This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of the Company for the years ended February 28, 2018 and 2017. This MD&A has been prepared as of June 21, 2018. All amounts are expressed in Canadian dollars unless otherwise stated.

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.

The technical and scientific information contained within the MD&A 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.

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.

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" and the Frankfurt Stock Exchange under the symbol "LBDP".

The Company is a resource exploration stage company engaged in the acquisition and exploration of mineral properties in the Yukon Territory and British Columbia. The Company holds offices in Vancouver, British Columbia, and Dawson City, Yukon Territory. The head office is located at Suite 3123, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1 and the Company's registered and records office is located at Suite 2500 – 700 West Georgia Street, Vancouver, British Columbia V6Y 1B3.

The Company is focused on exploration and development of its Yukon gold projects, accessible by government maintained roads 20 km south of Dawson City, Yukon Territory within the Tr'ondëk Hwëch'in First Nation traditional territory.

DESCRIPTION OF PROPERTIES

The Company holds properties in the Yukon and in south eastern British Columbia.

YUKON PROPERTIES

The Yukon properties consist of the Klondike District Project and the Klondike Placer Gold Property.

The Company is focused on exploration and development of its Yukon gold projects, accessible by government maintained roads located on the outskirts of Dawson City, YT, covering 557 square kilometers of hard rock and 20 square kilometers of placer claims.

Klondike Yukon Property Summary

Ownership	Property	Property Type	Number of Claims	Area (sq. km)	Royalty
Klondike Gold	Klondike District	Claims	1692	310	
Klondike Gold	Klondike District	Crown Grants	14	2	
Klondike Gold	Klondike District	Claims-Gimlex	1230	244	2%
Klondike Gold	Klondike District	Claims-Burkhard	6	1.2	2%
TOTAL CLAIMS			2942	557.2	
Klondike Gold	Placer	Indian River	239	13.4	5%
Klondike Gold	Placer	Eldorado Creek	114	6.8	
TOTAL PLACERS			353	20.2	

Klondike District Project

The Klondike District Project is comprised of former individually named property areas including Lone Star, Bonanza, Dominion, Gold Run, Sulphur Creek, and Washington Creek. Following the acquisition of 1,125 quartz claims from Gimlex Enterprises Ltd. ("Gimlex") (see News Release dated 8 August 2016), all of the Company's quartz properties are contiguous and span the Klondike District, so the individual property names are not relevant. The table above reflects the combined district holdings, both quartz and placer, and is differentiated now by whether or not the claim holding is encumbered by a royalty payable. All of the quartz claims will remain in good standing at least until 2023 without further expenditure.

Through systematic exploration from 2015 to the present, the Company has identified significant prospective areas by drilling at the Lone Star Zone, the Nugget Zone (including along the Nugget Fault), the Gold Run target, and the Gay Gulch target (along the Eldorado Fault). Other areas have identified by prospecting and/or outlined by soils and geophysics, such as the Quartz Creek target area, need additional work to vector exploration and have yet to be drill tested.

Regional Setting and Infrastructure

The Company's exploration of the Klondike District Project to date supports an orogenic gold deposit model of mineralization with direct similarities including age and veining style to the nearby Golden Saddle deposit discovered by Underworld Resources and acquired by Kinross Gold in 2011 for $140 million. The acquisition by Goldcorp Inc. for its Coffee Gold Project in 2016 has renewed interest in the gold potential of the region, as have exploration joint ventures by Newmont, Barrick, and Agnico Eagle with nearby junior explorers.

In September 2017, the Yukon government and the federal government announced over $360 million in combined federal and territorial funding to improve road access in two mineral-rich areas: the Dawson Range in central Yukon and the Nahanni Range Road in southeastern Yukon. The Dawson Range project includes all the resource access roads with the Company's Klondike District Project. This construction to upgrade roads through the project, when completed, will improve the Company's access and lower operating costs.

