MANAGEMENT DISCUSSION & ANALYSIS
FOR THE YEAR ENDED FEBRUARY 29, 2016

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 consolidated financial statements of the Company for the year ended February 29, 2016.

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 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 20, 2016. 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.

Yukon Properties

Claim Owner	Property Name	Number of Claims	Area (sq km)	Area (ha)
Klondike Gold Corp.	Lone Star	746	138.2	13821.9
Klondike Gold Corp.	Lone Star Crown Grants	14	2.1	213.7
Klondike Gold Corp.	Dominion	135	25.7	2568.4
Klondike Gold Corp.	Bonanza	326	53.1	5305.1
Klondike Gold Corp.	Gold Run	86	16.6	1664.7
Klondike Gold Corp.	Sulphur	113	20.9	2085.7
Klondike Gold Corp.	Indian River Placer	239	13.4	1341.5
Klondike Gold Corp.	Eldorado Creek Placer	114	6.8	682.5

Lone Star / Bonanza / Dominion / Gold Run / Sulphur Creek ("Klondike Properties")

Title Holder: Klondike Gold Corp.

KG Ownership: 100%
Acquisition Method: Staked
Underlying Royalties: No
Land: 256 km^2 claims & 2.1 km^2 Crown Grants
Claims: 1,406 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 Klondike Properties

For the 2016 season the Company plans to drill at least 50 shallow holes to test at-surface gold-bearing quartz vein outcrops hosted by different host rocks in a diversity of structural settings. Drilling began on the Lone Star property in mid-May 2016 and is on-going.

A Class 3 quartz mining land use plan ("MLUP") permit was received in 2015 for the Lone Star Property. The term of the permit is for 5 years expiring July 2020. The Class 3 MLUP permit allows Klondike Gold to conduct advanced exploration activities subject to various conditions including mitigation measures, remediation requirements, and archeological and ecological provisions among others. Klondike Gold also has a Class 3 MLUP permit in place for its Dominion Property expiring August 2017.

The Company's 2015 exploration program commenced in late April 2015. The program included acquisition of 1,233 line kilometers of ground magnetics surveying, and 161 square kilometres of orthophotography and digital elevation modelling covering the Lone Star, Dominion, Gold Run, and Sulphur Properties. A diamond drill program on the Lone Star property consisting of 1,374 metres drilled in 19 holes was also completed. During 2015, Klondike Gold also completed remediation of several historically disturbed areas on the Lone Star Property including the 600 metre long "JF" trench.

Lone Star Drill Results

A 2015 diamond drill program was completed to test various areas of quartz veining containing visible gold within the Lone Star property. The drill program consisted of 1,374 metres drilled in 19 holes. Drilling tested zones at Nugget, Gay Gulch, and Buckland in a 2 km by 1 km area within the Lone Star property, each with outcrop or sub-crop quartz veining containing visible gold but with a diversity of geophysical expression, structural setting, and host lithology.

Visible gold was identified in fifteen of the nineteen drill holes and in all targeted zones. Visible gold occurs within a series of quartz veins occurring in defined quartz vein arrays extending over multi-metre widths at the Nugget Zone, at Gay Gulch, and in several holes in the Buckland target area. These quartz vein arrays are following magnetic ‘breaks’ or inferred faults in all cases.

In detail, the 2015 exploration drilling tested several zones including Nugget (EC15-01 to EC15-06), Lower Nugget (EC15-07), Gay Gulch (EC15-08 to EC15-13), and various in the Buckland area (EC15-14 to EC15-19) with outcrop or sub-crop quartz veining containing visible gold. Core logging results show that individual quartz veins with visible gold can be 0.05 to 1.0 metres in thickness and that “zones” are comprised of several to many related quartz veins (“vein arrays”) occurring over widths of up to ~10 metres true thickness and which exhibit along-strike and down-dip continuity. The volume of quartz veining relative to wallrock, expressed as “% quartz veining” or “% QV” is an important exploration indicator relating to gold grade. Property-scale exploration focussed on locating near-surface volumes of gold mineralized quartz veining, and this objective will continue for 2016.

