

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 three months ended August 31, 2017, 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 (as defined below) 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 materially 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 this report and 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 AND HISTORICAL ESTIMATES

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") and interests in the Mother Lode Property. Mineral resources that are not mineral reserves have no demonstrated economic viability. The preliminary economic assessment included in the Technical Report on the NBP 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. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Readers should refer to the Technical Report for additional information.

The historic estimates (Inter-Rock Gold Inc. Annual Report 1996, subsequently changed to Inter-Rock Minerals Inc. available on www.sedar.com) for the Mother Lode Property contained in this report should not be relied upon. These estimates are not NI 43-101 compliant. While the Company considers these historical estimates to be relevant to investors as it may indicate the presence of mineralization, a qualified person for the Company has not done sufficient

work to classify the historical estimates as current mineral resources as defined by NI 43-101 and the Company is not treating these historical estimates as a current mineral resource.

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 and the Mother Lode Property;
- 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 the timing of the receipt of results therefrom;
- the Company’s future cash requirements and use of proceeds of sales;
- general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and the ability to raise the necessary funds to continue operations;
- 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, or high-grade mineralization at the Mother Lode Property;
- the potential to expand Company’s existing deposits and discover new deposits;
- the potential for any delineation of higher grade mineralization at the NBP or Mother Lode Property;
- the potential for there to be one or more additional vein zones;
- the potential discovery and delineation of mineral deposits/resources/reserves and any expansion thereof beyond the current estimate;
- the potential for the NBP or the Mother Lode Property mineralization systems to continue to grow and/or to develop into a major new higher-grade, bulk tonnage, Nevada gold discovery;
- 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;
- that the Company will operate at a loss
- that the Company will need to scale back anticipated costs and activities or raise additional funds;
- that the Company will have to raise substantial additional capital to accomplish its business plan over the next couple of years;
- the historic estimates of the Mother Lode Property as an indication of the presence of mineralization;
- the estimated restoration costs and asset retirement;
- the plans related to the development of the Mother Lode Property and the NBP in the future;
- the Mother Lode Property work plan and mine development plan/program; and
- the speculation about potential mineralization in the North Jolly Jane target, the Cat Hill target, the Jim Dandy target and the Savage target.

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:

- our requirement of significant additional capital;
- our limited operating history;
- our history of losses;
- cost increases for our exploration and, if warranted, development projects;
- our Properties being in the exploration stage;
- mineral exploration and production activities;

- our lack of mineral production from our Properties;
- estimates of mineral resources;
- changes in mineral resource estimates;
- differences in United States and Canadian mineral reserve and mineral resource reporting;
- our exploration activities being unsuccessful;
- fluctuations in gold, silver and other metal prices;
- 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;
- tax issues;
- 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 June 29, 2017, 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). In addition to NBP, the Company has acquired the Mother Lode Property which is located approximately 12 miles to the south east of NBP. The Mother Lode Property was mined in the late 1980s and has substantial gold mineralization remaining unexploited extending to the north of the existing open pit mine.

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 maintaining a retained royalty.

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

- The Mother Lode Property, consisting of 13 lode mining claims and containing substantial historically defined mineralization was acquired in June 2017.
- Two additional groups of claims (the MN and ME claim groups) were staked in close proximity to the Mother Lode Property claims to add to the exploration potential and to provide future project infrastructure areas.
- A private placement with Coeur Mining, Inc. (“Coeur Mining”) was closed for \$4,650,000. The Company issued 6,200,000 common shares to Coeur Mining under the terms of the agreement.

- Final results from the 2017 Phase 2 drill program consisting of 11 holes from the Cat Hill, Jim Dandy, Savage East and Deep, North Jolly Jane, and Western Zone – Sierra Blanca Targets were received and evaluated.
- Metallurgical test results were received for the Ambient Atmospheric Oxidation processing on the 4 primary types of sulfide mineralization at NBP. The test results indicate that overall gold recoveries between 87% - 92% could be achieved by concentration of the sulfide minerals, oxidation of the concentrates and cyanide leaching of the residue.
- Baseline characterization activities continued with water quality sampling at NB-WW-04.
- Water production tests were conducted at the Company’s Sarcobatus property and indicated that the water resources available under the current permits could be produced from a single well at the property.
- Mr. Ron Largent, formerly Chief Operating Officer for AngloGold Ashanti Ltd., was added to the Company’s project resources as Special Advisor, to assist in development of the integrated mine plans.

