

## **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 six months ended November 30, 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 (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 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 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.

## 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 and use of proceeds of sales of non-core assets;
- 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 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:

- 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 property being in the exploration stage;
- mineral exploration and production activities;
- our lack of mineral production from our property;
- 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;
- 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 property;
- surface access on our property;
- 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 22, 2016, 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 maintaining a retained royalty.

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

- **NBP Exploration:** The 2016 Phase II drilling program began in mid-October with the initial drilling to the north and west in the Swale Zone and to the east in the Liberator Zone. A total of 8,000 m of reverse circulation drilling is planned for Phase II.
- Results for the final four holes drilled in the 2016 Phase I drilling program were received during the period. Intercepts from these holes added to number of intercepts drilled in the Swale target which appear to be controlled by north and northeast trending structures with higher grade mineralization.
- Results from the first two holes drilled in Phase II program were received, with one of the holes in the YellowJacket extension targets intercepting the broadest zone of mineralization encountered at North Bullfrog to date.
- Metallurgical testing of 11 samples from Phase I was begun during the period.
- Baseline characterization activities continued and the results for water quality samples collected from NBP water monitoring wells and springs during September 2016 were received.

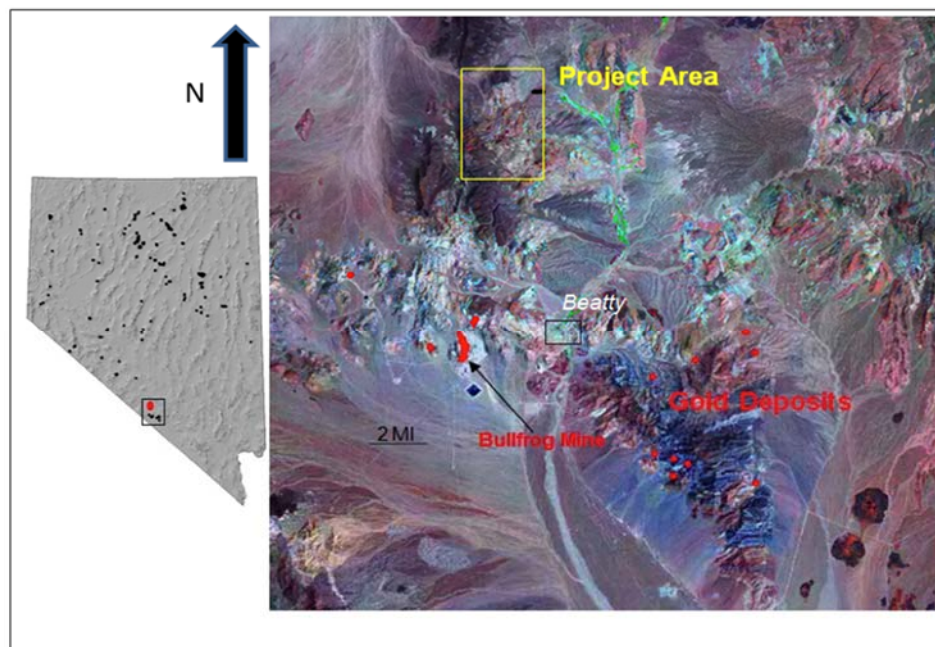
## **Nevada Property**

### ***North Bullfrog Project***

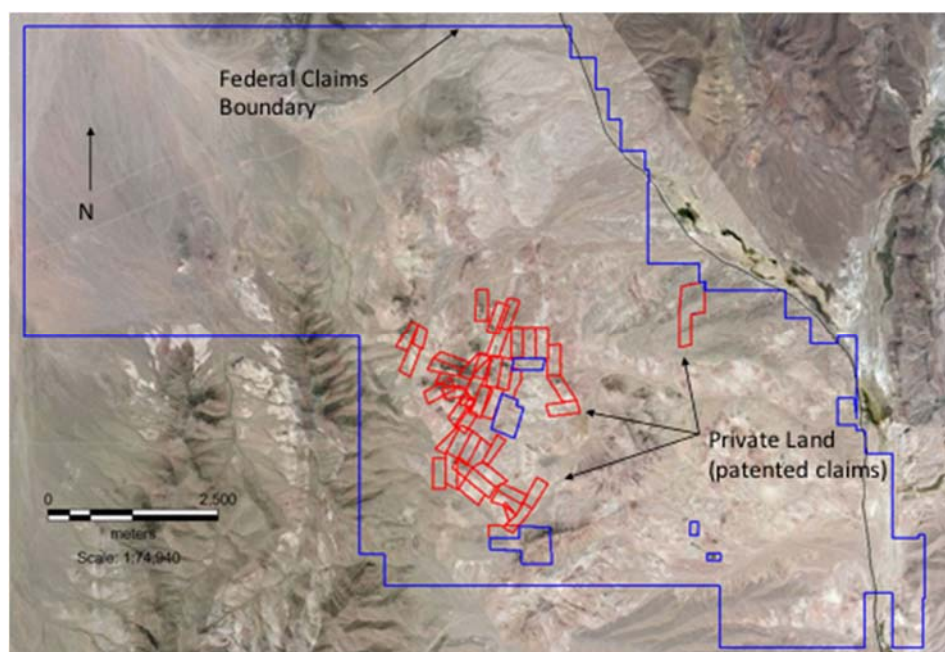
Our principal mineral property is the NBP, a gold exploration project located in northwestern Nye County, Nevada, in the Northern Bullfrog Hills about 15 km north of the town of Beatty. The NBP does not have any known proven or probable reserves under SEC Industry Guide 7 and the project is exploratory 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, as amended and restated on May 18, 2016, (the “Technical Report”) is available under Corvus Gold’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and EDGAR profile at [www.sec.gov](http://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 5 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).**

## Phase I 2016 Drilling Results

A total of 6,250 metres of Reverse Circulation (RC) drilling was completed during 2016 Phase I drilling. Drilling was concentrated around the Swale target. Results for the final four holes of the 2016 Phase I drill program were released in early September 2016 (Figure 3). Drilling was concentrated around the Swale target located at a major intersection of the northwest trending YellowJacket zone and the northeast trending NWSB zone. Results have returned a number of higher grade (+1 g/t gold) structural zones within a 500 by 200 metre target area.

Results from final four holes drilled in the Phase I drill program include NB-16-310 with **13.7m @ 1.18 g/t Au** and NB-16-312 with **4.6m @ 1.08 g/t Au & 6.1m @ 1.2 g/t Au**. Drill intercepts are listed in Table 1 and the locations are shown in Figure 3. All four holes were within the Swale target and included two holes which intersected broad zones of +1 g/t gold that were surrounded by thick low-grade zones along north-south trending structures (Table 1). This large area of low-grade mineralization is prospective for additional mill grade mineralization and lies immediately north of the current pit boundary design. This target area will be an area of focus during the Phase II, resource development drilling.