The Company completed detailed representative chip sampling perpendicular to veining across 14 individual lines over 38 metres strike length of outcropping quartz veins and adjacent host rock. A total of 38 chip samples were collected and analyzed by metallic screen assaying. Thirteen samples were of wall rock and twenty five samples were of quartz veins. Thirteen samples had values between 5 g/t Au and 30.5 g/t Au. Seven samples of wallrock had gold values above 0.1 g/t Au (detection limit is 0.01 g/t Au) suggesting gold enriched wall rock in addition to gold enriched veins.

The intent of the survey was to assess the variability of gold content along the strike of the veining, the distribution of gold in light of potential coarse-gold ‘nugget’ effects, and the gold content (if any) of the adjacent host rock. The reader is cautioned that the results herein, while methodically collected, should be regarded as an estimate only with potentially high variability.

The most continuous exposure of outcrop at Nugget Zone returned a weighted gold assay from chip sampling of 8.0 g/t Au over 4.3 metre interval.

Nugget Zone Drill Results

Holes EC15-01 through EC15-04 intersected a quartz vein array with interesting results. Holes EC15-05 and EC15-06 were collared in front of this zone, and contained fewer veins in the lower vein array to meaningfully carry a weighted average.

Summary of Nugget Zone Significant Drill Results

Hole ID	Dip	From (m)	To (m)	Interval (m)	True Thickness (m)	Grade Au g/t	% QV
EC15-01	-45	3.8	11.45	7.65	7.65	4.6	27
EC15-02	-85	4.4	11.6	7.2	5.7	2.3	15
EC15-03	-85	4.4	12.0	7.6	6.1	5.3	22
EC15-03	-85	47.8	49.6	1.8	1.4	7.4	27
EC15-04	-45	21.1	24.1	3.0	3.0	5.7	58

Gay Gulch Drill Results

A new discovery of a gold-bearing quartz veining was made near Gay Gulch along Eldorado Creek in drill hole EC15-10. A 2.8 metre zone including a 0.5 metre quartz vein was intersected that contains coarse clots of gold up to 2.5 cm in size. After removing all the coarse visible gold clots from the assay sample, the remaining split interval assayed 420 g/t Au over 0.5 metre, within an extended interval that averaged 75.6 g/t Au over 2.8 metres. The Gay Gulch Zone was tested from pairs of holes at 50 metre spaced intervals along a 100 metre total length. Each drill pad had a -50 and a -85 dipping hole collared from it. All holes were drilled at 210 azimuth. Along the strike of the locally sub-cropping Gay Gulch quartz veining, holes EC15-08 and EC15-09 tested the easterly end (section 950E), holes EC15-10 and EC15-11 tested the middle (section 1000E), and holes EC15-12 and EC15-13 tested the westerly end (section 1050E).

Drilling encountered brittle felsic volcanics, fractured and cut by a quartz vein array. The quartz veining is related to a prominent (magnetic low) fault that extends for 2,600 metres from Gay Gulch. The Gay Gulch drilling was done adjacent to Eldorado Creek on the right limit bank of Eldorado placer claim 36. By 1900, a 34 ounce gold nugget had been discovered on placer claim 36 and a larger 72 ounce nugget was discovered on placer claim 34 located 250 metres downstream. The Gay Gulch fault transects both of these placer claims.