Corporate Financial Activities

On July 7, 2017, the Company announced the closing of a \$4,650,000 private placement with Coeur Mining at \$0.75 per share. Under the terms of the agreement, the Company issued 6,200,000 common shares.

Nevada Properties

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 10 kilometres 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, as amended and restated on May 18, 2016, (the “Technical Report”) is available under Corvus’ SEDAR profile at www.sedar.com and EDGAR profile at www.sec.gov. 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 five patented claims (the Millman claims) and a 430 acre property with 1600 acre-feet of water rights located north of NBP in the Sacrobatus hydrographic basin (Basin 146).

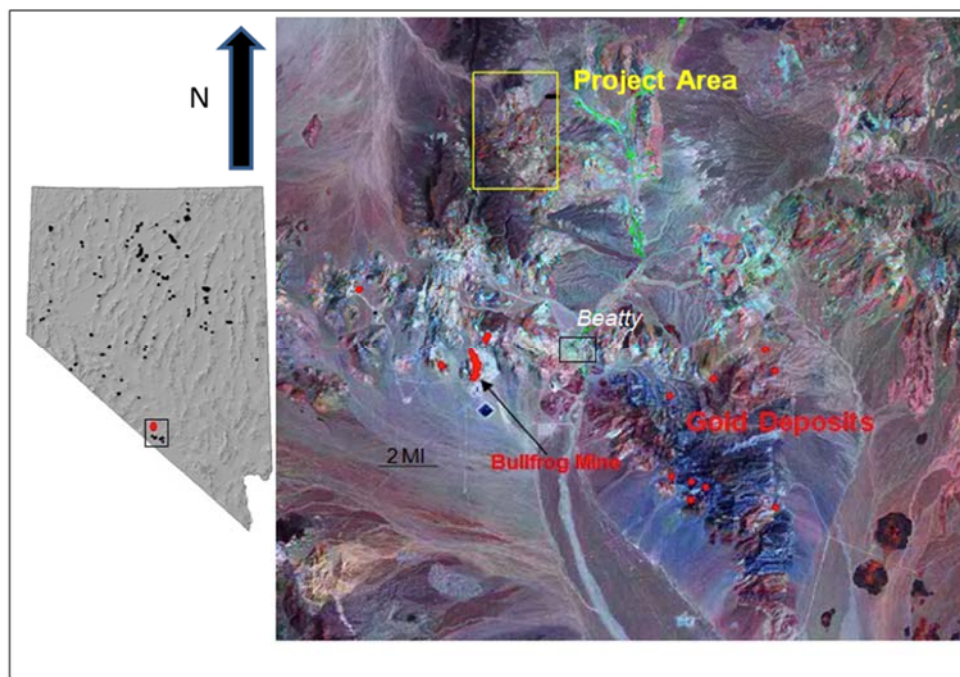


Figure 1. Property Map showing the Location of the North Bullfrog Project.

