GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2011

Dated: April 27, 2012

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") of financial condition and results of operations of Galane Gold Ltd. ("Galane" or the "Company") was prepared by management as at April 27, 2012. Throughout this MD&A, unless otherwise specified, "Galane", "the Company", "we", "us" or "our" refer to Galane Gold Ltd. and its subsidiaries and should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2011 (the "Financial Statements").

The Financial Statements have been prepared by management and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). 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 Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of 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 Financial Statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company as the date hereof.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A and its review is accomplished principally through 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 a single mineral project; gold price volatility; risks associated with the conduct of the Company's mining activities in Botswana; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in a single country; risks relating to reliance on the Company's management team and outside contractors; risks regarding mineral resources and reserves; 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 relating to project financing and equity issuances; mining tax regimes; risks arising from holding derivative instruments; the Company's need to replace reserves depleted by production; risks and unknowns inherent in all mining projects, including the inaccuracy of reserves and resources, metallurgical recoveries and capital and operating costs of such projects; contests over title to properties, particularly title to undeveloped properties; laws and regulations

FORWARD-LOOKING STATEMENTS (continued…)

governing the environment, health and safety; operating or technical difficulties in connection with mining or development activities; lack of infrastructure; employee relations, labour unrest or unavailability; health risks in Africa; the Company's interactions with surrounding communities and artisanal miners; the Company's ability to successfully integrate acquired assets; 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; stock market volatility; conflicts of interest among certain directors and officers; lack of liquidity for shareholders of the Company; and litigation risk. See "Risks and Uncertainties" below. 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.

CORPORATE OVERVIEW

The Company's principal business activities are the exploration for, development of, and operation of gold mining properties. Since August 30, 2011, the Company operates through its wholly owned subsidiary, Galane Gold Mines Ltd. ("GGM"), which in turn operates a producing mine located in the Republic of Botswana ("Botswana") through subsidiaries located in Botswana. GGM was incorporated under the laws of Ontario on November 15, 2010.

Effective August 30, 2011, GGM, concurrent with the closing of the Carlaw Acquisition referred to below, through its wholly owned subsidiary, Mupane Gold Mines Limited, a Mauritius company, acquired all of the issued and outstanding shares of an Australian company, Gallery Gold Pty Ltd. from IAMGOLD Corporation ("IAMGOLD") (the "Gallery Acquisition"). The purchase price for such acquisition was paid by a combination of cash, shares, and the issuance of interest bearing debt.

Effective August 30, 2011, GGM closed a transaction with a capital pool company then named Carlaw Capital III Corp. ("Carlaw"), whereby Carlaw acquired (the "Carlaw Acquisition") all of the issued and outstanding shares of GGM by issuing an aggregate of 44,420,500 common shares from treasury in exchange for all of the issued and outstanding common shares of GGM. As a result of this share exchange, the former shareholders of GGM acquired control of Carlaw, and the Financial Statements reflect the results as a continuation of the business of GGM. Carlaw was incorporated under the *Business Corporations Act* (Ontario) on October 24, 2007, and on August 30, 2011 filed articles of amendment to change its name to Galane Gold Ltd. Since September 6, 2011, the common shares in the capital of the Company (the "Common Shares") have been listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "GG".

The Carlaw Acquisition was completed by way of a "three-cornered" amalgamation, whereby a wholly owned subsidiary of Carlaw amalgamated with GGM. Through the amalgamation, shareholders of GGM received the 44,420,500 Common Shares. The resulting amalgamated entity, possessing the rights to the assets and business of GGM, is now the Company's wholly-owned subsidiary.

OUTLOOK

On August 30, 2011, the Company completed the Gallery Acquisition and the Carlaw Acquisition (collectively, the "Acquisitions") and thereby took control of the mining operations of Mupane Gold Mining (Pty) Ltd mining operations in Botswana. Following such Acquisitions, management of the Company immediately commenced the implementation of its improvement plan, with a focus on optimization of the mining operations and expansion of the mine-life resource base. While the Company is still in the early stages of the implementation of the plan, positive progress has thus far been achieved in the stabilization of operations, restructuring of the organization and recruitment of quality senior personnel. This progress has prepared the mining operation for the next phase of improvement, where the focus is on mining and processing efficiency improvement. A comprehensive exploration program, including 8,000 metres of near-mine drilling and an additional 8,000 metres on the Company's prospecting license areas, has been budgeted for 2012. This exploration program commenced at the end of March 2012 and the results are expected to be released after the Company has completed the current phase.

The acquisition of The Northern Lights Exploration Company (Pty) Ltd ("NLE") was completed on April 10, 2012. Management believes that the additional exploration potential generated from NLE and its assets will be accretive to the Company's share value.

As an un-hedged gold producer, the Company's results will be sensitive to the price of gold. Since closing the Acquisitions, the price of gold has remained above levels used for internal modeling purposes. Based on current gold price levels, it is management's view that the operation will continue to fund all of its planned capital requirements, including its exploration program, and generate additional free cash-flow for general working capital purposes.

Selected Annual Information

		December 31, 2011		December 31, 2010
Mining Revenue (four months):	$	28,606,785	$	-
Mining Costs (four months):				
- Cash		21,124,266		-
- Non-Cash - Depreciation		2,485,258		-
		23,609,524		
Earnings from mining operations (four months)	$	4,997,261		-
Corporate General and administration (four months):				
- Cash		(1,504,506)		-
- Share-based compensation		(587,651)		-
		(2,092,157)		-
Earnings from operations	$	2,905,104		-
Other expenses		(1,480,557)		-
Net earnings	$	1,424,547		-
Per share				
- Basic	$	0.0862		-
- Fully diluted	$	0.0860		-

The information in the above table is prepared in accordance with IFRS. All amounts are expressed in U.S. dollars.

