

GOLCONDA GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023

Dated: May 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("**MD&A**") of financial condition and results of operations of Golconda Gold Ltd. ("**Golconda**" or the "**Company**"), formerly Galane Gold Ltd., was prepared by management as at May 26, 2023. Throughout this MD&A, unless otherwise specified, "**Golconda**", "**the Company**", "**we**", "**us**" or "**our**" refer to Golconda Gold Ltd. and its subsidiaries and should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto for the three month period ended March 31, 2023 (the "**Interim Financial Report**"), as well as the audited consolidated financial statements and notes thereto for the year ended December 31, 2022 (the "**Annual Financial Statements**").

The Annual Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). The Interim Financial Report has been prepared by management in accordance with IFRS applicable to interim financial reporting, including IAS 34, *Interim Financial Reporting*. All amounts are expressed in U.S. dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Annual Financial Statements.

The Company's certifying officers are responsible for ensuring that the Interim Financial Report and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Interim Financial Report together with the other financial information included in the Interim Financial Report fairly present in all material respects the financial condition, financial performance and cash flows of the Company as the date of and for the periods presented in the Interim Financial Report.

The Company's audit committee (the "**Audit Committee**") and board of directors (the "**Board of Directors**") provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Interim Financial Report, the Annual Financial Statements and MD&A after the completion of their review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

FORWARD LOOKING STATEMENTS

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

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to: the Company's dependence on two mineral projects; gold price volatility; risks associated with the conduct of the Company's mining activities in South Africa and New Mexico; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in South Africa and New Mexico; risks relating to reliance on the Company's management team and outside contractors; the Company's inability to obtain insurance to cover all risks, on a commercially reasonable basis or at all; currency fluctuations; risks regarding the failure to generate sufficient cash flow from operations; risks arising from the Company's fair value estimates with respect to the carrying amount of mineral interests; mining tax regimes; risks regarding mineral resources and reserves; the Company's need to replace reserves depleted by production; risks and unknowns inherent in all mining projects, including the inaccuracy of reserves and resources, metallurgical recoveries and

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

capital and operating costs of such projects; contests over title to properties, particularly title to undeveloped properties; risks and expenses related to reclamation costs and related liabilities; lack of infrastructure; employee relations, labour unrest or unavailability; health risks in Africa; supply chain disruptions, major health issues, pandemics, and COVID-19; the Company's interactions with surrounding communities and artisanal miners; extensive laws and regulations governing the environment, health and safety; the Company's ability to successfully integrate acquired assets; risks related to the acquisition of the Summit Property (as such term is defined below); risks related to ramping-up production; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; development of the Company's exploration properties into commercially viable mines; risks related to climate change; risks related to information security; risk of using derivative instruments including credit risk, market liquidity risk and unrealized mark-to-market risk; stock market volatility; conflicts of interest among certain directors and officers; lack of dividends; lack of liquidity for shareholders of the Company; risks related to the market perception of junior gold companies; litigation risk; and difficulties in bringing actions and enforcing judgments for foreign investors. See "Risk and Uncertainties" in the Company's Management's Discussion and Analysis for the year ended December 31, 2022, a copy of which is available on the Company's System for Electronic Document Analysis and Retrieval ("**SEDAR**") profile at www.sedar.com. The list above is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding gold prices, business and operating strategies, and the Company's ability to operate on a profitable basis.

MINERAL RESERVES AND RESOURCES

Information of a technical and scientific nature that forms the basis of the disclosure in the MD&A has been approved by Kevin Crossling Pr. Sci. Nat., MAusIMM., Geological Consultant for Golconda Gold, and a "qualified person" as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

All mineral reserves and mineral resources have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101. All mineral resources are reported exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no guarantee that any of the mineral resources disclosed in the MD&A will be converted to mineral reserves. There is also no guarantee that any of the inferred mineral resources will be upgraded to measured or indicated mineral resources. Information on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in the Company's most recent annual information form and the current technical report for each of those properties, all available on the Company's SEDAR profile at www.sedar.com.