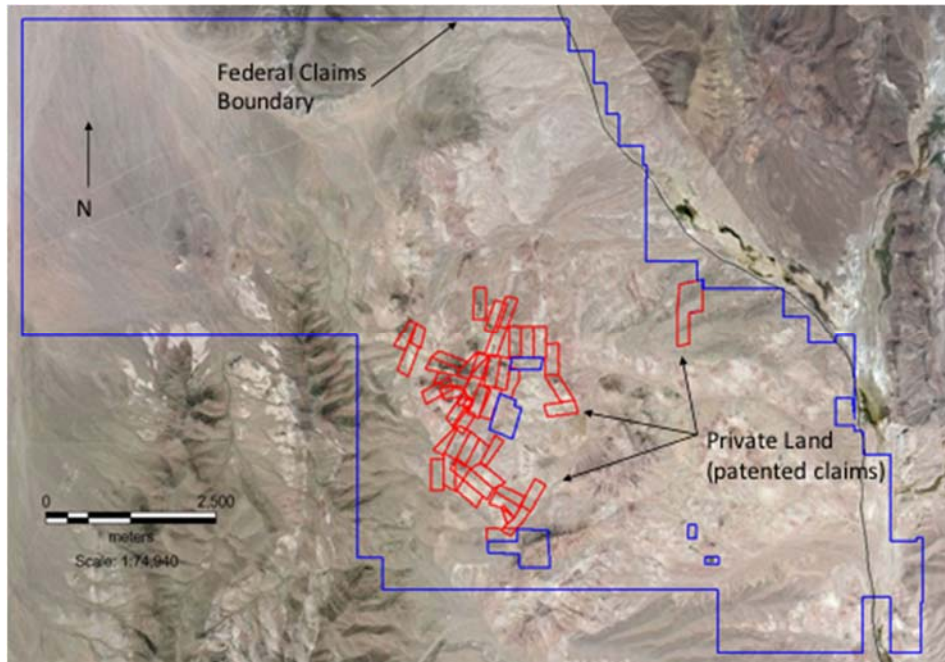


Figure 2. Property Map of the North Bullfrog Project, Blue outline shows the NBP boundary and red areas are the Leased Private Land (UTm NAD 27 Zone 11).

NBP Project Development Activities

Monitoring programs to develop baseline characterization data for support of future permitting activities continued during the period. Water quality monitoring well, NB-WW-04 was cycled regularly and water quality samples were collected in June and August.

The Company’s Sarcobatus water production well was pump tested in June and in September of 2017.

Metallurgical testing of mineralization from the YellowJacket, Liberator and Western Zone was begun in Q1 of calendar year 2017. The testing included flotation concentration tests of 11 concentration samples, and 5 column leach tests. The column leach tests are underway, and results are pending. High recovery of gold to concentrate was achieved in all of the 11 concentration samples. Following the production of concentrate samples, the sulphide concentrates were re-ground, and then oxidized using Ambient Atmospheric Oxidation (AAO), injected oxygen and, with both Soda Ash and Trona as the neutralizer. The oxidized concentrates were then leached with a cyanide solution in bottle roll tests. Virtually 100% of the concentrate was oxidized in the tests, and high proportions of the contained gold were leached from the oxidized concentrates. Table 1 summarizes the results of the concentrate testing for the four rock types containing the majority of the sulphide mineralization at NBP for both soda ash and trona as the neutralizing agent.

**Table 1
North Bullfrog Mill Concentrate AAO Testing**

Sample Unit	Gold Recovery to Concentrate	Concentration Ratio (mineralized tonne to concentrate)	Post AAO CN Gold Recovery (from concentrate)	Overall Gold Recovery (from mineralized tonne)
Soda Ash				
Sierra Blanca	94%	9:1	99%	93%
Pioneer Tuff	94%	14:1	100%	94%
Rhyolite	89%	14:1	100%	89%
Dacite	88%	5:1	100%	88%
Trona				
Sierra Blanca	94%	9:1	97%	91%
Pioneer Tuff	94%	14:1	99%	93%
Rhyolite	89%	14:1	98%	87%
Dacite	88%	5:1	99%	87%

Mother Lode Property, Nevada

On June 9, 2017, the Company acquired the Mother Lode Property (Figure 3), which is located immediately east of Beatty, Nevada, in Nye County. The Mother Lode Property is in the Bare Mountain District, and was previously mined by Glamis Gold Ltd. as part of the Daisy Project. The Company acquired the 13 Federal mining claims comprising the Mother Lode Property from Goldcorp USA, Inc. (“Goldcorp”). The Company has also staked an additional 30 claims (the MN claim group) to the northwest of the Mother Lode Property claims and an additional 22 claims (the ME claim group) to the east of the Mother Lode Property claims.

Due to the recent acquisition of the Mother Lode Property and the need to verify historical data through a new exploration program, the Company does not currently consider the Mother Lode Property to be a material property to the Company. The Mother Lode Property does not have any known proven or probable reserves under SEC Industry Guide 7 and is exploratory in nature.

The Mother Lode Property is located in Nye County Nevada in the Bare Mountain District, south and east of the community of Beatty. The Mother Lode Property covers about 542 hectares of Federal mining claims in Sections 1, 12 and 13 of T12S, R47E and Sections 6, 7, 8, 9, 16 and 18 of T12S, R48E, MDBM.

