

**Klondike Silver Corp.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year ended May 31, 2018**

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**For the year ended May 31, 2018**

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the financial statements of Klondike Silver Corp. (“Klondike Silver” or the “Company”) for the year ended May 31, 2018 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) annual reporting period.

The Company’s 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 upon obtaining additional financing. While the Company is extending its best efforts in this regard, the outcome of these matters cannot be predicted at this time, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

This MD&A has been prepared as of September 26, 2018. All amounts are expressed in Canadian dollars unless otherwise stated.

**Forward Looking Information**

This MD&A includes some statements that may be considered “forward-looking statements”. All statements in this discussion that address the Company’s expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

**Risks and Uncertainties**

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company’s exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

**Financing**

The Company’s future financial success depends on the ability to raise additional capital from the issue of shares or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any mineralization potentially discovered by the Company is largely dependent upon factors beyond the Company’s control, such as the market value of the products produced.

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**General Resource Exploration Risks and Competitive Conditions**

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets, processing equipment, changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well as for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

**Governmental Regulation**

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

**Company Overview**

Klondike Silver is a Canadian listed public company with its shares traded on the TSX Venture Exchange under the symbol "KS" as a Tier 2 company.

The Company is a resource exploration stage company engaged in the acquisition and exploration of mineral properties. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issuance of shares from the treasury to investors and does not use long term debt. Once a body of commercial ore is found, the Company may offer to a major mining company the opportunity to acquire an interest in a property in return for funding by the major mining company, of all or part of the exploration and development of the property. The Company currently has no revenues from mineral producing operations and holds properties in British Columbia, Yukon and Ontario.

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company's website at [www.klondikesilver.com](http://www.klondikesilver.com).

**Overall Performance**

Acquisition and exploration expenses during the year ended May 31, 2018 were \$796,612 (May 31, 2017 - \$335,079). Exploration and evaluation asset expenditures during the period were primarily due to \$502,038 of mapping and sampling on the Slocan and Sandon BC claims.

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***Property Summaries and Exploration Updates***

***British Columbia Properties***

***Slocan Silver Camp***

The Slocan Silver Camp is centered around the historic town of Sandon, located 50 kilometres northwest of Nelson in south-eastern, British Columbia. Sandon is 14.5 kilometres east of New Denver and year round access is gained via an all-weather gravel road branching off Highway 31A.

Klondike Silver's claims in the Slocan Camp cover an area of approximately 100 square kilometers and include many of the historical past-producing silver-lead-zinc prospects of the camp, including the Silvana Mine. The Slocan Camp includes a fully operational 100 tonne per day mill situated at Sandon. The claims include legacy claims, crown-granted claims, and recently acquired or converted mineral claims. Not all of the ground within the Camp is held by Klondike Silver and not all claims are contiguous

The area around Sandon has been divided into distinct areas for exploration, which include the Wonderful property around the town of Sandon, the Payne Mine area to the north, to the far northeast, the Jackson Basin exploration area and the Hewitt-Van Roi camp southwest of Sandon. Additionally, the Rambler property, situated between the Payne and Jackson areas, the Silverton Creek and Sandon Peak properties on the south slope of Silver Ridge and the Mt. Con property are in early stages of exploration.

The central area of the Sandon camp, includes one of the largest past producing mines in the region as well as numerous smaller past producers, and has been the focus of much of Klondike Silver's surface and underground exploration for the past several years. In the fall of 2007 the Company started rehabilitated old underground workings at its Silvana Mine and the Wonderful Mine, both located within five kilometres of the Company's Sandon mill.

**Silvana Mine**

The principal source of the Slocan Camp's historic silver-lead-zinc production comes from the Main Lode structure which is more than 8 km long, extending from Silverton on Slocan Lake to Sandon in the east through the 'Silver Ridge' of the Selkirk Mountains. The Silvana production came from less than 1.5 km of the Main Lode. The Company holds approximately 1.5 km of the ground to the west of this productive zone, to within 0.5 km of the Mammoth Mine.

