ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited condensed interim consolidated financial statements for the nine months ended February 29, 2016, and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This discussion and analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements and information as a result of many factors. See section heading "Note Regarding Forward-Looking Statements" below. All currency amounts are stated in Canadian dollars unless noted otherwise.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES AND PROVEN AND PROBABLE RESERVES

Corvus Gold Inc. ("we", "us", "our," "Corvus" or the "Company") is a mineral exploration company engaged in the acquisition and exploration of mineral properties. The mineral estimates in the Technical Report referenced in this Quarterly Report on Form 10-Q have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. As used in the Technical Report referenced in this Quarterly Report on Form 10-Q, the terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the United States Securities and Exchange Commission ("SEC") Industry Guide 7 ("SEC Industry Guide 7"). Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves, and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all, or any part, of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in the Technical Report referenced in this report contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

CAUTIONARY NOTE TO ALL INVESTORS CONCERNING ECONOMIC ASSESSMENTS THAT INCLUDE INFERRED RESOURCES

The Company currently holds or has the right to acquire interests in an advanced stage exploration project in Nye County, Nevada referred to as the North Bullfrog Project (the "NBP"). Mineral resources that are not mineral reserves have no demonstrated economic viability. The preliminary economic assessment on the NBP reported in the Company's Technical Report, "Technical Report and Preliminary Economic Assessment for Combined Mill and Heap Leach Processing at the North Bullfrog Project Bullfrog Mining District, Nye County, Nevada" with an effective date of June 16, 2015" is preliminary in nature and includes "inferred mineral resources" that have a great amount of uncertainty as to their existence, and are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. It cannot be assumed that all, or any part, of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies. There is no certainty that such inferred mineral resources at the NBP will ever be realized. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the exhibits attached hereto contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, as amended, and “forward-looking information” within the meaning of applicable Canadian securities legislation, collectively “forward-looking statements”. Such forward-looking statements concern our anticipated results and developments in the operations of the Company in future periods, planned exploration activities, the adequacy of the Company’s financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as “expects,” “anticipates,” “believes,” “intends,” “estimates,” “potential,” “possible” and similar expressions, or statements that events, conditions or results “will,” “may,” “could” or “should” (or the negative and grammatical variations of any of these terms) occur or be achieved. These forward looking statements may include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company’s exploration programs, including for the NBP;
- the Company’s estimates of the quality and quantity of the mineral resources at its mineral properties;
- the timing and cost of planned exploration programs of the Company and its joint venture partners (as applicable), and the timing of the receipt of results therefrom;
- the Company’s future cash requirements;
- general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the Company’s expectation that its joint venture partners will contribute the required expenditures, and make the required payments and share issuances (if applicable) as necessary to earn an interest in certain of the Company’s mineral properties in accordance with existing option/joint venture agreements;
- the Company’s expectation that it will be able to add additional mineral projects of merit to its assets;
- the potential for the existence or location of additional high-grade veins at the NBP;
- the potential to expand the high grade gold and silver at the Yellowjacket target, and the potential to expand the higher grade bulk tonnage at the Sierra Blanca target, at the NBP;
- the potential for any delineation of higher grade mineralization at the NBP;
- the potential for there to be one or more additional vein zone(s) to the west and northeast of the current Yellowjacket high grade zone;
- the potential discovery and delineation of mineral deposits/resources/reserves and any expansion thereof beyond the current estimate;
- the potential for the NBP mineralization system to continue to grow and/or to develop into a major new higher-grade, bulk tonnage, Nevada gold discovery; and
- the Company’s expectation that it will be able to build itself into a non-operator gold producer with significant carried interests and royalty exposure.

Such forward-looking statements reflect the Company’s current views with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks related to:

- to our requirement of significant additional capital;
- to our limited operating history;
- to our history of losses;
- to cost increases for our exploration and, if warranted, development projects;
- to our properties being in the exploration stage;
- to mineral exploration and production activities;
- to our lack of mineral production from our properties;
- to estimates of mineral resources;
- to changes in mineral resource estimates;
- to differences in United States and Canadian mineral reserve and mineral resource reporting;
- to our exploration activities being unsuccessful;
- to fluctuations in gold, silver and other metal prices;
- to our ability to obtain permits and licenses for production;
- government and environmental regulations that may increase our costs of doing business or restrict our operations;
- proposed legislation that may significantly affect the mining industry;
- land reclamation requirements;
- competition in the mining industry;

- equipment and supply shortages;
- current and future joint ventures and partnerships;
- our ability to attract qualified management;
- the ability to enforce judgment against certain of our Directors;
- currency fluctuations;
- claims on the title to our properties;
- surface access on our properties;
- potential future litigation;
- our lack of insurance covering all our operations;
- our status as a "passive foreign investment company" under US federal tax code; and
- the Common Shares.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including without limitation those discussed in Part I, Item 1A, Risk Factors, of our Annual Report on Form 10-K, as filed with the SEC on August 26, 2015, which are incorporated herein by reference, as well as other factors described elsewhere in this report and the Company's other reports filed with the SEC.

The Company's forward-looking statements contained in this Quarterly Report on Form 10-Q are based on the beliefs, expectations and opinions of management as of the date of this report. The Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Current Business Activities

General

The Company's material mineral property is the NBP, an advanced exploration stage project in Nevada which has a number of high-priority, bulk tonnage and high-grade vein targets (held through Corvus Gold Nevada Inc. ("Corvus Nevada"), a Nevada subsidiary).

The primary focus of the Company will be to leverage its exploration expertise to expand its existing deposits and discover major new gold deposits. Other than with respect to the ongoing exploration of the NBP, the Company's strategy is to leverage its other non-core assets by monetizing them for cash payments and maintaining a retained royalty and or carried interest for future value streams. To meet this objective, the Company has completed the sale of its Chisna property, its LMS property, its West Pogo property and its surrounding regional database for cash payments to the Company and a retained royalty.

Highlights of activities during the period and to the date of this MD&A include:

- NBP Exploration: A second phase of the 2015 drilling campaign started in August and continued until December 11, 2015. Phase 2 of the 2015 drilling focused on assessing the expansion potential of the high-grade Yellowjacket deposit and surrounding vein systems, following up targets identified in Savage Valley and East Bullfrog, and generally assessing the potential for discovery of new high-grade systems throughout the North Bullfrog District.
- New structural zones with high grade intercepts were identified on both the east and west sides of the YellowJacket deposit; the Rhyolite Zone and the NW Sierra Blanca Zone.
- Initial drilling in the new East Bullfrog area discovered low-grade gold and silver mineralization in the Alunite Hill target area and a number of new targets have been developed from the recent large soil survey of the area. Drilling in the East Bullfrog area was extended into the Vinegaroon and Cat Hill targets.
- On January 13, 2016, the Company announced that its wholly owned Alaskan subsidiary, Raven Gold had sold its LMS property located in the Pogo Mining District, Alaska to Gold Reserve Inc. ("Gold Reserve") for USD $350,000 and a retained net smelter return ("NSR") royalty of 3% on precious metals and 1% on base metals. The sales agreement includes the provision for a 1% buy down of the precious metal royalty for USD $4,000,000.
- On March 11, 2016, the Company closed a non-brokered private placement equity financing with the Tocqueville Gold Fund and Anglogold Ashanti (USA) Exploration, Inc. and issued 4,900,000 common shares at a price of $0.70 per share for gross proceeds of $3,430,000. The funding will be used to continue exploration on the NBP and for general corporate costs.

- On April 5, 2016, the Company announced that its wholly owned Alaskan subsidiary, Raven Gold had sold its Chisna property located in Alaska to Millrock Resources Inc. ("Millrock") for USD $25,000 and a retained net smelter return ("NSR") royalty of 1% on precious metals and 1% on base metals.

Corporate Financial Activities

On January 13, 2016, the Company announced that its wholly owned Alaskan subsidiary, Raven Gold, had signed an agreement with Gold Reserve for the sale of its LMS property in the Pogo Mining District, Alaska. The property was sold for cash and a retained NSR royalty. Cash from the transaction will be used to fund ongoing exploration and development of the North Bullfrog project in Nevada.

The LMS royalty interest will augment those established in 2015 and is expected to continue to provide our shareholders with exposure to future gold production at no cost as well as providing a funding stream for our ongoing Nevada exploration programs.

A summary of the sale transactions are listed below:

- Cash at closing: USD $350,000 (CAD $473,585);
- Corvus is granted a retained NSR royalty of 3% on precious metals and 1% on base metals with a 1% buy down of the precious metal royalty for USD $4,000,000.