2018 Work Program

The Company is accelerating district scale exploration designed to outline new target areas by concurrently completing full geophysical surveying, structural and lithologic mapping, and soil geochemical coverage of the Klondike District property during this 2018 season. This comprehensive multi-disciplinary surveying, the first ever undertaken across the Klondike District, is already yielding new insights that can provide faster and more efficient exploration of known targets, and in addition can screen for new target areas in the majority of the district which has not been explored.

The Company has budgeted a minimum spend of $2,500,000 on its 2018 work program. Initial field work including core relogging commenced in March, and diamond drilling commenced in late May. The work program will be supervised by recently hired Ian Perry, P.Geo., VP of Exploration who joined the team in March 2018.

Major components of the 2018 budget include plans for:

- 5,000 to 7,000 meters of drilling between multiple targets;
- 3,000 to 5,000 new soils;
- 4,000 line kilometers of airborne magnetics surveying, detailed structural and lithologic mapping and prospecting across the entire district for the first time; and
- contingency for 2018 follow-up on any new targets generated.

The Lone Star Zone, the first sizeable gold ounce target area outlined within the district, will be an early focus of exploration in 2018. The potential quantity of the Lone Star target is currently conceptual in nature, but the Company's plans include exploration programs to potentially define a mineral resource by the end of the season; however, there is no certainty it will result in the target being upgraded or delineated as a mineral resource.

Work planned for the Lone Star target includes additional drilling and initial preliminary metallurgical testing. 20 drill holes have been planned to date, of which 9 holes (LS18-151 to -159) totalling 785 meters drilled have been completed. The Lone Star drill program is ongoing.

An early evaluation of the exploration potential of the Gold Run area has also been completed. Four drill holes (GR18-160 to -163) totalling 450 meters have been completed testing the Gold Run target area for geology and structural controls. Drill core is still to be logged, sampled, and submitted for analysis.

Gold Run is located 55 km to the southwest of Dawson. Mapping in late 2017 documented a thrust fault, possibly an extension of the Rabbit Creek Thrust, and two secondary structures in similar positions to the Bonanza and Eldorado faults. Prospecting located gold bearing quartz veins with visible gold from very old mine dumps, as well as gold-bearing mineralization from altered outcrops lacking noticeable quartz veins interpreted to be a style of disseminated gold mineralization. The environment at the Gold Run target is very similar to the environment at the Lone Star target, as presently understood.

Nugget Zone is also planned for additional testing and drilling. Re-evaluation of the Nugget Zone has led to the identification of drill core intervals where disseminated gold is present. Work in 2015 and 2016 focused solely on the exploration potential of gold-bearing quartz veins in narrow zones. A total of 23 drill holes are being re-examined and sampled, which represents all holes drilled in 2015 and 2016 in the vicinity of the Nugget Fault over a strike length of 1,400 meters.

Re-logging, additional core sampling, and new testing at the Gay Gulch showing on the Eldorado fault (best hole 75.6 g/t Au over 2.8 meters; see NR October 26, 2015) is also planned.

Nugget Zone, Gay Gulch and the Eldorado Fault are all in the northwest end of the Klondike District Property.

2018 Work Contracts

SRK Consulting ("SRK") field work is underway and is to be completed by mid-August. SRK has been contracted to conduct structural and lithologic mapping through the Klondike District property. The objective is to outline the district-scale structures, provide information on the district- to local-scale disposition of lithologies adjacent to these faults, and provide further insight into the disposition of gold and controls of deposition.

This work is performed in association with Leeds University, UK ("Leeds") Department of Earth and Environment providing a post-graduate team to compliment the SRK mapping effort. Klondike Gold has maintained a research relationship with Leeds for many years, exemplified recently by completion of PhD on the relationship of placer gold to bedrock gold mineralization at the Lone Star Zone (Matt Grimshaw PhD, 2018).

New-Sense Geophysics Ltd has been contracted to complete helicopter-borne magnetic, radiometric, and VLF-EM surveying totalling approximately 4,000 line km covering the Klondike District property, including portions previously covered by ground surveys. This work is scheduled to complete by August, and is expected to provide a comprehensive geophysical view of structures transecting the district, to compliment the concurrent lithologic and structural mapping program.