Summary of Gay Gulch Drilling Assay Results

Hole ID	Dip	From (m)	To (m)	Interval (m)	True Thickness (m)	Grade Au g/t	% QV
EC15-08	-85	41.90	47.25	5.35	4.00	1.6	16
EC15-09	-50	19.30	20.40	1.10	1.10	1.9	18
EC15-10	-85	23.90	26.70	2.80	2.10	75.6	33
	Including	23.90	24.40	0.50	0.40	420.0	100
EC15-11	-50	21.20	23.05	1.85	1.85	1.0	
EC15-12	-85	-	-	-	-	-	-
EC15-13	-50	19.45	21.00	1.55	1.55	10.9	10

Buckland Zone Drill Results

Six holes (EC15-14 to EC15-19) tested individual quartz vein targets within a 1000 square metre area collectively known as the Buckland Zone. The zone is characterized by extensive fracturing developed in mafic volcanics. The fractures commonly contain quartz veins, many with visible gold. The area is an intense, widespread magnetic low, interpreted as a large and long-lived zone of faulting. It is believed that faulting is synchronous with gold mineralization, but continued post-mineralization movement disrupted the earlier mineralized quartz veins.

Summary of Buckland Zone Drilling Assay Results

Hole ID	Dip	From (m)	To (m)	Interval (m)	True Thickness (m)	Grade Au g/t	% QV
EC15-15	-50	54.70	56.50	1.8	1.80	3.7	Unknown
EC15-16	-50	38.00	38.85	0.85	0.85	1.8	Unknown
EC15-16	-50	55.10	55.30	0.2	0.20	11.9	50
EC15-17	-50	58.80	59.25	0.45	0.45	5.9	18

Dominion Property

Magnetics surveying was completed first at the Dominion Property, combined with orthophotography, and used as a mapping and prospecting base for systematic evaluation of trenches and outcrops. Mapping of all trenches and sampling of quartz veins was completed in late June. Assays from individual mineralized veins range between 0.2 g/t gold to a high of 48 g/t gold and 50 g/t silver to a high of 509 g/t silver. (This sampling is deliberately selective in nature; systematic test results may vary significantly. A “nugget effect” is evident.) These results, when combined with 2014 sampling continue to show a focussed target area of interest of some 850 metres by 200 metres extent in the central portion of the Dominion Property. Work to date shows this target contains an outcropping array of gold-mineralized quartz veins, sporadically with visible gold, and with individual veins ranging from 0.1 metres to 3.0 metres in thickness. The area has not been diamond drill tested. This target is proposed for testing in 2016.

Previous Exploration on the Klondike Properties

Klondike Gold Corp. has previously conducted diamond drilling, trenching, soil sampling, rock sampling, geological mapping and prospecting on its Klondike Properties.

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

In 2014 Klondike Gold conducted a program focused on documenting gold-bearing quartz veins and their characteristics versus unmineralized quartz and carbonate veins. Prospecting was guided by geophysics supported by a structural model for orogenic gold deposits. The objective of 2014 field work was to determine the relationship between major faults and gold mineralized veins. A total of 342 rock samples were collected for assay and submitted for analysis. During 2014, workers identified 19 geographically diverse new sites of visible gold in outcropping bedrock quartz veins. This work successfully highlighted areas at the Lone Star and Dominion properties that require further investigation.

Highlights from the Lone Star Property rock sample assays are as follows:

- Prospecting samples at the Boulder Lode prospect from a newly uncovered quartz vein (“Vein 1”) yield gold assays of 1,766 g/t Au, 1,007 g/t Au, and 831 g/t Au with corresponding silver assays of 400 g/t Ag, 237 g/t Ag, and 205 g/t Ag respectively. (Prospecting samples are selective in nature; systematic test results may vary significantly.)
- Prospecting samples of bedrock quartz veins from the Nugget to Buckland prospect areas assayed between 1.0 g/t Au and 19.4 g/t Au including six samples with visible gold identified in outcrop.
- Prospecting identified 19 geographically diverse previously undocumented sites of visible gold in outcropping bedrock quartz veins.
- Analysis of historical aeromagnetic surveys from Klondike Gold and the Geological Survey of Canada (“GSC”) has identified a shear fault array comprised of a main dextral shear fault with associated secondary pinnate and horsetail extensional faults interpreted to transect the Klondike goldfields. Portions of this fault network have been identified previously as “D4” faults and this fault array appears to be a primary control on “D4” gold-bearing quartz veins in Klondike area.