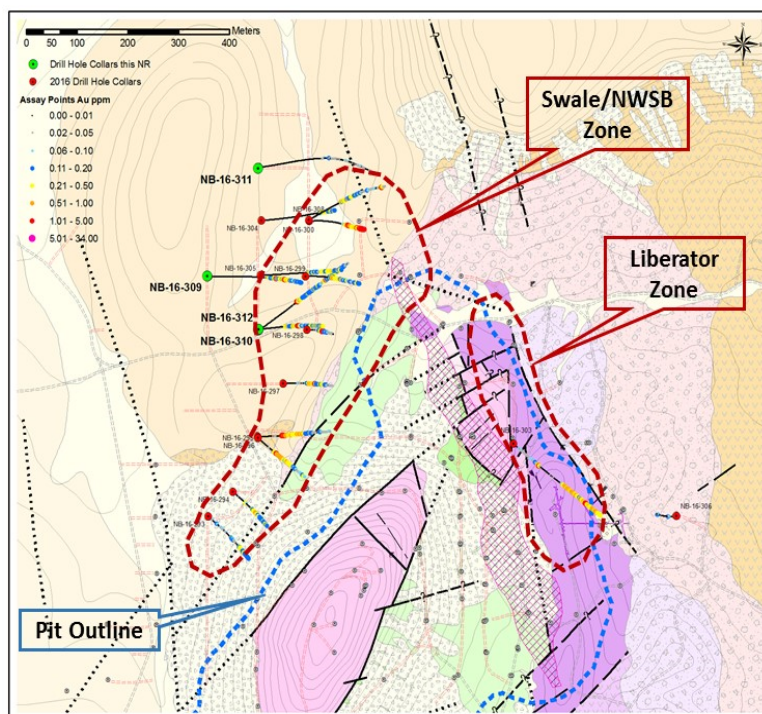


Figure 3. Drill hole locations map for 2016 Phase I, North Bullfrog project.

Table 1  
Drill Results Swale 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.)

<u>Swale Target</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Length (m)*</u>	<u>Gold (g/t)</u>	<u>Silver (g/t)</u>
<b>NB-16-309</b>	239.27	259.08	19.81	0.19	0.61
AZ 087 dip-60	<b>263.65</b>	<b>329.18</b>	<b>65.53</b>	<b>0.40</b>	<b>0.67</b>
inc	280.42	281.94	1.52	0.58	0.34
inc	294.13	304.8	10.67	0.69	0.96
inc	309.37	313.94	4.57	0.65	1.60
	339.85	352.04	12.19	0.14	0.55
	356.62	365.76	9.14	0.13	0.44

hole ended in mineralization



<b>NB-16-310</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)*</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>
AZ 085 dip -55	100.58	164.59	64.01	0.49	1.48
<b>inc</b>	108.2	109.73	1.52	0.67	2.75
<b>inc</b>	132.59	140.21	7.62	0.61	1.05
<b>inc</b>	<b>149.35</b>	<b>163.07</b>	<b>13.72</b>	<b>1.18</b>	<b>2.22</b>
	214.88	220.98	6.1	0.20	0.39
	227.08	294.13	67.05	0.24	0.96
<b>inc</b>	275.84	277.37	1.52	0.82	0.75
<b>inc</b>	289.56	292.61	3.05	0.61	1.09

*hole ended in mineralization*

**NB-16-311** No significant results  
AZ 080 dip-50

<b>NB-16-312</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)*</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>
AZ 055 dip-45	137.16	240.79	103.63	0.24	0.68
<b>inc</b>	<b>138.68</b>	<b>143.26</b>	<b>4.58</b>	<b>1.08</b>	<b>1.87</b>
<b>inc</b>	152.4	153.92	1.52	0.53	1.03
<b>inc</b>	227.08	228.6	1.52	0.58	1.21
	266.7	335.28	68.58	0.31	0.71
<b>inc</b>	<b>272.8</b>	<b>278.89</b>	<b>6.09</b>	<b>1.20</b>	<b>1.28</b>
<b>inc</b>	323.09	324.61	1.52	0.55	1.22
	339.85	358.14	18.29	0.16	0.41
	364.24	371.86	7.62	0.17	0.36

*hole ended in mineralization*

### Swale Target

Two of the final four holes drilled in the Phase I program targeted the northern extension of mineralization intersected in hole NB-16-298 (**23m @ 1.69 g/t Au, NR16-09, June 7, 2016**) and returned encouraging intercepts such as NB-16-310 with **13.7m @ 1.18 g/t Au** and NB-16-312 with **4.6m @ 1.08 g/t Au & 6.1m @ 1.2 g/t Au**. These intervals are surrounded by over 100 metres of low-grade mineralization indicating the system remains very strong to the north of the currently defined Sierra Blanca/YellowJacket deposit. The current interpretation of the higher grade mineralization in this area indicates it is controlled by a series of north and northeast trending structures and structural intersections with the major northeast structural zone hosting the mineralization in hole NB-16-298.