About 1.5 million tons of ore was locally processed or direct-shipped from these historic operations. Total recovered production to 1964 from the western segment was 9.5 million ounces of silver, 45,000 tons of lead and 60,000 tons of zinc. The eastern segment yielded approximately 9 million ounces of silver, 43,000 tons of lead and 13,000 tons of zinc. Almost all of this recovered production came from a zone within the Main Lode lying roughly between 1,200 m and 1,700 m elevation. The central unexplored portion of this prospective deep zone passes for 4 km beneath 1,500 m to nearly 2,400 m approximate elevations of the steep-sided Silver Ridge. This area received initial underground exploration westerly from the Silversmith Mine area in the late 1940s by the Kelowna Exploration Company using a program of lateral drift mining and diamond drilling.

This section was explored, developed and mined by Silmonac's successors (including Kam-Kotia Mines Limited, Silvana Mines Inc., Dickenson Mines Limited and Tremenco Resources Ltd.) almost continuously from 1970 to 1993. Historic production is about 8 million ounces of silver and over 30,000 tons each of lead and zinc from some 550,000 tons of mill feed, representing 30% of the area's silver and 25% of its lead production. This makes the Silvana operation the second largest single producer of silver and lead in the Slocan camp after the Standard Mine. It should be noted that the silver-to-lead ratio from Silvana production was higher than production from the Standard Mine, an enhancement that improves the potential economics of Silvana's typical mill feed.

At the Silvana Mine, Company personnel have identified several small but potentially mineable areas beyond the limits of productive former stopes developed in the early 1970s. These areas lie roughly 30 meters or more in

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elevation above the main 4625 Level adit access. Detailed re-examination of historic records (including assays from diamond drill holes and chip/channel samples) show the possibility of mineralized areas amenable to small-scale mining using best-practice grade control to achieve desired economic returns.

Currently Klondike has chosen to hold off on milling given the current economic situation, in particular the price of Silver. Klondike is focused on exploration of current and potentially new silver deposits to mill once market conditions improve. Klondike will keep up maintenance at the mill to allow for a quick start up once management is satisfied with the potential returns on milling.

The overall work plan includes the replacing of a timbered ore-chute on 4625 Level at the base of the gravity muck pass from 4755 Level, rehabilitating the skipway and manway between the two levels, re-establishing compressed air, water and electrical services and bringing mining equipment up to 4755 Level. The initial test-mining will be by sub-drifting in the Main Lode structure towards the identified areas of interest. Channel and muck sampling will be carried out to identify the best sections for stopping. The muck from the development would be evaluated and stockpiled as appropriate.

In the fall of 2017, Company staff took several chip samples from stope pillars and raises between the 4625 and 4755 level, west end workings of the Silvana Mine. The results are listed below:

Sample #	Silver Oz per Ton	Lead %	Zinc %
1367 - 5480 East Footwall Lateral Drift	41.4	1.5	37.4
1369 - 5480 East Footwall Lateral Drift	23.5	3.1	41.1
1370 - 5480 East Footwall Lateral Drift	96.8	58.6	6.3
1371 - 5480 East Footwall Lateral Drift	54.5	5.6	45.9

Note: 1 troy ounce per short ton (g/t) = 34.2857 grams per metric tonne (g/T)

Company staff also explored the Carnation 5480 level which is the lowest and most easterly of the Carnation workings. Sampling of the footwall Main Lode are listed below:

Sample #	Silver Oz per Ton	Lead %	Zinc %
1675 - 4755 Stope	37.4	16.3	15.3
1676 - 4855 Foot Wall	324.3	23.4	32.6
1677 - 4625 East End	41.5	12.8	24.7
1678 - 4625 West End Raise	226.0	0.6	40.2

Note: 1 troy ounce per short ton (g/t) = 34.2857 grams per metric tonne (g/T)

The high silver assay values with respect to lead assay values in some of the samples are attributed to Pyrargyrite, also known as Ruby Silver rather than Argentiferous Galena. The distance between the western end of the Silvana Mine (4625 West Lateral Drift) and the eastern end of the Carnation workings (Carnation 5480) is approximately 350 meters. The Company's goal is to advance the Silvana 4625 West Lateral Drift and new internal levels and raises to eventually connect to the Carnation 5480. This underground exploration of the Silver Mile" will continue to explore the Main Lode to its property boundary, 1.5 kilometers to the west. A phased program of exploration drifting approximately 75 meters and then exploration drilling short diamond drillholes to intersect the Main Lode will be initiated. The Silvana Mine used this approach very successfully over its 45 years of production. The Company anticipates that this approach will discover new mineralization.