Highlights from the Dominion Property rock sample assays are as follows:

- Prospecting samples at the Hunker Dome prospect collected from an array of quartz veins exposed in old trenches over a 700 metre length yield gold assays of between 1 g/t and 37.1 g/t Au and silver between 8 g/t and 930 g/t Ag. Three prospecting samples across a 3 metre wide quartz vein exposed in a c.1910 prospecting shaft had gold assays of 81.3 g/t, 12.7 g/t and 7.3 g/t Au. (Prospecting samples are selective in nature; systematic test results may vary significantly.)

- Prospecting samples from the Dominion Adit 150 metres vertically beneath Hunker Dome assayed gold between 0.2 g/t and 0.6 g/t Au with silver between 10 g/t and 167 g/t Ag and are interpreted to represent vertical continuation of veining.
- Two prospecting samples from the Golden Rod prospect assayed gold between 2.1 g/t and 3.0 g/t Au with silver between 7 g/t and 13 g/t silver. Golden Rod exhibits the same type of veining as exposed at Hunker Dome and obtained from the Dominion adit, and is located 1,500 metres south of Hunker Dome.

Please refer to the Company's news releases for further details on assay results which can be found on the Company's website at www.klondikegoldcorp.com or on SEDAR at www.sedar.com.

Indian River Placer

Title Holder:	Klondike Gold
KG Ownership:	100%
Acquisition Method:	Leased/Staked
Underlying Royalty:	5%
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 Gold through its acquisitions dated July 18, 2014 of KSMC and September 16, 2014 of 46799 Yukon Inc., which successfully concentrated title in one business entity, subject only to an underlying 5% production royalty to a third party.

During the year ended February 28, 2015, Klondike Gold entered into a lease agreement with Jerusalem Mining LLC, operating as 316 Mining ("316 Mining") whereby Klondike Gold assigned to 316 Mining the rights and permits to placer mine on the "McKinnon Creek property", Yukon. (McKinnon Creek is the term applied to the area of the Hoffman lease agreement and is a subset of the Indian River Placer property). Under the terms of the lease agreement, Klondike Gold received from 316 Mining a direct 15% production royalty payable in raw gold and will receive an additional 5% on behalf of the underlying third party royalty holder. Subsequent to February 29, 2016, the lease agreement was not renewed and 316 Mining removed equipment and completed reclamation of mined areas.

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 Indian River property has been tested by 350 auger drill holes between 2005 and 2015 to locate and delineate White Channel Gravel 'pay streaks'. Gold was recovered from nearly 100% of the holes in the main target area. Drill results indicate gold-bearing gravels extend over a distance of more than three km (1.9 miles) and remain open for expansion to the east and south.

The Company received $216,341 in royalties on the Indian River property in 2014 and $526,994 in 2015.

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, which the Company has received as $150,000 cash and $350,000 in common shares of Medgold, which amounted to 3,147,418 common shares.

Klondike Gold retains a 2% NSR on the exploration permits which may be repurchased for $1.0 million per percentage point. Klondike Gold’s remaining holdings in Medgold total over 2.3 million common shares, held for investment purposes.

British Columbia Properties

The Company’s properties 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 29, 2016:

Claim Owner	Property Name	Number of Claims	Area (sq km)	Area (ha)
Klondike Gold Corp.	Panda Irishman	5	17.1	1708.1
Klondike Gold Corp.	Thea	1	14.1	1412.0
Klondike Gold Corp.	Quartz Mountain	65	36.8	3680.8
Klondike Gold Corp.	Clubine	5	2.3	232.0
Klondike Gold Corp.	Cruz-Midway	36	16.2	1624.1
Klondike Gold Corp.	Hughes Range	8	21.0	2103.2
Klondike Gold Corp.	Red Point	9	32.6	3259.0
Klondike Gold Corp.	Ron Gold	29	11.7	1166.9

Subsequent to February 29, 2016, the Company announced that it had entered into a property purchase agreement (the “Agreement”) with Rise Resources Inc. (“Rise”) for the acquisition by Rise of 100% of a portfolio of certain of the Company’s British Columbia properties.

