This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended August 31, 2018. This MD&A has been prepared as of October 25, 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 covering 557 square kilometers of hard rock and 20 square kilometers of placer claims, approximately 20 km south of Dawson City, Yukon Territory within the Tr'ondëk Hwëch'in First Nation traditional territory.

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 August 8, 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, the Gay Gulch target (along the Eldorado Fault), and the French Gulch target (along the Irish Fault). Nugget Zone, Gay Gulch and the Eldorado Fault are all in the northwest end of the Klondike District Property. 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 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, and the Coffee deposit discovered by Kaminak Gold and acquired by Goldcorp in 2016 for $520 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 within 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 Lone Star Zone was one of five targets drill tested during the 2018 exploration program. The Lone Star Zone was the first sizeable gold ounce target area outlined within the district and was the early focus of exploration in 2018.

In August 2018 the Company announced the acceleration of the 2018 drilling and exploration program. After completing the initial target 5,050 meters at the Bonanza Fault area, expanding the Lone Star gold target, the Company continued drilling an additional 2,000 meters, as well adding a second drill to test Nugget Zone, drilling a total 1,905 meters of core drilled in 20 holes. The objective of drilling at the Nugget Zone was to attempt to broadly outline the geometry, continuity, and extent of disseminated gold mineralization and gold-bearing quartz vein mineralization.

The 2018 drilling program exceeded the objective of 9,000 meters for 80 drill holes. The drilling program is now complete with a total of 9,512 meters of core drilled in 87 holes, summarized in the following table:

Zone	# Holes	# Meters
Lone Star	56	6,473.30
Nugget	20	1,905.83
Glacier	2	201.16
French	5	479.14
Gold Run	4	452.50
TOTAL	**87**	**9,511.93**

To date, final assay results have been received and released from 30 of the 87 diamond drill holes completed in 2018. Exploration continues to affirm multiple local sources of bedrock gold mineralization which explain placer deposits exploited historically within the Klondike District.

A total of 87 holes (9,511.93 meters) were drilled in 2018. Assays from drilling at the Lone Star Zone (LS18-151 to LS18-159; LS18-164 to LS18-180) and Gold Run area (GR18-160 to GR18-163) have been released.

Additional drill results from Lone Star and other targets will be released as they are received, evaluated and incorporated into the evolving exploration model. Cross sections, including geology and mineralization will be posted when all holes on the section are available. For reference, LS18-210 is the final 2018 hole drilled at the Lone Star Zone, the hole ID numbers -211 to -214 were unused, and holes EC18-215 to EC18-247 targeted the Nugget Zone, Glacier Gulch, and French Gulch targets along Eldorado Creek.

Further, the Company completed the property-spanning Klondike District regional survey program (see news releases dated August 14, 2018 and March 19, 2018) comprised of airborne geophysical, soil, structural and lithologic mapping, and prospecting components.

Preliminary results of these programs have been received; final results including the SRK mapping and structural analysis are pending. Over 500 rocks, 5,000 soils and 6,500 drill core samples have been submitted for analysis with nearly all assays pending. Core logging has been completed and sampling is projected to be completed in October. Detailed mapping and sampling of recently identified mineralization and follow-up of preliminary structural and lithologic mapping continued into October as well.

This comprehensive multi-disciplinary surveying, the first ever undertaken across the Klondike District, is yielding 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 is re-assessing and further sampling all drill core from 2015 and 2016, following confirmation of disseminated gold in various drill holes in addition to gold-bearing quartz veins which has been the focus of exploration by previous explorers for the prior 120 years (See news release dated July 10, 2018). A total of 43 holes (37 from Nugget, 6 from Gay Gulch) are being relogged, additionally sampled, and assayed representing an approximate total of 2,500 new meters of core being sampled from these holes. Results from nine holes have been released.

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.

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.

The 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.

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 January 10, 2018). The Lone Star target, associated with the Bonanza Fault, was first drilled in late 2016, was the focus of the 2017 and 2018 drilling and exploration program.