GOLCONDA GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023

CORPORATE OVERVIEW

The Company's principal business activities are the exploration for, development of, and operation of gold mining properties. The Company operates through its wholly-owned subsidiary, Galane Gold Mines Ltd., two assets: (a) a producing mine which also has the rights to certain mineral exploration tenements (the mine and mineral exploration tenements collectively, the "**Galaxy Property**") located in the Republic of South Africa ("**South Africa**"), through subsidiaries located in Mauritius and South Africa; and (b) a mine and processing infrastructure located in the United States of America (the "**Summit Property**") that is currently in care and maintenance while a restart plan is finalised, through a subsidiary located in New Mexico, U.S.A.. The Company completed the disposition of its interest in a producing gold mine and mineral exploration tenements (the "**Mupane Property**") located in the Republic of Botswana on May 3, 2022. The common shares in the capital of the Company (the "**common shares**") have been listed for trading on the TSX Venture Exchange (the "**Exchange**") in Canada under the symbol "GG" since September 6, 2011 and trade on the OTCQB in the United States under the trading symbol "GGGOF".

On October 21, 2022, the Company changed its name from "Galane Gold Ltd" to "Golconda Gold Ltd." and consolidated its outstanding common shares on the basis of one new common share for every five existing common shares (the "**Consolidation**").

Except as stated otherwise, all common share, stock options, deferred share units, restricted share units, performance share units and share purchase warrant numbers referenced in this MD&A are expressed on a post-Consolidation basis, as have any associated common share prices or conversion prices.

OUTLOOK

The Company continues to execute phase 2 of the Galaxy Property development plan which is expected to result in an increased annual production over the next three years to 27,000 payable ounces of gold through the addition of new mining equipment and additional face workings. Galaxy's new, larger, 50,000 tonnes per month ball mill was commissioned and operated during Q4 2022, and the Company continues to explore additional financing to facilitate the increase in mining volumes required for the new, larger, milling circuit. Management continues a comprehensive review of options to increase production beyond phase 2 through the exploitation of the 22 other mineralized bodies at the Galaxy Property.

Work continues on the restart plan for the Summit Property. Management has completed a re-survey of the underground mine and has updated the mine plans accordingly resulting in an update to the 2014 preliminary economic assessment, supporting a 7-year mine life with average annual production of 14,700 gold equivalent ounces at an all-in sustaining cash cost of \$864 per ounce of gold. A full engineering survey of the in-situ mining equipment was conducted in April 2023 and it is expected that significant savings can be made to the capital re-start cost of the project as a result of the good condition of the majority of the equipment. The Company continues to work with financing providers and off-take partners to put in place a financing package to facilitate the re-start of operations at the Summit Property as soon as possible.

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

DISCUSSION OF OPERATIONS

The following is an analysis of the Company's operating results for the three months ended March 31, 2023 ("Q1 2023") with comparisons to the three months ended March 31, 2022 ("Q1 2022").

Galaxy Property

Commentary regarding the Company's operating activity during Q1 2023 follows:

Mining

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

Ore Source			Q1 2023	FY 2023
Princeton UG	Ore Mined	(t)	3,215	3,215
	Ore Grade	(g/t)	3.28	3.28
	Waste	(t)	4,514	4,514
Galaxy UG	Ore Mined	(t)	13,539	13,539
	Ore Grade	(g/t)	3.30	3.30
	Waste	(t)	2,671	2,671
Total UG	Ore Mined	(t)	16,754	16,754
	Ore Grade	(g/t)	3.30	3.30
	Waste	(t)	7,185	7,185
Tailings	Reclaimed	(t)	6,347	6,347
	Grade	(g/t)	1.04	1.04

Ore Source			Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Princeton UG	Ore Mined	(t)	9,904	8,190	5,480	8,517	32,091
	Ore Grade	(g/t)	4.44	4.31	4.47	3.00	4.03
	Waste	(t)	4,367	1,144	2,216	5,164	12,891
Galaxy UG	Ore Mined	(t)	15,109	12,543	15,043	16,958	59,653
	Ore Grade	(g/t)	3.42	2.76	2.47	2.70	2.84
	Waste	(t)	8,238	3,715	6,536	5,495	23,984
Total UG	Ore Mined	(t)	25,013	20,733	20,523	25,475	91,744
	Ore Grade	(g/t)	3.82	3.37	3.00	2.68	3.22
	Waste	(t)	12,605	4,859	8,752	10,659	36,875
Tailings	Reclaimed	(t)	17,289	9,132	6,071	5,705	38,197
	Grade	(g/t)	0.70	0.86	1.00	0.80	0.80

The Company continued to mine from the Princeton and Galaxy deposits during Q1 2023, with certain issues encountered at Princeton as noted below. During Q1 2023, the Company completed the reclamation of the Old Mill Sands ("OMS") slimes dump and expects to complete rehabilitation of the area during Q2 2023.