The terms for the Agreement are as follows:

- Payment within 60 days of signing of $50,000 in cash, and payment of 1,500,000 Rise shares and 1,500,000 Rise warrants to purchase 1,500,000 shares for a period of 24 months (collectively the “First Closing”).

- Payment upon the one-year anniversary of First Closing of $150,000 in cash, and payment of 2,000,000 Rise shares and 1,000,000 Rise warrants to purchase 1,000,000 shares for a period of 24 months.

- Klondike will retain a 2.0% NSR and Rise will have the right to purchase 50% of this royalty for $1,000,000 at any time after the First Closing.

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 totaling 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. Klondike Gold’s remaining holdings in PJX total over 0.3 million common shares, held for investment purposes.

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.

Claim Owner	Property Name	Number of Claims	Area (sq km)	Area (sq km)
Klondike Gold Corp.	Matarrow	1	0.5	49.4

Overall Financial Performance

Financial Condition

As at February 29, 2016, a total of $8.12 million was held in exploration and evaluation assets (February 28, 2015 - $7.72 million), all of which was invested in the Yukon. Total assets decreased to $9.35 million (February 28, 2015 - $9.71 million), total liabilities decreased to $0.094 million (February 28, 2015 - $0.30 million) and shareholders' equity decreased to $9.26 million (February 28, 2015 - $9.41 million).

Subsequent to February 29, 2016, the Company closed a non-brokered private placement of 760,250 flow through shares at a price of $0.16 per share for gross proceeds of $121,640 and 2,706,857 non-flow through units at a price of $0.14 per unit for gross proceeds of $378,960. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.20 per common share until April 4, 2019.

Subsequent to February 29, 2016, the Company closed a non-brokered private placement of 4,000,000 non-flow through units at a price of $0.30 per unit for gross proceeds of $1,200,000. Each unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.35 per common share until November 30, 2018.

Results from Operations

During the year ended February 29, 2016, the Company's cash decreased by $433,610. Cash provided by financing activities included $409,502 received on the issuance of shares, net of share issuance costs, offset by $176,000 in mortgage payments. Cash used in investing activities included $925,697 used to fund exploration and evaluation expenditures partially offset by $526,994 received on gold sales, $15,000 on the purchase of a term deposit, $161,115 in sales of available-for-sale investments and $52,476 in proceeds on sale of equipment. Cash used in operating activities totaled $467,000 (2015 - $1,223,175).

The Company's comprehensive loss for the year ended February 29, 2016, was $557,518 which was down from $1,534,514 from the year ended February 28, 2015. The significant reduction in comprehensive loss is due to the fact that the Company recorded a write-down of equipment of $524,537 in the previous year. Operating expenses were $657,355 for the year ended February 29, 2016 compared to $1,077,773 for the year ended February 28, 2015. The significant reduction in operating expenses is due mainly to share-based compensation and higher legal costs in the previous year.

Fourth Quarter

The Company's comprehensive loss for the three months ended February 29, 2016, was $189,956 which was down significantly from $1,013,598 for the three months ended February 28, 2015. Operating expenses were $214,460 for the three months ended February 29, 2016, compared to $518,768 for the three months ended February 28, 2015.

Other significant items included a gain on sale of equipment, previously written-down, of $48,309.

