metasedimentary and intrusive rocks up to 20km in width and striking over 65km.

Mining activity is conventional open pit mining exploiting the Tau, Kwena and Tholo deposits in the immediate vicinity of the processing plant, and the remote Signal Hill, Molomolo and Golden Eagle gold deposits.

The Mupane processing plant uses conventional carbon-in-leach ("CIL") processing to recover gold and produce gold bullion after grinding in a two stage circuit with one SAG mill and one ball mill. The plant has been designed at a nominal throughput of 1.2 million tonnes per annum for oxide ores. For primary (sulphide) ores, a combination of flotation and CIL processing is used at a designed nominal throughput of 1.0 million tonnes per annum.

Mineral Resources and Mineral Reserves

The mineral resources as at 31 December 2010 were as follows (100% basis):

MINERAL RESOURCES		Measured			Indicated			Measured + Indicated*			Inferred**		
Deposit	Cut-off grade Au g/t	Tonnes (000)	Au (g/t)	Au (000 oz)	Tonnes (000)	Au (g/t)	Au (000 oz)	Tonnes (000)	Au (g/t)	Au (000 oz)	Tonnes (000)	Au (g/t)	Au (000 oz)
Kwena	0.8	97	1.41	4	254	1.58	13	351	1.51	17	47	2.00	3
Golden Eagle	0.9				1 805	1.98	115	1 805	1.98	115	68	3.21	7
Molomolo	0.9	8	2.52	1	113	1.83	7	121	2.06	8	7	1.89	
Signal Hill	0.9	521	2.21	37	549	2.10	37	1 070	2.15	74	173	2.27	13
Tau	0.8	579	3.22	60	810	2.98	78	1 389	3.09	138	47	2.93	4
Tawana					122	1.80	7	122	1.78	7			
Tholo	0.8				161	2.03	11	161	2.13	11	584	2.72	51
Stockpiles		745	1.20	29				745	1.21	29			
Total		1 950	2.09	131	3 814	2.19	268	5 764	2.15	399	926	2.62	78

*UNCONSTRAINED

**CONSTRAINED WITHIN A USD 1000 PIT SHELL

Mineral reserves have been defined by Whittle analysis of the measured and indicated mineral resources, assuming a gold price of USD 1 200 per oz. However, the pit shells themselves were designed in 2008 with an assumed gold price of USD 850 per oz. Significant upside potential therefore exists to increase the pit shells based on the current elevated gold price. Exploration drilling is underway to define the mineral resources at depth.

The mineral reserves as at 31 December 2010 were as follows (100% basis):

MINERAL RESERVES		Proven			Probable			Total		
Deposit	Cut-off grade Au g/t	Tonnes (000)	Au (g/t)	Au (000 oz)	Tonnes (000)	Au (g/t)	Au (000 oz)	Tonnes (000)	Au (g/t)	Au (000 oz)
Kwena	0.8	9	1.55		80	1.61	4	89	1.61	4
Golden Eagle	0.9				677	1.87	41	677	1.87	41
Signal Hill	0.9	521	2.02	34	353	2.04	23	874	2.03	57
Molomolo	0.9	8	2.35	1	62	2.20	4	70	2.22	5
Stockpiles		745	1.20	29				745	1.20	29
Total		1 283	1.55	64	1 172	1.91	72	2 455	1.72	136

Financial Analysis

MSA has produced a cash flow model using cost parameters based on the current mine plan. The outputs of the cash flow model are as follows:

PROJECT (100%) from May 2011		
REAL	Disc Rate	US\$'000s
NPV's	0.0%	50 531
	5.0%	47 176
	8.0%	45 354
	10.0%	44 210
	12.0%	43 118
	15.0%	41 571
	20.0%	39 212
	IRR=	No IRR

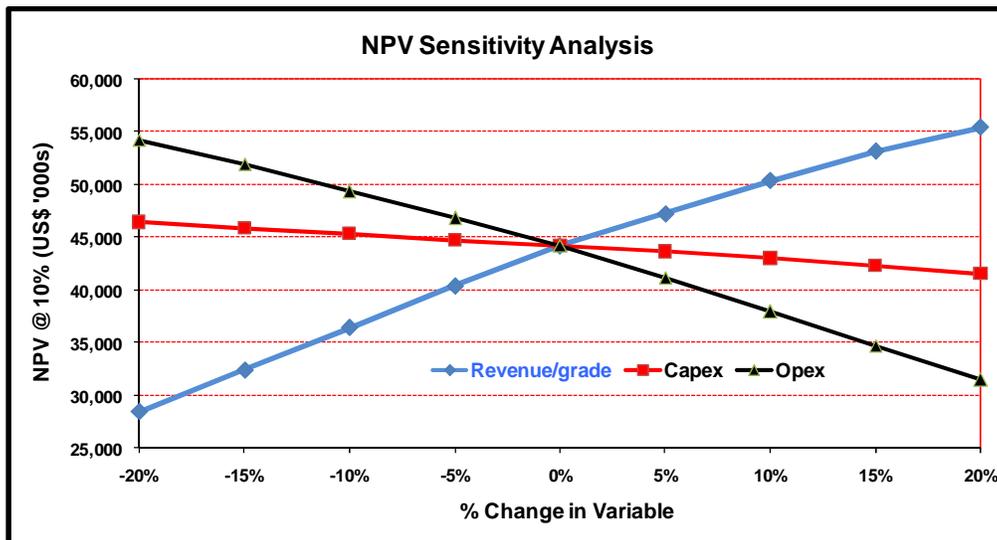
NPV's are at 1 January 2011

From an investor's perspective, and based on a net acquisition price of USD 33.5 million (as per the sales agreement), the outputs of the cash flow model are as follows:

PROJECT (100%) from May 2011		
INVESTOR RETURN		
REAL	Disc Rate	US\$'000s
NPV's	0.0%	23 146
	5.0%	20 063
	8.0%	18 406
	10.0%	17 372
	12.0%	16 390
	15.0%	15 009
	20.0%	12 923
	IRR=	76.7%

NPV's are at 1 January 2011

The project is profitable and is most sensitive to changes in the gold price or grade.



A number of risks and opportunities have been identified on the mine.

Risks

The current mineral reserve will be fully depleted in mid-2013. The addition of further mineral reserves in the short term is an urgent priority. Additional mineral reserves could potentially derive from an increase in depth of the existing pit shells. The current high gold price creates the opportunity to significantly deepen the current open pits. However, this will require that the mineral resources at depth are identified to the “indicated” confidence level (at least), before a revised Whittle shell can be produced based on a higher gold price. It would also involve a capital expenditure of pre-stripping prior to mining of the additional mineral reserve. MGM has budgeted USD 2.5 million for exploration work in 2011.

There also exists a potential risk related to recoveries. The current plant design for the recovery of gold from primary sulphide ore is based on sample test work conducted during feasibility. The parameters used in the plant design might not be optimal for the actual sulphide ores now being mined. There is currently ongoing test work being conducted at COREM (Canada) involving all present and future feed material to address this.