DISCUSSION OF OPERATIONS

For the Year ended December 31, 2011

The following is an analysis of the Company's operating results for the year ended December 31, 2011. As the financial results are reflected as a continuation of GGM, and GGM was incorporated on November 15, 2010 and remained inactive until the first quarter of 2011, there are no comparisons to the previous year. In addition, in 2011, prior to August 30, 2011, GGM's activities were focused primarily on raising the capital required to complete the Acquisitions.

Financing activity:

During the year ended December 31, 2011, the Company was actively involved in raising the capital required to complete the Acquisitions, and provide the Company with the necessary working capital to fund its ongoing operations after the completion of the Acquisitions.

On August 5, 2011, GGM completed a brokered private placement (the "GGM Private Placement") of an aggregate of 20,545,500 subscription receipts (the "GGM Subscription Receipts") at a subscription price of CDN$0.80 per receipt for aggregate gross proceeds of $16,806,220 (CDN$16,436,400). Each GGM Subscription Receipt entitled the holder to receive one common share in the capital of GGM (a "GGM Share") and one-half of one common share purchase warrant of GGM (a "GGM Warrant"). Each whole GGM Warrant was exercisable for one GGM Share for a period of 18 months from the date of closing of the Carlaw Acquisition at a price of CDN$1.10 per share. The gross proceeds from the GGM Private Placement were held in escrow until immediately prior to the closing of the Gallery Acquisition on August 30, 2011.

The agent (the "Agent") retained by GGM pursuant to the GGM Private Placement received a cash commission of $1,545,186 (CDN$1,511,184) and was issued warrants ("GGM Agent Warrants") to purchase up to an aggregate of 1,888,980 GGM Shares with each GGM Agent Warrant being exercisable for one GGM Share for a period of 18 months from closing of the Acquisitions at a price of CDN$0.80 per share. Additional costs of $352,002 were incurred in connection with the financing.

Immediately prior to the closing of the Gallery Acquisition, the GGM Subscription Receipts converted into an aggregate of 20,545,500 GGM Common Shares and 10,272,750 GGM Warrants. At the effective time of the closing of the Carlaw Acquisition, the GGM Common Shares, GGM Warrants and GGM Agent Warrants were then exchanged for an equivalent number of Common Shares, warrants and agent warrants of the Company without payment of any additional consideration. Accordingly, at the closing of the Acquisitions, the Company issued an aggregate of 20,545,500 Common Shares, 10,272,750 warrants and 1,888,980 agent warrants in connection with the GGM Private Placement.

On the closing of the Carlaw Acquisition, the Company received working capital of $88,299 for consideration of the issuance of 687,500 Common Shares. On the closing of the Gallery Acquisition, the Company received working capital of $12.8 million plus producing mine assets valued at $21.7 million for total consideration of $34.5 million. Consideration included 21,875,000 Common Shares, a note payable of US$3.8 million, repayable every six months in three equal principal installments of $1,266,667 commencing February 28, 2013, and 1,265,253 warrants to purchase Common Shares exercisable until March 1, 2013 at CDN $1.10 per share.

DISCUSSION OF OPERATIONS (continued…)

For the Year ended December 31, 2011 (continued…)

Acquisition activity:

During the year ended December 31, 2011, the Company negotiated and closed the Acquisitions.

As described below, on July 27, 2011, the Company reached an agreement to acquire all of the issued and outstanding shares of The Northern Lights Exploration Company (Pty) Ltd., which was subsequently completed on April 10, 2012 (the "NLE Acquisition").

Gallery Acquisition

On August 30, 2011, the Company acquired from IAMGOLD 100% of the outstanding shares of Gallery Gold Pty Ltd. ("Gallery"), an Australian company that, through its subsidiaries, holds the rights to conduct activities prescribed under mining and prospecting licenses at the Mupane gold mine, located in Botswana (the "Mupane Property"). As consideration for the purchase of the shares of Gallery, IAMGOLD received 21,875,000 Common Shares, 1,265,253 warrants to purchase Common Shares and a promissory note in the amount of $3,800,000. Each warrant is exercisable into one Common Share on or before March 1, 2013 at a price of $1.10 per share.

As a result of the closing of the NLE Acquisition, the number of warrants issued to IAMGOLD pursuant to the Gallery Acquisition was adjusted from 1,265,253 warrants to 4,377,778 warrants to purchase Common Share exercisable on or before March 1, 2013 at a price of CDN$1.10 per share.

The fair values of identifiable assets and liabilities of Gallery as at the date of acquisition were:

	Fair value
Mining properties	$14,574,736
Plant and Equipment	4,984,330
Ore Stockpiles	7,078,579
Inventory	10,479,500
Other Current Assets	1,977,930
Cash and Cash Equivalents	5,946,998
Trade and Other Payables	(5,563,668)
Restoration and rehabilitation provision	(4,971,445)
Net assets	$34,506,960

The Gallery Acquisition was accounted for using the acquisition method in accordance with IFRS 3 with the results of operations consolidated with those of the Company effective August 30, 2011. Gallery has contributed incremental revenue of $28.6 million and pre-tax income of $5.4 million for the four month period since the Gallery Acquisition to December 31, 2011.

