KLONDIKE GOLD CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED FEBRUARY 28, 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" as a Tier 2 company.

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. The Company's Canadian properties focus is in the Yukon. 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 Discussions and Analysis

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of the Company for the year ended February 28, 2014, which were prepared in accordance with International Financial Reporting Standards (IFRS).

The Company's 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 June 26, 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 February 28, 2014, a total of $4.8 million was held in exploration and evaluation assets (February 2013 - $8.5 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 decreased to $6.2 million (February 2013 - $10.3 million), total liabilities increased to $881,000 (February 2013 - $345,000) and shareholders' equity decreased to $5.3 million (February 2013 - $10.0 million).

Results from Operations

During the year ended February 28, 2014, the Company's cash decreased by $1.02 million. Cash received as a result of financing activities included $816,000 (February 2013 - $1,887,000) net from the issuance of shares, $500,000 received on issuance of loans, $396,000 received on share subscriptions issued in the prior year (February 2013 - nil) and $123,500 (February 2013 – ($108,000)) of restricted cash redeemed for cash. Cash used in investing activities included $888,000 (February 2013 - $2.8 million) used to fund exploration and evaluation expenditures, $814,000 (February 2013 – $174,000) invested in the Joint Venture, $7,000 (February 2013 - nil) used to fund reclamation bonds, partially offset by $1,000 (February 2013 - nil) received on the sale of equipment. Cash used in operating activities totaled $1,314,000 (February 2013 - $1,278,000).

The Company's comprehensive loss for the year was $6.1 million which was up from $1.5 million from the prior year. The most significant change from the prior year was the write down of exploration and evaluation assets of the Company's BC and Ontario properties and the Company's share of loss during the startup of KG46 Holdings Ltd. ("KG46) during its first full operating season of $401,000 (2013 - $48,000).

Fourth Quarter

The Company's comprehensive loss for the period was $4.4 million which was up from $0.9 million from the prior year. The most significant change from the prior year was the write down of exploration and evaluation assets of the Company's BC and Ontario properties.

Summary of Quarterly Results

Quarter Ended

	Feb. 28, 2014	Nov. 30, 2013	Aug. 31, 2013	May 31, 2013
Other Income (Loss)	(4,084,730)	(96,263)	(117,369)	(130,836)
Net Income (Loss)	(4,433,114)	(355,171)	(453,121)	(816,212)
Net Income (Loss) Per Share	(0.05)	(0.00)	(0.00)	(0.01)

	Feb. 28, 2013	Nov. 30, 2012	Aug. 31, 2012	May 31, 2012
Other Income (Loss)	(383,309)	857,405	5,804	3,676
Net Income (Loss)	(896,677)	567,957	(393,128)	(750,362)
Net Income (Loss) Per Share	(0.01)	(0.00)	(0.00)	(0.01)

The net losses in the quarters ended May 31, 2012 and May 31, 2013 includes stock-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

Nature of Financing Activities

The Company has financed its operations primarily by the issue of share capital. The continued operations of the Company are dependent on its ability, to receive continued financial support from public equity financing.

Private Placement Activity

	Shares Issued	Proceeds	Cost Per Share
October 2013	1,200,000	$ 62,000	$0.052
February / March 2013	27,880,000	$2,297,100	$0.082

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.

Subsequent to February 28, 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 $(381,198) at February 28, 2014 compared to working capital of $1,002,721 at February 28, 2013. The Company's cash position at February 28, 2014 was $73,681 and at February 28, 2013 was $1,096,304.

Transactions with Related Parties

Key Management Compensation

	YEARS ENDED FEBRUARY 28	
	2014	2013
Consulting and wages	**$ 314,385**	$ 252,100

In addition to consulting and wages, $93,078 was deferred in exploration and evaluation assets for the year ended February 28, 2014 (February 28, 2013 - $12,000).

On March 22, 2013, the Company granted 3,200,000 incentive stock options to former directors and officers of the Company for a period of three years. Included in stock based compensation expense for the year ended February 28, 2014 is $150,748 (2013 - $326,374) for options issued to former directors and officers.