The project is exposed to the volatility of the Botswana Pula relative to the USD. However, the project will remain profitable even with a significant strengthening of the Pula against the USD.

The future gold price may be regarded as a risk or an opportunity, depending upon whether it decreases or increases over the life of mine. However, the gold price is currently at its highest ever level and all independent forecasts viewed by MSA expect the gold price to fall by between 12% and 40% over the next four years.

Mupane is unusual in that to calculate a net closure liability it is assumed that income from salvage and sale of redundant equipment will cover the cost. This is not standard industry practice and creates a risk that there may be an ultimate shortfall. The closure plan and its methodology are otherwise robust.

The project draws electrical power from the Botswana power grid, which in turn draws some of its supply from ESKOM, the parastatal electricity supplier in South Africa. The project is therefore potentially impacted by changes in the power supply provided by ESKOM. ESKOM has given notice of price increases of 25% per annum commencing in 2011. This will have an effect on the cost of power supply to the mine. The financial model suggests that the project can absorb these cost increases and remain profitable.

The project draws water from a pump station constructed on the Shashe Dam, approximately 30km from the process plant. Botswana is an arid country and water throughput has been restricted occasionally due to water shortage. There is a risk that production could be severely affected by drought. There is a project currently underway to tap into a nearby mines raw water supply to supplement Mupane’s needs by an additional 1 000 m³/day which combined with the current line supply capacity will be sufficient for operational needs plus provide partial supply redundancy.

Opportunities

The high current gold price remains a very good opportunity for the mine. The high revenues currently being generated can help fund ongoing exploration to expand the existing mineral resources. New mineral resources may potentially be defined beneath and adjacent to the existing resources, and within the new PL.

Plant availabilities have ranged from 3% to 5% below budget targets indicating an opportunity to increase throughput with improvement in availability. The below budget availability has been due largely to the lack of electrical diagrams to assist with fault-finding, and periodic water shortages. All of the observed issues impacting on plant availability can be addressed relatively easily.

MSA recommends that focus is placed on exploration work to develop the mineral resources, and on completion of metallurgical testwork to optimise the plant for recovery of primary sulphide ores, as the mine transitions from processing mainly oxide ore, to a mix of oxide and sulphide ores.

Recommendations

MSA's review of the Mupane Gold Mine makes the following recommendations:

- The mine is profitable and it is recommended that mining should continue until reserves are depleted, particularly in view of the very high current gold price.
- The mineral reserves need to be complemented by new reserves urgently. This may be achieved either through a new Whittle analysis of current resources or by exploration for new resources. A total budget (funded out of Mupane operational cash flow) of USD1.8 million has been made available for exploration drilling during 2011 in the 400 x 50 m area immediately south of the Tholo pit to confirm the down-dip extension of the Tholo orebody.
- The ongoing metallurgical test work to optimise processing of sulphide ore is a necessary project and should be completed with urgency. The cost benefit of implementing any changes recommended by the test work should be examined prior to implementing any changes.
- Plant availability issues should be addressed.
- Mine closure funding should be revisited based on the validity of the current funding plan.

EXHIBIT "C"
SUMMARY FROM GALAXY TECHNICAL REPORT

Item 1 - SUMMARY

Minxcon (Pty) Ltd (“Minxcon”) was commissioned by Galaxy Gold Mining Limited (“Galaxy” or “the Client”) to compile a compliant National Instrument 43-101 (“NI 43-101”) technical report (the “Report”) for the Galaxy mineral assets, collectively termed the “Galaxy Gold Mine”, the “Mine” or “Project”.

In 2011, Minxcon compiled an independent Competent Persons’ Report on this Galaxy Gold Mine, compliant reporting requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2007) (“the SAMREC Code”), as well as the South African Code for the Reporting of Mineral Asset Valuation (“SAMVAL”). Since the issuing of this 2011 CPR, only very limited formal mining has occurred and later on the Mine was placed on care and maintenance. As such, Minxcon relied on the work and information contained within the 2011 CPR for a number of sections within this Report.

Item 1 (a) - PROPERTY DESCRIPTION

The Galaxy Gold Mine is located approximately 8 km west of the town of Barberton and 45 km west of the provincial capital of Nelspruit (Mbombela), in the Mpumalanga Province of South Africa and covers an area of 5,863 ha. The Mine comprises 21 east-west trending gold ore bodies and four prospects at 600 – 2,000 m depth. This Report pertains to the following ore bodies:-

- Woodbine, Giles, Galaxy, Golden Hill, Agnes Top, Pioneer & Tiger Trap and Princeton ore bodies;
- Ivy and Ceska Shaft Pillars; and
- Woodbine (East, North and South), Alpine Pioneer, Hostel (East and West) and Biox North historical dumps.

Historically, gold has been prospected here since the 1880s, with Agnes exploited as an established mine since 1908. Currently, over 75 historical adits exist within the mining area. Owing largely to poor metallurgical recovery processes, the mine became unprofitable and was placed on care and maintenance in 2007.