GroundTruth Exploration is providing drone orthophotography surveying on targeted areas where no previous coverage exists, with work anticipated to complete by August. Drone surveys have been completed. Additionally, GroundTruth has been contracted to collect approximately 5,000 soils covering the core areas of interest within the Klondike District property. Soil sample collection is scheduled to complete by August.

Kluane Drilling has been contracted to provide drilling services. This year the contract includes provision for oriented core drilling, both NTW and HTW core drilling, and other technical drilling services totalling up to 10,500 meters.

In conjunction with core drilling, Klondike Gold this year will be using InnovX X-ray Fluorescence ("XRF") analyzer provided by Reflex as part of the geotechnical suite of data collected from core.

Summary of Previous Exploration Programs (2015 – 2017)

The Company completed 70 holes in 2017 totaling 8,620 meters collected, following 80 diamond drill holes in 2015 and 2016 testing a variety of targets for a total in those years of 6,734 meters collected. The average actual cost per meter drilled in 2017, including the heavy equipment required for moves and pad leveling, is $120 per meter compared with $105 per meter previously. Incrementally higher meterage cost in 2017 reflects deeper holes and additional drill pad preparation versus prior years. The extremely low cost per meter compared to other Yukon, or Canadian, or international rates is due to the proximity of the Klondike District Project to Dawson City (20 km) and the network of government maintained mining roads that transect the Klondike District Project.

In 2015 and 2016, the Company discovered economically interesting grades of gold mineralization over interesting widths at Gay Gulch (75.6 g/t Au over 2.8 meters) and Nugget (5.1 g/t Au over 14.3 meters). At Lone Star drill results from 17 holes (see News Release dated January 19, 2017) showed gold mineralization over a 700 meter strike length starting from surface, including one of up to 2.4 g/t gold over 37.0 meters. In late 2016, the Lone Star target was identified by this drilling to contain disseminated gold mineralization with characteristics of wide widths, lower grades, starting at surface.

In 2017 the exploration program focussed on the Lone Star target area with a small component of property-wide reconnaissance. The Klondike property remains under-explored but has considerable alluvial placer gold production which has been shown in the Bonanza Creek area to be directly derived locally from the rocks of the Klondike District. From 2017 field work, gold mineralization within the Klondike property is considered to be preferentially hosted or controlled by second-order "D4" high angle faults (the "Bonanza", "Nugget", "Eldorado", and "Irish" Faults identified to date) located above a regionally significant first-order low angle thrust fault (the "Rabbit Creek Thrust"). The Rabbit Creek Thrust is the major fault identified in the desktop study. Initial evidence from 2017 suggests that this fault, with the associated parallel 2nd order faults named above, all cut the Klondike schist within the Company's property along a 55 km strike length from Eldorado Creek in the west to Gold Run Creek in the east.

The Company's objective in the period 2015 to 2017 of demonstrating in-place bedrock gold mineralization, as the source(s) for the historic rich Klondike placer production, has been achieved in multiple locations within the Klondike District and provides the potential for resource discovery going forward.

There has been limited previous recognition or documentation of disseminated gold in the Klondike district, versus the more obvious gold-in-quartz veining which has been the primary focus of exploration since 1896. The Company conjecturally interprets the gold endowment of the Klondike placer gold fields to be primarily derived locally from disseminated gold bedrock sources within the Klondike schist with a minority component derived from quartz veining.

Desktop interpretation in 2014 identified a previously unrecognized fault system cutting the Klondike schist through the Company's Klondike property.

Lone Star Target Results

The Lone Star target currently encompasses three areas: Lone Star in the centre, O'Neil to the west, and Pioneer to the east, across a total length so far of approximately four kilometers of drill testing in proximity to the Bonanza

Fault (see News Release dated 10 January 2018). The Lone Star target, associated with the Bonanza Fault, was first drilled in late 2016, was the focus of the 2017 drilling and exploration program, and will also be the main focus of the 2018 program.