On March 11, 2016, the Company announced the closing of a $3,430,000 non-brokered private placement at $0.70 per share. Under the terms of the agreement, the Company issued 4,900,000 common shares. The participants in the private placement include Tocqueville Gold Fund and AngloGold Ashanti (U.S.A.) Exploration, Inc.

On April 5, 2016, the Company announced that its wholly owned Alaskan subsidiary, Raven Gold, had signed an agreement with Millrock for the sale of its Chisna property in Alaska. The property was sold for cash and a retained NSR royalty. Cash from the transaction will be used to fund ongoing exploration and development of the North Bullfrog project in Nevada.

A summary of the sale transactions are listed below:

- Cash at closing: USD $25,000;
- Corvus is granted a retained NSR royalty of 1% on precious metals and 1% on base metals.

Nevada Property

North Bullfrog Project

Our principal mineral property is the NBP, a gold exploration project located in northwestern Nye County, Nevada, in the Northern Bullfrog Hills about 15 km north of the town of Beatty. The NBP does not have any known proven or probable reserves under SEC Industry Guide 7 and the project is exploratory in nature. A NI 43-101 technical report entitled "Technical Report and Preliminary Economic Assessment for Combined Mill and Heap Leach Processing at the North Bullfrog Project Bullfrog Mining District, Nye County, Nevada" with an effective date of June 16, 2015 (the "Technical Report") is available on SEDAR. The Technical Report is referred to herein for informational purposes only and is not incorporated herein by reference. The Technical Report contains disclosure regarding mineral resources that are not Guide 7 compliant proven or probable reserves, see "Cautionary Note to U.S. Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves" above.

The NBP is located in the Bullfrog Hills of northwestern Nye County, Nevada (Figure 1). The NBP covers about 7,223 hectares of patented and unpatented mining claims in Sections 20, 21, 25, 26, 27, 28, 29, 32, 33, 34, 35, and 36 of T10S, R46E; sections 1, 2, 11, 12, 13, and 14 of T11S, R46E; section 31 of T10S, R47E; and sections 6, 9, 15, 16, and 17 T11S, R47E, MDBM. We have a total of nine option/lease agreements in place that give us control of an aggregate of 51 patented lode mining claims (Figure 2). Corvus Nevada owns an additional 5 patented claims (the Millman claims) and a 430 acre property with 1600 acre-feet of water rights located north of NBP in the Sarcobatus hydrographic basin.

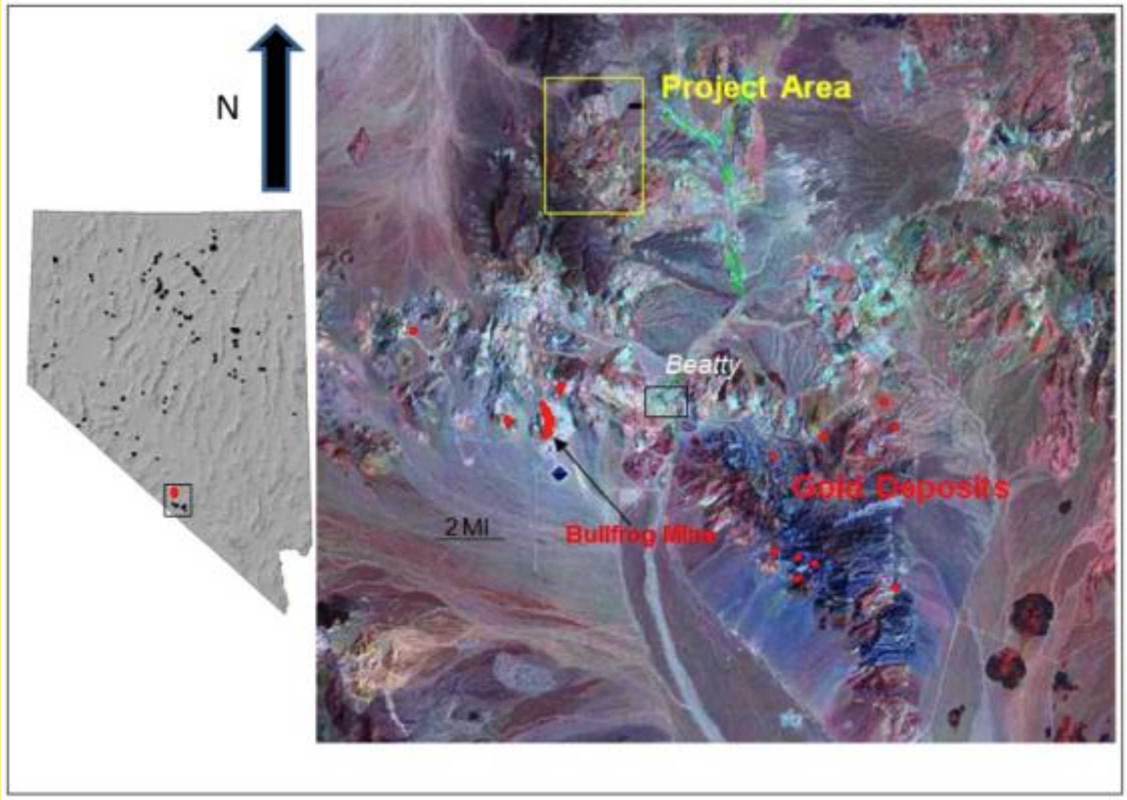

Figure 1. Property Map showing the Location of the North Bullfrog Project.

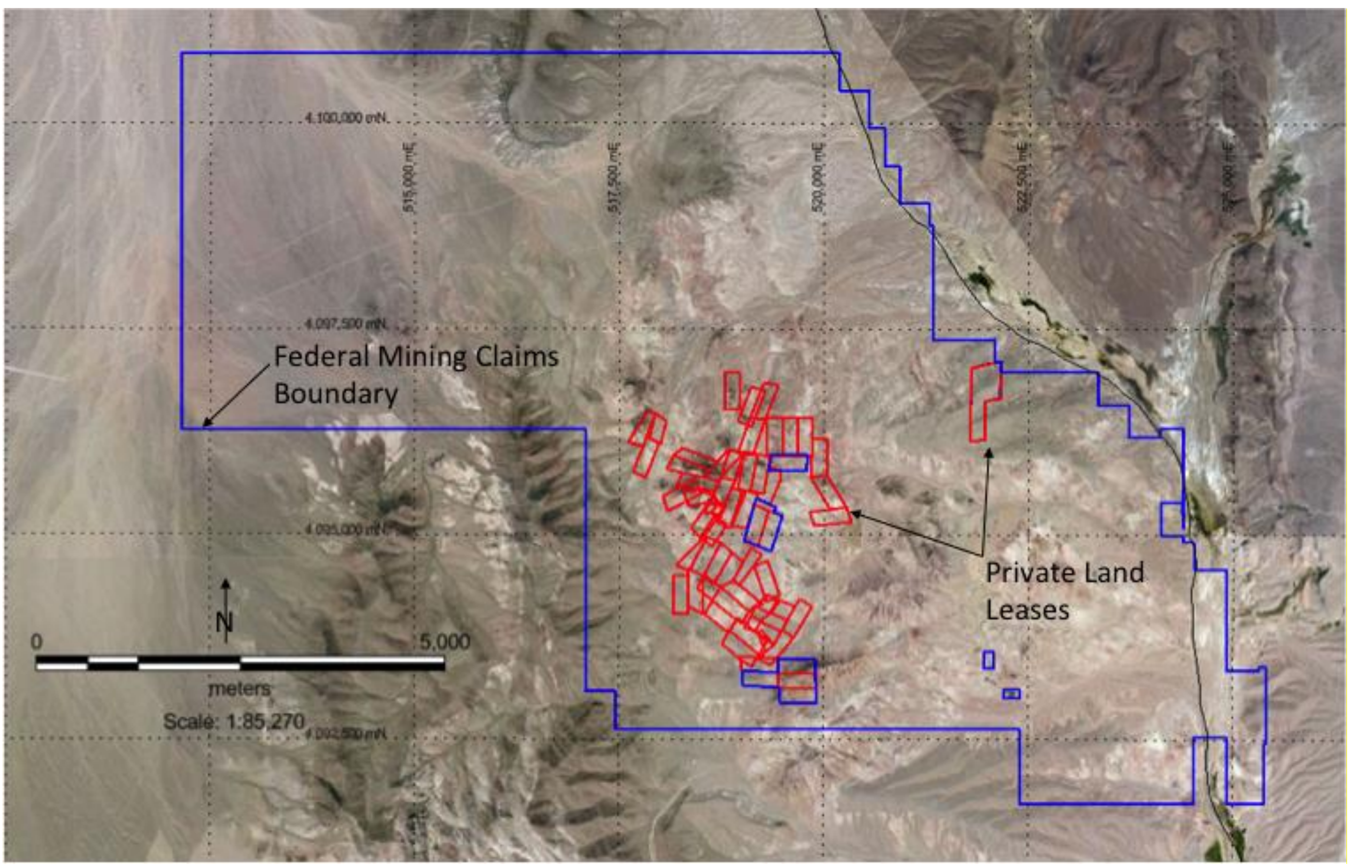

Figure 2. Property Map of the North Bullfrog Project, Blue outline shows the NBP boundary and red areas are the Leased Private Land (UTm NAD 27 Zone 11).

