

KLONDIKE GOLD CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED MAY 31, 2014

Corporate Information

Klondike Gold Corp (“Klondike Gold” or the “Company”) is a Canadian listed public company with its shares traded on the TSX Venture Exchange under the symbol “KG”.

The Company is a resource exploration stage company engaged in the acquisition and exploration of mineral properties. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issuance of shares from the treasury to investors and does not use long term debt. The Company currently holds exploration properties in Canada, with a focus on the Yukon Territory. For more information, please refer to the Properties section.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and also on the Company’s website at www.klondikegoldcorp.com.

Management Discussion and Analysis

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three months ended May 31, 2014.

The Company’s unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company’s ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is extending its best efforts in this regard, the outcome of these matters cannot be predicted at this time. The accompanying audited consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

This MD&A has been prepared as of July 28, 2014. All amounts are expressed in Canadian dollars unless otherwise stated.

Forward Looking Information

This MD&A includes some statements that may be considered “forward-looking statements”. All statements in this discussion that address the Company’s expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below. The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

Financing

The Company's future financial success depends on the ability to raise additional capital from the issue of shares or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any mineralization potentially discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

General Resource Exploration Risks and Competitive Conditions

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

Governmental Regulation

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

Overall Financial Performance

Financial Condition

As at May 31, 2014, a total of \$4.81 million was held in exploration and evaluation assets (February 28, 2014 - \$4.79 million) all of which was invested in the Yukon. The Company recorded a write down of \$4.2 million of its British Columbia and Ontario properties during the year ended February 28, 2014. Total assets increased to \$6.22 million (February 28, 2014 - \$6.19 million), total liabilities increased to \$1.15 million (February 28, 2014 - \$0.88 million) and shareholders' equity decreased to \$5.07 million (February 28, 2014 - \$5.31 million).

Results from Operations

During the three months ended May 31, 2014, the Company's cash decreased by \$31,195. Cash received as a result of financing activities included \$175,000 (May 31, 2013 - nil) in proceeds on loans. Cash used in investing activities included \$21,686 (May 31, 2013 - \$187,320) used to fund exploration and evaluation expenditures, \$96,471 (May 31, 2013 - \$370,726) invested in the Joint Venture, partially offset by \$1,900 (May 31, 2013 - nil) received on the sale of equipment and \$3,222 (May 31, 2013 - nil) received on sale of marketable securities. Cash used in operating activities totaled \$93,160 (May 31, 2013 - \$632,305).

The Company's comprehensive loss for the three months was \$240,495 which was down from \$820,232 from the three months ended May 31, 2013. Management has implemented a series of cost cutting measures while restructuring the company and seeking further financing.

Selected Annual Information

	Feb. 28, 2014	Feb 28, 2013	Feb 28, 2012
Total assets	6,194,163	10,301,766	9,993,985
Total non-current liabilities	Nil	Nil	Nil
Net loss attributable to shareholders	(6,043,732)	(1,466,722)	(2,388,510)
Basic and diluted loss per share	(0.52)	(0.18)	(0.74)

Summary of Quarterly Results

Quarter Ended

	May 31, 2014	Feb. 28, 2014	Nov. 30, 2013	Aug. 31, 2013
Other Income (Loss)	(42,503)	(4,084,730)	(96,263)	(117,369)
Net Income (Loss)	(242,697)	(4,433,114)	(355,171)	(453,121)
Net Income (Loss) Per Share	(0.02)	(0.38)	(0.03)	(0.04)

	May 31, 2013	Feb. 28, 2013	Nov. 30, 2012	Aug. 31, 2012
Other Income (Loss)	(130,836)	(383,309)	857,405	5,804
Net Income (Loss)	(816,212)	(896,677)	567,957	(393,128)
Net Income (Loss) Per Share	(0.07)	(0.08)	0.07	(0.05)

The net losses in the quarters ended May 31, 2012 and May 31, 2013 includes share-based compensation. The net losses in the quarter ended February 28, 2014 includes write-off of exploration and evaluation assets of \$4,202,000.