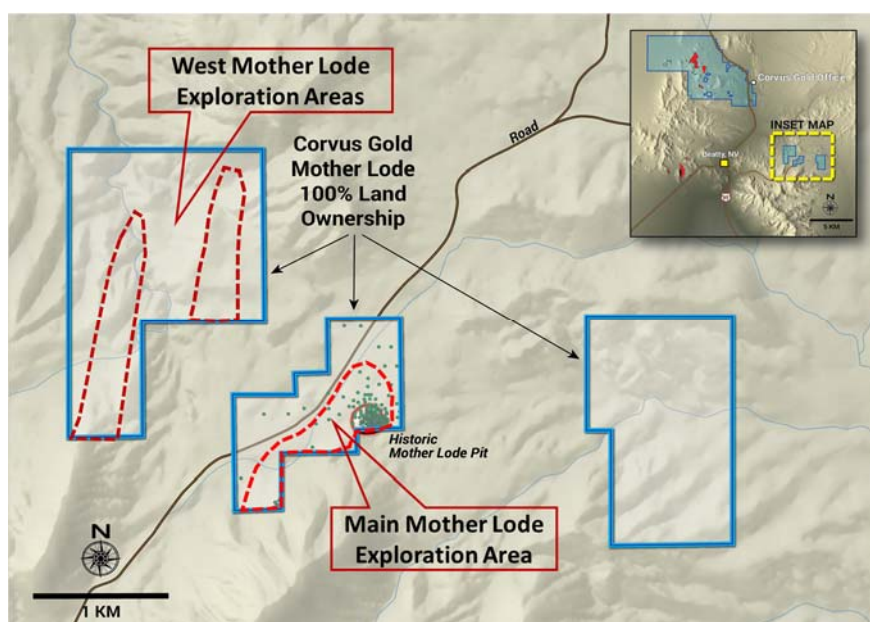


Figure 3. Map showing new Mother Lode Property location and property layout; including map showing the location of Mother Lode Property with respect to the NBP and the community of Beatty, NV

The Mother Lode Property covers approximately 101 hectares and contains a historic (non-NI 43-101 compliant) mineralization of 8.5 million tonnes (“Mt”) at a grade of 1.6 grams per tonne (“g/t”) gold totaling approximately 430,000 ounces (“oz”) of gold (converted from 9.4 million short tons at a grade of 0.046 ounces per short ton gold totaling approximately 432,000 oz of gold in the Inter-Rock Gold Inc. Annual Report 1996, subsequently changed to Inter-Rock Minerals Inc. available on www.sedar.com). In addition, Corvus Nevada staked two additional claim blocks adjacent to the Mother Lode Property totaling 420 hectare, covering areas of exploration and development potential. The Mother Lode Property is in close proximity to the NBP. The historic estimates for the Mother Lode Property contained herein should not be relied upon. These estimates are not NI 43-101 compliant and use categories other than those set out in NI 43-101. Significant work will need to be done, including drilling, to prepare an estimation in compliance with NI 43-101. While Corvus considers these historical estimates to be relevant to investors as it may indicate the presence of mineralization, a qualified person for Corvus has not done sufficient work to classify the historical estimates as current mineral resources as defined by NI 43-101 and Corvus is not treating these historical estimates as a current mineral resource.

Terms of the acquisition of the Mother Lode Property from Goldcorp include:

- Issuance of 1,000,000 common shares at \$0.81 per share.
- The Mother Lode Property granted an NSR in favour of Goldcorp. The NSR pays 1% from production at the Mother Lode Property when the price of gold is less than USD 1,400/oz and an additional 1% NSR for a total of 2% NSR when gold price is greater than or equal to USD 1,400/oz.

The Mother Lode deposit is similar in age to the historic Bullfrog Mine and the newly discovered NBP, and is hosted in both Tertiary volcanic-sedimentary rocks and Paleozoic sedimentary rocks. The mineralization at the Mother Lode Property occurs as low angle, north dipping, near surface, tabular bodies of mixed sulfide and oxide mineralization. Key structural controls in the deposit appear to be a series of north northwest high angle structures which have acted as conduits for mineralizing fluids (appears similar to the YellowJacket deposit at North Bullfrog). An important untested target for additional high-grade mineralization is the intersection of the major, low angle east-northeast trending Fluorspar Canyon Fault Zone and the high-angle N-NW trending feeder structures approximately 50 metres below the existing Mother Lode deposit.

Corvus has not conducted any exploration activities on the Mother Lode Property due to its recent acquisition and has only recently commenced exploration. The current Mother Lode Property land package is limited in size, but adequate for the currently envisioned satellite mining project and surface processing facilities. Corvus is also considering a plan where the higher-grade ore would be trucked to the planned Corvus mill facility at the NBP, which is approximately 20 miles away by road. Preliminary column test, heap leach metallurgical work on the deposit indicates heap leach potential for the lower grade material. Currently, there are no NI 43-101 mineral resource estimates at the Mother Lode Property. Estimates of gold mineralization at the Mother Lode Property are available in historical data obtained during the property purchase. Verification of those data is expected to be undertaken through a drilling program started in September 2017.