North Bullfrog District Wide Exploration Program

The Company is engaged in a District wide exploration program to assess the potential for further high-grade vein systems similar to the YellowJacket discovery, as well as assessing the potential for expanding the YellowJacket system itself.

A second phase of drilling of newly defined targets in the main Sierra Blanca/YellowJacket resource area and the new East Bullfrog exploration area began in August of this year and completed 8,800 metres of reverse circulation drilling by December of this year. The program included the first modern exploration drilling ever done in the new and very large East Bullfrog target, a massive area of intense alteration covering some 14 square kilometres. In addition the program tested a number of targets in and around the large Sierra Blanca/YellowJacket deposit which could host other YellowJacket or Bullfrog type systems.

NW Sierra Blanca Zone

In January 2016, the Company announced intercepts from the newly discovered NW Sierra Blanca Zone which appears to be analogus to the high-grade YellowJacket Deposit located 700 metres to the west (Table 1). The new high-grade intercept of 3.1 metres of 5 grams per tonne (g/t) Au and 42.0 g/t Ag within a broader 99 metres of 0.64 g/t Au and 4.1 g/t Ag is approximately 100 metres North of the initial discovery of the NW Sierra Blanca Zone (NR15-15, Nov 3, 2015). This is a high priority target area for follow-up drilling in the 2016 drill program. Previously released data from the NW Sierra Blanca Zone area are listed in Table 2.

This new shallow zone of gold and silver mineralization trends to the NNE along the margin of the previously defined Sierra Blanca Deposit and now has a direct intrusive association which we believe increases the system's potential. To date, all the of the holes drilled under the shallow pediment cover to the west of the Sierra Blanca Deposit have intersected thick zones of low-grade mineralization with several intervals of +1 g/t gold. We believe these features indicate potential for a large new deposit adjacent to the existing pit design (Figure 3).

Table 1: Follow-up Results from NW Sierra Blanca Zone

(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-279	86.87	184.4	97.53	0.34	1.19
AZ 085 ***incl***	***102.11***	***103.63***	***1.52***	***1.12***	***2.57***
dip -55 ***incl***	***123.44***	***124.97***	***1.52***	***1.18***	***0.96***
NB-15-280	85.34	86.87	1.52	0.44	0.20
AZ 085 dip -55	163.07	166.12	3.05	0.18	0.17
	187.45	198.12	10.67	0.15	0.05
NB-15-281	134.11	137.16	3.05	0.37	0.33
AZ 085 dip-50	160.02	163.07	3.05	0.13	0.31
	167.64	175.26	7.62	0.13	0.82
	181.36	196.6	15.24	0.13	0.48
	205.74	228.98	23.24	0.28	0.53
NB-15-282	64.01	163.07	99.06	0.64	4.08
including	***79.25***	***99.06***	***19.81***	***1.69***	***12.33***
including	***80.77***	***83.82***	***3.05***	***4.97***	***42.0***
AZ 090 dip -50	167.64	202.69	35.05	0.16	0.61

***Table 2:* Previously Released NW Sierra Blanca/Rhyolite Zone Results** (shown on Figure 1 map)
(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-267	77.72	82.3	4.58	0.147	0.35
Azi 300 Incl -55	99.06	108.2	9.14	0.346	1.02
	112.78	323.08	210.31	0.472	1.41
including vein/sw	***173.74***	***184.4***	***10.66***	***3.471***	***3.59***
including vein/sw	***210.31***	***211.84***	***1.52***	***1.01***	***1.37***
including vein/sw	***225.55***	***227.08***	***1.52***	***1.09***	***2.76***
NB-15-268	39.62	48.77	9.15	0.27	0.45
AZ 090 dip -50	53.34	96.01	42.67	0.45	0.61
including	***86.87***	***88.39***	***1.52***	***1.15***	***1.51***
	108.2	112.78	4.58	0.21	0.04
NB-15-269	13.72	19.81	6.09	0.64	0.77
AZ 090 dip -55	54.86	62.48	7.62	0.37	1.1
	92.96	**112.78**	**19.82**	**1.28**	**1.8**
	167.64	172.21	4.57	0.23	0.5
NB-15-270	45.72	54.86	9.14	0.35	0.58
AZ 090 dip -60	82.3	109.73	27.43	0.43	1.47
including	***85.34***	***86.86***	***1.52***	***1.05***	***1.02***
	118.87	144.78	25.91	0.29	0.59

** Mineralized thickness calculated @ 0.10 g/t Au cutoff with internal vein/stockwork intervals calculated @ 1.0 g/t Au cutoff*

The new NW Sierra Blanca Zone is covered by a thin (<20m) veneer of post-mineral, gravel and volcanic rocks concealing it from earlier detection. The zone appears to be dominated by two structural zones, the north-south NW Sierra Blanca Zone and the NE trending Rhyolite Zone. The high-grade intercept in hole NB-15-282 is hosted by a highly altered dacitic dike within the Sierra Blanca Tuff. The dike is interpreted to occupy a major structural conduit within the larger Sierra Blanca mineralized system. Follow-up drilling will be conducted to determine the orientation and size of the high-grade system.

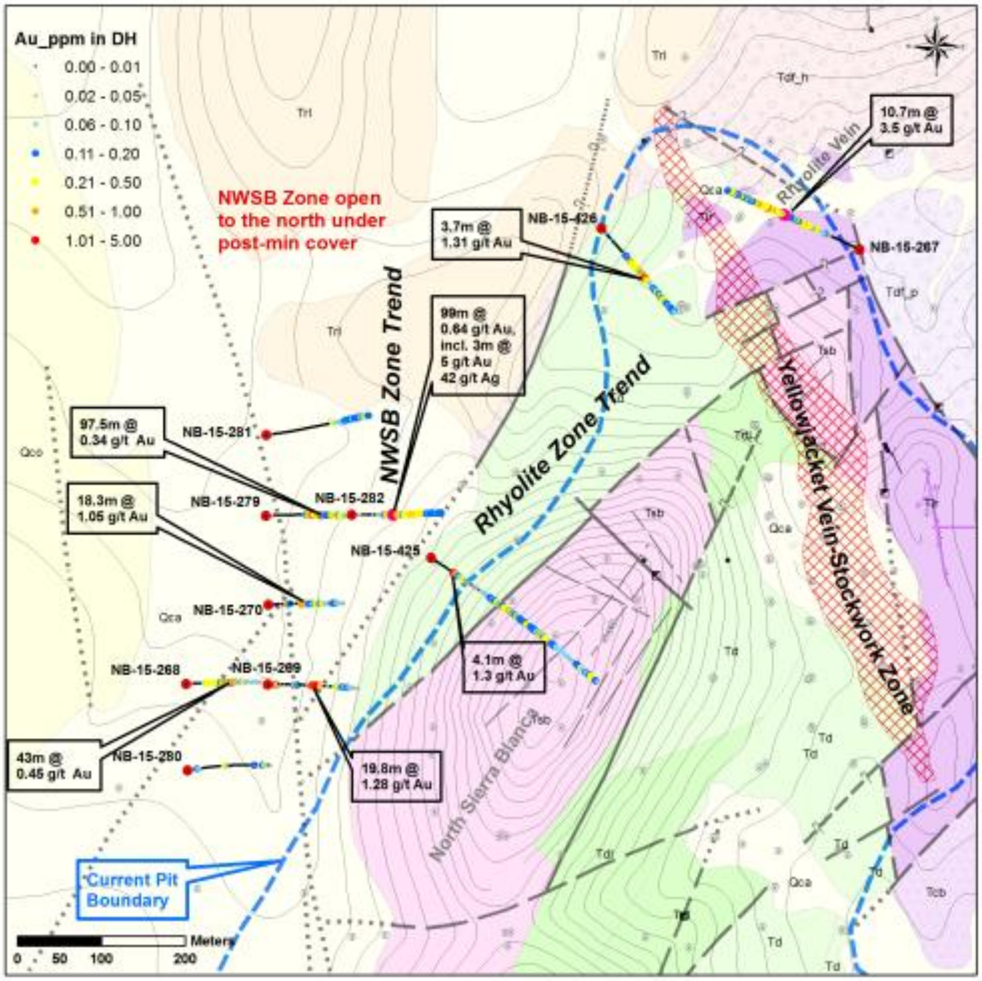

Figure 3. Drill hole map showing the new NW Sierra Blanca and Rhyolite Zones with 2015 drill hole locations and select intercepts.