Financial Liquidity and Capital Resources

Loans

On December 4, 2013, the Company signed a \$500,000 loan agreement. The loan was secured by a first priority security interest over all of its present and after-acquired personal property and all proceeds thereof. The loan was carried at 10% interest per annum, compounded monthly at the last business day of each month. The principal and accrued interest of the loan is due and payable on August 31, 2014.

On May 7, 2014, the Company signed additional loan agreements in the amount of \$175,000, carried at 10% interest per annum, compounded monthly at the last business day of each month, payable on August 31, 2014.

Working Capital

The Company had a working capital deficiency of \$(678,834) at May 31, 2014 compared to a working capital deficiency of \$381,198 at February 28, 2014. The Company's cash position at May 31, 2014 was \$42,486 and at February 28, 2014 was \$73,681.

Transactions with Related Parties

Key Management Compensation

	THREE MONTHS ENDED	
	MAY 31	MAY 31
	2014	2013
Consulting and wages	\$ 25,875	\$ 99,800

Payments to key management personnel, including directors, officers, former directors and former officers are wages and consulting fees and are directly related to their position in the organization.

In addition to consulting and wages, \$8,625 was deferred in exploration and evaluation assets for the three months ended May 31, 2014 (May 31, 2013 - nil).

Other Related Party Transactions

The Company entered into the following transactions and had the following balances payable with related parties. The transactions were recorded at fair value. Balances outstanding are non-interest bearing, unsecured and had no specific terms for collection or repayment.

- a) Due to related parties comprised \$47,404 due to a company owned by the CEO of the Company (February 28, 2014 - \$26,535 payable to companies controlled by former directors) and nil (February 28, 2014 - \$32,100) to former directors and officers.
- b) Under an agreement for services and cost recovery, the Company was charged administration fees of nil (May 31, 2013 - \$15,100) by a company controlled by a former director. The agreement has been terminated.
- c) The Company was charged \$30,000 (May 31, 2013 - nil) by a Company controlled by a director of the Company for corporate administration services.

d) Loans included \$25,000 (February 28, 2014 - \$25,000) due to a director of the Company.

Material Transactions

Klondike Star Minerals Corporation

On March 1, 2012, the Company announced a proposal to acquire, by way of a takeover bid to be conducted in accordance with applicable regulatory requirements, a majority equity interest in the common voting shares of Klondike Star Mineral Corporation (“KSMC”), a private Delaware company. During the period, the Company has been preparing the necessary regulatory requirements with the U.S. Securities and Exchange Commission to complete the takeover of Klondike Star.

Subsequent to May 31, 2014, the Company completed the acquisition of 71% of the outstanding shares of KSMC. In consideration for the shares of KSMC, Klondike Gold issued 1,229,345 common shares. In the coming months, the Company intends to complete its subsequent share acquisition transaction to acquire the remaining balance of the KSMC shares so that Klondike Gold will own 100% of KSMC.

Pursuant to this transaction, Klondike Gold has settled US \$1,077,894 of debt owed by KSMC to related parties. In settlement of these debts the Company has issued an aggregate of 2,155,788 warrants to purchase shares of Klondike Gold, exercisable at CDN \$1.00 per share until January 18, 2017.

The purpose of the Offer was to enable Klondike Gold to consolidate ownership of the gold properties in the Yukon by acquiring beneficial ownership of all outstanding KSMC Shares.

KSMC’s principal asset is a 20% interest in Lonestar Gold Inc. and a 27.5 % interest in the Lone Star property, which interest has been optioned to Lonestar Gold Inc. KSMC also holds a 55% stake in 342 quartz claims that cover important areas of the northern Klondike Gold Fields and a 100 % interest in the 26 quartz claims that form the Gold Run Property, Yukon Territory. Further, KSMC also holds rights over 188 placer claims located in the Indian River Gold Fields in the Dawson Mining District, Yukon Territory.