The potential quantity of the Lone Star target is currently conceptual in nature, but the Company's plans include exploration programs to potentially begin delineation of a mineral resource by the end of the 2018 season; however, there is no certainty it will result in the target being upgraded or delineated as a mineral resource.

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 July 18, 2018 the Company reported assay results from the first 7 drill holes LS18-151 to LS18-157, testing the Lonestar Zone.

As listed in the accompanying table, results from six drill holes LS18-152 to -157 all indicate broad intersections of near-surface gold mineralization.

TABLE OF LONE STAR ZONE DRILL HOLE WEIGHTED AVERAGE ASSAY INTERVALS:

Hole ID	From (m)	To (m)	Au g/t	Interval (m)
LS18-151	No significant value: felsic footwall			
LS18-152	5.90	26.90	0.56	21.00
LS18-153	41.30	65.30	1.01	24.00
LS18-154	32.10	56.65	0.39	24.55
LS18-155	6.60	32.80	1.33	26.20
LS18-156	2.50	67.55	1.40	65.05
Including	6.65	15.10	6.07	8.45
And	26.10	37.50	1.91	11.40
And	47.25	53.90	1.48	6.65
LS18-157	2.85	19.20	0.78	16.35
LS18-158	NSV			
LS18-159	NSV			
LS18-164	25.90	106.10	0.21	80.20
LS18-165	4.50	10.50	2.21	6.00
LS18-166	8.60	47.00	1.08	38.40
LS18-167	10.20	51.40	0.44	41.20
LS18-168	5.60	85.05	0.69	79.45
including	5.60	21.30	1.36	15.70
and	38.80	56.10	1.30	17.30
LS18-169	NSV			
LS18-170	1.40	4.50	2.68	3.10
LS18-171	6.70	125.00	0.42	118.30
including	6.70	24.00	0.91	17.30
including	90.70	100.25	1.99	9.55
LS18-172	15.30	115.60	0.34	100.30
LS18-173	247.40	252.00	1.51	4.60
LS18-174	NSV			
LS18-175	23.00	45.00	0.50	22.00

Hole ID	From (m)	To (m)	Au g/t	Interval (m)
LS18-176	7.62	35.00	0.59	27.38
LS18-177	8.90	28.10	1.17	19.20
LS18-178	9.31	20.00	0.37	10.69
LS18-179	14.10	53.00	0.54	38.90
including	14.10	29.00	1.21	14.90
LS18-180	2.70	95.00	0.72	92.30
including	24.60	29.20	10.00	4.60

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 October 15, 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 August 25, 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.

On July 10, 2018 the Company reported assay results from new core re-sampling of five holes as part of a significant re-evaluation of the Nugget Zone and the Nugget Fault area. This has led to the identification of drill core intervals where disseminated gold is present.

Holes EC15-15 to -17, plus EC17-140 and -142 tested within a 425 meter by 100 meter area situated adjacent to the Nugget Fault approximately 1,400 meters to the southeast along strike from the Nugget Zone. New assay results from extended and infill sampling from the five holes have been received. All exhibit broad intersections of near-surface gold mineralization, listed in the accompanying tables.

TABLE OF NUGGET ZONE DRILL HOLE WEIGHTED AVERAGE ASSAY INTERVALS:

Nugget Extended Assays

Hole ID	From (m)	To (m)	Au g/t	Interval (m)
EC15-01	3.80	47.40	0.88	43.60
** including*	*3.80*	*11.45*	*4.60*	*7.65*
EC15-02	4.40	50.29	0.59	45.89
** including*	*4.40*	*11.60*	*2.30*	*7.20*
EC15-03	4.40	49.60	1.55	45.20
** including*	*4.40*	*12.00*	*5.30*	*7.60*
EC15-04	18.45	27.60	2.52	9.15
** including*	*21.10*	*24.10*	*5.70*	*3.00*

(* reported in news release dated October 15, 2015)

Hole ID	From (m)	To (m)	Au g/t	Interval (m)
EC15-15	5.80	63.90	1.03	58.10
EC15-16	10.80	55.30	0.76	44.50
EC15-17	58.80	100.58	0.27	41.78
EC17-140	67.06	92.00	2.20	24.94
EC17-142	38.00	59.00	0.73	21.00

Examination and additional sampling of 2015 and 2016 drill holes along the Nugget Fault trend and at Gay Gulch continues.