Savage Target

Results were received for three holes drilled in the main Savage target immediately adjacent to the southern portion of the Sierra Blanca deposit in January 2016. Thick oxide zones of mineralization were identified and at a depth of ~350 metres in hole NB-15-273 a higher grade (3.1m @ 2.05 g/t gold and 178 g/t silver), copper rich zone was intersected with textures indicative of a higher temperature mineral system (Table 3). Locations of the holes are shown in Figure 4.

In addition to copper grades up to 0.2%, the intercepts had high antimony, tellurium and arsenic numbers, suggesting a possible porphyry/intrusive association. A review of the drill chips from NB-15-274 and NB-11-95 has confirmed the presence of multiple aphanitic-fine porphyritic dacite dikes, suggesting the presence of an intrusive center at depth beneath northern Savage Valley. All three holes at Savage also returned broad zones of low grade oxide mineralization.

Table 3: Drill Results from the Savage Target
(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-273	128.02	135.64	7.62	0.42	0.43
AZ 085 dip -60	144.78	175.26	30.48	0.39	0.83
	205.74	217.93	12.19	0.12	1.00
	236.22	281.94	45.72	0.19	1.54
	286.51	368.81	82.3	0.40	10.68
including	***358.14***	***361.19***	***3.05***	***2.05***	***178***
	377.95	384.05	6.1	0.13	0.80
	hole ended in mineralization				
NB-15-274	181.36	268.22	86.86	0.36	0.70
AZ 085 dip -50	339.85	377.95	38.1	0.26	0.57
	hole ended in mineralization				
NB-15-275	42.67	153.92	111.25	0.19	0.53
AZ 085 dip-50	175.26	202.69	27.43	0.21	0.86
	265.18	289.56	24.38	0.17	0.49
	298.7	307.85	9.15	0.15	0.33
	312.42	327.66	15.24	0.15	0.36
	350.52	379.48	28.96	0.13	1.20

** Mineralized thickness calculated @ 0.10 g/t Au cutoff with internal vein/stockwork intervals calculated @ 1.0 g/t Au cutoff*

Rhyolite Zone

In January 2016, results were received for two drill holes drilled on the Rhyolite Zone (Table 4). NB-15-266 drilled near hole NB-15-267 had recovery problems through the zone and was not completed to planned depth. Although the hole experienced recovery problems it still returned encouraging grades, although not to the level of hole NB-15-267 (10.7m @ 3.47 g/t Au & 3.6 g/t Ag). Locations of the holes are shown in Figure 4.

NB-15-276 was a ~30 metres step out drill hole to the northeast. This step-out hole indicates the system is narrowing to the NE with gold grade dropping off and silver grade increasing in that direction (best hit 4.6m @ 10.6 g/t silver). These results are now vectoring future exploration to the SW along the main Rhyolite trend.

Table 4:Drill Results from the Rhyolite Zone
(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-266	80.77	204.22	123.45	0.34	3.68
including	***100.58***	***102.1***	***1.52***	***1.06***	***11.0***
including	***169.16***	***175.26***	***6.1***	***1.87***	***9.62***
AZ 090 dip -50	Hole ended in mineralization				
NB-15-276	149.35	158.5	9.15	0.15	2.79
AZ 320 dip -55	208.79	216.41	7.62	0.19	1.69
	236.22	242.32	6.1	0.19	0.87

** Mineralized thickness calculated @ 0.10 g/t Au cutoff with internal vein/stockwork intervals calculated @ 1.0 g/t Au cutoff*

North YellowJacket Extension Zone

Results were received for four holes drilled in the North YellowJacket extension target 75 and 150 metres north of the currently defined deposit along a projected north-south splay of the vein system (Table 5). Results indicate the splay is mineralized in the first fence of holes (best hit NB15-272 - 1.5m @ 1.1 g/t gold and 75 g/t silver). However the grade drops off in the last fence to the north. Locations of the holes are shown in Figure 4. Results suggest the northern extension of the YellowJacket system could be displaced to the west towards Northwest Sierra Blanca, which is planned for testing in the next phase of exploration drilling this spring.

Table 5: Drill Results from the North YellowJacket Extension Zone

(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-271	243.84	249.94	6.1	0.49	0.99
Azi 090 Incl -55	291.08	359.66	68.58	0.37	0.8
including	***306.32***	***307.85***	***1.52***	***1.00***	***1.59***
including	***310.9***	***312.42***	***1.52***	***1.23***	***1.70***
including	***321.56***	***324.61***	***3.05***	***1.25***	***1.88***
NB-15-272	121.92	123.44	1.52	0.24	**13.0**
AZ 085 dip -55	245.36	262.13	16.77	0.39	2.05
	269.75	281.94	12.19	0.27	10.67
including	***280.42***	***281.94***	***1.52***	***1.11***	***75.0***
	298.7	306.32	7.62	0.21	0.54
	312.42	370.33	57.91	0.27	0.76
NB-15-277 AZ 085 dip -55	No significant results				
NB-15-278	298.7	300.23	1.52	0.37	1.21
AZ 085 dip -55	316.99	320.04	3.05	0.22	0.80
	329.18	335.28	6.1	0.15	0.34

** Mineralized thickness calculated @ 0.10 g/t Au cutoff with internal vein/stockwork intervals calculated @ 1.0 g/t Au cutoff*

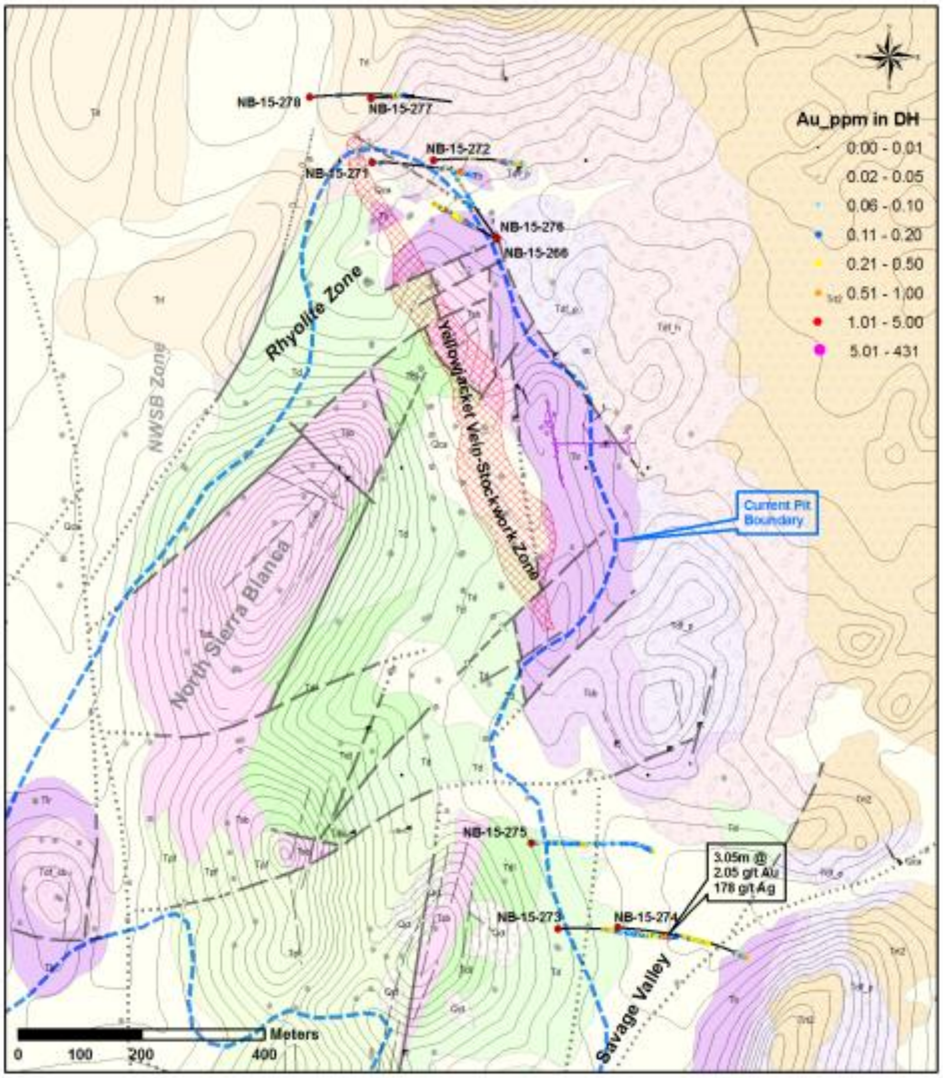

Figure 4. Map showing the new Savage, Rhyolite and North YellowJacket drill holes