The Company's 2016 drill program at the Lone Star Zone identified disseminated gold mineralization. The follow-up 2017 Lone Star Zone drill program systematically tested a new interpretation of gold mineralization that preferentially targets disseminated gold mineralization. The positive results from 2017 drilling which showed extensive areas of disseminated gold in addition to gold-bearing veins has upgraded the potential for economically interesting gold mineralization both at the Lone Star Zone and throughout the Company's 557 square kilometer Klondike District project.

Gold mineralization at the Lone Star Zone has been regularly intersected in drilling across a 1,000 meter length at approximately 50 meter intervals, with extensions continuing to approximately 2.5 kilometers. The gold, both as disseminations in host rock and contained within quartz veins, is located in a zone above (in the hanging wall) and adjacent to the Bonanza Fault. Gold mineralization can occur across an inferred width of up to 130 meters, and the zone is interpreted to strike north-northwest and dip 35 to 50 degrees to the north-northeast. Typically holes are drilled at 200 degree azimuth and 55 degree dip; drill core intersections from holes oriented in this fashion are interpreted to be approximately true width but more detailed work, including interpretation of drill sections, is ongoing to verify this in all cases.

On January 20, 2018 the company reported drill assay results from 22 new holes at the Lone Star target.

Nugget Zone Results

The Nugget Zone ("Nugget") is comprised of quartz veining hosted by competent mafic schist associated with a significant (magnetic "break") "D4" fault interpreted to have a strike length of up to 6 kilometers. Drilling at Nugget in 2015 and 2016 intersected near-surface gold-bearing quartz veining over a strike length of 225 meters.

In 2015, drill hole EC15-03 intersected near-surface mineralization averaging 5.3 g/t Au over 7.6 meters starting at 4.4 meters downhole (see News Release dated 15 October 2015). In 2016, EC16-32 intersected visible gold-bearing quartz veins averaging 5.1 g/t Au over 14.34 meters from 3.55 meters downhole starting at the bedrock surface (see News Release dated 25 August 2016, representing the best result to date from the Nugget Zone.

In 2017, the Company recognized that the significant magnetic break associated with the Nugget Zone extends approximately 6 kilometers, parallel to the Bonanza Fault associated with the Lone Star target. In 2017 five holes tested up to 2.2 kilometers of strike length along the Nugget Fault. Core logging identified disseminated gold mineralization in addition to gold-bearing quartz veins in two of these holes. Examination of 2015 and 2016 Nugget area drill core confirmed the presence of disseminated mineralization.

A program of relogging and additional sampling of 23 Nugget area holes is required to evaluate the significance and potential of this target. The necessary work began in May 2018.

PROPERTY ACQUISITIONS

Burkhard Purchase

On September 28, 2017 the Company entered into a Property Acquisition Agreement with Sylvia Burkhard ("Burkhard") for the purchase by Klondike Gold Corp. of a 100% interest in Burkhard's 6 mining claims covering 122.6 hectares located in the Dawson mining district, Yukon Territory. The Company has granted to Burkhard a 2% Net Smelter Returns ("NSR") Royalty in respect of the Burkhard property, of which the Company may purchase one-half of the NSR Royalty (being a 1% NSR Royalty) for cash in the amount of $1,000,000 at any time.

YUKON PLACER GOLD PROPERTY

The Yukon Placer Gold property consist of the Eldorado Creek Placer Project and Montana Creek Placer Project

Eldorado Creek Placer Project

No work has been conducted on the Eldorado Creek Placer Project in 2017.

Montana Creek Placer Project

The Montana Creek placer project is located 55 km south of Dawson City within the southern boundary of the Klondike Gold Fields. Approximately 60% of the Montana Creek 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 3 kilometers and remain open for expansion to the east and south.

The Company received royalties from gold production on the Indian River property of $216,341 in 2014 and $526,994 in 2015, from a total production in those years of 4,300 ounces of gold.

In early 2017 the Company applied to renew mining extraction permits for 5 years, with the decision document still pending a decision at this time.