Adding the additional KSMC claims, produces a continuous block of 1,100 quartz claims covering nearly 200 square kilometers of the northern and southern Klondike Gold Fields. The consolidation of this title will allow for more efficient exploration of this project and enhanced access to exploration funding.

New Accounting Standards and Interpretations

IAS 32 - Offsetting Financial Assets and Financial Liabilities (Amended) clarifies the offsetting criteria in IAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement. The amendments are effective for annual periods beginning on or after January 1, 2014. The adoption of this standard did not have a material impact on the financial statements.

In May 2013, the IASB IFRS Interpretations Committee (“IFRIC”) issued IFRIC 21 – Levies (“IFRIC 21”), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligating event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The adoption of this standard did not have a material impact on the financial statements.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 - Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 - Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2015. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position. Disclosure changes are anticipated.

Financial Instruments and Other Instruments

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of Company's business is in exploration.

Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

During the past years the Company has been able to maintain its liquidity position through private placements.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

Outstanding Share Data – As of July 28, 2014

Subsequent to May 31, 2014, effective July 28, 2014, the Company's common shares were consolidated on the basis of 10 pre-consolidation common shares for 1 post-consolidation common share. All common share, share purchase warrant, share option, and per share amounts in this MD&A have been retrospectively restated to present post-consolidation amounts.

Authorized share capital

The authorized share capital consists of an unlimited number of common shares.

Common Shares

An aggregate of 12,872,789 common shares are issued and outstanding.

Preferred Shares

There are Nil preferred shares issued and outstanding.

Warrants

The Company has the following warrants outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
40,667	\$15.00	September 30, 2014
32,666	\$15.00	November 15, 2014
293,750	\$2.00	October 22, 2015
60,000	\$1.20	October 30, 2016
2,155,788	\$1.00	January 28, 2017
2,582,871		

Options

The Company has the following options outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
62,500	\$1.00	March 21, 2016
933	\$15.00	February 1, 2017
72,500	\$2.00	February 28, 2017
135,933		

Additional Disclosure

Contractual Obligations

The Company has future obligations under various contracts relating to an operating lease and minimum conditional and non-conditional exploration commitments to keep properties agreements in good standing. The obligations for any conditional exploration expenditures are non-binding, as the Company has the option to relinquish these licenses and any right to the properties at any time. A summary of these contractual obligations (based on undiscounted cash flows) as at May 31, 2014:

	Total	< 1 Year	1-3 Years	3-5 Years	5+ Years
Operating Lease	\$16,165	\$16,165	\$Ni	\$Nil	\$Nil

KG46 holds a mortgage with a remaining term of 1.1 years. KG46's commitment for future minimum payments in respect of the mortgage commitment is as follows:

	Total	< 1 Year	1-3 Years	3-5 Years	5+ Years
Operating Lease	\$237,320	\$72,090	\$165,230	\$Nil	\$Nil

Yukon Properties

Claim Owner	Property Name	Number of Claims	Area (sq km)
Yukon Properties			
Klondike Gold Corp.	15 Mile Silver City	100	20.9
Klondike Gold Corp.	Bonanza	67	12.3
Klondike Gold Corp.	Dominion	32	6.7
Klondike Gold Corp.	Eldorado Creek Placer	114	6.8
Klondike Gold Corp.	Gold Run	60	12.3
Klondike Gold Corp.	Indian River Placer Claims	51	3.1
Klondike Gold Corp.	Lone Star	701	130.7
Klondike Gold Corp.	Lone Star Crown Grants	14	2.1
Klondike Star Mineral Corp.	Bonanza	233	36.8
Klondike Star Mineral Corp.	Dominion	103	19.0
Klondike Star Mineral Corp.	Gold Run	26	4.3
Klondike Star Mineral Corp.	Indian River Placer	188	10.3
Klondike Star Mineral Corp.	Lone Star	6	1.3

Lone Star

Title Holder: Klondike Gold Corp.