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Wonderful Property

Early work in the Camp going back to 2004, concentrated on the Wonderful property, located a few hundred meters northwest of the Klondike Silver mill. Older geochemical and geophysical surveys (1981) indicated that possible extensions to known veins might exist in this area and subsequently two of the old, caved portals (No. 2 and No. 4), were located and opened by backhoe excavation.

Trenching at the 'A' portal, also known as the McLanders portal, exposed a galena-rich vein through a strike length of approximately 25 meters. The McLanders vein is open at both ends, exposed at the head of a small adit at its east end and buried in overburden at its west end. When the vein was exposed seven samples were taken which returned values with high grade silver (to 4384 g/tonne or 135.8 oz/ton) and lead contents, as well as a high silver to lead ratio which were encouraging and led to further trenching, extending the strike length of the McLanders vein.

Drilling in 2005 confirmed the down-dip extension (to approximately 48 meters) of the McLanders vein, but total sulphide content as well as lead and silver grades were considerably less than those exposed at surface. Mineralization in the McLanders vein is highly variable within the laterally continuous, fault structure, and this feature is common to all vein systems in the camp. Exploration therefore necessitates testing mineralized structures on fairly closely spaced intervals, by both drilling and trenching. Other drill holes, in areas with VLF-EM geophysical anomalies generally intersected fault structures with little or no mineralization. In 2008 samples were taken from the McLanders vein. The vein in this area has been traced up slope for an additional 9 meters of strike length, giving a total vein exposure of 33 meters. Five grab samples taken from the exposed portion of the vein have been assayed with the following results:

Sample	Pb %	Zn %	Ag oz/t	Type
1	79.93	0.80	197.6	rock subcrop
2	75.37	1.50	117.2	rock subcrop
3	44.72	2.28	63.1	rock subcrop
4	67.51	2.21	161.4	rock subcrop
5	71.10	3.11	113.2	rock subcrop

During 2007 the Company completed the rehabilitation of the underground workings of the No. 4 level, with raise development and the rehabilitation of the No. 3 level completed in the summer of 2008. Mapping and chip sampling of the raise and rehabilitated No. 3 level were completed in September 2008.

Twelve sample sections were taken along the length of a raise (the connecting shaft between two levels) driven from the lowest No. 4 level (1144m elevation) up to the No. 3 level (1192m elevation). The raise follows a mineralized vein on the Wonderful system across all lithologies for a length of 54.5m at 49° and connects with the mineralization on the No. 3 level. The raise confirms connectivity of 53m of the mineralized vein on the No. 4 level with 152m of vein mapped 48m higher on No. 3 level. Eighteen sample sections were taken from the No.3 level with both the raise and the No. 3 level geology showing the same trend. Results of all 30 samples are discussed in a press release dated December 8, 2008.

Payne property

Exploration of the Payne property, located on the slopes and ridges north of Carpenter Creek, was restricted to a reconnaissance soil survey in 2007. The soil grid was extended to the north in 2008, and several anomalous areas recognized from the 2007 survey required infill lines and sampling. In 2009, an anomalous zone of lead and silver soil geochemistry was targeted for further exploration. The zone was located to the west of the Payne mine and was thought to be an extension of known mineralization to the southeast. Magnetics and electromagnetic surveys were conducted in the area followed by 500m of trenching. Vein exposures in the trenches were limited to discreet narrow veins with only slight alteration. Host rock competency is low in the area, and northwest trending fault structures are common, neither conducive to hosting mineralization. However, a rock unit similar to that hosting the Payne mine is only 100m to the northeast and along strike with the veins discovered in trenching.

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In 2010 the Company focused its efforts on a second anomalous zone on the Payne property. The zone was first explored by prospecting and geological mapping followed by 350m of trenching.

*The Jackson basin*

The Jackson basin, located in the northeastern part of the Slocan Silver Camp, is centered on several small, but reportedly high grade northeast-trending veins. Known BC Minfile deposits and occurrences include the Jackson, Corrigan, Towser and Zuni and prospecting by Klondike Silver discovered a new vein, or extension of a known vein, located in the northwestern part of the area.