DISCUSSION OF OPERATIONS (continued…)

For the Year ended December 31, 2011 (continued…)

Carlaw Acquisition

On August 30, 2011, Carlaw acquired 100% of the outstanding shares of GGM by way of a "three-cornered amalgamation" pursuant to section 174 of the *Business Corporations Act* (Ontario). As the former shareholders of GGM acquired control of Carlaw, the Carlaw Acquisition is reported for accounting purposes as if GGM acquired Carlaw. As a result, the results of Carlaw are reflected only since the date of acquisition. Immediately after the Carlaw Acquisition, Carlaw's name was changed to Galane Gold Ltd.

The fair values of identifiable assets and liabilities of Carlaw as at the date of acquisition were:

	Carrying value	Fair value
Other current assets	$ 9,180	$ 9,180
Cash and cash equivalents	179,678	179,678
Trade and other payables	(100,559)	(100,559)
Net assets	$ 88,299	$ 88,299
Goodwill	nil	nil
Total consideration		$ 88,299

NLE Acquisition

In addition to the Acquisitions, the Company entered into an agreement with the shareholders of NLE to acquire all of its issued and outstanding shares. NLE owns the rights to a number of exploration licenses near the Mupane Property.

The agreement outlines certain conditions to closing the NLE Acquisition and, as at April 10, 2012, all conditions were met and the transaction was completed.

As consideration for all of the issued and outstanding shares of NLE, the Company issued 3,125,000 Common Shares to the shareholders of NLE and promissory notes in the aggregate principal amount of CDN$400,000. The notes bear interest at 6% per annum with principal payments as follows:

- Paid on closing CDN$100,000
- On the 2nd, 4th, and 6th month anniversary after closing CDN$100,000

If, in the reasonable opinion of the Board of Directors of the Company, any principal payment would cause undue stress to the Company, the principal payment can be extended to a mutually agreed upon schedule.

DISCUSSION OF OPERATIONS (continued…)

For the Year ended December 31, 2011 (continued…)

NLE Acquisition (continued…)

The agreement also provides for the issuance of up to an additional 8,750,000 Common Shares upon the achievement of the following exploration milestones on NLE's mineral properties on or prior to the date which is seven years from the date of the closing of the NLE Acquisition. The milestones set forth below are cumulative:

Milestone	Consideration	Cumulative Consideration
Exploration work on the mineral properties of NLE confirms by way of a NI 43-101 report a measured mineral resource containing at least 100,000 ounces of gold or the number of ounces of contained gold that is mined exceeds 100,000 ounces (or any combination thereof without duplication)	1,375,000 Common Shares	1,375,000 Common Shares
Exploration work on the mineral properties of NLE confirms by way of a NI 43-101 report a measured mineral resource containing at least 250,000 ounces of gold or the number of ounces of contained gold that is mined exceeds 250,000 ounces (or any combination thereof without duplication)	1,750,000 Common Shares	3,125,000 Common Shares
Exploration work on the mineral properties of NLE confirms by way of a NI 43-101 report a measured mineral resource containing at least 500,000 ounces of gold or the number of ounces of contained gold that is mined exceeds 500,000 ounces (or any combination thereof without duplication)	3,125,000 Common Shares	6,250,000 Common Shares
Exploration work on the mineral properties of NLE confirms by way of a NI 43-101 report a measured mineral resource containing at least 1,000,000 ounces of gold or the number of ounces of contained gold that is mined exceeds 1,000,000 ounces (or any combination thereof without duplication)	2,500,000 Common Shares	8,750,000 Common Shares
Total	**8,750,000 Common Shares**	**8,750,000 Common Shares**

The NLE Acquisition will be accounted for as an acquisition in the second quarter of 2012.

The capital required for the exploration activities relating to the NLE properties is intended to come from excess cash flow from the mine operations and therefore will decrease the Company's working capital. However, the Company intends to ensure that the use of these funds will not have a material impact on the financial strength of the mining operations. If necessary, the Company will seek additional sources of funding for these expenditures. These exploration expenditures will also decrease the Company's reportable earnings.

DISCUSSION OF OPERATIONS (continued…)

For the Year ended December 31, 2011 (continued…)

Operating activity:

The Company commenced active mining operations on the closing of the Acquisitions on August 30, 2011. A discussion of the results for the four months of operations from the date of acquisition to December 31, 2011 follows:

Revenue:

On August 30, 2011, as a result of the closing of the Acquisitions, the Company acquired control of Mupane Gold Mining (Pty) Ltd. and its mining operations at the Mupane Property in Botswana. From September 1, 2011 to December 31, 2011, it generated $28,606,785 in revenue from the sale of 16,853 ounces of gold plus incidental silver at an average combined price of $1,697 per ounce.

Expenses:

Mining Costs:

- Total cash costs for the mining operations before royalties for the four month period since acquisition to December 31, 2011, were $20.98 million with 20,193 ounces of gold produced or $1,039 per ounce ($1,110 per ounce after royalties) as follows (in $millions):

Mining and processing	$ 18.768
Mine administration	$ 2.181
Refining	$ 0.035
Mine costs before royalties	$ 20.984
Royalties	$ 1.442
Total mine costs	$ 22.426

- Key operating data to December 31, 2011:

	Four months*
Total material mined (000 t)	5,500
Strip ratio	13.70
Ore milled (000 t)	385
Ore mined (000 t)	374
Head grade (g/t)	1.86
Recovery (%)	87.5%
Gold production (oz.)	20,193
Cash cost excluding royalties ($/oz.)	$ 1,039
Royalties ($/oz.)	$ 71

* Results are from the date of acquisition to December 31, 2011.