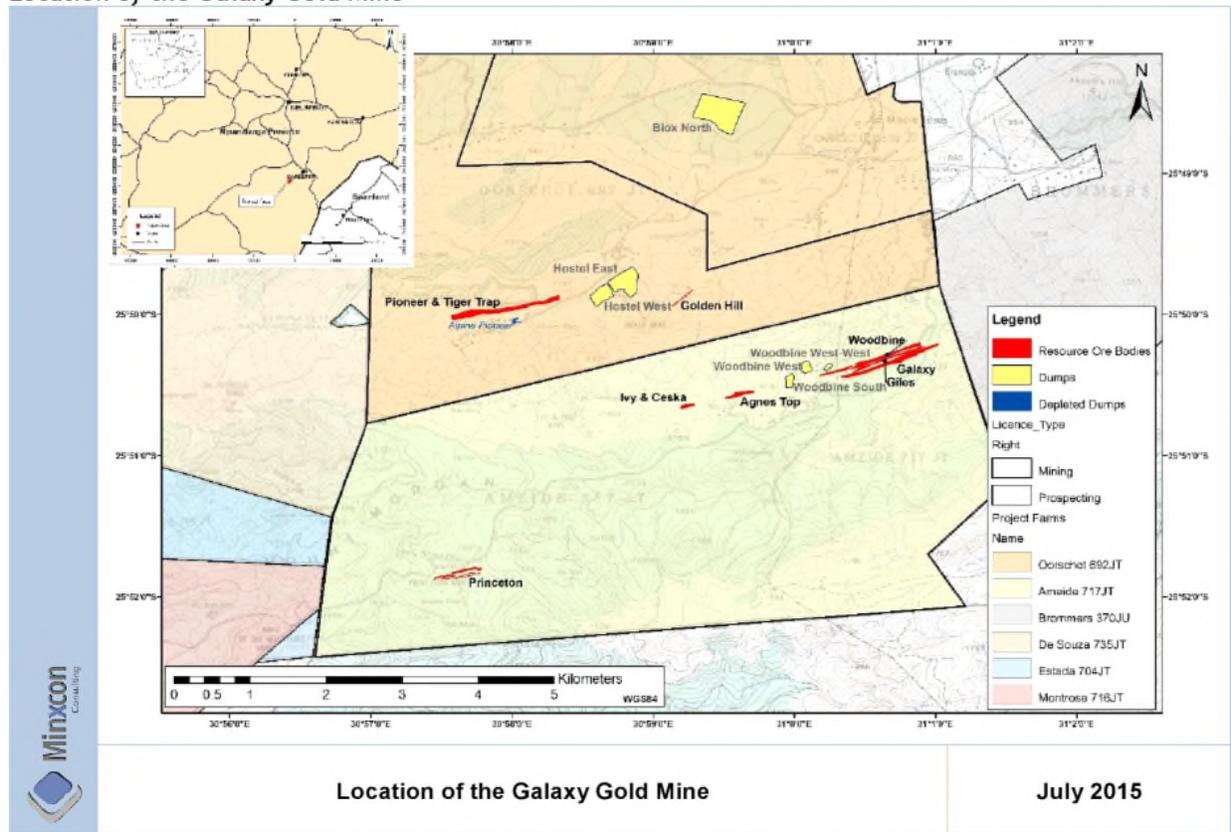
Item 1 (b) - OWNERSHIP OF PROPERTY

A converted new order mining right “413 MR” covers the main area of the Galaxy Gold Mine, valid until 4 September 2032. This license is held by Galaxy Gold Reefs (Pty) Ltd (“GGR”), a wholly-owned subsidiary of Galaxy, who purchased the Galaxy Gold Mine and associated infrastructure from African Pioneer Mining (“APM”; since liquidated) in December 2008. The 413 MR covers the portion (“Ptn”) 9 and Ptn 12 of the farm Oorschot 692 JT and the remaining extent (“RE”) of the farm Ameide 717 JT.

GGR has additionally applied for prospecting rights over a further four contiguous and adjacent areas. The applications were submitted and formally received by the Department of Mineral Resources (“DMR”) in 2011, but have as yet not been granted.

Galaxy has rights to the land in their area of interest, however, a dispute regarding the servitude with Upper Moodies Estate, upon whose properties the slimes dams and expansion plans are located, is ongoing.

Location of the Galaxy Gold Mine



Item 1 (c) - GEOLOGY AND MINERAL DEPOSIT

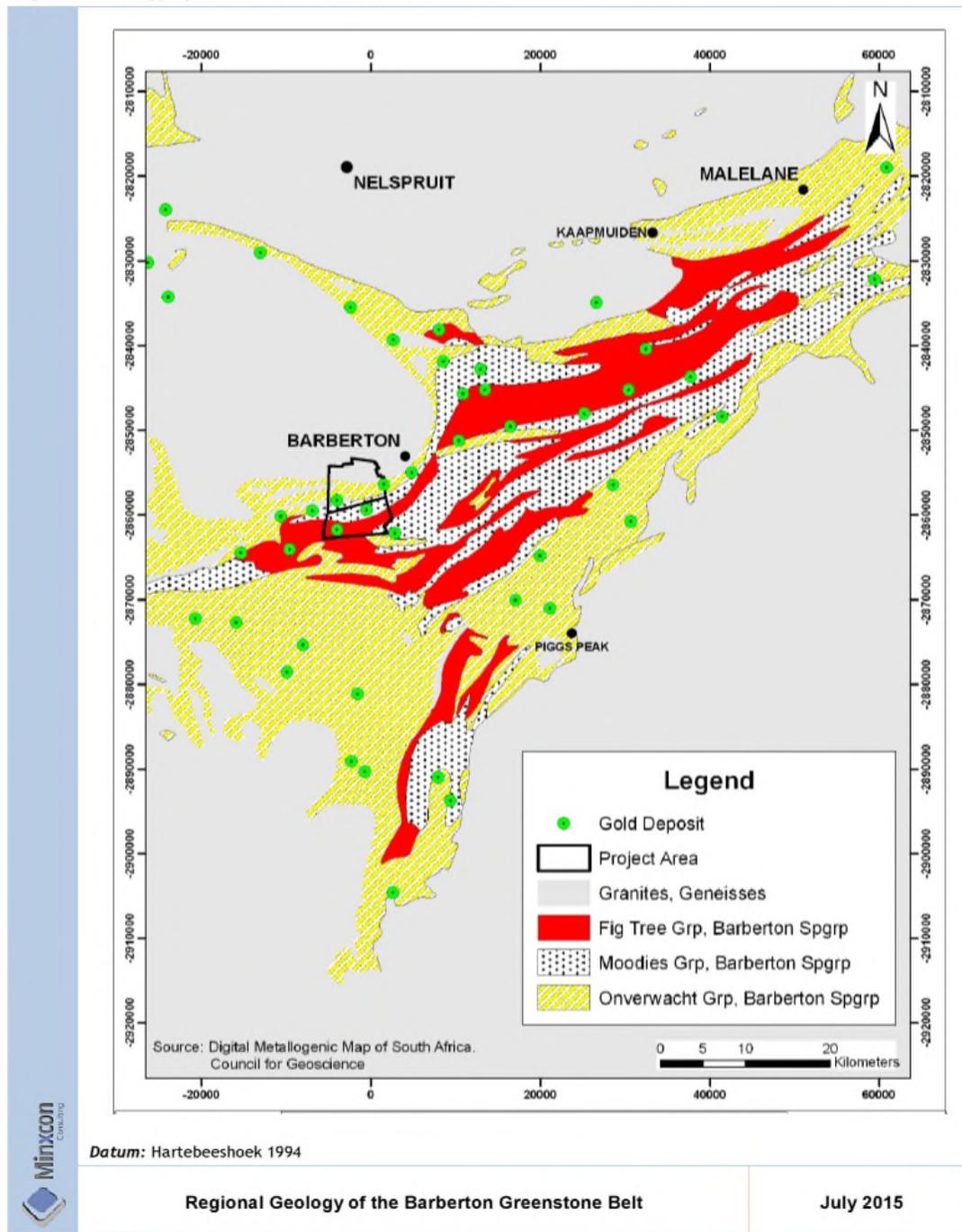
The Project Area is located within the 3.5-3.2 Ga Archaean Barberton Greenstone Belt (“BGB”). The BGB comprises metasedimentary and mafic to ultramafic units with later granitoid intrusions throughout. It is host to a number of economic gold deposits typical of global Archaean lode gold mineralisation

The volcanic and sedimentary units of the BGB have been complexly folded, forming a broad synclinal structure with three litho-stratigraphic units comprising the Barberton Supergroup. The oldest unit is the largely volcanic Onverwacht Group, which is 7 km thick. The Onverwacht Group is overlain by banded ironstones (banded iron formation, “BIF”), which are metamorphosed sandstone, siltstone and mudstone sediments of the Fig Tree Group which is 2.5 km thick. The Fig Tree Group is overlain by the younger Moodies Group, which consists of 2.5 km of arenaceous sediments.