As Corvus geologists and engineers review the extensive digital and hard copy database the Company will provide project and exploration target updates during the summer of 2017. Corvus currently plans to begin its initial phase of resource confirmation and exploration drilling on the Mother Lode Property in the fall of this year

The 2017 Mother Lode Property work plan is expected to focus on the preparation of a mineral resource estimation to comply with NI 43-101 requirements. The Company believes the Mother Lode Property has areas of potential mill and heap leach grade mineralization within a low strip ratio, open pit configuration.

***The historic estimates (Inter-Rock Gold Inc. Annual Report 1996, subsequently changed to Inter-Rock Minerals Inc. available on www.sedar.com) for the Mother Lode Property contained in this report should not be relied upon. These estimates are not NI 43-101 compliant. While the Company considers these historical estimates to be relevant to investors as it may indicate the presence of mineralization, a qualified person for the Company has not done sufficient work to classify the historical estimates as current mineral resources as defined by NI 43-101 and the Company is not treating these historical estimates as a current mineral resource.**

Qualified Person and Quality Control/Quality Assurance

Jeffrey A. Pontius (CPG 11044), a qualified person as defined by NI 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 Chief Executive Officer 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 was conducted or managed by McClelland Laboratories Inc.

Carl Brechtel (Colorado PE 23212 and Nevada PE 8744), a qualified person as defined by NI 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 the Technical Report, which is available under Corvus' SEDAR profile at www.sedar.com and EDGAR profile at www.sec.gov. 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.

Results of Operations

Three months ended August 31, 2017 Compared to Three months ended August 31, 2016

For the three months ended August 31, 2017, the Company had a net loss of \$1,626,165 compared to a net loss of \$1,505,937 in the comparative period of the prior year. Included in net loss was \$158,638 (2016 - \$176,238) 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. The increase in loss of \$120,228 in the three month period of the current year was due to a combination of factors discussed below.

The primary factor for the increase in the net loss was the exploration expenditures of \$728,339 incurred in the current period compared to \$653,506 in the comparative period of the prior year. The exploration activities of the Company increased mainly due to increased stock-based compensation charges of \$12,260 during the current year compared to \$4,635 in the prior year and an increase of \$67,208 incurred in the exploration in the current period compared with the comparative period of the prior year as the Company focused all its exploration efforts on the NBP.

Consulting fees decreased to \$135,707 (2016 - \$161,266) mainly due to decreased stock-based compensation charges of \$69,957 during the current period compared to \$98,516 in the comparative period of the prior year.

Insurance expenses increased to \$49,848 (2016 - \$29,482) mainly due to increased insurance premiums as a result of increased Director and Officer Liability coverage during the current period compared with the comparative period of the prior year.

Wages and benefits decreased to \$238,225 (2016 - \$340,086) mainly due to a decrease of \$104,015 in wages and benefits in the current period mainly as a result of adjustment in wages of several senior executive officers and the severance pay to the former President in the comparative period of the prior year offset by increased stock-based compensation charges of \$52,799 during the current period compared to \$50,645 in the comparative period of the prior year.

Other expense categories that reflected only moderate change period over period were administration expenses of \$105 (2016 - \$361), depreciation expenses of \$4,314 (2016 - \$5,322), investor relations expenses of \$146,981 (2016 - \$145,480), office expenses of \$40,175 (2016 - \$28,885), professional fees of \$57,255 (2016 - \$65,162), regulatory expenses of \$25,470 (2016 - \$22,829), rent expenses of \$28,894 (2016 - \$28,883) and travel expenses of \$26,144 (2016 - \$18,829).

Other items amounted to a loss of \$144,708 compared to a loss of \$5,846 in the comparative period of the prior year. There was an increase in foreign exchange to a loss of \$145,149 (2016 - \$14,610), which is the result of factors outside of the Company’s control and a decrease in interest income of \$441 (2016 - \$8,764) 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 condensed interim consolidated financial statements have been prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company’s ability to continue as a going concern is dependent upon achieving profitable operations and/or obtaining additional financing.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future within one year from the date the condensed interim consolidated financial statements are issued. There is substantial doubt upon the Company’s ability to continue as going concern, as explained below and in the financial statements.

