SAVANNAH GOLD CORP.

(Formerly Mexigold Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2016

This Management Discussion and Analysis ("MD&A") of Savannah Gold Corp. ("Savannah" or the "Company", formerly Mexigold Corp.) has been prepared by management as of April 21, 2017, and should be read together with the audited consolidated financial statements for the years ended December 31, 2016 and 2015 and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian Dollars unless otherwise indicated.

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, its working capital needs and its ability to identify, evaluate and pursue suitable business opportunities. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Over-all Performance

The Company was incorporated on August 19, 1998 under the laws of British Columbia. The Company is presently a "Venture Issuer", as defined in NI 51-102. Effective July 9, 2015, the Company's listing was transferred to the NEX board of TSX-V ("NEX") in accordance with TSX-V Policy 2.5 as the Company was not able to maintain the requirements for a TSX-V Tier 2 company. The Company is listed on NEX under the symbol SAV.H.

On August 22, 2016, the Company changed its name from Mexigold Corp. to Savannah Gold Corp. and its stock symbol from MAU.H to SAV.H. The Company also consolidated its share capital on a ratio of one new post-consolidated common share for every two old pre-consolidated common shares.

Effective March 3, 2017, the Company consolidated its share capital on a ratio of five old common shares for every one new post-consolidated share. On completion of the consolidation, the Company had 3,046,021 issued and outstanding common shares.

On March 13, 2017, the Company completed its non-brokered private placement of 1,700,000 common shares at a price of $0.15 per common share, for total gross proceeds of $255,000.

On April 12, 2017, the Company completed a non-brokered private placement of 3,000,000 units at a price of $0.20 per unit, for aggregate gross proceeds of $600,000. Each unit consists of one common share of the Company and one-half of one transferable common share purchase warrant, with each warrant entitling the holder thereof to acquire one additional common share at a price of $0.40 until April 10, 2019, subject to acceleration.

The net proceeds from the private placements will be used for general working capital and to review potential new business opportunities.

In 2011, the Company was in the business of exploring 3 concession properties in Durango-Zacatecas, Mexico until it terminated its option agreement in 2012.

The Company has a wholly-owned Canadian subsidiary, 0904254 BC Ltd. ("0904254 BC"), incorporated on March 1, 2011 and a Mexican subsidiary, Mexigold Resources SA de CV ("MAU Mexico"), incorporated on March 4, 2011, whereby the Company owns 99% and 0904254 BC owns 1% of MAU Mexico.

Risks and Uncertainties

The Company continues to actively identify and review suitable business opportunities. The appropriate announcements will be made once the Company has found one. As such, the Company is subject to various risks and uncertainties including financial, operational, environmental and political risks. Management monitors its activities and various factors that could impact the risks in order to manage risks and make timely decisions.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and receivable. The Company minimizes its exposure to credit risk by placing its cash with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash as low due to the high credit quality rating the institution has with the rating agencies. As at December 31, 2016, the Company had cash of $484.

The Company's secondary exposure to credit risk is on its receivable. This risk is minimal as receivables consist of refundable government sales taxes of $15,726.

Currency risk

The Company's current operations are not exposed to significant foreign currency risk. However, the Company is exposed to foreign currency risk on fluctuations related to trade payables of the Mexican subsidiary of approximately $24,925 that are denominated in US Dollars. The Company does not hedge its exposure to foreign exchange risk on these items.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The fair value of the Company's financial instruments is relatively unaffected by changes in interest rates. The interest rate risk on its bank deposit, which earns interest at a variable rate, is minimal due to a low balance of the deposit.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company tries to achieve this by maintaining sufficient cash to cover current liabilities as they mature.

As at December 31, 2016, the Company had a working capital deficiency of $393,967 (2015 – $324,691). In order to pay its current liabilities of $411,427 that are due within 12 months and to continue operations, additional funding will be required. During the past 12 months, the Company has relied on loans from a related party to assist short-term working capital needs.

Subsequent to the year ended December 31, 2016, the Company completed two equity financings, raising total gross proceeds of $855,000.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company has been successful in raising capital in the past, there is no guarantee it will be able to do so in the future.

Selected Annual Information

December 31,		2016		2015		2014
Interest income	$	Nil	$	Nil	$	120
Net loss	$	(74,626)	$	(148,710)	$	(200,088)
Loss per share*	$	(0.03)	$	(0.05)	$	(0.07)
Total assets	$	17,832	$	16,149	$	8,621
Total long term liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

*Loss per common share amounts were retroactively restated to reflect consolidation of the Company's share capital effective March 3, 2017.