Mineralisation in the BGB is structurally controlled. Mineralisation is associated with all three the above lithological groups along shear zones, thrusts and fractures, but is predominantly associated with the base of the Fig Tree sediments and specifically with the BIF, cherts, greywackes, shales and quartzites. It may also often be found in contact with the altered ultramafic schists.

The regional geology of the Barberton Greenstone Belt, indicating the location of major gold deposits is illustrated below.

Regional Geology of the Barberton Greenstone Belt

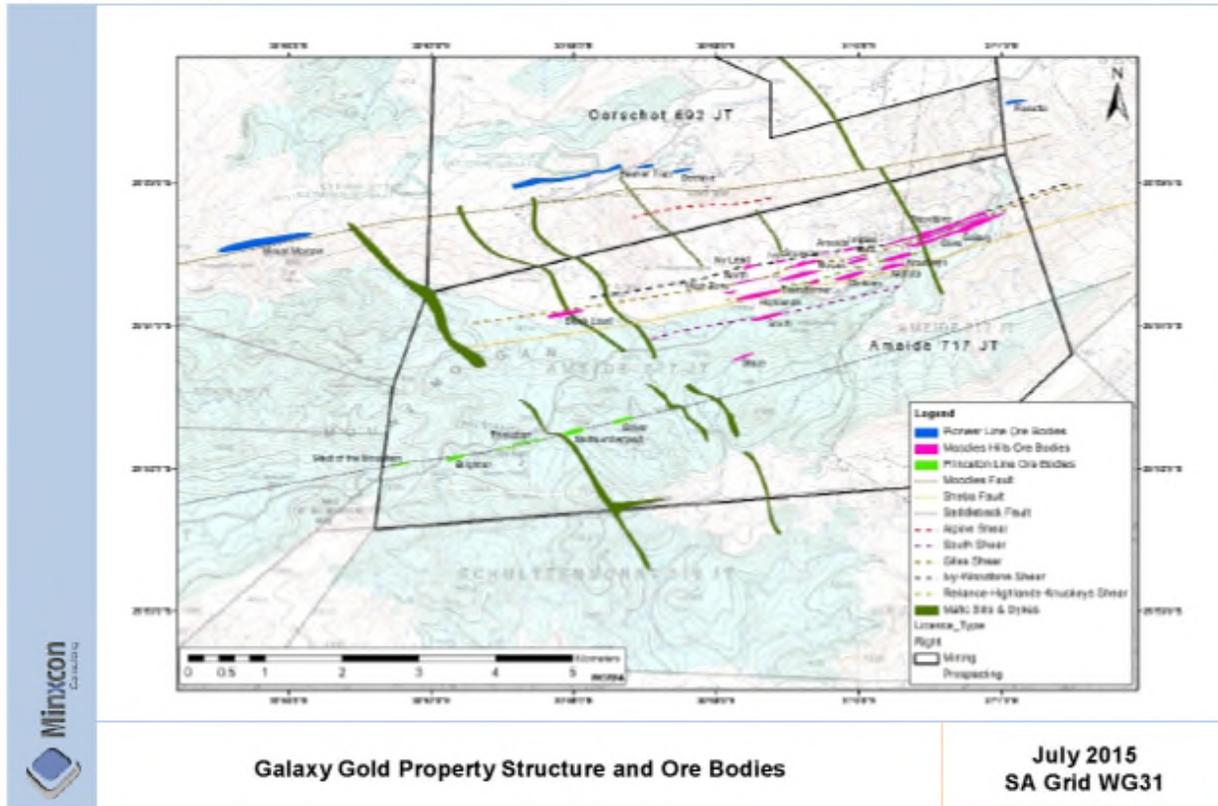


Item 1 (d) - OVERVIEW OF THE PROJECT GEOLOGY

The Galaxy Gold Mine overlaps a number of structurally separate stratigraphic units of the Barberton Greenstone Belt. The regional strike of the lithologies in the Project Area is generally in an east to northeast direction, with dips varying between about 60 and 85° south. The area is traversed by a number of pre-2000 Ma (i.e. pre-Transvaal age) diabase dykes trending in a north-westerly direction, which have not as yet been shown to have any major effect on the auriferous structures in the area. The ore bodies at Galaxy are orientated along structural lines that are namely, from north to south:- the Pioneer Line (Pioneer, Tiger Trap, Beaver Trap, Beehive, the BIF type Golden Hill, Mount Morgan, Rosetta ore bodies), Moodies Hills

(or Agnes) Line (Galaxy, Woodbine, Giles, SMZ type and Alpine), Princeton Line (New Brighton, Princeton, Cumberland, Northumberland, Dover) and Alpine Line.

Galaxy Gold Property Structure and Ore Bodies



Pioneer Line

The ultramafic-hosted reefs Pioneer, Tiger Trap, Beaver Trap Hill and Rosetta Ore Bodies lie on the farm Oorschot 692JT in close proximity to the Moodies Fault. Narrow shears of up to 300 m in length are either parallel to the regional strike or are slightly transgressive to bedding.

The Pioneer lode represents the first discovery of gold in the Barberton district and the prospect was extensively worked. In the Pioneer Group, free-milling gold has been recovered from quartz veinlets hosted within sheared fuchsitic carbonated schists.

Golden Hill represents an eastern extension of the Pioneer shear zone, although a banded iron formation provides a lithological control for the mineralizing shear over a 225 m strike. The ore is mainly refractory, but thin quartz veins are also developed throughout the ore body and host a minor free gold component.

Alpine Line

The Alpine Line is not as distinct as the other three lines, and comprises the following reefs and mines listed from east to west: the Shebang, Reliance, Durham Allans, Alpine Mine including Black Lead, Lydlinch, Poverty and Union Reefs.

The reefs on the Alpine Line tend to be narrow, nuggety and of dark quartz.

Moodies Hills (Agnes Line)

The locality of the Agnes Line is often referred to as the Moodies Hills. The area is dominated by subvertically dipping east-west to northeast-southwest striking siltstones and shales of the Moodies Group comprising (from oldest to youngest) the Clutha, Joe's Luck and Baviaanskop formations on the southern limb of the Moodies Syncline. The main concentration of the mineralization in the Agnes Line is confined to a zone roughly 400 m wide, located in the Clutha Formation of the Moodies Group. Gold mineralization is localized predominantly within sub-parallel shear-fault zones that cross-cut the steeply dipping lithologies at angles that vary between 2 and 10°. In this broad zone, there are a large number of individual horizons, or reefs, which are occasionally interconnected, but more commonly separated by barren country rocks. At present, the major part of the mining activity in the Agnes Line is confined to three main horizons. These are - from north to south - the Woodbine Reef, the Giles Reef and the Galaxy Reefs.