- Princeton – In Q1 2023, the Company continued mining in the PS5 and PS19 ore bodies with 3,215 tonnes at 3.28 g/t being mined, compared to 8,517 tonnes at 3.00 g/t in Q4 2022. The reduction in tonnes is due to Princeton being flooded for most of January 2023 following the flash floods that occurred in late December 2022 and low drill rig availability during March 2023 as a result of breakdowns.
- Galaxy – In Q1 2023, the Company continued mining the Galaxy deposit with 13,539 tonnes at 3.30 g/t being mined compared to 16,958 tonnes at 2.70 g/t in Q4 2022. The slight reduction in tonnes quarter on quarter was due to lower drill rig availability in Q1 2023.
- OMS – In Q1 2023, the Company completed the reclamation operation of the remaining OMS slimes dump with 6,347 tonnes at 1.04 g/t being reclaimed.

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

Processing

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

Processing		Q1 2023	FY 2023
Concentrate produced	(t)	1,449	1,449
Concentrate grade	(g/t)	34.0	34.0
Gold produced	(oz)	1,584	1,584

Processing		Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Concentrate produced	(t)	2,286	2,179	2,380	2,257	9,102
Concentrate grade	(g/t)	42.8	33.5	32.4	27.4	34.0
Gold produced	(oz)	3,143	2,346	2,483	1,989	9,961

In Q1 2023, the Company produced 1,449 tonnes of concentrate at a grade of 34.0 g/t containing 1,584 ounces of gold, a decrease of 405 ounces (20%) from Q4 2022. This was due to lower ore availability in Q1 2023 than Q4 2022 as detailed in the mining section above.

Results

The Company's earnings for Q1 2023 and Q1 2022 were comprised of:

	Q1 2023 (\$)	Q1 2022 (\$)
Revenue	1,977,167	4,485,758
Earnings (loss) from mining operations	(482,172)	1,818,379
Corporate general and administrative costs	(421,035)	(593,483)
Stock-based compensation	(52,110)	(12,473)
Foreign exchange gain (loss)	157,197	(706,992)
Interest on borrowings	(97,880)	(54,547)
Other financing income	(1,749)	(404,101)
Other income (expenses)	(52,497)	-
Discontinuing operations	-	104,607
Net earnings for the period	(950,246)	151,390

Revenue for Q1 2023 was \$2.0 million which is \$2.5 million lower than Q1 2022 and was generated from the sale of 1,434 contained ounces of gold (1,114 payable ounces of gold). Revenue for Q1 2023 was below Q1 2022 due to lower ore extraction from the underground mining operations resulting in lower gold production.

Losses from mining operations were \$0.5 million for Q1 2023 compared to earnings of \$1.8 million in Q1 2022. The reduction in earnings from mining operations is due to the reduction in revenue in Q1 2023 noted above, offset slightly by lower operating costs in Q1 2023.

Corporate general and administrative costs reduced by \$0.2 million in Q1 2023 compared to Q1 2022 predominantly due to lower professional fees incurred, including the non-recurring nature of costs associated with the Mupane Property disposal which were incurred in Q1 2022.

The foreign exchange gain of \$0.2 million for Q1 2023 was driven by a strengthening of currencies, specifically the U.S. Dollar against the South African Rand during Q1 2023.

Interest on borrowings increased to \$0.1 million in Q1 2023 due to the increase in borrowings compared to Q1 2022, partially offset by a lower interest rate of 12.35% in Q1 2023 compared to 14% in Q1 2022.

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

Other financing income decreased by \$0.4 million for Q1 2023 when compared to Q1 2022 predominantly due to the change in fair value of the Company's warrants compared to the comparative quarter.

Other expenses of \$52,497 represent costs associated with the Summit Property that have been expensed during Q1 2023.