KG Ownership: As a result of the acquisition of KSMC, the Company now owns a 100% interest in the Lone Star property.

Acquisition Method: Earned-in/staked

Underlying Royalties: No

Land: 131 km² claims & 2.1 km² Crown Grants

Claims: 701 claims, 14 Crown Grants

Location: 20 km Southeast of Dawson City
586700 m E 7086000 m N, UTM ZONE 7N (NAD83)

Mineral Targets: Gold

Recent Work

Recent Exploration on the Lone Star Property

Work on the Lone Star Property in 2013 focused on producing a comprehensive property scale geology map that combined reexamination of outcrop, pit and trench exposures, and includes soil, prospecting and drilling information as well as recently compiled historic structural information. This is the first comprehensive detailed geology map produced for the property since a smaller area was mapped by Kennecott in the early 1990's. The new mapping provides a framework for future drill targeting.

Previous Exploration on the Lone Star Property

During the 2012 exploration season Klondike Gold Corp. conducted diamond drilling, trenching, soil sampling, rock sampling, geological mapping and prospecting on the Lone Star Property

Exploration Highlights

- ❖ Boulder Lode open cut results of 1.86 g/t over 5 by 25 m, including **9.43 g/t over 2.5 by 4.2 m**
- ❖ Nugget Zone mapping, extension and grab samples of **179 g/t Au with 78 g/t Ag**
- ❖ Upper Eldorado grab samples of up to **98.8 g/t Au with 20.7 g/t Ag**
- ❖ Violet Ridge trend advancement with high sample of **47.4 g/t Au and 894 g/t Ag**

Historical Work Summary

The Lone Star property has a long history starting with the 1896 gold rush and contains many active placer claims. It also has two past producing mines, the Lone Star mine (Boulder Lode) which operated from 1911-1914 and the Violet mine from 1901-1907.

The following is a list of the significant work completed on the project:

- ❖ 1901-1907: Violet mine development of including: 3 shafts (47, 7 and 11 m deep), 133 m of drifting and an open cut mining (15 by 4 by 5 m), and a 1065 m tramway to a cyanide mill on Ophir Creek. The mill processed 4.5 tonnes in 1905 and 1.4 tonnes in 1906.
- ❖ 1911-1914: The Lone Star mine produces 1,545 oz @ 5.20 g/t.
- ❖ 1940-1947: 27.2 tonne bulk sample.
- ❖ 1960-1961 when the claims were explored with bulldozer trenching and sampling as well as 180 m of diamond drilling and 84 m of churn drilling.
- ❖ 1967: Airborne magnetics survey of area published by Geological Survey of Canada
- ❖ 1979-1985: Dawson Eldorado Gold Exploration / Klondike Ken Ventures explored the property with geochemical sampling, a resistivity survey and trenching in 1980-81, geological mapping in 1983 and 1984 and geochemical sampling and rock sampling of old workings in 1984. In 1985, Dawson Eldorado drilled 6 percussion holes (183 m).
- ❖ 1986-1994: Arbor Resources then Kennecott Canada Inc. as part of an option agreement with Arbor conducted exploration on the property. This included multiple geophysics grids and 196 drill holes consisting of 13,075 m of RC and percussion drilling and 8094 m of diamond drilling. In addition approximately 220 trenches were dug and over 4000 trench samples assayed as well as over 5000 soil samples across the property. The majority of the work was concentrated around the Boulder Lode and the Nugget to Buckland Zone between Gay Gulch and 27 Pup which accounted for 68 and 63 drill holes respectively.
- ❖ 1995: Kennecott terminated its option agreement with Arbor Resources who changed their name to Klondike Gold Corp. in 1996.
- ❖ 1996: Newmont performed bulk sampling and amenability to milling tests as an evaluation of the property.
- ❖ 2004: Klondike Gold Corp. enters into a joint venture with Klondike Star Mineral Corp.
- ❖ 2004- 2008: Klondike Star drilled 66 diamond holes and 6 percussion holes totaling 9291 m. Approximately 35 trenches were dug and numerous historic trenches were cleaned out and re-assayed with over 1600 samples collected as well as over 2500 soil samples. A bulk sampling program was also conducted on selected targets between 2005 and 2007 in areas identified by geologists as having anomalous mineralization.
- ❖ 2011: Klondike Gold conducted a limited exploration program including trenching and soil and rock sampling along the Lone Star ridge road. In addition select trenches and the historic Boulder Lode were examined to investigate the relationship of structure to gold grade. The relationship between mineralization and the complicated structure of the area was also examined and a structural model was developed that may be used to guide future work in the Lone Star area.
- ❖ 2012: Lone Star Gold produced a 43-101 Report, entitled: "Geology and Summary Report of the Lone Star Claim Group (Klondike Goldfield), Yukon Territory" by T. Liverton PhD, C. Geol., FGS