The Woodbine and Giles Reefs consist of zones in which narrow quartz-carbonate-pyrite veins are developed within chloritised and silicified zones of shearing within the siltstones.

The payable mineralization on the Woodbine and Giles Reefs is not continuously present along strike, but is confined to definite shoots. The Galaxy Reef dips sub-vertically with a plunge of 35° to the east and is adjacent to the Giles Reef.

Princeton Line

The Princeton Ore Body is located approximately 4 km southwest of the Agnes Line on the farm Ameide 717JT. The Princeton Line refers to a series of cherty banded iron formations bounded to the north by shales and greywackes of the Fig Tree group, and to the south by fuchsitic-quartz carbonate schists of the Onverwacht Group.

The most important host for the gold mineralization at Princeton is the banded iron formation at the base of the Fig Tree sediments, while there is sporadic gold mineralization developed in the surrounding rocks. The Princeton Banded Iron Formation is a banded, sideritic carbonate facies situated between fuchsitic schist hanging wall and shale-greywacke footwall lithologies which all dip steeply at about 80° to the south.

The Princeton Line is an east to west striking anastomosing zone of shearing that links discontinuous fragments or boudins of BIF.

The BIF units vary in thickness from zero to 60 m. Typical Fig Tree greywackes and shales lie in contact with the BIF to the north. The sheared southern contact of the BIF juxtaposes a 20 m thick package of Onverwacht fuchsitic schist. All strata in the mine area dip steeply to the south (80°).

Item 1 (e) - STATUS OF EXPLORATION

The Galaxy operations and projects are currently under care and maintenance, and thus no exploration work has been carried out subsequent to the 2011 Mineral Resource declaration.

In 2011, exploration work was carried out on the Galaxy properties in the form of structural analysis carried out by Dr R Harris to identify the structural controls of mineralisation in the area. Harris generated exploration targets based on the vergence of D2 and D3 structures, and it is these targets that should become the main focus for future exploration.

Planned future exploration activities by Galaxy includes geophysical surveys focussed on the structural targets generated during the structural analysis carried out by Dr Harris.

Item 1 (f) - MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES

The Mineral Resource classification is a function of the confidence in the whole process from drilling, sampling, geological understanding, data Quality Assurance and Quality Control, as well as geostatistical relationships the summarised Galaxy Gold Mine Mineral Resources are tabulated below and have been classified in accordance with the requirements of the NI 43-101 Code:-

Summarised Galaxy Gold Mine Mineral Resources as at 31 August 2015

Mineral Resources Category	Tonnes	Grade Au	Content Au
	t	g/t	Oz
Measured	1,876,126	3.37	203,435
Indicated	4,350,781	2.85	399,261
Measured and Indicated	6,226,907	3.01	602,696
Inferred	8,095,521	3.40	886,199

Notes:

1. 2015 Mineral Resource estimation were carried out by Mr P Obermeyer of Minxcon (BSc Hons (Geol.), Pr.Sci.Nat.) under supervision of and verified by Mr U Engelmann, as qualified person of this Report.
2. The Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically or legally.
3. Only Mineral Resources lying within the legal boundaries are reported.
4. Mineral Resources are inclusive of Mineral Reserves.
5. Mineral Resources are declared at cut-offs: Galaxy, Woodbine, Giles, Golden Hill, Princeton, Pioneer & Tiger Trap, Ivy shaft Pillar, Ivy to Agnes 3-11 Level = 1.8 g/t; Agnes Top = 1.00 g/t; surface dumps = 0.30 g/t.
6. All figures are in metric tonnes.
7. 1 kg = 32.15076 oz.

The Mineral Reserves for Galaxy Gold Mine are illustrated in the table below and have been classified in accordance with the requirements of the NI 43-101 Code:-

Summarised Galaxy Gold Mine Mineral Reserve Statement as at 31 August 2015

Mineral Resources Category	Tonnes	Grade Au	Content Au
	t	g/t	Oz
Probably Mineral Reserves	1,457,322	3.37	169,586
Total Mineral Reserves	1,457,322	3.37	169,586

Notes:

1. Tonnages refer to tonnes delivered to the metallurgical plant.
2. All figures are in metric tonnes.
3. 1 kg = 32.15076 oz.
4. Different Dilution, Recovery and Mine call factor applied to each ore body and TSF.
5. Pay Limits calculated: USD/oz. = 1,130 and Exchange rate of ZAR11.70/USD.