DISCUSSION OF OPERATIONS (continued…)

For the Year ended December 31, 2011 (continued…)

Operating activity (continued…)

Other expenses:

Corporate general and administration costs totaling $2,092,157 in the year ended December 31, 2011 were comprised of the following:

- Acquisition related costs were $731,973, including professional fees of $668,679, and travel and related costs of $63,294;
- General corporate operating costs amounted to $772,533 and include:
  - Management fees for the officers of the Company of $213,664;
  - Legal and audit fees of $479,362;
  - Listing and sustaining fees of $31,866; and
  - Other office and related costs of $47,641;
- Other share-based compensation totaling $587,651 was recognized in the year for the value of stock options issued during the year.

Other notable non-operating expenses for the year ended December 31, 2011 included the following:

- The Company experienced a gain on foreign exchange of $583,720 for the period, primarily due to a slight increase in the value of the Canadian dollar against the U.S dollar, and a strengthening of the U.S. dollar against the Botswana Pula from the date that the Acquisitions closed to December 31, 2011.
- As a result of an increase in the Company's share price from the date of acquisition, the fair market value of warrants issued for the Acquisitions of $1,443,904 has been reflected as a financing cost. In addition, accretion on the Company's rehabilitation and restoration provision amounted to $174,425 for the four months of mining operations, and the Company paid $79,241 in interest on the long-term debt issued as part of the Gallery Acquisition resulting in total financing costs for the year of $1,697,570.
- The Company reflected a one time expense relating to the Carlaw Acquisition of $397,342 being the excess of share consideration paid over the fair value of the identifiable assets. This has been reflected in "Other expenses".

Earnings

The earnings for the year ended December 31, 2011 of $1,424,547 were therefore comprised of:

Income from mining operations (for the four months from the date of the Acquisitions to December 31, 2011)	$	4,997,261
Exploration costs		(35,250)
Corporate general and administration costs (including share-based compensation of $587,651)		(2,092,157)
Foreign exchange gain		583,720
Interest on long term debt		(79,241)
Other expenses		(331,457)
Other financing costs (including $1,443,904 movement in the fair value of warrants for shares in the Company)		(1,618,329)
Earnings for the year	$	1,424,547

DISCUSSION OF OPERATIONS (continued…)

For the Year ended December 31, 2011 (continued…)

Overall performance:

The year ended December 31, 2011 reflects a combination of financing activity, acquisition activity and four months of mine operating activity as outlined above. Overall, this has resulted in the generation of the following:

• Working capital acquired from the Acquisitions	$	12,929,059
• Working capital obtained from financings		2,479,607
• Working capital generated from operations for the year		3,825,812
• Total working capital generated in the year	$	19,234,478

Events and conditions in the global financial markets impact gold prices, commodity prices, interest rates and currency rates. These conditions and market volatilities may have a positive or negative impact on the Company's revenues, operating costs, project development expenditures and project planning.

In the four months since the date of the Acquisitions (August 30, 2011), the gold price continued to display considerable volatility with spot daily closings between $1,896.50 and $1,537.50 per ounce from London Bullion Market Association. The closing price of gold at December 31, 2011 was $1,574.50 per ounce.

UPDATE ON USE OF AVAILABLE FUNDS

The following table sets out a comparison of the disclosure regarding the Company's intended use of available funds as set out in in the filing statement of the Company dated August 25, 2011 (the "Filing Statement") and filed on SEDAR at www.sedar.com and the actual use of available funds as at December 31, 2011:

Anticipated Use of Funds	Estimated Use of Funds Over Next 18 Months (as of the date of the Filing Statement)	Actual Use of Funds (as at December 31, 2011)
To finance production at the Mupane Property	-	-
To finance operations for 18 months	-	-
Initial principal and interest payment on the promissory note issued in connection with the Gallery Acquisition (payable 18 months after the closing of the Gallery Acquisition)	$1,480,000	$79,241
Total	$1,480,000	$79,241

There are no variances on uses of funds that have impacted the Company's ability to achieve its business objectives and milestones as outlined in the Filing Statement.

UPDATE ON OBJECTIVES

The following table sets forth the business objectives of the Company for the 2011 and 2012 calendar years as set forth in the Filing Statement and the current status of such objectives:

Objectives	Status
At the Mupane Property:	
• to continue gold production according to the mine plan out to 2016.	No change, in progress
At the NLE projects:	
• to complete the NLE Acquisition by the end of 2011 for consideration of 3,125,000 Common Shares (based on a share price of $0.80 per share); and	Completed on April 10, 2012
• to commence an 18 month exploration plan for the Jim's Luck project for a budgeted cost of a total of $1.52 million.	No change in progress

Certain information set out in the table above under "Status" is forward-looking information. Such forward-looking information is based on the assumptions and is subject to the material risks discussed above under "Forward-Looking Statements". Actual results may vary significantly from the forward-looking information in this MD&A.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's selected quarterly information for each of the quarters ended December 31, 2011 since the date of incorporation November 15, 2010:

Quarterly Information

	Three months ended			
	December 31, 2011 $	September 30, 2011 $	June 30, 2011 $	March 31, 2011 $
Revenue	27,125,460	1,481,325	-	-
Mining costs - Cash - Non-cash (depreciation and amortization)	(18,394,312) (1,543,231)	(2,729,954) (942,027)	-	-
Total mining costs	(19,937,543)	(3,671,981)		
Expenses	(1,511,366)	(1,703,660)	(357,688)	-
Earnings (loss)	5,676,551	(3,894,316)	(357,688)	-
Earnings (loss) per share - Basic - Fully diluted	0.126 0.126	(0.23) (0.23)	n/a	n/a
Total assets at end of quarter	53,033,974	49,654,410	254,498	256
Total liabilities at end of quarter	20,672,784	22,985,280	611,930	-
Total equity at end of quarter	32,361,190	26,669,130	(357,432)	256

	Three months ended
	December 31, 2010 $
Revenue	-
Mining costs - Cash - Non-cash (depreciation)	-
Total mining costs	-
Expenses	-
Earnings	-
Earnings per share	n/a
Total assets	256
Total liabilities	-
Total equity	256

Notes:

(1) GGM was incorporated on November 15, 2010 and inactive until the first quarter of 2011, therefore there are no results prior to that time.

(2) Information for all periods is presented in accordance with IFRS and in U.S. dollars.

SUMMARY OF QUARTERLY RESULTS (continued…)

Discussion of fourth quarter of 2011:

As discussed in the results section of the MD&A, prior to the eight months ended August 31, 2011, the Company was involved solely in the business of locating and negotiating acquisitions, thus discussions relating to quarter over quarter results are not meaningful. However, a discussion of the fourth quarter results as compared to the one month of mining operations included in the third quarter of 2011 is as follows:

Revenue:

For the three months ended December 31, 2011, the Company generated $27.1 million in revenue from the sale of 16,203 ounces of gold at an average price of $1,674 per ounce. This represents an average per month of $9.0 million in revenue from the sale of 5,401 ounces of gold at an average price of $1,674 per ounce, as compared to the one month of operations in the previous quarter of $1.5 million in revenue from the sale of 650 ounces of gold at an average price of $1,814 per ounce.

Expenses:

Mining Costs:

- Total cash costs for the mining operations before royalties for the three month period ending December 31, 2011 were $15.95 million with 15,554 ounces of gold produced or $1,025 per ounce ($1,095 per ounce after royalties) as follows (in $millions):

Mining and processing	$14.230
Mine administration	1.690
Refining	.025
Mine costs before royalties	$15.945
Royalties	1.080
Total mine costs	$17.025

- Key operating data for the fourth quarter of 2011:

	Three months to December 31, 2011
Total material mined (000 t)	4,450
Strip ratio	14.98
Ore milled (000 t)	281
Ore mined (000 t)	278.2
Head grade (g/t)	1.93
Recovery (%)	87.4%
Gold production (oz.)	15,554
Cash cost excluding royalties ($/oz.)	$1,025
Royalties ($/oz.)	$70

SUMMARY OF QUARTERLY RESULTS (continued…)

Discussion of fourth quarter of 2011 (continued…)

Other expenses:

Corporate general and administration costs totaling $519,091 in the three months ended December 31, 2011 ($1,215,363 for the three months ended September 30, 2011 ("Q3 2011")) include the following:

- Corporate operating costs amounted to $790,040 for the three months ending December 31, 2011 ($356,763 Q3 2011). This total for the period was comprised of the following:
  - Acquisition related costs were $325,000 ($81,790, Q3 2011);
  - General corporate operating costs amounted to $465,040 and include:
    - Legal and audit costs of $294,212 ($170,967, Q3 2011);
    - Management fees to officers of the Company of $113,714 ($99,950, Q3 2011);
    - With the commencement of active operations after the closing of the Acquisitions, the Company now incurs general and administration costs at its corporate head office along with the costs commensurate with being a public company. These costs amounted to $57,114 in Q4 2011 ($4,056, Q3 2011);
- The Company realized a reduction in share-based compensation of $(320,144) from the combined effect of the following:
    - A reduction in the period of the expected life of the options awarded from 5 years to 2.5 years ($209,880); and
    - the recovery of expenses relating to options previously issued that did not vest prior to departure of an employee ($110,264); and
- Additional share-based compensation expense was recognized in Q4 2011 of $49,195 ($858,600, Q3 2011) for the value of 100,000 options that vested in the period (1,765,000 options vested, Q3 2011).

The Company experienced a gain on foreign exchange of $720,026 for the period ($(136,306), Q3 2011), primarily due to a slight increase in the value of the Canadian dollar against the U.S dollar, and a general strengthening of the U.S. dollar against the Botswana Pula for the fourth quarter of 2011.

As a result of an increase in the Company's share price from the date of the Acquisitions, the fair market value of warrants issued for the Acquisitions of $1,443,904 ($nil, Q3 2011) has been reflected as a financing cost. This amount, combined with interest of $59,609 ($19,632, Q3 2011) on long-term debt and $174,425 in accretion expense ($nil, Q3 2011), resulted in financing costs of $1,677,938 in the fourth quarter of 2011 ($19,632, Q3 2011).

In Q3 2011, the Company reflected a one time expense relating to the Carlaw Acquisition of $397,342 being the excess of share consideration paid over the fair value of the identifiable assets. The Company had an insignificant amount of other income ($888) in the fourth quarter of 2011 compared to $64,997 in Q3 2011.