SUMMARY OF FINANCIAL POSITION

Selected Consolidated Statement of Financial Position Data:

	March 31, 2023 (\$)	December 31, 2022 (\$)	September 30, 2022¹ (\$)	June 30, 2022¹ (\$)¹
Total current assets	1,631,581	2,045,842	1,653,028	2,112,083
Total current liabilities	7,452,260	6,895,235	5,290,716	4,200,761
Working capital	(5,820,679)	(4,849,393)	(3,637,688)	(2,088,678)
Non-current assets ¹	40,562,715	40,573,511	41,995,530	41,811,099
Non-current liabilities	2,292,308	2,376,614	3,507,883	3,981,185
Total shareholders' equity ¹	32,449,368	33,347,504	34,849,959	35,741,236

	March 31, 2022¹ (\$)	December 31, 2021¹ (\$)	September 30, 2021¹ (\$)	June 30, 2021¹ (\$)
Total current assets	19,167,157	20,128,111	10,002,431	10,033,315
Total current liabilities	21,188,288	23,120,657	23,037,895	23,127,606
Working capital	(2,021,131)	(2,992,546)	(13,035,464)	(13,094,291)
Non-current assets ¹	41,703,030	41,835,114	59,490,206	57,591,965
Non-current liabilities	5,285,719	4,610,250	7,614,254	11,369,673
Total shareholders' equity ¹	34,396,180	34,232,318	38,840,488	33,128,001

¹ The comparative period balances for September 30, 2022 and prior have been restated due to the impact of amendments to IAS 16 and the prior period adjustment as detailed in Notes 5 and 22 of the Annual Financial Statements.

Current assets decreased by \$0.4 million from Q4 2022 due to a decrease in cash of \$0.1 million, a decrease in trade receivables of \$0.2 million and a reduction in inventories of \$0.1 million.

Current liabilities increased by \$0.6 million from Q4 2022 predominantly due to \$0.5 million of additional borrowings being drawn during the quarter.

Non-current assets remained consistent with Q4 2022 at \$40.6 million as additions to mineral properties for capitalized development were offset by depreciation and depletion.

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

Non-current liabilities decreased by \$0.1 million compared to Q4 2022 predominantly due to a decrease in the warrant liability due to the reduced remaining life of the warrants and a reduction in the restoration and rehabilitation provision because of foreign exchange movements.

Total shareholders' equity as at the end of Q1 2023 decreased by \$0.9 million due to the loss and comprehensive loss recorded for Q1 2023.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company defines capital as consisting of shareholders' equity, being made up of issued capital stock, contributed surplus and deficit and long-term debt. The Company's objectives when managing capital are primarily to support the creation of shareholder value, but also to ensure that the Company is able to meet its financial obligations as they become due. The Company has not declared or paid any dividends on its common shares.

In order to fund the business activities intended in its current business plan, management is exploring additional financing arrangements that, along with expected future cash flow generated from operations at the Galaxy Property, is anticipated to be sufficient to support its corporate expenses and capital expenditure requirements for the Galaxy Property. The Company had a working capital deficiency of \$5.8 million and had negative cash flows from operations of \$0.3 million for the three months ended March 31, 2023.

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

Going Concern

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

As at March 31, 2023, the Company had a working capital deficiency (current assets less current liabilities) of \$5.8 million, including a rolling prepayment loan facility that is expected to be re-drawn on maturity during 2023. The loss from mining operations was \$1.0 million for the three months ended March 31, 2023. Cashflow from operating activities was negative \$0.3 million for the three months ended March 31, 2023. The Company has no material commitments for capital expenditures as of March 31, 2023.

The current commodity price and exchange rate environment can be volatile, which may have an impact on the Company's cash flows. The Company continues to review its near-term operating plans and to take steps to reduce costs and maximize cash flow generated from operations. These steps include assessing viable financing options for both the near and longer term to support the Company's growth plans.

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

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

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's selected quarterly information for each of the eight most recently completed quarters:

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

	Three months ended			
	March 31, 2022 ¹ (\$)	December 31, 2021 ¹ (\$)	September 30, 2021 ¹ \$	June 30, 2021 ¹ \$
Revenue	4,485,758	2,938,697	3,125,988	2,297,277
Total operating costs	(2,667,379)	(3,368,361)	(1,263,902)	(1,289,843)
Non-mining (expenses) earnings	(1,771,596)	654,761	2,881,098	(1,151,455)
Earnings (loss) from discontinuing operations	104,607	(7,243,610)	465,200	1,179,304
Earnings (loss)	151,390	(7,263,573)	5,208,384	1,340,390
Earnings (loss) per share				
- Basic	0.00	(0.04)	0.02	0.00
- Diluted	0.00	(0.04)	0.02	0.00
Total assets at end of quarter	60,870,187	61,963,225	69,492,637	67,625,280
Total liabilities at end of quarter	26,474,007	27,730,907	30,652,149	34,497,279
Total equity at end of quarter	34,396,180	34,232,318	38,840,488	33,128,001

¹ The comparative period balances as at September 30, 2022 and prior have been restated due to the impact of amendments to IAS 16 and the prior period adjustment as detailed in Notes 5 and 22 of the Annual Financial Statements.