BRITISH COLUMBIA PROPERTIES

In southeast British Columbia, the Company has a portfolio of gold and base metal projects. Gold targets include several past producers and historic placer producers. For example, the Red Point Property is proximal in the Rossland copper-gold camp which produced over 3 million oz. of gold.

The following table sets forth the British Columbia properties held by the Company.

British Columbia Properties (Table)

Ownership	**Property**	**Number of Claims**	**Area (sq. km)**
Klondike Gold Corp.	Thea	1	11.2
Klondike Gold Corp.	Quartz Mountain	58	23.6
Klondike Gold Corp.	Clubine	5	2.3
Klondike Gold Corp.	Cruz-Midway	36	16.2
Klondike Gold Corp.	Hughes Range	6	4.1
Klondike Gold Corp.	Red Point	9	32.6
Klondike Gold Corp.	Ron Gold	29	11.7
TOTAL CLAIMS		144	101.7

On May 26, 2016, the Company entered into a property purchase agreement (the "PPA") with Rise Gold Corp (formerly Rise Resources Inc.) ("Rise") for the acquisition by Rise of 100% of a portfolio of certain of the Company's B.C. properties. The Company received an initial payment from Rise of $50,000 in cash, 1,500,000 Rise shares, and 1,500,000 Rise warrants, exercisable at a price of $0.227 per share until July 2018.

Rise subsequently determined they would focus business efforts on gold projects in the United States. In July 2017 the Company accepted $100,000 in cash (received) and the return of the B.C. properties in exchange for cancelling the purchase and sale agreement with Rise, including the July 2017 obligations. Rise does not retain any interest in the B.C. properties.

In October 2017, the Company completed mapping and sampling programs on the Red Point and Ron Gold properties. The costs of the exploration work is included on the statement of net loss and comprehensive loss for the year ended February 28, 2018, as the Company is still evaluating its future plans for these properties.

OVERALL FINANCIAL PERFORMANCE

Results from Operations and Corporate Updates

As at February 28, 2018, a total of $15.02 million was held in exploration and evaluation assets (February 28, 2017 - $11.61 million), which was mostly invested in the Yukon. Total assets increased to $22.01 million (February 28, 2017 - $13.56 million), primarily as a result of an increase in cash on hand of $10.05 million from financing activities during the period, and $3.4 million in exploration and evaluation asset expenditures.

During the year ended February 28, 2018, the Company raised $6.61 million from private placements and $3.45 million from the exercise of options and warrants. Working capital as at February 28, 2018, was $6,202,786, as compared with $931,850 as at February 28, 2017, due primarily to an increase in cash on hand from the financings during the year.

Private placement closed August 2017

The Company issued 9,824,774 flow-through units at a price of $0.34 per unit for gross proceeds of $3,340,423. Each flow-through unit consists of flow-through share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.45 per common share until August 23 or 30, 2019.

The Company concurrently issued 5,722,680 non flow-through units at a price of $0.29 for gross proceeds of $1,659,577, which has been allocated to share capital. Each non flow-through unit consists of one common share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.40 per common share until August 23, 2019. The Company allocated $nil value to the warrants.

Cash transaction costs of $347,086 were incurred as share issuance costs and 701,039 warrants were issued as finders fees in relation to this private placement. Each finders warrant entitles the holder to purchase one common share at an exercise price of $0.34 per common share until August 23 or 30, 2019.

Private placement closed April 2017

The Company issued 10,000,000 flow-through units at a price of $0.20 per unit for gross proceeds of $2,000,000. Each flow-through unit consists of one flow-through share and one warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.30 per common share until April 4, 2020. Cash transaction costs of $32,229 were incurred as share issuance costs in relation to this private placement.

Three months ended February 28, 2018 and 2017

The Company's net loss for the three months ended February 28, 2018, was $84,537, down from $210,917 for the three months ended February 28, 2017. The majority of the decrease in net loss for the three months ended February 28, 2018, related primarily to gain on sale of exploration and evaluation assets of $100,000 (February 28, 2017 - $nil) relating to the cancellation of the purchase and sale agreement with Rise, and other income – flow through of $102,089 (February 28, 2017 - $nil) relating to amortization of flow-through premium, partially offset by management fees and wages of $82,152 (February 28, 2017 - $45,764) due to an increase in employees.