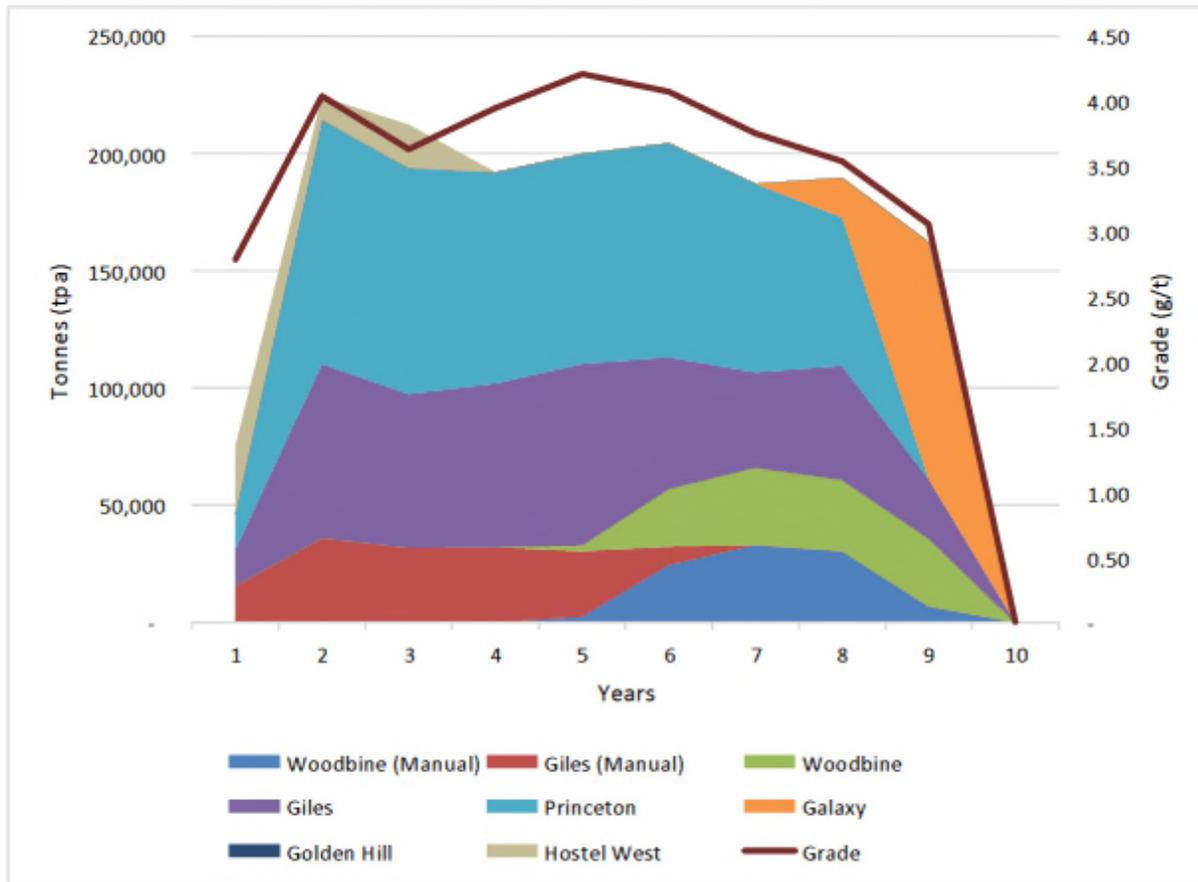
Item 1 (g) - DEVELOPMENT AND OPERATIONS

Mining

Two different mining methods will be used at the Galaxy Gold Mines, a fully mechanised cut and fill mining method and a conventional shrinkage stoping mining method. Furthermore the Tailing Storage Facilities will be mined utilising a truck and shovel operation.

The life of mine plan for Galaxy is based on a production capacity of 15 ktpm constrained by the processing plant capacity. The life of mine production profile is illustrated in the figure below.

Galaxy Gold Mine Life of Mine Production



Processing

The Galaxy plant has operated intermittently since it was purchased in 2009. Currently the processing facilities are on care and maintenance. The operation consist of two plants, namely the south plant where crushing, milling, flotation, elution and smelting takes place, and the north plant where biological oxidation (“BIOX®”) and leaching of flotation concentrate takes place. Galaxy aim to refurbish the south plant only in order to produce and sell a flotation concentrate. The flotation plant has a total RoM capacity of approximately 15 ktpm. With consistent operation, it is expected that a flotation gold recovery of approximately 90% can be achieved.

Capital is required to refurbish and re-commission the Galaxy plant prior to production.

Item 1 (h) - PROJECT VALUATION

This valuation is based on a free cash flow and measures the economic viability of the Mineral Reserves to demonstrate if the extraction of the Mineral Deposit is viable and justifiable under a defined set of realistically assumed modifying factors. This is illustrated by using the Discounted Cash Flow (“DCF”) method on a Free Cash Flow to the Firm (“FCFF”) basis, to calculate the net present value (“NPV”) and the intrinsic value (fundamental value based on the technical inputs, and a cash flow projection that creates a NPV) of the Project in real terms. The valuation reflects the full value of the operation and no values attributable to Galaxy’s participation in the Mine were calculated. The model was set up in calendar years starting in year 1. The effective date of the valuation is 1 September 2015.

Operating Costs

Costs reported for the Mine, which consist of plant, mining and other operating costs, are displayed in the following table. Galaxy Gold Mine has an all-in sustainable cost of ZAR834/milled tonne. When comparing gold mine costs to the gold price in terms of USD/oz, the Mine has an all-in sustainable cost of USD688/oz.

Opex Summary

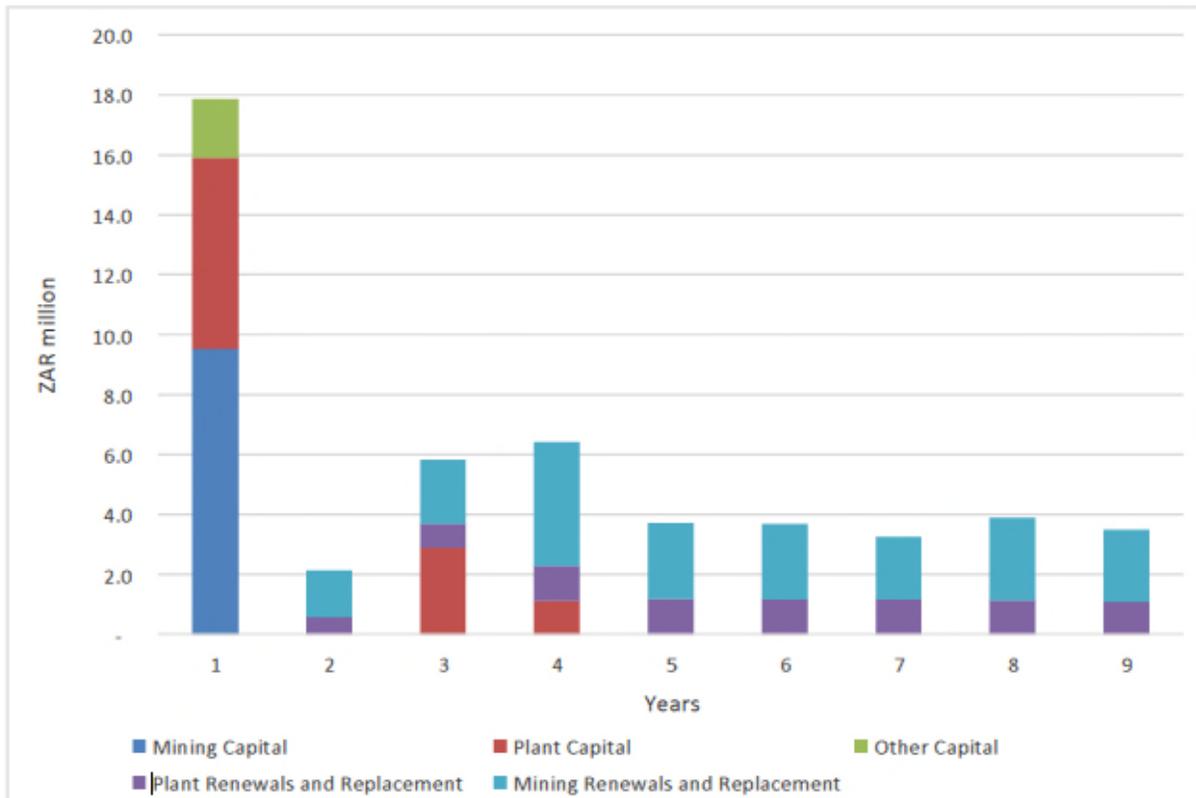
Item	Unit	Galaxy Gold Mine
Net Turnover	ZAR/Milled tonne	960
Mine Cost	ZAR/Milled tonne	459
Plant Costs	ZAR/Milled tonne	190
Other Costs	ZAR/Milled tonne	138
Direct Cash Costs (C1)	ZAR/Milled tonne	787
Capex	ZAR/Milled tonne	34
Production Costs (C2)	ZAR/Milled tonne	822
Royalties	ZAR/Milled tonne	13
Other Cash Costs	ZAR/Milled tonne	-
All-in Sustaining Cost (C3)	ZAR/Milled tonne	834
NCE Margin	%	13%
EBITDA*	ZAR/Milled tonne	160
EBITDA Margin	%	17%
Gold Recovered	oz	151,421
Net Turnover	USD/Gold oz	792
Mine Cost	USD/Gold oz	379
Plant Costs	USD/Gold oz	157
Other Costs	USD/Gold oz	114
Direct Cash Costs (C1)	USD/Gold oz	649
Capex	USD/Gold oz	28
Production Costs (C2)	USD/Gold oz	678
Royalties	USD/Gold oz	10
Other Cash Costs	USD/Gold oz	-
All-in Sustaining Cost (C3)	USD/Gold oz	688
EBITDA*	USD/Gold oz	132

Notes:

1. *EBITDA excludes capital expenditures.
2. Numbers may not add up due to rounding.