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, interest bearing loans and borrowing, and warrants denominated in foreign currencies. The fair value of the Company's trade and other receivables, and accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instruments, specifically interest bearing loans and borrowings are recorded at amortized cost using the effective interest rate method.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The credit risk related to the trade receivable is considered minimal as gold and gold concentrate is sold to creditworthy major banks and offtake partners and settled promptly, usually within the following month and the other receivable balance consists of amounts outstanding on tax credits from governmental authorities, each of which are expected to be paid in the near term at face value. Management believes that the Company's exposure to credit risk is minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to try to ensure that it will have sufficient liquidity to meet liabilities when due. See the "Liquidity and Capital Resources" section in this MD&A for further commentary on the Company's liquidity risks.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's operations are in South Africa, the U.S.A. and Canada and its presentation currency is U.S. dollars. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currencies, including the South African Rand and Canadian Dollars. The operating results and the financial position of the Company are reported in U.S. dollars. The fluctuations of the operating currencies in relation to the U.S. dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company monitors the volatility of foreign exchange rates and will hedge its currency risk if it determines that the need arises.

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk. The Company monitors the volatility of interest rates and will hedge its currency risk if it determines that the need arises.

Market risk is the risk that the fair values of financial instruments or that the Company's future cash flows will fluctuate because of changes in market commodity rates. The Company's efforts are currently focused on the production of gold. As such, the Company's future cash flows and valuation of its mineral assets will be exposed to market risk on the price fluctuations of gold as a commodity.

ISSUED AND OUTSTANDING SHARE CAPITAL

The Company's authorized capital consists of an unlimited number of common shares, of which 71,273,309 common shares are issued and outstanding as of the date of this MD&A.

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

The Company has also adopted a share purchase plan ("SPP"). Under the terms of the SPP, each participating officer, director, or employee that has been employed with the Company or its subsidiaries for at least six months is entitled to receive the matching number of common shares acquired pursuant to the SPP at no cost to such officer, director or employee. Subject to certain conditions, such deferred matching shares will be issued to the participating officers, directors or employees over a three-year period following

GOLCONDA GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023

the date of the purchase of the qualifying shares. As of the date of this MD&A, no deferred matching shares are owed to the participating officers, directors and employees of the Company.

As of the date of this MD&A, subject to the terms of the Equity Incentive Plan, (a) options to purchase up to 1,283,652 common shares are outstanding and options to purchase up to 5,843,679 common shares are available for grant and (b) up to 1,434,009 common shares may be issued pursuant to outstanding DSUs and 5,693,322 common shares are available for grant pursuant to other non-option based forms of equity incentive awards.

As of the date of this MD&A, the Company has outstanding warrants to purchase up to 12,005,740 common shares, exercisable at C\$1.50 per common share until May 19, 2024.

FINANCING ARRANGEMENTS

Barak Facility

On October 2, 2018, the Company entered into a loan agreement with Barak Fund SPC Limited ("**Barak**") with respect to a \$5,000,000 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 funds were used towards the refurbishment and expansion of the processing facilities and restarting underground mining operations at the Galaxy Property. The Company agreed to pay to Barak, or its nominee, 0.75% of the net proceeds accruing to the Galaxy Property under an off-take agreement covering the annual gold concentrate production of the Agnes gold mine in Barberton owned and operated by the Galaxy Property, after taking into account all attributable logistics and freight costs, State Royalties (as defined in the Barak Facility) and value-added tax (if applicable) during the period over which the loan remained outstanding. During the quarter ended September 30, 2022, the Company fully repaid the Barak Facility and the net proceeds payments ceased accruing.