Years ended February 28, 2018 and 2017

The Company's net loss for the year ended February 28, 2018, was $1,596,234, up from $760,291 for the year ended February 28, 2017. The majority of the increase in net loss for the year ended February 28, 2018, related primarily to management fees and wages of $531,613 (February 28, 2017 - $309,047) due to an increase in employees, marketing expense of $378,888 (February 28, 2017 - $35,409) due to increased shareholder communication service costs, and unrealized loss on warrants of $104,000 (February 28, 2017 – gain of $17,000)

SUMMARY OF SELECTED ANNUAL INFORMATION

	Feb. 28, 2018 $	Feb. 28, 2017 $	Feb. 29, 2016 $
Total assets	22,006,318	13,562,238	9,351,564
Net loss	(1,596,234)	(760,291)	(467,867)
Loss per share	(0.02)	(0.02)	(0.01)

SUMMARY OF QUARTERLY RESULTS

Quarter Ended

	Feb 28, 2018 $	Nov 30, 2017 $	Aug 31, 2017 $	May 31, 2017 $
Revenue	-	-	-	-
Net Income (Loss)	(84,537)	(397,348)	(594,677)	(519,672)
Net Income (Loss) Per Share	(0.00)	(0.00)	(0.01)	(0.01)

	Feb 28, 2017 $	Nov 30, 2016 $	Aug 31, 2016 $	May 31, 2016 $
Revenue	-	-	-	-
Net Income (Loss)	(210,917)	(181,430)	(37,949)	(329,995)
Net Income (Loss) Per Share	(0.00)	(0.00)	(0.00)	(0.01)

Other loss for the quarter ended February 28, 2017, includes $68,210 related to the purchase of Klondike Star shares. Other income for the quarter ended August 31, 2016, includes $305,000 related to the PPA with Rise. Included in net loss for the quarters ended May 31, 2017, February 28, 2017 and November 30, August 31, and May 31, 2016, was share-based compensation of $283,910, $41,401, $68,509, $154,249, and $147,837, respectively.

FINANCIAL LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $6,202,786 at February 28, 2018, compared to working capital of $931,850 as at February 28, 2017. The Company's cash position at February 28, 2018, was $6,534,026 and at February 28, 2017, was $990,492.

During the year ended February 28, 2018, the Company's cash increased by $5,543,534. Cash provided by financing activities included $6,605,949 received on the issuance of shares, net of share issuance costs, $145,120 in proceeds from the exercise of options, and $3,299,891 in proceeds from the exercise of warrants. Cash used in investing activities included $3,434,115 used to fund exploration and evaluation expenditures, and $40,500 on the purchase of vehicles, partially offset by $349,210 in sales of available-for-sale investments. Cash used in operating activities totaled $1,382,021 (February 28, 2017 - $763,317).

SHARE CAPITAL INFORMATION

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

As at the date of this MD&A, an aggregate of 96,833,881 common shares are issued and outstanding.

Warrants

As at the date of this MD&A, the Company has 20,702,717 warrants outstanding to acquire common shares as follows:

Number Outstanding	Exercise Price Per Share [$]	Expiry Date
2,000,000	0.35	November 30, 2018
1,761,666	0.35	March 13, 2019
1,441,286	0.20	April 4, 2019
149,389	0.34	August 23, 2019
2,861,340	0.40	August 23, 2019
1,809,386	0.45	August 23, 2019
551,650	0.34	August 30, 2019
3,103,000	0.45	August 30, 2019
7,025,000	0.30	April 4, 2020
20,702,717		

Stock Options

As at the date of this MD&A, the Company has 8,946,500 stock options outstanding to acquire common shares as follows:

Number Outstanding	Exercise Price Per Share [$]	Expiry Date
1,656,500	0.12	December 16, 2024
855,000	0.19	April 19, 2026
685,000	0.28	June 21, 2026
400,000	0.30	September 13, 2026
150,000	0.17	January 19, 2027
150,000	0.19	February 2, 2027
1,400,000	0.26	April 24, 2027
3,650,000	0.29	March 28, 2028
8,946,500		