<u>**New Target Review**</u>

Exploration drilling results from three additional new target areas at the North Bullfrog property in Nevada, which includes two targets in the new Eastern Steam-Heated Zone became available in February 2016. The initial scout drilling on these three new target areas has returned positive results with broad zones of low-grade gold-silver mineralization with some internal zones of +1 g/t gold.

These results have expanded the gold system in the North Bullfrog District and provided critical data for the planned 2016 follow-up drill program.

Cat Hill Target

Two holes (NB-15-284 & 285) were drilled in the Cat Hill target area. The Cat Hill target has a strong surface gold anomaly that is associated with large overlapping high and low sulfidation mineral systems (Figure 5). The target area lies adjacent to the large Road Fault structural zone which extends 10 kilometres to the south where it is called the Contact Fault, a major structural control to the historic Bullfrog deposit mined by Barrick Gold in the 1990's. At Cat Hill, a series of N-S- to NNE-trending structures control alteration, gold mineralization and irregular qtz-calcite veins exhibiting boiling textures. The initial two holes at Cat Hill intersected broad zones of near surface, low-grade, oxide mineralization with one hole having two 1.5 metre, +1 g/t gold intercepts within targeted NNE-trending structural zones (Table 6). Targeting work is ongoing for a follow-up drill program this year.

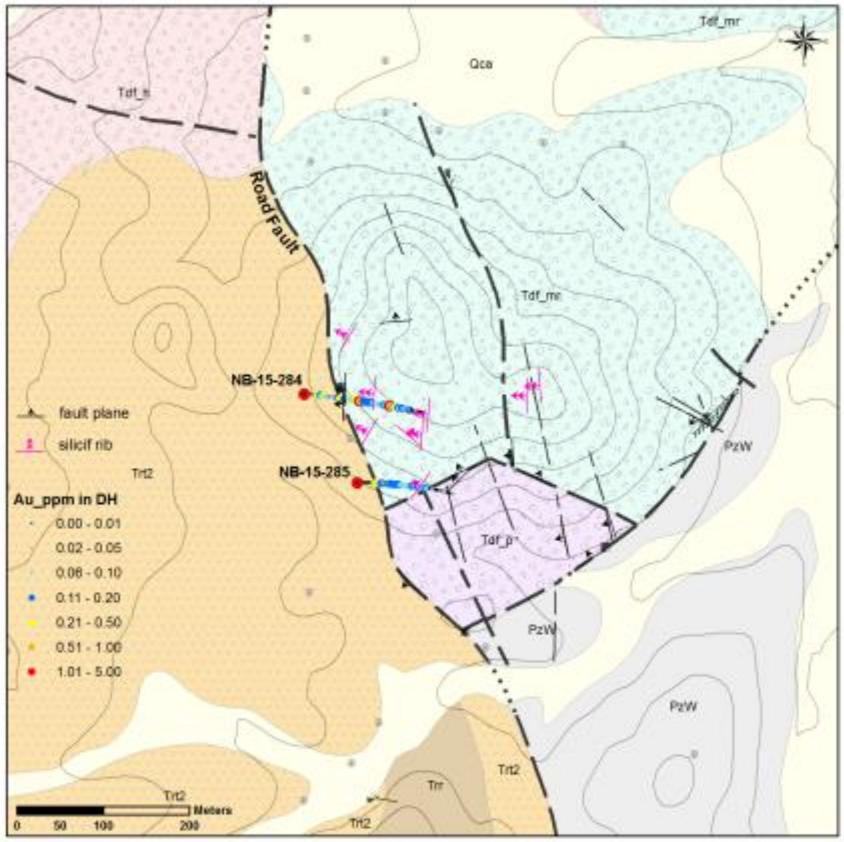

Figure 5. Cat Hill map showing 2015 drill hole locations and select intercepts.

North Jolly Jane Target

One hole was drilled at the Jolly Jane North target about 80 metres north of previous Corvus hole NB-12-123 (139m @ 0.27 g/t Au, Table 6). The hole is located 450 metres north of the Jolly Jane resource (Figure 6). NB-15-283 intersected a broad zone of low-grade dominantly oxide mineralization (104m @ 0.23 g/t gold and 0.6 g/t silver) within the Sierra Blanca Tuff in the footwall of the West Jolly Jane Fault ("WJJF"). The WJJF is a large displacement fault zone similar to the MP Fault which hosts the main historic Bullfrog deposit and also similar to the YellowJacket fault zone. The Sierra Blanca/YellowJacket deposit lies about a kilometre to the west in the hanging-wall of the WJJF which appears to be a major mineralizing fluid conduit. The WJJF is a mineral system of similar size to the current Sierra Blanca/YellowJacket deposit with unconstrained potential to the north under post-mineral cover.

NB-15-283 has confirmed the potential to expand the Jolly Jane low-grade deposit to the north. Follow up drilling is being planned for 2016.

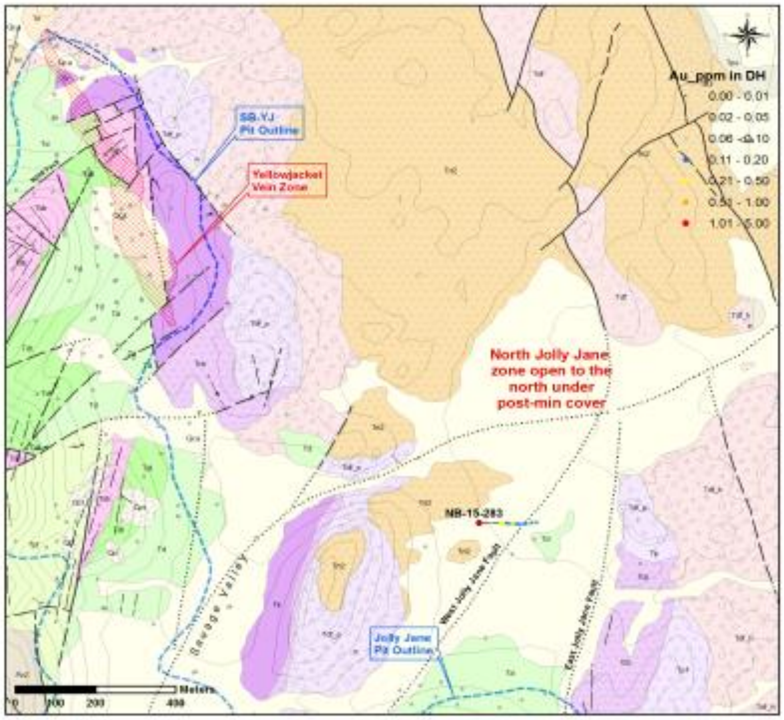

Figure 6. Northwestern Resource Area map showing 2015 North Jolly Jane drill hole location.

Vinegaroon Target

A total of 7 holes (NB-15-286 to 292) were drilled on the Vinegaroon target. The Vinegaroon area lies ~2 kilometres east of Cat Hill, within the main Eastern Steam-heated Zone. As at Cat Hill, the Vinegaroon target has a surface gold anomaly associated with overlapping high and low sulfidation mineralization (Figure 7). A series of N-S- to NNW-trending structures control alteration and mineralization in this area. Five of the seven holes intercepted low grade gold mineralization along the large Vinegaroon fault zone. The alteration style is quartz-adularia-illite with local quartz stockwork including amethystine quartz, which is similar to the Sierra Blanca/YellowJacket deposits. The drill data (Table 6) is being evaluated for follow-up in 2016, including a re-evaluation of the surface mapping.