Exploration in 2007 included extending an earlier soil grid, and trenching one of the known occurrences, Stenson, (which contained grab samples with up to 53 oz/ton silver) with only limited success. A subsequent ground geophysical survey demonstrated more clearly the trend of this vein. Soil sampling in the Jackson basin was completed in 2008, and a ground geophysical survey was extended between the known occurrences along areas marked by prominent airborne linears.

During 2009 the Company received assays for a number of samples taken from 10 trenches. The trenching uncovered a 20cm diameter boulder in Trench 3 of mainly galena which contained 72.42% Pb, 2.41% Zn, 2895g/tonne Ag. Trench 5 had a fault zone with samples assaying up to 17.59% Pb, 1.12% Zn, 687g/tonne Ag. Mineralized quartz veins were discovered in 5 of the 10 trenches.

Based on known showings, and projected trends of lode structures, an exploration program was conducted in the northern part of the basin, referred to as the Stenson Property, in the 2010 field season. Past soil and geophysical surveys on the Stenson by Klondike Silver confirmed the east to north-easterly trend of Stenson mineralization, helping direct a trenching program which exposed a silver-lead-zinc vein. Analyses of selected samples of the vein returned values up to 53 oz/ton Ag, 6.38% Pb and 10.49% Zn. Future exploration is intended to focus on the western slopes of Stenson Creek and include some fill-in soil geochemical and geophysical surveys followed by trenching in an attempt to expose the mineralized structure.

*Hewitt-Van Roi area*

The Hewitt and Van Roi mines, in the southern part of the Slocan Silver camp, have produced more than 146 million grams (5,149,998 ozs) silver, 10,800,000 kg (23,809,924 lbs) lead and 9,370,000 kg (20,657,313 lbs) zinc. The 2008 exploration program included a regional soil survey to the west of the two past producing mines, additional prospecting and both reconnaissance and detailed geological mapping. In 2009 infill soil geochemistry and geophysics were conducted to identify targets for diamond drilling which was carried out in the fall of 2009. Early in 2010 the company contracted an Induced Polarization survey which identified two excellent targets for a second phase of drilling, one of which is on strike with the past producing mines.

Ministry of Energy and Mines Request and Update

The Ministry of Energy and Mines for the province of British Columbia (MEM) completed a site inspection at the Sandon Mine site outlining a few issues needing addressing. The Company has engaged the Engineering firm Golder Associates Ltd. (Golder) to complete inspection reports related to the Underground Mining Structure's and Tailings Storage Facilities. This work included an update to the current Operation, Maintenance and Surveillance manual; an update to the Emergency Preparedness and Response Plan; completion of the Annual Dam Safety Inspection report; and appropriate design and construction of armouring along Carpenter Creek to protect these structures. The Company has received some reports from Golder and has received a proposal to complete the outstanding Ministry requests. The Golder proposal summarizing this work has been submitted to MEM.

**Yukon Property**

Klondike Silver's Stump claims in the Yukon are in good standing to February 4, 2022

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**Ontario Properties**

The Haultain and Milner properties were each written down at May 31, 2012 to a nominal value of \$1 and written off at February 28, 2017.

The Company currently holds 17 claims in the Horwood township of the Porcupine Mining Division, Ontario. Claim expiry dates range from December 2018 through September 2022.

**Results of Operations, year ended May 31, 2018**

For the year ended May 31, 2018, the Company had a net loss of \$1,215,161 (May 31, 2017 - \$1,034,855). The significant differences between the two periods include:

- An increase in compensation and consulting to \$339,634 (May 31, 2017 - \$266,110) due to the charges by an officer of the Company and increased rates to salaried staff in the current year.
- An increase in office, rent and miscellaneous to \$140,665 (May 31, 2017 - \$93,750) due to increase in insurance at the mill site and increase in rent for the head office in the current year.

**Selected Annual Information**

Canadian Dollars	Year ended May 31, 2018	Year ended May 31, 2017	Year ended May 31, 2016
Net loss and comprehensive loss			
In total	\$ (1,215,161)	\$ (1,034,855)	\$ (218,217)
Per share (basic and diluted)	\$ (0.01)	\$ (0.01)	\$ (0.00)
Total assets	\$ 11,669,054	\$ 11,575,284	\$ 11,023,489
Exploration and evaluation assets	\$ 11,166,094	\$ 10,368,482	\$ 10,033,404
Working capital (deficiency)	\$ (370,859)	\$ 243,069	\$ (241,550)
Common shares	132,831,893	111,833,893	62,805,059

**Summary of Quarterly Results**

The following table sets forth selected quarterly financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars.