82% Of the initial capital expenditure to return the mothballed operation to full production gets spent during year 1. The initial capital amounts to ZAR17.9 million. This will mainly be on the plant upgrade and the shaft repairs that has to be done. The renewals and replacement capital for the plant and mine was calculated as 3.5% of the plant and mining operating costs respectively over the LoM and is displayed in the figure below. The total including the initial capital amounts to ZAR50.2 million over the LoM.

Capital Schedule



The table below illustrates the Project NPV at various discount rates with a best-estimated value of ZAR138 million at a real discount rate of 9.1%. The IRR was calculated at 226%. This number should be treated with care, as it is skewed by the fact that it is an existing mine. The Mine and plant are on care and maintenance and therefore the capital requirement is not high. The low initial capital requirement of ZAR18 million in year 1 and high cash flow of ZAR110 million in year 2 returns resulted in an IRR that was calculated at 226% which is very high compared to new developed mines. The overall project has an all-in cost margin of 13% which is low compared to other operating mines and makes the Project marginal. That is despite an estimated low all-in sustainable cost of USD688/oz. The reason for this is the current expected turnover of only USD792/oz due to a payability of only 70% of the price on the metal content in the concentrate sold.

Project Valuation Summary - Real Terms

Item	Unit	Value
Real NPV @ 0.00%	ZARm	179
Real NPV @ 5.00%	ZARm	154
Real NPV @ 9.07%	ZARm	138
Real NPV @ 10.00%	ZARm	134
Real NPV @ 15.00%	ZARm	119
IRR	%	226%

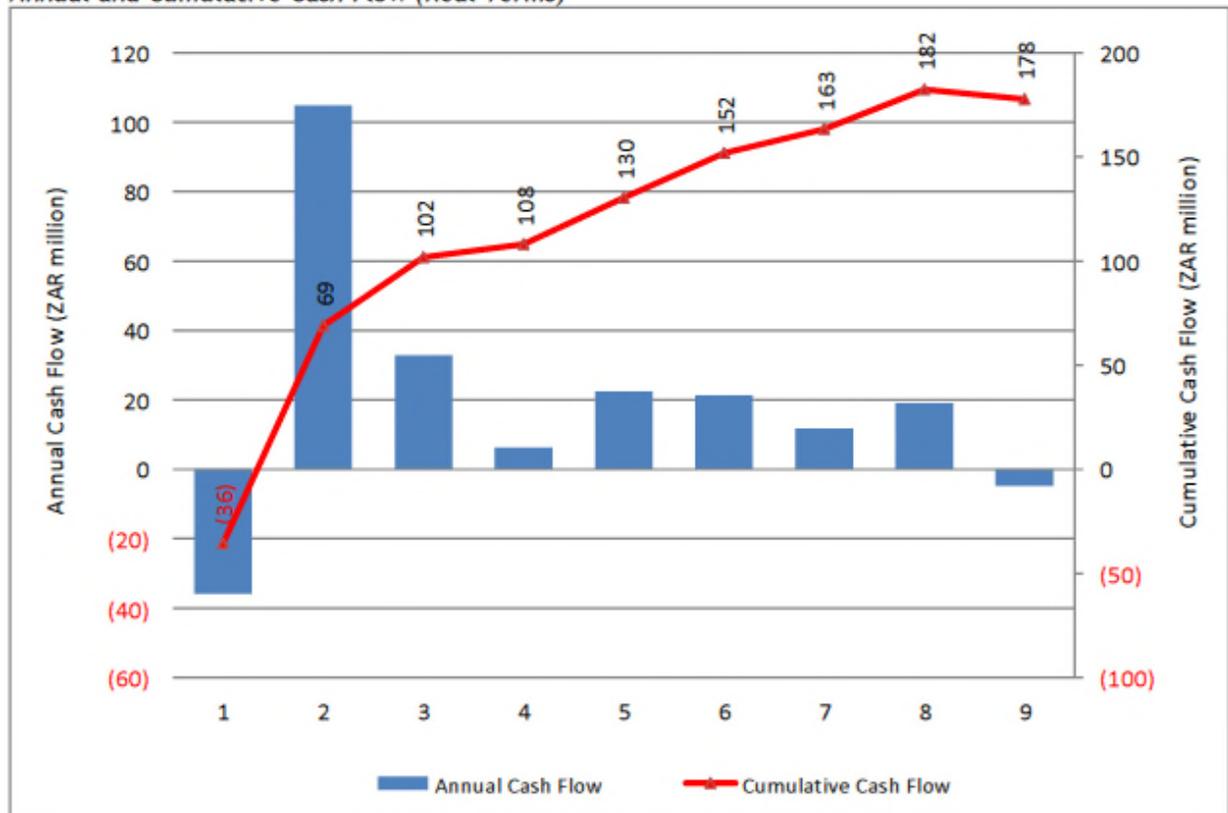
The table below illustrates the Project profitability ratios.

Profitability Ratios

Item	Unit	Profitability Ratios
Total ounces in Reserve LoM plan	oz.	169,586
In-Situ Mining Inventory Valuation	USD/oz.	70
Production LoM	Years	9
Present Value of Income flow	ZARm	182
Peak Funding Requirement	ZARm	36
Payback Period	Years	1
Break Even Milled Grade	g/t	3.15
Break Even/Incentive Gold Price	USD/oz.	688