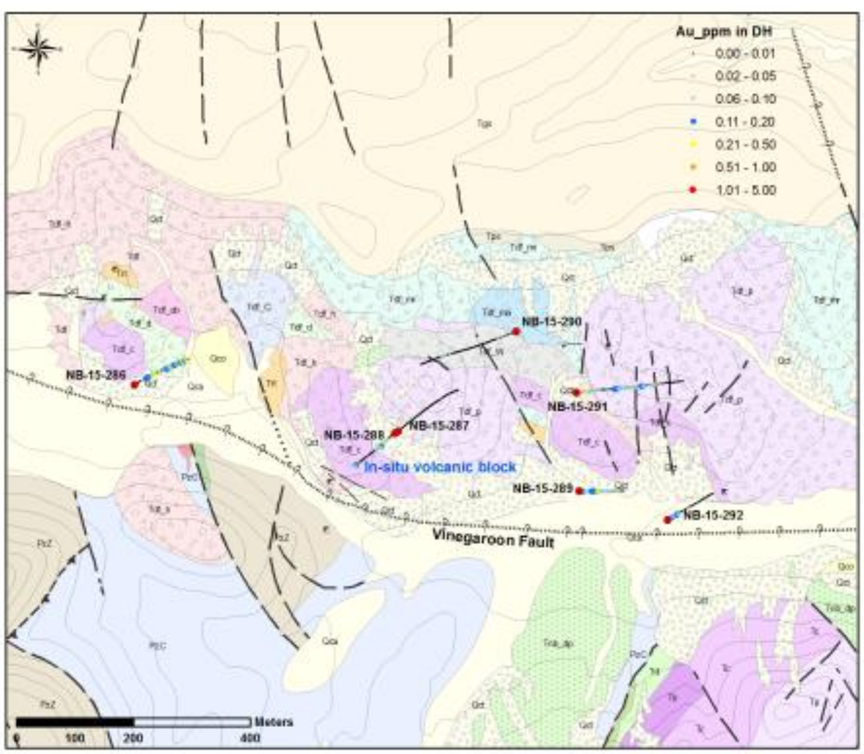

Figure7. Drill Hole location map of the Vinegaroon target area in the Eastern Steam Heated Zone.

Table 6: Initial Drill Results from Cat Hill, North Jolly Jane and Vinegaroon Targets

(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)

Cat Hill Target

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-284	22.86	30.48	7.62	0.29	0.05
AZ 090 dip -50	70.1	80.77	10.67	0.25	0.05
	86.87	91.44	4.57	0.18	0.08
	103.63	143.26	39.63	0.22	0.11
including	***114.3***	***115.82***	***1.52***	***1.12***	***0.12***
	179.83	207.26	27.43	0.27	0.71
including	***185.93***	***187.45***	***1.52***	***1.33***	***1.25***
	231.65	237.74	6.09	0.15	0.22
NB-15-285	30.48	47.24	16.76	0.23	0.04
AZ 320 dip -55	56.39	82.3	25.91	0.15	0.03
	106.68	109.73	3.05	0.37	0.06

North Jolly Jane Target

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-283	92.96	196.6	103.64	0.23	0.62
AZ 090 dip -50	227.08	230.12	3.05	0.11	0.22
	260.6	274.32	13.72	0.13	0.35

Vinegaroon Target

	From (m)	To (m)	Length (m)*	Gold (g/t)	Silver (g/t)
NB-15-286	35.05	39.62	4.57	0.15	0.73
Azi 060 Incl -45	89.92	99.06	9.14	0.20	0.33
	115.82	123.44	7.62	0.15	0.41
	138.68	152.4	13.72	0.20	1.45
	160.02	166.12	6.1	0.14	2.93
NB-15-287	No significant results				
Azi 050 Incl -50					
NB-15-288	42.67	50.29	7.62	0.18	0.27
AZ 230 dip -45	144.78	146.3	1.52	0.12	7.00
NB-15-289	9.14	10.67	1.52	0.15	0.22
AZ 090 dip -45	30.48	32	1.52	0.14	0.32
	38.1	50.29	12.19	0.13	0.44
NB-15-290	No significant results				
AZ 250 dip -45					
NB-15-291	25.91	27.43	1.52	0.29	
AZ 090 dip -45	97.54	105.16	7.62	0.11	
	167.64	172.21	4.57	0.13	
NB-15-292	12.19	13.72	1.52	0.15	1.58
AZ 060 dip -45	25.91	30.48	4.57	0.11	1.63

** Mineralized thickness calculated @ 0.10 g/t Au cutoff with internal vein/stockwork intervals calculated @ 1.0 g/t Au cutoff*

2016 Exploration Program

The 2016 North Bullfrog exploration program is currently scheduled to complete approximately 9,000 metres of drilling. The initial thrust of the 2016 program will be to follow-up on a new potential high-grade gold discovery adjacent to the peripheral boundaries of the proposed pits as outlined in the Technical Report and to delineate other prospective new discoveries from the 2015 drill program (Figure 8).

At the NW Sierra Blanca target, a new potential high-grade gold discovery was identified late in the 2015 drill program. Other notable new discoveries from the 2015 drill program will be priority follow-up targets in the 2016 program and include the Savage & North Jolly Jane targets. Surface exploration and modeling work is ongoing for these initial targets with drilling scheduled to begin in mid-April with the initial phase totaling approximately 5,000 metres.

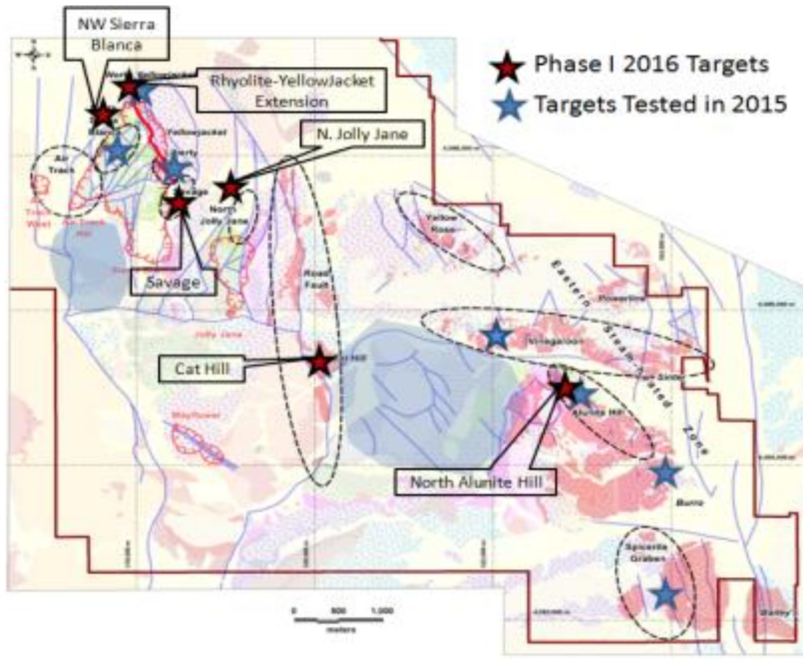

Figure 8: Map of first phase 2016 exploration targets, North Bullfrog project, Nevada

<u>Phase 1 Target Reviews</u>

NW Sierra Blanca

The NW Sierra Blanca target area is over a kilometre long and located about 700 metres west of the high-grade YellowJacket deposit, where higher grade mineralization is associated with a broad zone of stockwork quartz veining. Drilling and exploration modeling in 2015 has now extended the disseminated low-grade system several hundred metres to the west with potential for multiple structural zones hosting high-grade stockwork type mineralization.

The NW Sierra Blanca Zone lies along the western boundary of the main Sierra Blanca deposit under shallow cover and appears to be analogous to the high-grade YellowJacket Deposit to the east. This new zone has returned encouraging intercepts from shallow depths such as 3.1 metres of 5 g/t gold and 42.0 g/t silver (Hole NB-15-282) and 20 metres of 1.3 g/t gold and 1.8 g/t silver (Hole NB-15-269). This new discovery trends to the NNE. To date all of the holes drilled under the shallow pediment cover to the west of the Sierra Blanca Deposit have intersected thick zones of low-grade mineralization with several intervals of +1 g/t gold.