SUMMARY OF FINANCIAL POSITION

<u>Selected Consolidated Statement of Financial Position Data:</u>

	December 31, 2011 $	December 31, 2010 $
Total current assets	26,431,189	256
Total current liabilities	7,196,711	-
Working capital	19,234,478	256
Mining assets	26,602,785	-
Non-current liabilities	13,476,073	-
Total shareholders' equity	32,361,190	256

As noted in the "Discussion of Operations" section, the Company completed two acquisitions in the year ended December 31, 2011, resulting in the acquisition of the following:

• Working capital	$	12,929,059
• Mining assets and ore stockpiles		21,606,200
	$	34,595,259

The Company also completed a financing of Common Shares and Common Share purchase warrants which, after payment of the cash consideration for the Acquisitions and the costs of the financing, generated $2,479,607 in working capital.

The Company generated, through general business activity, $6,234,201 in working capital to fund future operations and provide funds for capital expenditures (totaling $2,408,389) for a net increase of $3,825,812 in the four months since the closing of the Acquisitions.

In addition to the above, the Company issued non-cash debt consideration of $3,800,000 to close the Acquisitions.

As a result, the Company had working capital at December 31, 2011 of $19,234,478 to meet its ongoing obligations.

LIQUIDITY AND CAPITAL RESOURCES

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

In order to fund the business activities intended in its current business plan, management expects that the Company's mining operations will continue to provide positive cash flow from its operations that is more than sufficient to support its corporate expenses, capital expenditure requirements and exploration activities. As described in the "Discussion of Operations" section, at December 31, 2011, the Company had $19,234,478 in working capital and generated $366,178 ($6,631,640 after the sale of

LIQUIDITY AND CAPITAL RESOURCES (continued…)

gold produced in December 2011 of $6,265,462 the proceeds from which were received on January 3, 2012) in cash flow from operations for the period from August 30, 2011 (the date Gallery was acquired) to December 31, 2011. A continuation of these results is expected to provide sufficient capital to the Company to fund annual operating expenses, capital commitments budgeted at $6.0 million and the exploration program contemplated from the NLE Acquisition of $3.4 million.

The revenue of the Company is dependent upon the spot price of gold. At the current level of operating costs, the Company would continue to generate positive cash flow from operations even if there was a 20% reduction in the spot price of gold.

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

ENVIRONMENTAL DISCUSSION

The mining activities of the Company can give rise to obligations for site restoration and rehabilitation. Restoration and rehabilitation work can include land rehabilitation and site restoration. The extent of work required and the associated costs are dependent on the requirements in the local jurisdiction and the interpretations of the requirements by relevant authorities.

Provision for the cost of the Company's restoration and rehabilitation program is recognized at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass obligated and reasonably estimable restoration and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate restoration and rehabilitation activities such as waste material handling conducted as an integral part of a mining or production process are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event gives rise to an obligation that is probable and capable of reliable estimation.

Restoration and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Discount rates used are the ones most appropriate for the location of the mine. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements. As at December 31, 2011, the amount reflected in the Company's restoration and rehabilitation provision is $4,985,731 (on an undiscounted basis, the total payments are estimated at $6,943,747).

The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognized as part of finance costs. Potential changes in the laws and regulations could have an adverse risk on the actual restoration costs that the Company could incur in the future.

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, which is the amount disclosed on the balance sheet dates due to their short-term maturities or ability of prompt liquidation. Cash, under the fair value hierarchy, is based on level-one quoted prices in active markets for identical assets or liabilities. The Company's other financial instruments, specifically interest bearing loans and borrowings and warrants denominated in foreign currency are valued amortized cost using the effective interest rate method.

FINANCIAL INSTRUMENTS (continued…)

Strategic and operational risks are risks that arise if the Company fails to identify opportunities and/or threats arising from changes in the markets in which the Company operates. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory developments and competitor actions. These risk factors are more fully addressed in the "Risks and Uncertainties" section of this MD&A.

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 Company's current trade receivables are from a reputable customer for the purchase of the gold it produces, and 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. 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 ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2011, the Company had a cash, gold inventory and receivables balance of $26,431,189 (December 31, 2010: $256) to settle current liabilities of $7,196,711 (December 31, 2010: $nil). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has sufficient working capital to meet its short-term business requirements. See "Liquidity and Capital Resources" section for further commentary on the Company's liquidity risks.

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

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 Botswana and Canada and its functional 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 Botswana Pula, 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.

Market risk is the risk that the fair values or future cash flows of the Company 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 future 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 48,233,000 Common Shares are issued and outstanding as of the date of this MD&A. On a diluted basis, the Company has 66,911,258 Common Shares outstanding as of the date of this MD&A, assuming the exercise of 14,650,528 outstanding warrants, 1,888,980 outstanding agent's warrants, 2,127,500 outstanding stock options pursuant to the Company's stock option plan and 11,250 outstanding stock options issued to an eligible charitable organization.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2011, the following related party transactions occurred:

- Philip Condon, the Company's CEO and Miniera Group Limited (a consulting company owned by Philip Condon):
  - Management fees of $134,454 were paid in cash to Miniera Group Limited under its contract for the provision of the CEO services of Philip Condon;
  - Miniera Group Limited subscribed for and purchased 120,000 common shares and warrants to purchase up to 60,000 common shares as part of the GGM Private Placement, at a cost of CDN$0.80 per share and warrant;
- Ravi Sood, the Company's Chairman:
  - Mr. Sood subscribed for and purchased 1,250,000 common shares and warrants to purchase up to 625,000 common shares as part of the GGM Private Placement, at a cost of CDN$0.80 per share and warrant;
- Donald Cameron, the Company's CFO and InHouseCFO Inc. (a consulting company controlled by Donald Cameron):
  - Management fees of $23,460 and accounting fees of $5,865 were paid in cash to InHouseCFO Inc. under its contract for the provision of the CFO services of Donald Cameron;
- Amar Bhalla, a director of the Company and Capit Investment Corp. (an investment company controlled by Amar Bhalla):
  - Capit Investment Corp. subscribed for and purchased 468,750 common shares and warrants to purchase up to 234,375 common shares as part of the GGM Private Placement, at a cost of CDN$0.80 per share and warrant;
- Ian Egan, a director of the Company and Nagermir Pty Ltd. (a trust of which Ian Egan is a beneficiary):
  - Nagermir Pty Ltd. subscribed for and purchased 125,000 common shares and warrants to purchase up to 62,500 common shares as part of the GGM Private Placement, at a cost of CDN$0.80 per share and warrant;
- Charles Byron, a director of the Company:
  - The Company paid rent of $6,100 for office premises to Great African Services (Pty) Ltd., a company owned by a consortium of individuals that includes Charles Byron, a director of the Company;
  - The Company paid CDN$12,000 in cash and issued 1,500,000 Common Shares to Mr. Byron on the closing of the NLE Acquisition, as he was a shareholder of NLE;
  - Mr. Byron is entitled to receive CDN$192,000 in principal plus interest at 6% for his proportionate share of the note payable issued as part of the NLE Acquisition, and Mr. Byron is also entitled to 4,200,000 of the 8,750,000 Common Shares that are potentially issuable pursuant to the NLE Acquisition;
- Management fees of $55,750 were paid to RKG Consulting Ltd. under its contract for the provision of CFO services of the former CFO of the company, Rajat Ganguly; and
- IAMGOLD, a shareholder with significant influence, by holding in excess of 20% of the Common Shares of the Company:
  - The Company had the following transactions with IAMGOLD as a result of the Gallery Acquisition:
    - Issued 21,875,000 Common Shares and 1,265,253 IAMGOLD Warrants, which on the closing of the NLE Acquisition on April 10, 2012 increased to 4,377,778 IAMGOLD Warrants;
    - Issued an interest bearing note of $3,800,000 pursuant to the Gallery Acquisition;
    - Paid cash of $6,559,462 (net of amount acquired from Gallery); and

TRANSACTIONS WITH RELATED PARTIES (continued…)

- The Company accrued and paid $79,241 in cash in interest on the interest bearing note to IAMGOLD.

At December 31, 2011, $14,560 (2010 $nil) was payable by the Company to Mr. Sood for reimbursement of out-of-pocket operating expenses he incurred during the fourth quarter of 2011.

The remuneration of directors and other members of key management personnel during the year ended December 31, 2011 is as follows:

	Year Ended December 31, 2011	
Salaries	$	116,000
Management fees		213,755
Share-based compensation		587,651
	$	917,406

CHANGES IN ACCOUNTING POLICIES

Current accounting changes

Consolidated financial statements (Section 1601) and non-controlling interests (Section 1602)

As the Company commenced business during this fiscal year there have been no changes in accounting policies.

New Standards and Interpretations not yet adopted

There are a number of new standards and interpretations that the Company will be required to adopt. Details are as follows:

(a) IFRS 9 – Financial instruments

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposed to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The first part of this project provides new guidance for the classification and measurement of financial assets and liabilities. The Company is in the process of evaluating the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments.

(b) IFRS 10 – Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements*, which is effective for annual periods beginning on or after January 1, 2013. IFRS 10 replaces the guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 10 to have a material impact on the financial statements.

CHANGES IN ACCOUNTING POLICIES (continued…)

New Standards and Interpretations not yet adopted (cont'd)

(c) IFRIC 20 – Stripping costs in the production phase of a surface mine

IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 is applicable for annual periods beginning on or after January 1, 2013 and early application is permitted. The Company is in the process of evaluating the requirements of the new standard.

(d) IFRS 12 – Disclosure of Interests in Other Entities

The IASB issued IFRS 12 *Disclosure of Interests in Other Entities*, which is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. The Company intends to adopt IFRS 12 in its financial statements for the annual period beginning on January 1, 2013. When applied, it is expected that the amendment to IFRS 12 will increase the current level of disclosure of interests in other entities.

(e) IFRS 13 – Fair Value Measurement

The IASB published IFRS 13 *Fair Value Measurement*, which is effective prospectively for annual periods beginning on or after January 1, 2013. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises would be required to adopt IFRS for financial periods beginning on and after January 1, 2011. The Financial Statements include full disclosure of the Company's accounting policies in accordance with IFRS policies in Note 3 therein.

COMMITMENTS

As at the date of this MD&A, the Company had the following commitments:

Royalty expenses:

Production from the Mupane operation is subject to third party royalties (included in mining costs) of 5% of revenues based on market prices at the date of shipment. During the year ended December 31, 2011, the Company paid $1,442,264 in royalties (2010 - $nil).

Operating contractual obligations:

The Company has operating lease obligations which relate to obligations in 2011 for land operating lease agreements as follows:

- Incurred since the Acquisitions date to December 31, 2011 — $139,905
- To be incurred in 2012 — $306,099
- To be incurred 2013-2016 — $241,609

Claims:

The Company is subject to one known employment-related litigation action, and outside legal advisors have assessed the potential outcome of the litigation. At this time it has been determined that any potential payment will not be material. The Company is also subject to the possibility of revised tax assessments for some years. The Company does not believe that, should unfavourable decisions arise from any review of its tax filings, that any amount it might be required to pay will be material. No amounts have been provided for in the financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

Other than the completion of the NLE Acquisition, the Company had no other reportable events occur subsequent to December 31, 2011.