Results of Operations

Years ended December 31, 2016 and 2015

During the year ended December 31, 2016, the Company reported a net loss of $74,626 compared to $148,710 in 2015, a decrease in loss of $74,084. The decrease in net loss was a result of a gain on debt settlement of $47,712 as well as decreases in general and administrative expenses of $12,535, management fees of $15,000 and professional fees of $4,949.

During the year ended December 31, 2016, the Company recorded a gain of $47,712 (2015- $nil) on a settlement of debt with a service provider in Mexico with respect to trade payables outstanding from prior years and the credit notes received.

General and administrative expenses decreased by $12,535 primarily due to a decrease in office rental costs of $3,069, and a decrease in foreign exchange loss of $7,729 recorded on foreign currency translation of the Mexican subsidiary's trade payables that are denominated in US Dollars.

Management fees decreased by $15,000 as a result of the reduced monthly management fees pursuant to a new Management and Administrative Services Agreement dated July 1, 2015. This agreement was subsequently terminated by the Company effective March 1, 2017.

Professional fees decreased by $4,949 due to a recovery of previously accrued unbilled legal fees of $6,950 from the Company's former legal advisor, partially offset by current year legal fees for services rendered in connection with the consolidation of share capital and name change.

Transfer agent and regulatory fees increased by $6,426 during the year as a result of regulatory filings and transfer agent services provided in connection with the Company's name change and consolidation of its share capital and AGM related services. There were no similar costs recorded in 2015.

Three months ended December 31, 2016 and 2015

During the three months ended December 31, 2016, the Company reported a net loss of $37,028, compared to $45,972 during the same quarter in 2015, a decrease in loss of $8,944. The decrease in loss in the comparative quarters was primarily due to a decrease in general and administrative expenses of $7,105.

General and administrative expenses by $7,105 as a result of a reduction of AGM related costs and a decrease in foreign exchange loss on translation of Mexican's subsidiary trade payables.

Professional fees increased by $690 due to increased legal services retained in connection to the Company's name change and share consolidation.

Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest income	Net Income (Loss)	Earnings (Loss) per share
December 31, 2016	$ -	$ (37,028)	$ (0.02)
September 30, 2016	-	(21,290)	$ (0.00)
June 30, 2016	-	11,225	$ 0.00
March 31, 2016	-	(27,533)	$ (0.01)
December 31, 2015	-	(45,972)	$ (0.02)
September 30, 2015	-	(25,875)	$ (0.01)
June 30, 2015	-	(34,286)	$ (0.01)
March 31, 2015	-	(42,577)	$ (0.01)

The increases in loss for the quarters ended December 31, 2016 and December 31, 2015 were due to accrued year-end audit costs.

Income reported for the quarter ended June 30, 2016 was primarily a result of the gain on settlement of debt of MAU Mexico trade payables and a reduction of monthly management fees.

The higher loss for the quarter ended March 31, 2015 was due to higher monthly management fees and office rental costs, which were reduced in the subsequent periods.

Liquidity and Capital Resources

The Company reported a working capital deficiency of $393,967 at December 31, 2016 compared to a working capital deficiency of $324,691 at December 31, 2015, representing a decrease in working capital of $69,276.

As at December 31, 2016, the Company had net cash on hand of $484 compared to cash on hand of $3,066 at December 31, 2015. During the year ended December 31, 2016, the Company received $28,500 (2015 - $33,500) in loans from a related party to assist with its short-term working capital needs.

Current assets excluding cash as at December 31, 2016 consisted of GST recoverable of $15,726 (2015 - $11,096) and prepaid regulatory expenses of $1,250 (2015 - $1,250).

Current liabilities as at December 31, 2016 consisted of trade payables and accrued liabilities of $126,565 (2015 - $152,976) and due to related parties of $284,862 (2015 - $187,127).

Subsequent to the year-ended December 31, 2016, the Company completed two private placements for total gross proceeds of $855,000. After paying finders' fees and applicable regulatory fees associated with the private placements and repaying its outstanding debts, the Company will have approximately $402,000 available for general working capital.