Rhyolite & YellowJacket Extension

The Rhyolite-YellowJacket extension target is at the north end of the currently defined YellowJacket deposit. The Rhyolite extension is a NE trending zone that was tested with three holes in 2015, with two returning intercepts of high-grade stockwork type mineralization (10.7m @ 3.5 g/t gold [NB-15-267] and 6.1m @ 1.9 g/t gold [NB-15-266]). The northern extension of the YellowJacket deposit was tested with four holes which indicate low-grade mineralization continues to the north another 100 metres but that the vein system is likely displaced to the west into the “Swale” target area which will be tested in the next round of exploration. It appears that the YellowJacket and the NW Sierra Blanca structural zones are converging in the Swale target area.

Savage

The Savage target is located about one kilometre south of the YellowJacket deposit and has returned broad zones of disseminated low-grade mineralization with a deeper zone of higher grade intrusive related mineralization (NB-15-273 with 3.1m @ 2.05 g/t gold, 178 g/t silver and up to 0.2% copper). This deeper mineralization could be the beginning of a new large deposit type that maybe associated with a major structural zone underlying the entire Sierra Blanca/YellowJacket deposit area. This structural zone could be represented at surface as the West Jolly Jane Fault zone. The Savage and North Jolly Jane exploration projects will be linked to make sure we have a clear understanding of the intrusive and structural relationship between these large scale target environments and their potential.

Jolly Jane North

The Jolly Jane North target is centered along the West Jolly Jane Fault which hosts broad zones of deeply oxidized, disseminated gold mineralization. This structural zone dips shallowly to the west and could be similar to the main ore controlling fault in the historic Bullfrog deposit located 10 kilometres to the south. The West Jolly Jane Fault projects underneath the main Sierra Blanca/YellowJacket deposit. Assuming this feature is going through and its dip is constant it should project under the deposits at a depth of 350 to 500 metres below the surface. It is possible that the deep hole drilled in the Savage target intercepted the top of this structural zone or a splay off of it. Further surface exploration and follow-up drilling will confirm the potential of this zone and its relationship to the Savage and other potential targets below the current deposits which have never been tested.

Additional Phase II Targets - Cat Hill and other Eastern Zone Potential

Phase II drilling will focus on following-up success from the Phase I program and testing of targets in the new Eastern area that have returned positive results described below. This program will be initiated in the fall following the return and analysis of the Phase I results.

Results from the Cat Hill target have confirmed the presence of a large oxide gold system which is along the structural margin of a large block of basement rocks. This geologic setting is similar to that in the Sierra Blanca/YellowJacket deposit and when linked to other discoveries at Connection, Vinegaroon and Alunite Hill could be outlining a system with similar size potential. These large areas of uplifted blocks of basement rocks have created major structural movement along their margins which created large fault zones that form pathways for mineralizing fluids with potential to form the large disseminated deposits as well as the fault controlled high-grade deposits. The drill discoveries in this new area of large disseminated gold mineralization with early indicators of high-grade potential has now outlined a highly perspective area for the discovery of another Sierra Blanca/YellowJacket deposit under a thin veneer of alteration cover.

Qualified Person and Quality Control/Quality Assurance

Jeffrey A. Pontius (CPG 11044), a qualified person as defined by National Instrument 43-101, has supervised the preparation of the scientific and technical information that forms the basis for the NBP disclosure in this Quarterly Report on Form 10-Q and has approved the disclosure in this Quarterly Report on Form 10-Q related thereto. Mr. Pontius is not independent of the Company, as he is the CEO and holds common shares and incentive stock options.

The exploration program at the NBP was designed and supervised by Mark Reischman, Nevada Exploration Manager, who is responsible for all aspects of the work, including the quality control/quality assurance program. On-site personnel at the project log and track all samples prior to sealing and shipping. All sample shipments are sealed and shipped to ALS Minerals in Reno, Nevada, for preparation and then on to ALS Minerals in Reno, Nevada, or Vancouver, B.C., for assay. McClelland Laboratories Inc. prepared composites from duplicated RC sample splits collected during drilling. Bulk samples were sealed on site and delivered to McClelland Laboratories Inc. by ALS Minerals or Corvus personnel. All metallurgical testing reported here was conducted or managed by McClelland Laboratories Inc.

Carl Brechtel (Colorado PE 23212 and Nevada PE 8744), a qualified person as defined by National Instrument 43-101, has supervised the NBP metallurgical testing program and has approved the disclosure in this Quarterly Report on Form 10-Q related thereto. Mr. Brechtel is not independent of the Company, as he is the Chief Operating Officer and holds common shares and incentive stock options.

ALS Minerals' quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025:1999. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference material and replicate samples. Quality control is further assured by the use of international and in-house standards. Finally, representative blind duplicate samples are forwarded to ALS Minerals and an ISO compliant third party laboratory for additional quality control.

For additional information on the NBP project, including information relating to exploration, data verification and the mineral resource estimates, see "Technical Report and Preliminary Economic Assessment for Combined Mill and Heap

Leach Processing at the North Bullfrog Project, Bullfrog Mining District, NYE County, Nevada" dated June 16, 2015, which is available under Corvus Gold's SEDAR profile at www.sedar.com.

Results of Operations

Nine months ended February 29, 2016 Compared to Nine months ended February 28, 2015

For the nine months ended February 29, 2016 the Company had a net loss of $5,981,130 compared to a net loss of $8,201,295 in the comparative period of the prior year. Included in net loss was $639,350 (2015 - $1,145,473) in stock-based compensation charges which was a result of previously granted stock options which vested during the period. Stock-based compensation in the current period comprised of stock options granted on August 16, 2013, September 8, 2014, January 23, 2015, May 1, 2015, September 9, 2015 and November 13, 2015 which vested during the period. The prior period comparative had stock-based compensation arising from stock options granted on September 19, 2012, August 16, 2013, September 8, 2014, October 29, 2014 and January 23, 2015 with vesting during the comparative period of the prior year. The decrease in loss of $2,220,165 in the nine month period of the current year was due to a combination of factors discussed below.

The primary factor for the decrease in the net loss was the exploration expenditures of $2,300,159 incurred in the current period compared to $4,440,272 in the comparative period of the prior year. The exploration activities of the Company decreased mainly due to less funding being available in the current period compared with the comparative period of the prior year and a decrease in stock-based compensation charges of $13,809 in the current period compared to $30,765 in the prior period.

Consulting fees decreased to $536,111 (2015 - $609,566) mainly due to decreased stock-based compensation charges of $317,528 during the current period compared to $414,066 in the comparative period of the prior year. This was offset by an increase in consulting fees of $23,083 mainly due to increase in directors' fees.

Insurance expenses increased to $93,107 (2015 - $59,819) mainly due to increased insurance coverage incurred during the current period as a result of the increase in Company's directors and officers liability insurance premium due to the Company's registration of its securities in the United States.

Investor relations expenses decreased to $568,189 (2015- $733,262) due to decreased stock-based compensation charges of $75,621 during the current period compared to $164,611 in the comparative period of the prior year and a decrease of $76,083 in investor relations-related travel, and advertising and marketing during the current period. Travel expenses decreased to $79,545 (2015 - $107,237) due to less attendance at tradeshows, conferences and director travels in the current period compared to the comparative period of the prior year. These were as a result of the Company's efforts to decrease costs until the Company secures additional financing.

Professional fees decreased to $254,556 (2015 - $411,616) due to decreased stock-based compensation charges of $13,802 during the current prior compared to $39,458 in the comparative period of the prior year and a decrease of $131,404 in legal and accounting fees in the current period compared to the comparative period of the prior year as a result of the Company registering its securities in the United States and termination payment of $73,830 to a former consultant in the comparative period of the prior year.

Regulatory expenses decreased to $81,886 (2015 - $148,484) due to more filing and listing fees incurred in the comparative period of the prior year. These expenses decreased as a result of the Company's registration of its securities in the United States combined with the Company's additional listing fee related to share compensation paid to the TSX in the comparative period of the prior year.

Rent expenses increased to $86,560 (2015 – $71,871) due to increase in rental rate charges combined with a decrease in rent recovery during the current period compared to the comparative period of the prior year.

Wages and benefits decreased to $1,421,694 (2015 - $1,494,033). While stock-based compensation charges of $218,590 during the prior year was less than the $496,573 in the comparative period of the prior year, this decrease was offset by an increase of $205,644 in wages and benefits in the current period mainly as a result of adjustment in wages of certain senior executive officers and the severance pay to the former President.