Summary of Annual Information

	Feb. 29, 2016 $	Feb. 28, 2015 $	Feb. 28, 2014 $
Total assets	9,351,564	9,708,053	6,194,163
Net loss	(467,867)	(1,532,184)	(6,057,618)
Loss per share	(0.01)	(0.08)	(0.52)

Summary of Quarterly Results

Quarter Ended

	Feb. 29, 2016 $	Nov. 30, 2015 $	Aug. 31, 2015 $	May 31, 2015 $
Other Income (Loss)	36,375	17,878	108,208	27,028
Net Income (Loss)	(178,085)	(109,242)	(48,701)	(131,839)
Net Income (Loss) Per Share	(0.00)	(0.00)	(0.00)	(0.00)

	Feb. 28, 2015 $	Nov. 30, 2014 $	Aug. 31, 2014 $	May 31, 2014 $
Other Income (Loss)	(564,986)	184,689	(31,848)	(42,503)
Net Income (Loss)	(1,083,754)	41,995	(247,728)	(242,697)
Net Income (Loss) Per Share	(0.03)	(0.00)	(0.02)	(0.02)

Net loss for the quarter ended February 28, 2015, includes a write-down of equipment of $524,537 (2014: nil). The increase in net income in the quarter ended November 30, 2014, is due to a reduction in operating expenditures as well as a gain on disposition of joint venture of $195,624, as a result of the Company marking its equity investment in KG46 up to fair value on acquisition of the remaining 50% of 46799 Yukon Inc.

Financial Liquidity and Capital Resources

Working Capital

The Company had working capital of $544,614 at February 29, 2016, compared to working capital of $796,714 at February 28, 2015. The Company's cash position at February 29, 2016, was $522,988 and at February 28, 2015, was $956,598.

Transactions with Related Parties

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 have no specific terms of repayment.

a) During the year ended February 29, 2016, the Company was charged consulting fees of $138,000 (February 28, 2015 – $138,500) by Atlantic Zinc Resources Ltd., a company owned by the CEO of the Company. As at February 29, 2016, $12,075 (February 29, 2015 - $12,075) was payable to Atlantic Zinc Resources Ltd.

b) During the year ended February 29, 2016, the Company was charged $124,165 (February 28, 2015 – $148,153) by Fiore Management and Advisory Corp. ("Fiore"), a company whose CEO is a director of the Company, for corporate administration services included in consulting and wages. Share-based compensation of nil (2015 - $36,047) was recorded on stock options granted to Fiore.

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Included in share-based compensation for the year ended February 29, 2016, was nil for stock options granted to directors and officers of the Company (February 28, 2015 - $194,462). As at February 29, 2016, $237 (February 28, 2015 – nil) was included in trade and other payables owing to the CEO of the Company for expense reimbursements.

New Accounting Standards and Interpretations

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, 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, 2018. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.

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

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial Instrument Classifications

The Company has classified cash and cash equivalents and restricted cash as fair value through profit or loss financial assets. Available-for-sale investments are classified as available for sale. Amounts receivable, and reclamation bonds are classified as loans and receivables. Trade and other payables, and due to related parties are classified as other financial liabilities. Management did not identify any material embedded derivatives, which require separate recognition and measurement.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data

The fair values of the Company's reclamation bonds, amounts receivable, trade and other payables, and due to related parties approximate their carrying value, due to their short-term maturities. The Company's cash and cash equivalents, restricted cash, and available-for-sale investments are measured at fair value using Level 1 inputs.

As at February 29, 2016, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is attributable to amounts receivable which is primarily comprised of amounts owing from the Government of Canada for input tax credits receivable. Accordingly, the Company does not believe it is subject to significant credit risk.