Hole NB-16-309 tested the Swale system 200 metres to the southwest of hole NB-16-300 (**18m @ 1.8 g/t Au, NR16-09, June 7, 2016**) and returned several broad intercepts of low-grade mineralization including **65.5m @ 0.40 g/t Au**. This broad zone of gold mineralization from the currently farthest west hole drilled in this area, indicates the system remains open and suggests that potential exists in this direction for other feeder zones.

Holes NB-16-311 was drilled north of hole NB-16-308 (**3.1m @ 2.24 g/t Au, NR16-11, August 2, 2016**) but failed to hit the favorable host rock package or any significant mineralization.

### Phase II Drill Program

Corvus Gold began its 2016 Phase II drill program in mid-September, 2016 with the start-up of drilling being delayed by availability of the drilling equipment. The program is scheduled for approximately 9,000 metres of reverse circulation drilling, designed to address resource expansion potential for the Sierra Blanca/YellowJacket deposit to the north and west in the Swale Zone and to the east in the Liberator Zone. In addition, two new exploration/new discovery targets will be tested at North Jolly Jane and Cat Hill. The program is planned to extend into February 2017. All of the planned exploration and development programs for 2016 and 2017 as well as anticipated corporate and general administrative costs are fully funded.

Results from the Phase II drill program at the North Bullfrog property in Nevada (Table 2) have been received for the initial two holes targeted for expansion potential at the north end of the YellowJacket system, both at depth and laterally to the current deposit (Figure 4). Drill hole NB-16-314 intercepted the broadest gold mineralization discovered to date at the YellowJacket deposit with **170.7 metres @ 0.60 g/t gold**, including new depth extensions to the West Splay Vein (**6.1 metres @ 2.8 g/t gold**) and the main YellowJacket Vein (**10.7 metres @ 2.4 g/t gold**). These new intercepts indicate that the YellowJacket and the surrounding new vein systems at Liberator and NWSB may be strengthening to the north, in the area which is the focus of the ongoing Phase II resource expansion drill program.