Gold Run Target Results

The Gold Run target area (“Gold Run”) is comprised of quartz veining hosted by competent mafic schist associated with a significant (magnetic “break”) “D4” fault. 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. The environment at the Gold Run target is very similar to the environment at the Lone Star target, as presently understood. Prospecting at Gold Run in 2017 revealed near-surface gold-bearing quartz veining. The mineralized area was tested with four drill holes in 2018 with results listed in the accompanying table.

Hole ID	From (m)	To (m)	Au (g/t)	Interval (m)
GR18-160	64.15	65.60	0.99	1.45
GR18-161	28.60	36.75	0.22	8.15
GR18-162	37.25	50.75	1.23	13.50
including	37.25	38.40	9.51	1.15
GR18-163	24.00	28.50	0.58	4.50

Gay Gulch Showing

On September 25, 2018 the Company reported infill assays from one hole at the Gay Gulch showing, as part of a systematic evaluation designed to map the geometry of mineralization across the central 1 km portion of the Zone.

At the Gay Gulch showing associated with the Eldorado Fault, infill assays from hole EC15-08 drilled in 2015 have significantly changed the composite gold average in that hole. Composite assay intervals from five other holes testing the showing remain substantially the same (See original News Release dated October 16, 2015).

GAY GULCH SHOWING INFILL SAMPLING RESULTS:

Hole ID	From (m)	To (m)	Au (g/t)	Interval (m)
EC15-08	25.95	48.70	0.77	22.75

Quality Assurance and Methods

Drill core samples are submitted by Klondike Gold personnel to Bureau Veritas Mineral Laboratories (“BV Labs”) (formerly Acme Labs) preparation facility in Whitehorse, YT with chemical analysis of sample pulps completed in Vancouver, British Columbia. BV Labs is an accredited ISO 9001:2008 full-service commercial laboratory. All drill core samples are assayed for gold by fire assay (“FA”) fusion with a gravimetric finish. Full sampling/assay procedures and protocols can be viewed on the Company’s website at:
http://www.klondikegoldcorp.com/projects/sampling-and-assay-protocols/.

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 2018.

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.

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	1.9
Klondike Gold Corp.	Quartz Mountain	58	23.6
Klondike Gold Corp.	Clubine	5	2.3
Klondike Gold Corp.	Hughes Range	6	4.1
Klondike Gold Corp.	Ron Gold	29	11.7
TOTAL CLAIMS		99	43.6

OVERALL FINANCIAL PERFORMANCE

Results from Operations and Corporate Updates

As at August 31, 2018, a total of $17.68 million was held in exploration and evaluation assets (February 28, 2018 - $15.06 million), which is invested in the Yukon. Total assets increased to $22.11 million (February 28, 2018 - $22.01 million).

During the six months ended August 31, 2018, the Company raised $19,400 from the exercise of options and $10,800 from the exercise of warrants. Working capital as at August 31, 2018, was $3,109,908, as compared with $6,202,786 as at February 28, 2018, due primarily to $909,797 used in operating activities and $1,942,512 used in investing activities.

Three months ended August 31, 2018 and 2017

The Company's net loss for the three months ended August 31, 2018, was $40,099 down from $594,677 for the six months ended August 31, 2017. The majority of the decrease in net loss for the three months ended August 31, 2018, was the result of lower marketing costs as compared to the same period in the prior year.

