

The following discussion and analysis of the operations, results and financial position of WestKam Gold Corp. (the “Company”) for the nine months ended July 31, 2017 should be read in conjunction with the unaudited financial statements for the nine months ended July 31, 2017, and the notes thereto, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

This Management Discussion and Analysis (“MD&A”) is dated September 28, 2017 and discloses specified information up to that date. The Company is classified as a “venture issuer” for the purposes of National Instrument 51-102. The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) in Canada. Unless otherwise cited, references to dollar amounts are in Canadian dollars.

The Company is a reporting issuer in each of the provinces of British Columbia and Alberta. Its head office and registered office is located at Suite 900 – 570 Granville Street, Vancouver, BC, V6C 3P1.

*We recommend that readers consult the “Cautionary Statement” on the last page of this report.*

### **Description of Business**

The Company was incorporated in British Columbia under the Company Act of British Columbia on October 2, 1984 as Consolidated Goldwin Ventures Inc. and effectively on April 30, 2012 changed its name to WestKam Gold Corp. The Company’s strategy is to identify, acquire, explore and develop precious and base metal deposits amenable to low production costs and high operating margins, focusing on properties with low initial entry costs.

### **Overall Performance and Outlook**

The Company is currently focusing its exploration efforts on the Bonaparte property located in British Columbia, Canada. During the fiscal year ended October 31, 2014, the Company completed the acquisition of its 100% interest in the Bonaparte claims and during the fiscal year ended October 31, 2015, the Company completed a 7-hole drill program to evaluate continuity on the “Discovery Zone Highlights from the 2015 drill program include the discovery of a new vein, 450 metres east of the Crow/Grey Jay/Owl veins of the Discovery Zone (DZ). This new vein discovery from DDH-15-05 assayed 7.88 g/t Gold, (0.253 oz/t Gold), 38.4 g/t Silver, 0.33% Copper and 28.6 g/t Tellurium over 1.0 meters. The Company also identified a large new target area on the Company’s Bonaparte Property some 200 metres from the eastern edge of the original Discovery Zone where they encountered veins in granodiorite with the same type of mineralization as the Discovery Zone. The Company advanced the 2016 work program significantly closer to the bulk sample target zone.

The Company continues to evaluate similar opportunities for base and precious metals projects located in Canada.

### **Company Activity**

During the nine months ended July 31, 2017, the Company raised \$310,000 by way of private placement.

The Company also incurred \$277,230 in exploration expenditures and maintenance costs on its Bonaparte project to continue its bulk sample program.

### ***Bonaparte Gold Property – Kamloops, British Columbia***

In fiscal 2011, the Company acquired a 75% interest in the Bonaparte Gold property located in the Kamloops mining district in British Columbia.

To acquire its 75% interest, the Company paid \$8,001,550, issued 3,250,000 common shares with a value of \$4,750,000, and incurred certain expenditures on the property.

On January 24, 2012 the Company acquired a 100% right to a portion of land adjacent to the Bonaparte property. The rights were received in exchange for settlement of prepaid exploration costs of \$501,627.

In fiscal 2014, the Company entered an option agreement to acquire an additional 17% interest on its existing claims of the Bonaparte Gold property for consideration of 6,500,000 common shares (issued at a value of \$350,000) and payment of \$150,000 in cash (paid).

Additionally, the Company acquired the remaining 8% interest in the Bonaparte Gold property through the issuance of 10,950,000 common shares valued at \$547,500, bringing the Company's interest in the Property to 100% of all claims.

As at July 31, 2017, the Company has issued reclamation bonds of \$40,000 (2016 - \$40,000) for future reclamation work on the Bonaparte Gold property.

