

**SHOSHONI GOLD LTD.**  
**For the six months ended August 31, 2017**  
**Management's Discussion and Analysis**

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**Date**

This discussion and analysis of financial position and results of operations is prepared as at October 30, 2017. The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overview**

The Company is incorporated under the Company Act of British Columbia, and extra-provincially registered in the Northwest Territories. Its principal activities are the exploration of resource properties. The Company has interests in a gold property in the Yukon Territory. The Company's property is currently at the "exploration stage". At this time the Company has no production from its mineral interests.

**Selected Annual Information**

	<b>Year Ended February 28, 2017</b>	<b>Year Ended February 29, 2016</b>	<b>Year Ended February 28, 2015</b>
Total Revenue	\$ Nil	\$ Nil	\$ Nil
Operating loss:			
Total for the year	2,461,242	223,045	124,660
Per share (basic & diluted)	0.33	0.00	0.00
Net loss or (income):			
Total for the year	2,461,242	223,045	124,660
Per share (basic & diluted)	0.00	0.00	0.00
Working capital (deficiency)	(345,026)	(437,003)	(233,830)
Total assets	25,051	2,294,891	2,323,107
Resource property costs	1	2,271,720	2,290,730

Losses for the last three years have ranged from a low of \$124,660 in fiscal 2015 to a high of \$2,461,242 in the 2017 fiscal period. The fluctuations have been caused mainly by the differences in the amounts of asset retirement obligations, the write down of exploration and evaluation assets and the recovery of exploration tax credits. The write down in the 2016 fiscal year was primarily due to the write down of the ZPG property. The large write down in the 2017 fiscal year was due to the write down of the Kirkland Creek property.

The working capital deficiencies for 2015, 2016 and 2017 were due to the difficulties in raising venture capital for equity financing in the current market conditions during the period.

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**Results of Operations**

*Results of Operations for the three months ended August 31, 2017 and August 31, 2016:*

The Company incurred a net loss of \$22,780 for the three months ended August 31, 2017 compared to a net loss of \$56,976 for the three months ended August 31, 2016. The decrease is a result in a reduction of consulting fees in the current year. Consulting was greater in the prior year as the Company was evaluating a potential transaction. The Company has managed to keep costs consistent between periods and conserve cash while decisions on future exploration are being completed.

**Summary of Quarterly Results**

The following table sets out financial information for the Company for each of the last eight quarters summarized in accordance with IFRS.

Quarter Ended	Aug. 31, 2017 \$	May 31, 2017 \$	Feb 28, 2017 \$	Nov 30, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(22,780)	(26,508)	(2,331,964)	(45,378)
Loss per share	(0.00)	(0.00)	(0.31)	(0.01)
Quarter Ended	Aug 31, 2016 \$	May 31, 2016 \$	Feb 29, 2016 \$	Nov 30, 2015 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(56,976)	(26,924)	(181,796)	(4,090)
Loss per share	(0.01)	(0.01)	(0.06)	(0.00)

**Liquidity**

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company has issued common share capital in past years, pursuant to private placement financings and the exercise of warrants or options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to equity funding.

The Company's cash on hand decreased to \$1 at August 31, 2017 from \$460 as at February 28, 2017. The Company had a working capital deficiency of \$392,064 as at August 31, 2017 compared to a working capital deficiency of \$345,026 as at February 28, 2017.

The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit. The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations. At May 31, 2017, the Company had recorded Asset Retirement Obligations in the amount of \$16,825 for the Sunrise Natural Gas property for which a bond has been posted with the BC Government.

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**Resource Properties**

**Kirkland Creek Property**

The Company has negotiated the purchase of the Kirkland Creek Property, located 120 kilometers northwest of Whitehorse, Yukon, in the Ashihik Lake region. The property originally was comprised of 144 claims totaling approximately 7,300 acres. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor will retain a 3% net smelter royalty ("NSR") on any mineral production from the property. The Company has the right to purchase up to 2% of the 3% NSR for \$1,000,000 per percentage point. On May 7, 2007, the Company announced that it had expanded the property by staking an additional 36 claims (1,830 acres) adjoining the original 144-claim block. The Company has allowed some of the claims it considers to be of lesser importance to lapse. The Kirkland Creek property now consists of 40 contiguous claims.

During the year ended February 28, 2017, as a result of applying IFRS 6, the Company has been forced to write down this property by \$2,296,719 to a nominal amount of \$1 as a result of not meeting the criteria for expenditures on the property. Under IFRS 6 where substantial expenditures are neither budgeted nor planned there is an indicator of impairment, and where fair value cannot be determined the property is written down to a nominal amount.

**Reclamation Bond**

The bond posted during fiscal 2008 by the Company in anticipation of the drilling on the Sunrise Natural Gas Lands is still held in trust for the Company until such time as any required reclamation has been completed, during fiscal 2017 \$Nil (2016 \$Nil) was returned to the Company. The funds do not bear interest and fair value is not readily determinable.

**Transactions with Related Parties**

The following amounts were paid or accrued to directors or companies controlled by directors of the Company for services provided for the years ended May 31, 2017 and May 31, 2016:

	<u>2017</u>	<u>2016</u>
Accounting and legal fees	\$ 4,500	\$ 4,500

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due to directors and former directors of the Company as at August 31, 2017 of \$67,689 (February 28, 2017 - \$67,689) were included in accounts payable and accrued liabilities. Amounts due to related parties do not bear interest, are unsecured and are classified as current due to their nature and expected time of repayment.

Advances received from directors as at August 31, 2017 of \$37,812 (February 28, 2017 - \$37,812) includes an amount of \$4,065 (2017 - \$4,065) which bears interest at 10% per annum and was repayable in full on

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December 16, 2014, \$102 of interest (2016 - \$102) has been accrued as at year end. Other loans from Directors bear no interest and have no fixed repayment dates.

**Off Balance sheet Arrangements**

As of the date of this management discussion, the Company has no such arrangements.

**CRITICAL ACCOUNTING ESTIMATES**

This section is not required as the Company is a Venture Issuer as the term is defined in National instrument 51-102.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company holds financial instruments, as the term is defined in National Instrument 51-102F1 paragraph 1.14, consisting of cash, reclamation bonds, accounts payable and accrued liabilities, loans payable, and advances from directors.

**SIGNIFICANT ACCOUNTING POLICIES**

*Deferred mineral property costs*

The Company currently capitalizes all exploration costs incurred until the date of establishing that a property has mineral resources with the potential of being economically recoverable. Under IFRS, development costs incurred subsequent to this date are capitalized until such time as the projects are brought into production or are deemed economically unfeasible. Under IFRS, deferred exploration and evaluation costs can be recognized at cost or at fair value. The Company has elected to use the cost method and not the revaluation method due to the difficulty in determining accurate fair value information and the effort required to continually monitor fair values.

**Disclosure of Outstanding Share Data**

The following details the share capital structure as of the date of this MD&A, October 30, 2017.

	Expiry date	Exercise price	Number	Number
Common shares				9,006,105
Share purchase options				None
Share purchase warrants	June 6 – 28, 2019	\$0.05		5,918,000