Six months ended August 31, 2018 and 2017

The Company's net loss for the six months ended August 31, 2018, was $1,014,974 down from $1,114,349 for the six months ended August 31, 2017, and remained relatively consistent with prior year.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended

	Aug 31, 2018 $	May 31, 2018 $	Feb 28, 2018 $	Nov 30, 2017 $
Revenue	-	-	-	-
Net Loss	(40,099)	(974,875)	(84,537)	(397,348)
Net Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)

	Aug 31, 2017 $	May 31, 2017 $	Feb 28, 2017 $	Nov 30, 2016 $
Revenue	-	-	-	-
Net Loss	(594,677)	(519,672)	(210,917)	(181,430)
Net Loss Per Share	(0.01)	(0.01)	(0.00)	(0.00)

Included in net loss for the quarters ended May 31, 2018, May 31, 2017, and February 28, 2017, was share-based compensation of $541,434, $283,910, and $41,401, respectively.

FINANCIAL LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $3,109,908 at August 31, 2018, compared to working capital of $6,202,786 at February 28, 2018. The Company's cash position at August 31, 2018, was $3,711,917 and at February 28, 2018, was $6,534,026.

During the six months ended August 31, 2018, the Company's cash decreased by $2,822,109. Cash provided by financing activities included $19,400 in proceeds from the exercise of options and $10,800 in proceeds from the exercise of warrants. Cash used in investing activities included $1,893,512 used to fund exploration and evaluation expenditures, partially offset by $73,500 in proceeds on disposition of property and equipment. Cash used in operating activities totaled $909,797 (August 31, 2017 - $816,649).

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 96,887,881 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
1,387,286	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
20,648,717		

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 six months ended August 31, 2018, the Company was charged management fees of $69,000 (August 31, 2017 - $69,000) by a company owned by the CEO of the Company. Of this amount, $34,500 (August 31, 2017 - $43,700) was included in additions to exploration and evaluation assets. As at August 31, 2018, $nil (February 28, 2018 - $24,150) was payable to this Company.

b) During the six months ended August 31, 2018, the Company was charged $60,000 (August 31, 2017 - $130,000), $nil of which was share issue costs (August 31, 2017 - $70,000), by a company whose CEO is a director of the Company, for corporate administration services included in Consulting on the statements 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 six months ended August 31, 2018, was $358,517 for vested stock options granted to directors and officers of the Company, and affiliated companies of directors and officers of the Company (August 31, 2017 – $202,793).

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Recently adopted accounting standards

IFRS 9 - The Company has initially adopted IFRS 9 from March 1, 2018. IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no material impact to the Company’s financial statements as a result of transitioning to IFRS 9, and no prior period amounts were restated.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(i) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available-for-sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

A financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets which consist primarily of cash and cash equivalents, restricted cash, amounts receivable, and reclamation bond are classified and measured at amortized cost. The Company's investments are classified and measured at FVOCI. Trade and other payables and due to related parties are classified as other financial liabilities.

Issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The standards listed below include only those which the Company reasonably expects are applicable to the Company:

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

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 INSTRUMENT CLASSIFICATIONS

The Company has classified cash and cash equivalents, restricted cash, amounts receivable, and reclamation bond as measured at amortized cost. Investments are classified as measured at FVOCI. 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 cash and cash equivalents, restricted cash, reclamation bond, amounts receivable, trade and other payables, and due to related parties approximate their carrying value, due to their short-term maturities. The Company's investments are measured at fair value using Level 1 inputs.

There have been no changes during the six months ended August 31, 2018, as to how the Company classifies its financial assets and liabilities by FVTPL, FVOCI, amortized cost, and other financial liabilities upon adoption of IFRS 9.

As at August 31, 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 $1,004,819.

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 August 31, 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

During the six months ended August 31, 2018, the Company hired Ian Perry, P.Geol. as VP of Exploration. No other changes to the Klondike management or Board of Directors occurred during the period.

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 2018 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 $3.1 million for the 2018 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.

In general, management 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.