Ocean Partners Offtake Agreement and Credit Facility

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

Short-term Loan Note

On March 29, 2023 the Company entered into a loan agreement with Dantinox SA with respect to a term loan facility of up to \$1,000,000, with a maturity date of March 29, 2024, extendable by a further six months upon satisfaction of certain conditions. The loan bears an interest rate of 6% per annum and has a redemption premium of between 50% and 100%. The loan is secured against all of the issued and outstanding shares of Summit Gold Corporation. \$850,000 of the facility had been drawn as of the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

On August 13, 2020, the Company entered into loan agreements with its Chief Executive Officer (Nicholas Brodie), Chief Operating Officer (Wayne Hatton-Jones) and former Chief Financial Officer (Gavin Vandervegt) (collectively, the "**Executives**") as partial compensation for the services provided by the Executives in 2019. The loans are non-interest bearing, non-recourse loans with a term of three years. Pursuant to the terms of the loan agreements, the Executives used the proceeds of the loans to exercise 912,600 common share purchase warrants, exercisable at C\$0.25 per common share, held by the Executives. The common shares issued to the Executives on exercise of the warrants are held by the Company as security

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

for the outstanding loan balance. In February 2022, the Company settled C\$118,482 of the loans with certain Executives. The loan receivable balance as of the date of this MD&A is C\$109,668.

COMMITMENTS

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

OFF-BALANCE SHEET ARRANGEMENTS

Other than the low value operating lease arrangements not recognized on the initial adoption of the revised IFRS 16 Leases, the Company currently has no off-balance sheet arrangements.

Under the terms of the purchase agreement for the Summit Property (see Note 8 of the Financial Statements) the Company has a contingent cash payment of \$8.2 million due to the vendor upon commencement of production at the mine.

SUPPLEMENTAL INFORMATION TO MANAGEMENT'S DISCUSSION AND ANALYSIS

Cash Costs

This MD&A refers to operating cash cost per ounce, and operating cash cost excluding royalties per ounce, both of which are non-GAAP performance measures, in order to provide investors with information about measures used by management to monitor performance. Management uses this information to assess how well the producing gold mines are performing compared to plan and prior periods, and also to assess the overall effectiveness and efficiency of gold mining operations. Cash cost figures are calculated in accordance with a standard developed by the Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary, and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Cash cost includes mine site operating costs such as mining, processing, administration, but are exclusive of impairment, amortization, reclamation, and exploration and development costs. Operating cash cost is the total cash cost less those costs capitalized as attributable to the removal of excess waste in developing new resources. These costs are then divided by the Company's ounces of gold produced to arrive at the cash cost measures on a per ounce basis. These measures, along with sales, are considered to be key indicators of a company's ability to generate operating earnings and cash flow from its mining operations. These measures of cash costs do not have any standardized meaning prescribed by IFRS and differ from measures determined in accordance with IFRS. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under IFRS.

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

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

Galaxy Property

	Q1 2023
Operating costs	2,459,339
Adjust for:	
Impairment, depreciation and amortization	(189,106)
Inventory movement	(57,287)
Total operating cash cost	2,212,946
Royalties	(8,663)
Total operating cash cost excluding royalties	2,204,283
Gold production (ounces)	1,584
Gold production (ounces payable)	1,231
Total operating cash cost excluding royalties per payable oz.	1,790

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Operating costs	2,667,378	3,085,831	2,832,165	2,920,965	11,506,339
Adjust for:					
Impairment, depreciation and amortization	(513,659)	(142,257)	(217,138)	(212,575)	(1,085,629)
Inventory movement	382,264	(412,936)	227,050	(147,719)	48,659
Total operating cash cost	2,535,983	2,530,638	2,842,077	2,560,671	10,469,369
Royalties	(20,840)	(38,908)	(52,114)	(160,947)	(272,809)
Total operating cash cost excluding royalties	2,515,143	2,491,730	2,789,963	2,399,724	10,196,560
Gold production (ounces)	3,143	2,346	2,483	1,989	9,961
Gold production (ounces payable)	2,357	1,760	1,889	1,530	7,536
Total operating cash cost excluding royalties per payable oz.	1,067	1,416	1,477	1,568	1,353

SIGNIFICANT ACCOUNTING POLICIES

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is responsible for designing internal controls over financial reporting, or causing them to be designed under the supervision of the CEO and CFO, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with

GOLCONDA GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2023

sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of an Exchange issuer to design and implement on a cost effective basis disclosure controls and procedures as well as internal controls over financial reporting as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. A discussion of the principal risk factors relating to the Company's operations and business appear in the Company's Management's Discussion and Analysis for the year ended December 31, 2022, which may be viewed on the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

APPROVAL

The Board of Directors has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company's SEDAR profile at www.sedar.com.