In 2011 and 2012, MAU Mexico conducted exploration activities of the Durango-Zacatecas properties and paid the value added tax ("VAT") of approximately $245,000 (MXN 3,600,000) on qualified exploration expenditures. Management of the Company continues to communicate with its legal and accounting advisors in Mexico to re-apply to the Mexican tax authorities to claim the VAT recovery. As it is uncertain when the Company would be able to reclaim the VAT, the amount of the expected VAT recoverable has been written-off in 2013 and is not included in the consolidated statements of financial position of the Company as at December 31, 2016 and 2015.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

The Company entered into an agreement with Varshney Capital Corp. ("VCC"), a company controlled by Praveen Varshney, the President, CEO and director of Savannah, to provide management and administrative services to the Company in exchange for a monthly fee of $5,000 and $3,000, respectively.

On July 1, 2015, the Company renewed its agreement with VCC for management and administrative services for a monthly fee of $2,500 and $3,000, respectively, for a term of 3 years. The agreement was terminated effective March 1, 2017.

During the year ended December 31, 2016, the Company incurred $30,000 (2015 - $45,000) for management fees and $36,000 (2015 - $36,000) for administrative fees to VCC.

As at December 31, 2016, $221,550 (2015 - $152,250) was due to VCC for management and administrative fees and $62,000 (2015 - $33,500) was due to VCC for an operating loan. The loan is unsecured, non-interest bearing and has no fixed terms of repayment. Management and administrative fees outstanding from prior periods were paid in March 2017.

As at December 31, 2016, $1,312 (2015 - $1,312) was due to the CEO and President of the Company for reimbursement of expenses. The amount was paid subsequent to December 31, 2016.

Subsequent to December 31, 2017, two of the Company's directors participated in the unit private placement closed on April 12, 2017. The Company's director Marco Strub subscribed for 40,000 units at a price of $0.20 per unit under the private placement, and the CEO and President of the Company Praveen Varshney subscribed for 45,000 units at a price of $0.20 per unit. The value of the subscriptions is less than 25 per cent of the Company's market capitalization.

Fourth Quarter

During the fourth quarter ended December 31, 2016, the Company:

- received a loan of $6,000 from VCC to cover its operating expenses; and
- accrued $10,000 for its 2016 year-end audit.

Proposed Transaction

The Company does not have any proposed transactions.

Critical Accounting Estimates

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Changes in Accounting Policies including Initial Adoption

The following amendments to certain accounting standards were effective for annual periods beginning on or after January 1, 2016 and have been adopted by the Company. There was no material impact on the consolidated financial statements arising from the implementation of these standards.

- *Amendments to IAS 1 Presentation of Financial Statements:* The amendments clarify guidance on materiality and aggregation, use of subtotals, aggregation and disaggregation of financial statement line items, the order of the notes to the financial statements and disclosure of significant accounting policies.
- *Amendments to IFRS 10 Consolidated Financial Statements; IFRS 12 Disclosure of Interest in Other Entities; IAS 28 Investments in Associates and Joint Ventures*: The amendments address issues in applying the consolidation exception for investment entities.

- *IFRS 11, Joint Arrangements:* The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.
- *Amendments to IAS 16 and IAS 38:* The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.
- *Amendments to IAS 27 Equity Method in Separate Financial Statements:* The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

- *IFRS 9, Financial Instruments*

  IFRS 9, Financial instruments, was issued by the IASB on July 24, 2014 and will replace IAS 39, Financial instruments: recognition and measurement ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value.

  The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

- *IFRS 15, Revenue from Contracts with Customers*

  IFRS 15, Revenue from Contracts and Customers, was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018.

- *IFRS 16 – Leases*

  IFRS 16, the new standard contains a single lessee accounting model, which eliminates the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted.

Going concern issue

The Company continues to identify and evaluate business opportunities in the resource sector and other industries. The Company's continuing operations are dependent upon its ability to raise adequate financing to pursue these opportunities and to commence profitable operations in the future.

To date, the Company has not generated any revenues and was not able to finance day to day activities through operations. During the year ended December 31, 2016, the Company incurred a net loss of $74,626 (2015 - $148,710), and, as of this date, the Company's accumulated deficit is $14,968,543.

These uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company may continue to have capital requirements in excess of its currently available resources. The Company will require financing in the future to continue in business, and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms.

Financial Instruments

The Company's financial instruments include cash, trade payables and accrued liabilities and due to related parties. Trade payables and accrued liabilities and due to related parties are classified as other financial liabilities. The carrying value of these financial instruments approximates their fair value due to their short-term maturity.

Other Requirements

Summary of Outstanding Share Data as at April 21, 2017:

Authorized - Unlimited common shares without par value

Issued and outstanding – common shares: 7,746,021

Share purchase warrants: 1,648,750

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Praveen Varshney"

Praveen Varshney, FCPA, FCA
President & CEO