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. Moreover, the Company manages liquidity risk by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities, and through the use of cash proceeds from gold sales. As at February 29, 2016, the Company had a cash and cash equivalent balance of $522,988 to settle current liabilities of $94,138.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: interest rate risk, currency risk, and price risk:

i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values of the Company's cash and cash equivalent balances as at February 29, 2016. The Company manages interest rate risk by maintaining an investment policy for short-term investments included in cash equivalents. This policy focuses primarily on preservation of capital and liquidity. The Company monitors the investments it makes and is satisfied with the credit rating of its banks. The Company does not have any interest bearing debt.

ii) Foreign currency risk

The Company does not transact in currencies other than the Canadian dollar, and is therefore not subject to foreign currency risk.

iii) 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.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Outstanding Share Data

Authorized share capital

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

Common Shares

During the year ended February 29, 2016, the Company closed a non-brokered private placement of 750,000 in flow through shares at a price of $0.10 per share for gross proceeds of $75,000 and 3,415,000 in non-flow through units at a price of $0.10 per unit for gross proceeds of $341,500. Each non-flow through unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.15 per common share until December 23, 2017.

Subsequent to February 29, 2016, the Company closed a non-brokered private placement of 760,250 flow through shares at a price of $0.16 per share for gross proceeds of $121,640 and 2,706,857 non-flow through units at a price of $0.14 per unit for gross proceeds of $378,960. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.20 per common share until April 4, 2019. Finders' fees of an aggregate of 58,571 units were paid in relation to the private placement.

Subsequent to February 29, 2016, the Company closed a non-brokered private placement of 4,000,000 non-flow through units at a price of $0.30 per unit for gross proceeds of $1,200,000. Each unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.35 per common share until November 30, 2018.

As at the date of this MD&A, an aggregate of 45,966,386 common shares are issued and outstanding.

Preferred Shares

As at the date of this MD&A, there are nil preferred shares issued and outstanding.

Warrants

During the year ended February 29, 2016, 3,415,000 share purchase warrants were issued pursuant to the private placement discussed above. The warrants are exercisable at a price of $0.15 per common share until December 23, 2017.

During the year ended February 29, 2016, 293,750 share purchase warrants with an exercise price of $2.00 expired.

Subsequent to February 29, 2016, 2,765,428 share purchase warrants were issued pursuant to the private placement discussed above. The warrants are exercisable at a price of $0.20 per common share until April 4, 2019.

Subsequent to February 29, 2016, 2,000,000 share purchase warrants were issued pursuant to the private placement discussed above. The warrants are exercisable at a price of $0.35 per common share until November 30, 2018.

Subsequent to February 29, 2016, 466,667 share purchase warrants were exercised for gross proceeds of $78,333.

As at the date of this MD&A, the Company has the following warrants outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
60,000	$1.20	October 30, 2016
2,155,788	$1.00	January 18, 2017
9,401,415	$0.20	November 17, 2017
933,395	$0.20	December 15, 2017
3,115,000	$0.15	December 23, 2017
2,000,000	$0.35	November 30, 2018
2,765,428	$0.20	April 4, 2019
20,431,026	$0.29	

Stock Options

Subsequent to February 29, 2016, the Company granted 1,025,000 incentive stock options to directors, officers, employees, charities, and consultants of the Company. The options are exercisable at a price of $0.19 per common share until April 19, 2026.

As at the date of this MD&A, the Company has the following stock options outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
2,850,000	$0.12	December 16, 2024
1,025,000	$0.19	April 19, 2026
3,875,000	$0.14	

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 29, 2016:

	Total	< 1 Year	1-3 Years	3-5 Years	5+ Years
Operating Lease	$17,864	$17,864	$Nil	$Nil	$Nil

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.

Outlook

Management believes there is potential for further discoveries and concomitant possibility for value creation at its gold properties in the Klondike district, Yukon. Through exploration in 2015, the Company identified gold mineralization at the Lone Star and Dominion Properties that warrants further testing.

Our conviction in continued well-planned, efficient exploration remains unchanged, however management recognizes the need to safeguard the Company's treasury and advance our programs in measured steps. Following review of 2015 exploration results, the Company has planned a $750,000 exploration budget for 2016 work comprised primarily of drill testing. The Company is currently proceeding with the drilling program which has shown promising results. Additional funding may be required as the drilling program expands.

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