**Table 2**  
**Drill Results YellowJacket Extension Targets**

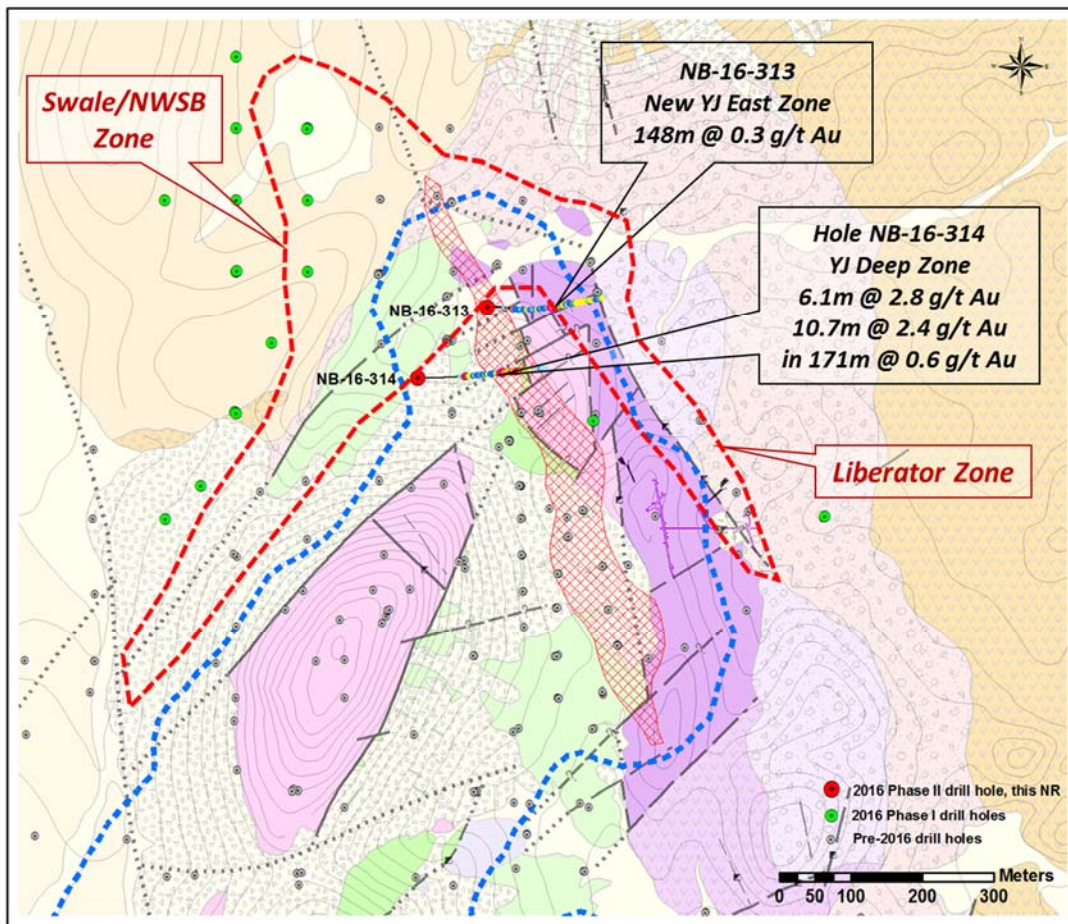
*(Reported drill intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.)*

	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)*</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>
<b>NB-16-313</b>	57.91	73.15	15.24	0.34	2.6
<b>AZ 090 dip-50</b>	<b>57.91</b>	<b>59.44</b>	<b>1.52</b>	<b>1.88</b>	<b>12.0</b>
<b>inc</b>	80.77	99.06	18.29	0.20	1.0
	108.2	256.03	147.83	0.29	1.0
<b>inc</b>	<b>143.26</b>	<b>144.78</b>	<b>1.52</b>	<b>5.22</b>	<b>2.9</b>

*\*hole ended in mineralization*

	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)*</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>
<b>NB-16-314</b>	<b>131.06</b>	<b>301.75</b>	<b>170.69</b>	<b>0.60</b>	<b>1.9</b>
<b>AZ 085 dip -55</b>	<b>132.59</b>	<b>138.68</b>	<b>6.09</b>	<b>2.80</b>	<b>4.7</b>
<b>inc</b>	<b>227.08</b>	<b>237.74</b>	<b>10.66</b>	<b>2.41</b>	<b>9.7</b>
<b>inc</b>	252.98	286.51	33.53	0.86	1.9

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



**Figure 4. Drill hole locations map for 2016 Phase II, North Bullfrog project.**  
**Current pit design outlined in blue.**

### **YellowJacket Extension**

The initial two holes from the 2016 Phase II program were designed to assess the expansion potential of the north end of the existing YellowJacket deposit.

Drill hole NB-16-313 was targeted at the up-dip extension of the YellowJacket vein system and to evaluate an additional zone of mineralization to the east in between the YellowJacket and Liberator systems. The hole initially intercepted mineralization about 40m vertically below the surface (15m @ 0.34 g/t Au with 1.5m @ 1.88 g/t Au) which indicates we are defining the top of the system. The broad (148m @ 0.29 g/t Au with 1.5m @ 5.2 g/t Au) lower zone of gold mineralization in this hole is encouraging in that it is defining a wider and stronger part of the system to the north which may be merging with the new Liberator and Rhyolite zones. This may indicate that the overall system may become larger and more dynamic as Corvus approaches the major intersection of the NW trending YellowJacket-Liberator systems with the NE trending NWSB-Rhyolite systems at the current north end of the YellowJacket deposit.