## **Results of Operations**

### **Results of Operations for the nine months ended July 31, 2017**

#### Expenses

General and administrative expenses totaled \$696,677 for the nine months ended July 31, 2017 compared with \$691,930 in 2016. Details of the largest changes and significant general and administrative items are as follows:

Consulting fees increased by \$66,558 to \$173,708 from \$107,150, office expenses increased by \$20,176 to \$38,559 from \$18,383 and professional fees increased by \$22,559 to \$31,059 from \$8,500. These increases were offset somewhat by decreases in investor relations and shareholder information by \$68,720 to \$13,095 from \$81,815 and regulatory and filing fees by \$11,240 to \$25,365 from \$36,605. Management fees remained consistent over the prior year. Increases in consulting, office and professional fees, as well as regulatory and filing fees are attributable to increased fees related to completion of potential property and financing transactions.

Net exploration expenses decreased by \$21,292 to \$277,230 from \$298,522 in the same period 2016.

#### **Exploration Expenses**

The Company incurred \$277,230 in net exploration expenses during the nine months ended July 31, 2017 compared with \$298,522 during the nine months ended July 31, 2016, a decrease of \$21,292. The decrease is attributable to a seasonal decrease in exploration activity in the period ended July 31, 2017 over the same period in 2016.

### **Results of Operations for the three months ended July 31, 2017**

#### Expenses

General and administrative expenses totaled \$210,375 for the three months ended July 31, 2017 compared with \$372,672 in 2016. Details of the largest changes and significant general and administrative items are as follows:

Consulting fees increased by \$47,332 to \$75,979 from \$28,647 and office expenses increased by \$9,309 to \$17,932 from \$8,623, however; this was offset largely by decreases to investor relations and shareholder information by \$69,715 to \$4,000 from \$73,715, management fees by \$20,000 to \$35,000 from \$55,000, professional fees by \$500 to \$2,500 from \$3,000 and regulatory and filing fees by \$18,665 to \$4,406 from \$23,071.

**WESTKAM GOLD CORP.**  
**Management Discussion and Analysis**  
**For the nine months ended July 31, 2017**

Net exploration expenses increased by \$107,443 to \$68,328 from \$175,681 in the same period 2016.

**Exploration Expenses**

The Company incurred \$68,328 in net exploration expenses during the three months ended July 31, 2017 compared with \$175,681 during the three months ended July 31, 2016. The difference is attributable to decreased exploration activity in the period ended July 31, 2017 over the same period in 2016.

Selected quarterly financial information of the Corporation for the quarters ended July 31, 2017 is as follows:

**Summary of Quarterly Results**

Quarter Ended	2017 July 31 Q3 \$	2017 Apr. 30 Q2 \$	2017 Jan. 31 Q1 \$	2016 Oct. 31 Q4 \$	2016 July 31 Q3 \$	2016 Apr. 30 Q2 \$	2016 Jan. 31 Q1 \$	2015 Oct. 31 Q4 \$
<b>Revenues</b>								
<b>G&amp;A Expenses</b>	(210,375)	(244,534)	(242,157)	(1,785,282)	(368,206)	(168,826)	(150,632)	(296,283)
<b>Share Based Compensation</b>	-	-	-	-	-	-	-	-
<b>Net Loss</b>								
- per share	-	-	-	-	-	-	-	-
- per share (diluted)	-	-	-	-	-	-	-	-
<b>Total Assets</b>	\$14,523,641	\$14,502,441	\$14,606,220	\$14,708,404	16,312,600	14,680,641	14,712,921	14,457,971
<b>Liabilities (Long Term)</b>	-	-	-	-	-	-	-	-
<b>Cash Dividends</b>	-	-	-	-	-	-	-	-
<b>Working Capital (Deficiency)</b>	(363,988)	(458,990)	(222,744)	59,992	1,288,984	(297,763)	(342,739)	(714,651)
<b>Share Capital:</b>								
<b>Authorized</b>	Unlimited							
<b>Outstanding</b>	213,442,707	197,942,707	197,942,707	197,942,707	176,182,409	176,182,409	118,134,910	100,234,910
<b>Warrants</b>	135,320,165	119,820,165	122,436,831	122,436,831	123,78,831	126,055,798	67,658,299	49,758,299
<b>Options</b>	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000

**Liquidity**

At July 31, 2017, the Company had current assets of \$135,545, of which \$73,683 was comprised of cash and cash equivalents. Current liabilities totaled \$499,533 and consisted of trade payables and reclamation obligations.