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions and had the following balances payable with related parties. Balances outstanding are non-interest bearing, unsecured and have no specific terms of repayment.

a) During the year ended February 28, 2018, the Company was charged management fees of $238,000 (February 28, 2017 – $138,000) by a company owned by the CEO of the Company. Of this amount,

$65,550 (February 28, 2017 - $71,875) was included in additions to exploration and evaluation assets. As at February 28, 2018, $24,150 (February 29, 2017 - $nil) was payable to this Company.

b) During the year ended February 28, 2018, the Company was charged $190,000 (February 28, 2017 – $156,336), $70,000 (February 28, 2017 – $28,706) of which was share issuance costs, by a company whose CEO is a director of the Company, for corporate administration services included in consulting on the statement of net loss and comprehensive loss

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 28, 2018, was $202,793 for vested stock options granted to directors and officers of the Company, and affiliated companies of directors and officers of the Company (February 28, 2017 – $360,435).

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 - New standard that replaced IAS 39 for classification and measurement of financial assets, which is effective for annual periods beginning on or after January 1, 2018. The Company does not expect the adoption of this standard to have a significant measurement impact on its consolidated financial statements.

IFRS 16 - Leases applies to lessees, requiring the recognition of assets and liabilities for most leases and eliminates the distinction between operating and financing leases, effective for annual periods beginning on or after January 1, 2019.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results of operations 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.

The fair values of the Company's reclamation bond, amounts receivable, and trade and other payables approximate their carrying value, due to their short-term maturities. The Company's cash and cash equivalents, restricted cash, and investments are measured at fair value using Level 1 inputs. The Rise warrants, included in investments, are measured at fair value using Level 3 inputs (Note 6).

As at February 28, 2018, 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 cash and cash equivalents, restricted cash and amounts receivable. Cash and cash equivalents, and restricted cash, are held with large Canadian banks or brokerages. Management believes the risk of loss to be remote. The Company's amounts receivable 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 to settle current liabilities of $213,595 (which excludes flow-through premium as a non-cash liability).

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, foreign 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 28, 2018. 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. In addition, the Company's investments which comprise publicly traded equity securities and warrants exercisable into common shares of a public company, are subject to price risk.

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.

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.

Critical Accounting Estimates

The preparation of the financial statements require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Company's critical accounting estimates include the valuation of share-based compensation, while its critical accounting judgements include carrying amount of mineral properties under exploration and the measurement of current and deferred income taxes. Details of these assumptions can be found in Note 3 to the annual consolidated financial statements for the year ended February 28, 2018.

MANAGEMENT AND BOARD OF DIRECTORS

No changes to the Klondike management or Board of Directors occurred during the year ended February 28, 2018. Effective March 2018 the Company hired Ian Perry, P.Geo. as VP of Exploration.

OUTLOOK

Management believes there is potential for further discoveries and concomitant possibility for value creation at its gold properties in the Klondike District, Yukon. Exploration in 2015 through 2017 has identified gold mineralization in outcrop and drilling throughout the 55 km length of the Klondike District that indicates the area has considerable exploration potential 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. The Company completed spending approximately $2.5 million for the 2017 work program, which has shown promising results from drilling as well as prospecting and other surveying through the entirety of the Company's extensive property. The Company has identified an orogenic gold model with similarities to the nearby Coffee Gold deposit that guides exploration and predicts the Klondike District has significant potential for future discovery of gold mineralization. The recent and continued results from Lone Star drilling have, in the opinion of Company's management, upgraded the potential of the Klondike District properties to host significant in situ gold mineralization. A minimum budget of $2.5 million has been authorized for 2018 exploration. Additional funding may be required.

In general, management is encouraged by the recent strength in gold prices, and is acting on the expectation that successful exploration that yields gold discoveries can add significant value to shareholders at a time of rising demand for the commodity.