Indian River Placer

Title Holder: Klondike Star Mineral Corporation/Klondike Gold
KG Ownership: 0%
Acquisition Method: Leased/Staked
Underlying Royalties: 15%
Land: 13.4 km²
Claims: 239 claims leased/owned
Location: 48 km SSE of Dawson City
600125 E 7062600 N, UTM ZONE 7N (NAD 83)
Mineral Targets: Gold

The Indian River Placer property is owned 100% by Klondike Star Mineral Corporation. Klondike Gold has obtained the Mining Rights to the property for a period of 10 years by way of a Royalty and Lease agreement, subject to a 10% gross royalty. Subsequently, Klondike Gold entered into a 50/50 Joint Venture Agreement with a private company for the purpose of further exploring and developing a placer gold mine located on the property.

The Indian River valley is located 35 km south of Dawson City and forms the southern boundary of the Klondike Gold Fields.

Approximately 60% of the property has been auger drilled between 2005 and 2007. Gold was recovered from nearly 100% of the holes in the main target area which is wedge shaped and some 300 m (984 feet) at the beginning before broadening to a width of over 1,500 m (4,921 feet). To date, the gold-bearing 'pay' gravel extends over a distance of more than three km (1.9 miles) and remains open to expansion to the east and south. Gold grade is variable but consistently distributed across this broad area. The fineness of the gold assayed at over 80%. Recent staking has added 32 additional placer claims increasing the property to 220 claims.

A gold plant was set up in 2012 and a preliminary pit excavated. Some processing of pay gravel produced a total of 130 ounces of gold in that year. In 2013, additional stripping and stockpiling of pay gravel continued and a total of 210 ounces of gold was produced.

During the three months ended May 31, 2014, the Company and 46799 Yukon Inc. (the "Assignors") signed an assignment of lease agreement with Jerusalem Mining LLC (the "Assignee") pursuant to which, the Assignors assign to the Assignee all of the rights, benefits and obligations of a portion of the Indian River placer property until December 31, 2014. The parties may agree to extend the term for consecutive on year periods by mutual agreement prior to November 30 of each calendar year. In consideration, the Assignee has granted to the Assignors a 20% royalty on gross production of gold less underlying royalty obligations, and subject to a minimum annual payment of 100 ounces raw gold, or cash equivalent.

Portugal Properties

The Company acquired five exploration licenses (Balazar, Valongo, Legares, Castelo do Paiva and Ponte de Barca) totaling approximately 604 km² area prospective for gold from the Portuguese Department of Energy & Geology ("DGEG").

In an agreement dated January 24, 2014, the Company sold its Portuguese subsidiary which owns the Portuguese exploration licenses to Medgold Resource Ltd., a subsidiary of Medgold Resources Corp. ("Medgold"), for consideration of \$500,000 to be paid in cash or shares or a combination. As at May 31, 2014, the Company has received \$50,000 and \$100,000 in common shares of Medgold.