Drill hole NB-16-314 was designed to test the deeper part of the YellowJacket system in the north end of the deposit. The results have shown a much broader zone of mineralization in this north end that returned 171 metres at 0.6 g/t gold which included the West Splay Vein with 6.1 metres at 2.8 g/t gold and the YellowJacket vein with 10.7 metres at 2.4 g/t gold. This broad zone of mineralization around two expanding vein zones suggests that the system may be becoming stronger to the north

### **Project Development Activities**

Monitoring programs to develop baseline characterization data for support of future permitting activities continued during the period. The results for water quality samples were collected from NBP monitoring wells and surrounding areal springs in September were received during the period. Meteorological monitoring continued with the quarterly report submitted to NDEP. Planning to recondition and test the water production well at the Sacrobatus Property was completed during the period with a pump-out test scheduled for calendar Q1 2017.



A group of 11 metallurgical samples from the Phase I drilling program were submitted for testing during the period.

### **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 the Technical Report, which is available under Corvus Gold's SEDAR profile at [www.sedar.com](http://www.sedar.com) and EDGAR profile at [www.sec.gov](http://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**

#### **Six months ended November 30, 2016 Compared to Six months ended November 30, 2015**

For the six months ended November 30, 2016, the Company had a net loss of \$2,834,160 compared to a net loss of \$4,444,392 in the comparative period of the prior year. Included in net loss was \$314,083 (2015 - \$456,469) 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 decrease in loss of \$1,610,232 in the six 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 \$1,229,669 incurred in the current period compared to \$1,894,458 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 offset by an increase in stock-based compensation charges of \$13,521 in the current period compared to \$9,260 in the prior period.

Consulting fees decreased to \$291,662 (2015 - \$342,619) mainly due to decreased stock-based compensation charges of \$166,162 during the current period compared to \$221,119 in the comparative period of the prior year..

Investor relations expenses decreased to \$340,023 (2015- \$362,036) due to decreased stock-based compensation charges of \$37,743 during the current period compared to \$55,465 in the comparative period of the prior year and a decrease of \$4,291 in investor relations-related travel, and advertising and marketing during the current period as part of the Company's efforts to decrease costs until the Company secures additional financing.

Professional fees decreased to \$123,923 (2015 - \$164,730) due to decreased stock-based compensation charges of \$3,486 during the current prior compared to \$11,008 in the comparative period of the prior year and a decrease of

\$33,285 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 in the comparative period of the prior year.

Travel expenses increased to \$84,318 (2015 - \$68,470) mainly due to more conferences attended during the current period as part of the Company's efforts to secure additional financing.

Wages and benefits decreased to \$563,008 (2015 - \$848,715) mainly due to decreased stock-based compensation charges of \$93,171 during the current period compared to \$159,617 in the comparative period of the prior year and a decrease of \$219,261 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.

Other expense categories that reflected only moderate change period over period were administration expenses of \$453 (2015 - \$4,625), depreciation expenses of \$11,007 (2015 - \$12,798), insurance expenses of \$58,316 (2015 - \$62,189), office expenses of \$62,113 (2015 - \$68,686), regulatory expenses of \$31,855 (2015 - \$39,985), and rent expenses of \$52,348 (2015 - \$54,432).

Other items amounted to an income of \$14,535 compared to a loss of \$520,649 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 comparative period of the prior year and a write-off of the Company's interest in the Chisna property of \$677,695 in the comparative period of the prior year. There was a decrease in foreign exchange to a loss of \$3,795 (2015 - gain of \$121,650), which is the result of factors outside of the Company's control and an increase in interest income of \$18,330 (2015 - \$9,668) as a result of less investment in cashable GIC's during the current period.