Total working capital as at July 31, 2017 was a deficiency of \$363,988. The Company continues to assess funding opportunities to address its ongoing financial obligations and for exploration programs on its property.

### **Capital Resources**

The Company plans to continue its participation in the Bonaparte project discussed above. The Company expects to finance expenditures on these projects through the sale of common shares by way of equity financings, and through the exercise of warrants and stock options.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Related Party Transactions**

Amounts owing to related parties consists of \$nil (2016 - \$nil).

### **Related Party Transactions – Key Management Compensation**

During the period, \$90,000 (2016 - \$90,000) was paid or accrued to a company controlled by the President, Matt Wayrynen, for services as director and officer of the Company, and \$45,000 (2016 - \$45,000) was paid or accrued to the CFO, Pamela Saulnier, for services as an officer of the Company.

### **New standards, amendments and interpretations not yet effective:**

A number of new standards, amendments to standards, and interpretations are not yet effective and have not been applied. None of these is expected to have a material effect on the financial statements of the Company.

### **Effective for annual periods beginning on or after January 1, 2018:**

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

### **Effective for annual periods beginning on or after January 1, 2019:**

IFRS 16, Leases. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

## **Financial Instruments and Risk Management**

### **Fair values**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2 - inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace; and,
- Level 3 - inputs to the valuation methodology are not based on observable market data.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, accounts payable and accrued are measured at amortized cost using effective interest rate.

### **Financial instrument risk exposure and risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

### **Credit risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company considers its current liabilities to be aged as follows:

### **Interest rate risk**

The Company has cash balances. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

### **Foreign currency risk**

The Company has limited exposure to foreign currency risk on currency fluctuations related to monetary items with a settlement currency other than Canadian dollars.

### **Commodity price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Other**

#### **Outstanding Share Data as at September 28, 2017**

- (a) Authorized – unlimited common shares without par value.
- (b) Issued and Outstanding Capital as of July 31, 2017 and September 28, 2017: 213,442,707 common shares
- (c) Summary of options outstanding:

<b>Exercise price</b>	<b>Expiry date</b>	<b>Number outstanding</b>	
\$0.05	Aug. 21, 2019	4,300,000	
\$0.05	Weighted average	4,300,000	Total

(d) Summary of Warrants outstanding.

Exercise price	Number outstanding	Expiry date
\$0.10	10,626,000	July 26, 2018
\$0.10/\$0.20 <sup>(i)</sup>	3,300,000	July 26, 2018
\$0.07/\$0.10 <sup>(ii)</sup>	3,008,333	August 21, 2019
\$0.10	656,000	August 21, 2019
\$0.05	15,500,000	May 16, 2020
\$0.05	16,300,000	June 17, 2020
\$0.05	570,000	June 17, 2020
\$0.05	17,900,000	Jan. 27, 2012
\$0.05	59,697,499	Apr. 29, 2021
\$0.05	7,762,333	May 16, 2016
135,320,165		

<sup>(i)</sup> the exercise price of the warrants is \$0.10 in the first three years, and \$0.20 thereafter  
<sup>(ii)</sup> the exercise price of the warrants is \$0.07 in the first two years, and \$0.10 thereafter

### Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company assessed the design of the internal controls over financial reporting as at July 31, 2017 and concluded the following:

- a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and
- b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken steps to mitigate these risks by hiring additional personnel, consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary.

There have been no changes in the Company's internal controls over financial reporting that occurred during the period ended July 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

### Management Responsibility for the Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

**Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Cautionary Statement**

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of September 28, 2017. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.