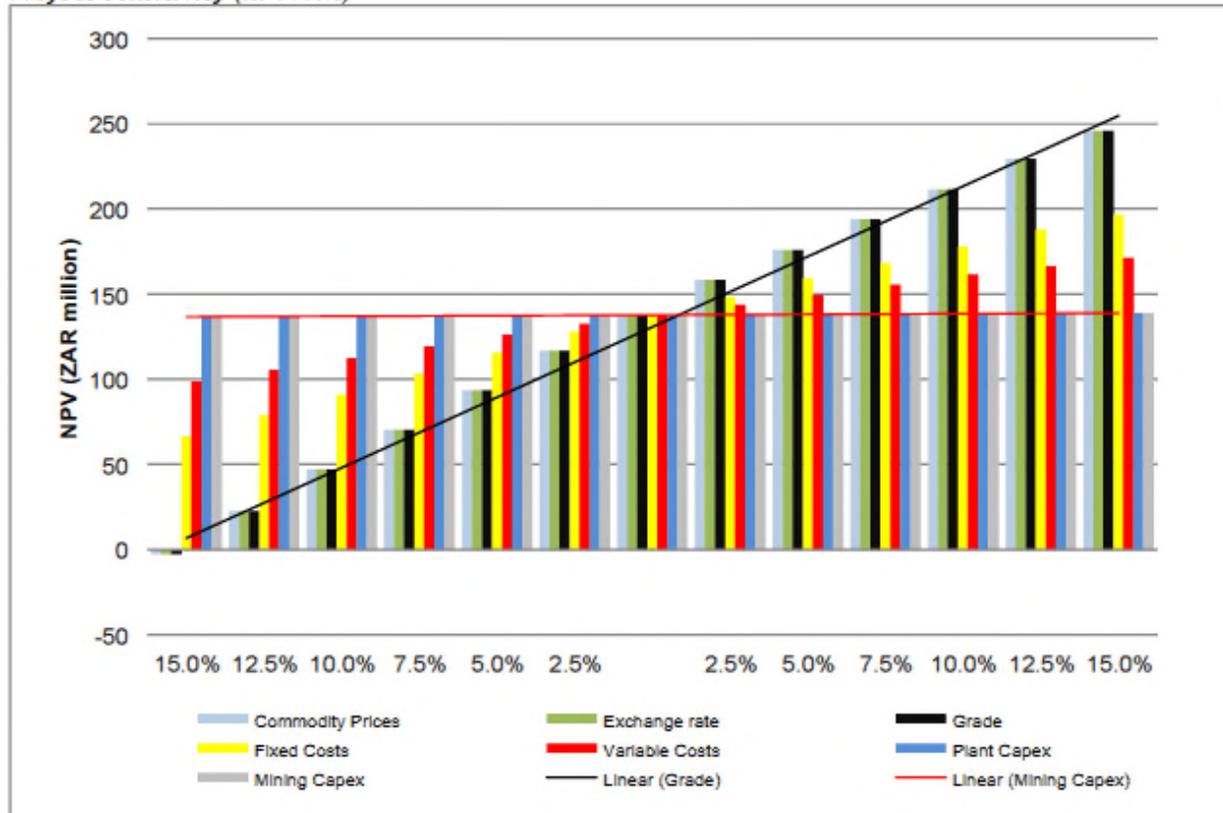
The annual and cumulative cash flow forecast for the LoM is displayed in the following figure. From the figure below it can also be seen that the peak funding requirement amounts to ZAR36 million in year 1.

Annual and Cumulative Cash Flow (Real Terms)



For the DCF, the gold price, exchange rate and grade have the most significant impact on the sensitivity of the Project, followed by the operating cost. The Project is not sensitive to the capital.

Project Sensitivity (NPV9.1%)



Item 1 (i) - QUALIFIED PERSON’S CONCLUSION AND RECOMMENDATIONS

Conclusions

Mineral Resources:-

- The Galaxy Gold Mine Mineral Resources were last estimated in 2011, with little subsequent mining.
- Minxcon reviewed, depleted and updated the Mineral Resources as at 31 August 2015.
- The operations are on care and maintenance, with no resident geological team in place.
- Digital data is not formally archived by Galaxy, however all Mineral Resource estimation data is stored on the Minxcon server and is readily available. Data security thus presents minimal risk.

Mining:-

- A portion (25%) of the LoM plan was completed from manual plans. Manual plans are scheduled and depleted from the block values indicated on the plans.
- The remaining portion (75%) of the LoM plan was completed in CAD software. The software produces the values generated from the resource block models.
- Minxcon has completed the LoM plan and schedule under the guidance of the Galaxy management team, who have also signed off the LoM plan.
- The LoM plan for Princeton was change from a cut and fill to a longhole stoping method. This was done to reduce waste development which had an impact on the cost effectiveness of mining.
- The Woodbine-Giles sub-shaft needs refurbishment before it can be fully operational. It was assumed that the shaft is open and had access to 30 Level. The shaft is very important to the LoM plan as is services the Woodbine, Giles and Galaxy ore bodies.

- The mine plan is based on a contractor mining model but the terms of the contract have not yet been determined.
- Limited skilled labour is currently employed at the Mine because the operation is on care and maintenance; skilled labour will need to be sourced well in advance of operation start-up.

Processing:-

- Galaxy will not produce dorè but plans to sell a concentrate.
- As a result of the high sulphur content in the concentrate, BIOX® technology is not appropriate at this point.
- Capital of ZAR6.4 million will be required to refurbish and re-commission the Galaxy flotation plant.
- Approximately 4 months will be required for the plant refurbishment and commissioning.
- With a stable plant feed rate of 15 ktpm, it is estimated that the plant can achieve a flotation recovery of 90%.
- No-off-take agreement is currently in place. A payability of 70% contained gold was assumed.

Reserve Market Evaluation:-

- There was a significant decrease in the gold price in the past 3 to 4 years which placed immense pressure on gold mine margins.
- Galaxy has a IRR of 226% which is very high compared to new developed mines and the number should be treated with care, as it is skewed by the fact that it is an existing mine.
- The peak funding requirement is ZAR36 million which is reached in the first year of the Project. The Mine and plant are also on care and maintenance and therefore the capital requirement is not high. This together with the low development capital is the reason for the skewed IRR.
- The all-in sustainable cost (which includes capital cost) of Galaxy was calculated as USD688/oz and is well below the current gold price. One of the reasons for the low operating cost is the fact that the mine has already been established and the development needed to access the orebody is limited.
- However, the project has an all-in cost margin of only 13% which is low compared to other operating mines.
- The Project is marginal with small annual cash flows of approximately ZAR20 million from year 2 onwards. The reason for this is the current expected turnover of only USD792/oz due to a payability of only 70% of the price on the metal content in the concentrate sold.

Recommendations

Legals:-

- Galaxy should prioritise obtaining all environmental authorisations and get approval for an EMP and Water Use Licence as soon as possible.

Mineral Resources:-

- Implement a common datum for all resource models for ease of planning and data management.
- Adjust block sizes post estimation in order to improve accuracy of resource model depletions.

Mining:-

- Mining contract agreement should be put in place.
- The mine design is currently at a PFS level of accuracy and should be improved to an operational level of accuracy prior to implementation.
- The technical aspects of the LoM plan should be improved which include ventilation, rock engineering, equipment and safety.

- Given the current status of being on care and maintenance, a detailed re-opening plan would assist in bringing the mine back into operation successfully.

Processing:-

- Ensure that critical spares and equipment items are identified and ordered before plant start-up.
- The tailings dam capacity should be confirmed by tailings experts.
- A flotation concentrate off-take agreement should be secured as soon as possible.

Market Evaluation:-

- An expected 30% discount on the price due to selling concentrate has a significant impact on the margin. Galaxy should investigate alternative processing options to be able to upgrade the final product to a dorè instead of receiving a 70% payability on the concentrate.