Other Related Party Transactions

In addition to related party transactions disclosed in the available-for-sale investments note and the mineral properties note, 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 $26,535 (February 28, 2013 - $4,408) payable to three companies each controlled separately by a directors and a former director, $Nil (February 28, 2013 - $39,960) to companies with common directors and $32,100 (February 28 2013 - $31,503) to former directors and officers.

b) Under an agreement for services and cost recovery, the Company was charged administration fees of $19,910 (February 28, 2013 - $180,000) by a company controlled by a former director. The agreement has been terminated. Under an agreement for services and cost recovery, the Company was charged administration fees of $45,000 (February 28, 2013 - $Nil) by a company controlled by a director.

c) The Company was charged $6,386 (February 28, 2013 – $6,000) for rent in the Yukon by a former director. This amount was included in exploration and evaluation assets. The Company has amounts receivable from companies with directors formerly in common in the amount of $17,551 (February 28, 2013 - $17,551) for expenses and shared mineral property costs. The advances are unsecured, non-interest bearing and have no fixed terms of repayment. The Company has a receivable from a former director of $nil (February 28, 2013 - $25,000).

d) Loans included $25,000 (February 28, 2013 - $Nil) 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 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 February 28, 2014, a total of 49,165,463 common shares (“KSMC Shares”) of KSMC, representing an aggregate of 71% of the outstanding KSMC Shares, had been validly tendered to Klondike Gold’s offer (the “Offer”) to acquire all of the outstanding KSMC Shares. The Offer has formally expired and will not be extended. Upon completion of the KSMC Shares acquisition, Klondike Gold will own and control 71% of the outstanding KSMC Shares.

Pursuant to the Offer, holders of KSMC Shares will receive 0.25 of one common share of Klondike Gold (each a “Klondike Gold Share”) for each KSMC Share tendered. As a result of having over 70% of the KSMC shares tendered under the Offer, Klondike Gold also announces that it intends to settle US $1,077,894 of debt owed by KSMC to related parties. In settlement of these debts the KSMC related party creditors will receive an aggregate of 21,557,880 warrants to purchase shares of Klondike Gold, exercisable at CDN $0.10 per share for 30 months from issuance subject to TSXV approval.

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. Klondike Gold intends to implement a subsequent share acquisition transaction to acquire the balance of the outstanding KSMC shares. Upon this acquisition, Klondike Gold will beneficially own 100% of KSMC.

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

Following the joint arrangement of KG46, the Company determined that it holds an interest in a joint venture as defined under IFRS 11 and elected to early adopt IFRS 10, 11 and 12, and IAS 27, new pronouncements relating to the accounting and presentation of joint ventures and to consolidation. The Company has applied the standards retrospectively. The standards did not result in significant changes to the Company's prior year financial statements.

IFRS 7 Financial instruments: disclosures was further amended to provide guidance on the eligibility criteria for offsetting assets and liabilities as a single net amount in the statement of financial position. This amendment was effective for annual periods beginning on or after January 1, 2013.

IFRS 10 'Condensed Consolidated Financial Statements' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of Condensed Consolidated financial statements when an entity controls one or more other entities.

IFRS 11, 'Joint Arrangements' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement; joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venture has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Company had early adopted the standard and accounted for its investment in KG46 using the equity method.

IFRS 12 'Disclosure of Interests in Other Entities' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. During the year ended February 28, 2013, the Company elected to early adopt this standard.

IFRS 13 Fair value measurement is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard was effective for all annual periods beginning on or after January 1, 2013.

IAS 27 'Separate Financial Statements'– effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

IAS 28 'Investments in Associates and Joint Ventures' – effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. During the year ended February 28, 2013, the Company elected to early adopt this standard.

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

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 Company does not expect the amendments to IAS 32 to have a material impact on the consolidated financial statements.

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, entitles 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.

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. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

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.

Outstanding Share Data – As of June 26, 2014

Authorized share capital

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

Common Shares

An aggregate of 116,435,008 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
406,667	$1.50	September 30, 2014
326,667	$1.50	November 15, 2014
2,937,500	$0.20	October 22, 2015
600,000	$0.12	October 30, 2016
4,270,834		

Options

The Company has the following options outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
250,000	$0.10	March 21, 2015
625,000	$0.10	March 21, 2016
250,000	$0.20	March 21, 2016
9,334	$1.50	February 1, 2017
725,000	$0.20	February 28, 2017
1,859,334		

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 February 28, 2014:

	Total	< 1 Year	1-3 Years	3-5 Years	5+ Years
Operating Lease	$27,632	$27,632	$Ni	$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 km^2 claims & 2.1 km2 Crown Grants
Claims: 701claims, 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 Resourses 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 km^2
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.

Subsequent to February 28, 2014, the Company and 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 February 28, 2014, the Company has received $50,000 and $100,000 in common shares of Medgold. A gain of $149,742 was recorded in the statement of comprehensive loss in relation to this transaction.

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 February 28, 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 February 28, 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.

Property Name	Number of Claims	Area (sq km)
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.Geo, President of the Company and Qualified Person as defined by National Instrument 43-101 policy.