The Company has sustained significant losses from operations, has negative cash flows, and has an ongoing requirement for capital investment to explore its mineral properties. Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans for the 12 months from the date the condensed interim consolidated financial statement are issued and will be required to raise additional funds through public or private equity financings, significantly reduce exploration expenditures and administrative expenses, or consider other options such as sales of its mineral properties, in order to continue in business.

The Company reported cash and cash equivalents of \$4,438,555 as at August 31, 2017 compared to \$1,300,553 as at May 31, 2017. The change in cash position was the net result of \$1,444,626 used for operating activities, \$1,424 used on property and equipment, and \$4,768,209 received from the private placements of common shares in July 2017 (net of share issue costs), issuance of common shares for the NBP in June 2017 and exercise of stock options during the period ended August 31, 2017.

As at August 31, 2017, the Company had working capital of \$4,534,732 compared to working capital of \$1,270,168 as at May 31, 2017. On July 7, 2017, the Company closed a non-brokered private placement equity financing and issued 6,200,000 common shares at a price of \$0.75 per share for gross proceeds of \$4,650,000. The Company expects that it will operate at a loss for the foreseeable future and believes the Company will need to scale back anticipated activities and costs or raise additional financing to fund operations through the fiscal year ending May 31, 2018. The Company's current anticipated operating expenses are \$6,097,000 until May 31, 2018 and \$6,731,000 until August 31, 2018. The Company's anticipated monthly burn rate averages approximately \$677,000 for September 2017 to May 2018, where approximately \$237,000 is for administrative purposes and approximately \$440,000 is for planned exploration expenditures related to the completion of the ongoing exploration programs at the NBP and the Mother Lode Property. From September 2017 to August 2018, the Company's anticipated monthly burn rate averages approximately \$561,000, of which \$231,000 is for administrative purposes and approximately \$330,000 is for planned exploration expenditures related to the ongoing exploration programs at the NBP and the Mother Lode Property. In any event, the Company will be required to raise additional funds, again through public or private equity financings, prior to the end of December 2017 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 and the Mother Lode Property on its currently anticipated scheduling.

Despite the Company's success to date in raising significant equity financing to fund its operations, there is significant uncertainty that the Company will be able to secure any additional financing in the current or future equity markets. See "Risk Factors – We will require additional financing to fund exploration and, if warranted, development and production". Failure to obtain additional financing could have a material adverse effect on our financial condition and results of operation and could cast uncertainty on our ability to continue as a going concern. 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. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes. Due to this uncertainty, if the Company is unable to secure additional financing, it may be required to reduce all discretionary activities at the NBP and the Mother Lode Property to preserve its working capital to fund anticipated non-discretionary expenditures beyond the 2018 fiscal year.

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 June 29, 2017, under “Certain United States Federal Income Tax Considerations”.

Emerging Growth Company Status

We qualify as an “emerging growth company” as defined in Section 101 of the Jumpstart our Business Startups Act as we do not have more than \$1,000,000,000 in annual gross revenue and did not have such amount as of May 31, 2017, being the last day of our last fiscal year.

We may lose our status as an emerging growth company on the last day of our fiscal year during which (i) our annual gross revenue exceeds \$1,000,000,000 or (ii) we issue more than \$1,000,000,000 in non-convertible debt in a three-year period. We will lose our status as an emerging growth company if at any time we are deemed to be a large accelerated filer. We will lose our status as an emerging growth company on the last day of our fiscal year following the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement (August 28, 2019).

As an emerging growth company, we are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002 and Section 14A (a) and (b) of the Securities Exchange Act of 1934. Such sections are provided below:

- Section 404(b) of the Sarbanes-Oxley Act of 2002 requires a public company’s auditor to attest to, and report on, management’s assessment of its internal controls.
- Sections 14A(a) and (b) of the Securities and Exchange Act, implemented by Section 951 of the Dodd-Frank Act, require companies to hold shareholder advisory votes on executive compensation and golden parachute compensation.

As long as we qualify as an emerging growth company, we will not be required to comply with the requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 and Section 14A(a) and (b) of the Securities Exchange Act of 1934, we may however determine to voluntarily comply with such requirements in our discretion.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of August 31, 2017 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 August 31, 2017, 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 August 31, 2017 that have materially, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.