### **Three months ended November 30, 2016 Compared to Three months ended November 30, 2015**

For the three months ended November 30, 2016, the Company had a net loss of \$1,328,223 compared to a net loss of \$2,623,100 in the comparative period of the prior year. Included in net loss was \$137,845 (2015 - \$161,588) 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 decrease in loss of \$1,294,877 in the three month period of the current year was due to a combination of factors discussed below.

Exploration expenditures of \$576,163 incurred in the current period compared to \$1,104,399 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 offset by an increase in stock-based compensation charges of \$8,886 in the current period compared to \$3,805 in the prior period.

Consulting fees decreased to \$130,396 (2015 - \$150,226) mainly due to decreased stock-based compensation charges of \$67,646 during the current period compared to \$89,476 in the prior period.

Professional fees decreased to \$58,761 (2015 - \$94,248) due to decreased stock-based compensation charges of \$1,578 during the current period compared to \$2,771 in the prior period and a decrease of \$34,294 in legal and accounting fees in the current period compared to the prior period as a result of the Company registering its securities in the United States.

Travel expenses increased to \$65,489 (2015 - \$50,795) due to more conferences were attended during the current period as part of the Company's effort to secure additional financing.

Wages and benefits decreased to \$222,922 (2015 - \$269,705) mainly due to a decrease in stock-based compensation charges of \$42,526 in the current period compared to \$48,972 in the prior period and a decrease of \$40,337 in wages and benefits in the current period mainly as a result of the departure of the former President in the prior year of the comparative period.

Other expense categories that reflected only moderate change period over period were administration expenses of \$92 (2015 - \$1,850), depreciation expenses of \$5,685 (2015 - \$6,498), insurance expenses of \$28,834 (2015 - \$31,129), investor relations expenses of \$194,543 (2015 - \$197,262), office expenses of \$33,228 (2015 - \$30,064), regulatory expenses of \$9,026 (2015 - \$13,004), and rent expenses of \$23,465 (2015 - \$28,132).

Other items amounted to an income of \$20,381 compared to a loss of \$645,788 in the prior period. This was mainly due to the write-off of the Company's interest in the Chisna property of \$677,695 in the comparative period of the prior year. There was a decrease in foreign exchange to a gain of \$10,815 (2015 - gain of \$27,804), which is the result of factors outside of the Company's control and an increase in interest income of \$9,566 (2015 - 4,103) 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 \$5,026,115 as at November 30, 2016 compared to \$4,783,519 as at May 31, 2016. The change in cash position was the net result of \$2,391,251 used for operating activities, \$7,739 used on property and equipment, \$66,876 used on capitalized acquisition costs, \$2,683,446 received from the private placement of common shares in July of 2016 (net of share issue costs) and exercise of stock options during the six months ended November 30, 2016.

As at November 30, 2016, the Company had working capital of \$4,870,893 compared to working capital of \$4,742,321 as at May 31, 2016. 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, 2019. Following May 31, 2019, the Company will need to scale back anticipated activities and costs or raise additional financing to fund operations through the year ending May 31, 2020. The Company's current anticipated operating expenses are \$3,171,000 until May 31, 2017 and \$4,105,000 until November 30, 2017. The Company's anticipated monthly burn rate averages approximately \$529,000 for December 2016 to May 2017, where approximately \$376,000 is for administrative purposes and approximately \$153,000 is for planned exploration expenditures related to the completion of the ongoing Phase II exploration program at the NBP. From December 2016 to November 2017, the Company's anticipated monthly burn rate averages approximately \$342,000, of which \$235,000 is for administrative purposes and approximately \$107,000 is for planned exploration expenditures related to the ongoing Phase II exploration program at the NBP. In any event, the Company will be required to raise additional funds, again through public or private equity financings, prior to the end of September 2019 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 22, 2016, 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 (“JOBS 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, 2016, 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 November 30, 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 November 30, 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 November 30, 2016 that have materially, or are reasonably likely to materially affect, the Company's internal control over financial reporting.