Other expense categories that reflected only moderate change period over period were administration expenses of $6,457 (2015 - $9,541), depreciation expenses of $19,629 (2015 - $20,697) and office expenses of $103,847 (2015 - $109,561).

Other items amounted to a loss of $429,390 compared to an income of $14,664 in the prior period. There was a gain on sale of the Company's interest in the West Pogo property of $25,728 in the current period compared to $nil in the comparative period of the prior year, a gain on sale of the Company's interest in the LMS property of $66,669 in the current period compared to $nil in the comparative period of the prior year, a write-off of the Company's interest in the Chisna property of

$677,695 in the current period compared to $nil in the comparative period of the prior year, and an unrealized loss on marketable securities of $nil in the current period compared to $60,305 in the comparative period of the prior year. There was an increase in foreign exchange to a gain of $144,223 (2015 – gain of $58,839), which was the result of factors outside of the Company's control and a decrease in interest income of $11,685 (2015 - $16,130) as a result of less investment in cashable GIC's during the current period.

Three months ended February 29, 2016 Compared to Three months ended February 28, 2015

For the three months ended February 29, 2016, the Company had a net loss of $1,536,738 compared to a net loss of $2,148,324 in the comparative period of the prior year. Included in net loss was $182,881 (2015 - $328,011) in stock-based compensation charges which is a result of stock options granted during the period and previously granted stock options which vested during the period. Stock-based compensation in the current period comprised of stock options granted on September 8, 2014, May 1, 2015, September 9, 2015 and November 13, 2015 which vested during the period. The prior period comparative had stock-based compensation arising from stock options granted on August 16, 2013, September 8, 2014, October 29, 2014 and January 23, 2015 with vesting during the comparative period of the prior year. The decrease in loss of $611,586 in the three month period of the current year was due to a combination of factors discussed below.

Consulting fees decreased to $193,492 (2015 - $235,627) mainly due to decreased stock-based compensation charges of $96,409 during the current period compared to $148,627 in the prior period.

Exploration expenditures of $405,701 incurred in the current period compared to $648,083 in the comparative period of the prior year. The exploration activities of the Company decreased mainly due to less funding being available in the current period compared with the comparative period of the prior year and a decrease in stock-based compensation charges of $4,549 in the current period compared to $5,918 in the prior period.

Investor relations expenses decreased to $206,153 (2015 - $278,180) mainly due to decreased stock-based compensation charges of $20,156 during the current period compared to $42,774 in the prior period and a decrease of $49,409 in investor relations-related travel, and advertising and marketing during the current period. Travel expenses decreased to $11,075 (2015 - $45,387) due to less attendance at tradeshows, conferences and director travels in the current period compared to the comparative period of the prior year. These were all part of the Company's efforts to decrease costs until the Company secures additional financing.

Regulatory expenses decreased to $41,901 (2015 - $62,791) due to more filing and listing fees incurred in the prior period. These expenses decreased as a result of the Company's additional listing fee related to share compensation paid to the TSX in the prior period and none in the current period.

Wages and benefits decreased to $572,979 (2015 - $674,956) mainly due to a decrease in stock-based compensation charges of $58,973 in the current period compared to $121,512 in the prior period and a decrease of $39,438 in wages and benefits the current period as there is no longer wages paid to the former President in the current period.

Other expense categories that reflected only moderate change period over period were administration expenses of $1,832 (2015 - $3,368), depreciation expenses of $6,831 (2015 - $7,293), insurance expenses of $30,918 (2015 - $29,005), office expenses of $35,161 (2015 - $38,376), professional fees of $89,826 (2015 - $83,574), and rent expenses of $32,128 (2015 – $24,049).

Other items amounted to an income of $91,259 compared to a loss of $17,635 in the prior period. This was mainly due to a gain on sale of the Company's interest in the LMS property of $66,669 in the current period compared to $nil in the comparative period of the prior year and an unrealized loss on marketable securities of $nil in the current period compared to $16,855 in the comparative period of the prior year. There was an increase in foreign exchange to a gain of $22,573 (2015 – loss of $6,517), which was the result of factors outside of the Company's control and a decrease in interest income of $2,017 (2015 - $5,737) as a result of less investment in cashable GIC's during the current period.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been financed by the sale of its equity securities by way of public offerings, private placements and the exercise of incentive stock options and share purchase warrants. The Company believes that it will be able to secure additional private placements and public financings in the future, although it cannot predict the size or pricing of any such financings. In addition, the Company can raise funds through the sale of interests in its mineral properties, although current market conditions have substantially reduced the number of potential buyers/acquirers of any such interest(s). This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects. When acquiring an interest in mineral properties through purchase or option, the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest in order to conserve its cash.

The Company reported cash and cash equivalents of $1,901,917 as at February 29, 2016 compared to $5,159,962 as at May 31, 2015. The change in cash position was the net result of $5,170,459 used for operating activities, $32,594 used for capitalized acquisition costs, $25,728 received from sale of exploration and evaluation costs, and $1,986,599 received from the private placement of common shares in September of 2015 (net of share issue costs) and $298,488 repayment of promissory note during the nine months ended February 29, 2016.

As at February 29, 2016, the Company had working capital of $2,520,351 compared to working capital of $4,716,940 as at May 31, 2015. On December 17, 2015 the Company paid the balance of the promissory note payable. On March 11, 2016, the Company closed a non-brokered private placement equity financing and issued 4,900,000 common shares at a price of $0.70 per share for gross proceeds of $3,430,000. The Company expects that it will operate at a loss for the foreseeable future and believes the current cash and cash equivalents will be sufficient for it to maintain its currently held properties, and fund its currently anticipated general and administrative costs until May 31, 2016. Following May 31, 2016, the Company will need to scale back anticipated activities and costs or raise additional financing to fund operations through the calendar year ending December 31, 2016. The Company's current anticipated operating expenses are $756,000 until May 31, 2016 and $3,791,000 until February 29, 2017. The Company's anticipated monthly burn rate averages approximately $252,000 for March 2016 to May 31, 2016 where approximately $194,000 is for administrative purposes and approximately $58,000 is for planned exploration expenditures related to the completion of the ongoing Phase II exploration program at the NBP. From March 2016 to February 2017, the Company's anticipated monthly burn rate averages approximately $316,000, of which $214,000 is for administrative purposes and approximately $102,000 is for planned exploration expenditures related to the ongoing Phase II exploration program at the NBP. The Company anticipates that it will pursue additional public or private equity financings at the beginning of the 2017 calendar year to raise additional funds for additional exploration at the NBP for the 2016 and 2017 calendar year. In any event, the Company will be required to raise additional funds, again through public or private equity financings, prior to the end of October 2016 in order to continue in business. Should such financing not be available in that time-frame, the Company will be required to reduce its activities and will not be able to carry out all of its presently planned exploration and development activities at the NBP on its currently anticipated scheduling.

The Company currently has no further funding commitments or arrangements for additional financing at this time (other than the potential exercise of incentive stock options) and there is no assurance that the Company will be able to obtain additional financing on acceptable terms, if at all. There is significant uncertainty that the Company will be able to secure any additional financing in the current equity markets. The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

The Company has no exposure to any asset-backed commercial paper. Other than cash held by its subsidiaries for their immediate operating needs in Alaska and Nevada, all of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions. However, in order to achieve greater security for the preservation of its capital, the Company has, of necessity, been required to accept lower rates of interest, which has also lowered its potential interest income.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Environmental Regulations

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by application of technically proven and economically feasible measures.

Certain U.S. Federal Income Tax Considerations for U.S. Holders

The Company has been a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes in recent years and expects to continue to be a PFIC in the future. Current and prospective U.S. shareholders should consult their tax advisors as to the tax consequences of PFIC classification and the U.S. federal tax treatment of PFICs. Additional information on this matter is included in the Company's Annual Report on Form 10-K as filed with the SEC on August 25, 2015, under "Certain United States Federal Income Tax Considerations".

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of February 29, 2016, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer (the principal executive officer) and Chief Financial Officer (the principal financial officer and accounting officer), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15I and 15d-15(e) of the Exchange Act). Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of February 29, 2016, the Company's disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed in reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, in a manner that allows for accurate and timely decisions regarding required disclosures.

The effectiveness of our or any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable assurance that the objectives of the system will be met and is subject to certain limitations, including the exercise of judgement in designing, implementing and evaluating controls and procedures and the assumptions used in identifying the likelihood of future events.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting during the period ended February 29, 2016 that have materially, or are reasonably likely to materially affect, the Company's internal control over financial reporting.