RISKS AND UNCERTAINTIES

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 Company faces. 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.

Risk Factors relating to the Business of Galane

Galane depends on a single mineral project

The Mupane Property is Galane's only material property and accounts for all of Galane'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 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 Company's financial performance and results of operations.

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

The development and success of the Mupane Property is 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 Company. 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 future serious price declines could cause continued development of, and commercial production from, the Company'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 Company 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 Company'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 significantly lower gold prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. In addition to adversely affecting the Company'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 Company's financial performance or results of operations. If the world market price of gold was to drop and the prices realized by the Company on gold sales were to decrease significantly and remain at such a level for any substantial period, the profitability of the Company 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 significantly from its current level, the mine development projects may be rendered uneconomic and the development of the mine projects may be suspended or delayed.

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

The Company conducts its mining, development and exploration activities in Botswana. The Company'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 Company's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits, 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 Company of its legal rights to exploit its properties may not be recognized by the government of Botswana or by its court system. These risks may limit or disrupt the Company'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 economy and political system of Botswana 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 Company's results of operations and financial condition.

The Company 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 Company's exploration, development and mining activities are situated entirely in a single country

The Company conducts its exploration, development and mining activities entirely in Botswana. Galane believes that the Government of Botswana supports the development of natural resources. There is no assurance that future political and economic conditions in Botswana will not result in the Government of Botswana 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 Company'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 Company 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 Company is dependent to a significant extent on the efforts and abilities of its management and outside contractors. 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 Company's profitability, results of operations and financial condition.

Inferred mineral resources are uncertain and their economic viability cannot be assured

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.

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 Company 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 Company 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 Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company 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 Company'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 Company may incur significant costs or experience significant delays that could have a material adverse effect on the Company's financial performance, liquidity and results of operations. To minimize risks in these areas, the

Company 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 Company incurs in its operations

The revenue from financing activities will be received in Canadian dollars while a significant portion of its operating expenses will be incurred in United States dollars, Botswana Pulas and other foreign currencies. From time to time, the Company 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 portion of the Company's operating expenses are incurred in non-U.S. dollar currencies. The appreciation of non-U.S. dollar currencies in those countries where the Company 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 Company's profitability, results of operation and financial position.

Failure to generate sufficient cash flow from operations to fund the Company'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 Company 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 Company 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 Company. Failure to obtain any financing necessary for the Company'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 Company, in many cases, without the approval of shareholders. The Company 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.

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 Company's operations may be assessed, which could result in significant additional taxes, penalties and interest.

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 Company 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 Company by the counterparties with which the Company 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 Company will be able to achieve future realized prices for metal prices that may exceed the option based forward sales hedge program.

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 Company to reduce its mineral reserves and resources, which could have a negative impact on the Company'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.

The Company 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 estimate for the Mupane Property is 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 Company'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 Company 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 Company 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 Company 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 Company's estimates or the Company 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 Company's title to its properties may be affected by prior unregistered agreements or transfers, or undetected defects. Several of the Company'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 Company 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 Company 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 Company. 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 Company also competes with other mining companies to attract and retain key executives and employees. There can be no assurance that the Company 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 Company estimates the net present value of future cash outflows reclamation costs at all properties under IFRS at approximately $6.9 million as at December 31, 2011 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 Company'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 Company'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 at the Mupane Property.

Galane is dependent on its workforce to extract and process minerals. The Company 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 Company 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 Company carries on business. Labour disruptions at the Mupane Property could have a material adverse impact on Galane's business, results of operations and financial condition. Some of the Company'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 Company's facilities in the future, and any such work stoppage could have a material adverse effect on the Company'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 Company 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 Company's future cash flows, earnings, results of operations and financial condition.

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 Company 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 Company's properties. This condition may interfere with work on Galane's properties and present a potential security threat to the Company'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 Company 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 Company'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 Company'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 Company's business, results of operations or financial condition. The Company 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 Company may also incur significant costs in connection with reclamation activities for its mining sites, which may materially exceed the provisions the Company 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 Company'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 Company'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 Company to new geographic, political, operating, financial and geological risks. The Company'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 Company. 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 Company'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 Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company 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 Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Risk Factors Relating to the NLE Properties

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 Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of precious metal deposits will result in discoveries of commercial quantities of such metals.

The development of the NLE Properties into commercially viable mines cannot be assured

Gold development projects, such as the NLE Properties in Botswana, 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 Company 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 Company's operations. Should any of these events occur, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

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 Company'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 Company'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 Company own or control approximately 10.6% 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 Company's directors and officers are subject to fiduciary obligations to act in the best interest of the Company.

Dividends

To date, Galane has not paid any dividends on the Commons Shares. The Company 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 Company's current policy is to retain earnings to finance its exploration and development activities and to otherwise reinvest in the Company. The Company's dividend policy will be reviewed from time to time by the board of directors of the Company 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. Further, IAMGOLD holds almost 50% of the outstanding Common Shares and therefore may have an influence on the trading price of the Common Shares.

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 Company is unable to resolve these disputes favourably, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

In the event of a dispute involving the foreign operations of the Company, the Company 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.

APPROVAL

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

ADDITIONAL INFORMATION

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