Within 12 months of the agreement, Medgold is required to pay a further \$100,000 in cash and \$250,000 in cash or Medgold common shares. As at May 31, 2014, the \$350,000 has been recorded in amounts receivable.

The Company will retain a 2% NSR over the existing exploration licenses, of which Medgold Resource Ltd. may purchase all or parts of the NSR for \$1,000,000 per percentage point.

British Columbia Properties

The Company's properties under current exploration and evaluation include non-contiguous groups of claims acquired by staking and option agreements in the southeastern mountain region of British Columbia. The properties are prospective for gold, and also for lead-zinc-silver mineralization. The following table summarizes the claims as at May 31, 2014:

Claim Owner	Property Name	Number of Claims	Area (sq km)
BC Properties			
Panda Supergroup			
Klondike Gold Corp.	Kid-Star	76	41.2
Klondike Gold Corp.	Lewis-McNeil Creek	33	11.6
Klondike Gold Corp.	Panda Irishman Group	35	47.0
Klondike Gold Corp.	South Vine	1	0.4
Klondike Gold Corp.	Thea Gold	11	18.6
Klondike Gold Corp.	Brooke	3	9.7
Klondike Gold Corp.	Pit Ash	44	27.8
Klondike Gold Corp.	Quartz Mountain	62	35.6
Klondike Gold Corp.	Clubine	5	2.3
Klondike Gold Corp.	Cold Creek	21	69.2
Klondike Gold Corp.	Cruz-Midway	36	16.2
Klondike Gold Corp.	Hughes Range	9	21.0
Klondike Gold Corp.	Red Point	9	32.6
Klondike Gold Corp.	Ron Gold	29	11.7

Vine Property

On February 27, 2014, the Company completed a purchase and sale agreement with PJX Resources Inc. ("PJX") for the acquisition by PJX of 100% of Klondike's Vine Extension Property comprised of 84 claims totalling 6,300 hectares located near Cranbrook, British Columbia, Canada. PJX has purchased 100% of the Company's interest in the Property by issuing 700,000 common shares to the Company. In addition to the payment of shares, the Company retains a royalty equal to 1% of net smelter returns from minerals produced from the Property.

Ontario Property

The Company maintains a 100% interest in a small property in Ontario adjacent to the Young-Davidson mine operated by AuRico Gold Inc. The property will remain in good standing until 2017 without further expenditure.

<u>Property Name</u>	<u>Number of Claims</u>	<u>Area (sq km)</u>
Matarrow	2	0.7

Outlook

The Company recently completed the acquisition of 71% of KSMC, which, upon completion of the remaining interest, will finally consolidate ownership of the Yukon properties. Exploration and operating permits for Yukon are required to be updated in 2014, and a modest size exploration program directed at lode gold targets is envisioned contingent upon receipt of those permits.

The Company has divested its interest in Portugal mineral leases in return for a meaningful share position in Medgold while retaining a royalty interest. This strategy will allow Klondike Gold shareholders indirect participation in mineral discoveries in a substantial land package in Portugal.

The Company has divested its interest in the Vine Extension property in return for a share position in PJX while retaining a royalty interest, which will allow Klondike shareholders indirect participation in a broader portfolio of prospective drill-ready properties. The Company is seeking further British Columbia-focused explorers for potential strategic partnership, joint venture, sale, or other participation in the Company's numerous gold and base metal properties in this province. These mineral properties have received limited exploration attention in recent years from the Company.

The Company also signed an assignment of lease agreement on the Indian River placer property in exchange for a 20% royalty on gross production of gold, subject to underlying royalties.

These transactions will allow the Company to maintain its financial focus on its core Yukon assets going forward.

The technical and scientific information contained within the Management Discussion and Analysis has been reviewed and approved by Peter Tallman, P.Geol, President of the Company and Qualified Person as defined by National Instrument 43-101 policy.