Quarter Ending	Other Income / (Expense)	Net Loss	Net Loss per Share
May 31, 2018	\$ Nil	\$ 210,180	\$ 0.00
February 28, 2018	Nil	536,194	0.01
November 30, 2017	Nil	249,760	0.00
August 31, 2017	Nil	219,027	0.00
May 31, 2017	Nil	257,483	0.00
February 28, 2017	8,998	231,527	0.00
November 30, 2016	Nil	127,339	0.00
August 31, 2016	3,761	418,506	0.01

**Off Balance Sheet Arrangements**

At May 31, 2018, the Company did not have any off balance sheet arrangements to disclose.

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**Liquidity and Capital Resources**

The Company has financed its operations primarily by the issue of share capital and loans from related parties.

The continued operations of the Company are dependent on its ability to complete sufficient public equity financing, or generate profitable operations in the future.

The Company had working capital (deficiency) of \$370,859 at May 31, 2018 (May 31, 2017 - \$(243,069)). The Company does not have sufficient working capital to meet its obligations for the next twelve months.

The Company's capital needs in the current and previous years have been met by the following equity financings:

Year ended May 31, 2018:

In January 2018, the Company closed a private placement tranche for total proceeds of \$500,000. The terms were: 10,000,000 units at a price of \$0.05 per unit. All units consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share for five years at a price of \$0.05 per share. The Company paid finders fees of \$32,700 relating to this private placement tranche

In December 2017, the Company closed a private placement tranche for total proceeds of \$500,000. The terms were: 10,000,000 units at a price of \$0.05 per unit. All units consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share for five years at a price of \$0.05 per share. The Company paid finders fees of \$50,000 relating to this private placement tranche.

During the year ended May 31, 2018, 998,000 warrants were exercised for cash proceeds of \$62,860.

Year ended May 31, 2017:

In January 2017, the Company closed a private placement for total proceeds of \$1,300,000 in two tranches. The terms of the initial \$1,000,000 tranche was: 20,000,000 units at a price of \$0.05 per unit. All units consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share for five years at a price of \$0.05 per share. The terms of the second tranche in the amount of \$300,000 was: 6,000,000 units at a price of \$0.05 per unit. 5,600,000 of these units are flow-through. All units (flow-through or non flow-through) consist of one common share and one non flow-through share purchase warrant entitling the holder to purchase one additional common share for five years at a price of \$0.055 per share. The Company paid finders fees of \$115,000 relating to this private placement.

In June 2016, the Company closed a private placement for 20,166,667 non flow-through units at a price of \$0.03 for total proceeds of \$605,000. All units consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share for four years, at a price of \$0.05 per share. The Company paid finders fees of \$54,300 relating to this private placement.

During fiscal 2017, 2,862,167 options and warrants were exercised for 2,862,167 common shares, with exercise prices ranging from \$0.05-\$0.07, for cash proceeds of \$161,893.

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**Transactions with Related Parties**

Due to Related parties consisted of the following\*:

	May 31 2018	May 31 2017
Due to Directors, Officers and Spouses	\$ 509	\$ 889
Due to Company controlled by a Director	2,329	-
	\$ 2,838	\$ 889

\* Unsecured, non-interest bearing, with no fixed terms of repayment.

Other Related Party Transactions

The Company entered into the following transactions and had the following balances payable with related parties. All related party transactions were measured at the amount of consideration established and agreed to by the related parties.

- a) The Company was charged \$120,000 (2017 - \$102,500 by one officer and \$Nil (2017 - \$1,500) by another officer for services to the Company.
- b) Share-based payments of \$324,000 were attributable to directors and officers (2017 - \$299,900) using the Black-Scholes option pricing model.
- c) The Company was charged \$32,500 (2017 - \$20,000) by an officer for rent.
- d) The Company was charged \$9,234 in professional fees (2017 - \$12,194) by a company controlled by a director.

**Provisions, Contingent Liabilities and Contingent Assets**

Under IFRS, restoration provisions are measured at the inflation adjusted present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability.

**Financial Instruments and Other Instruments**

Financial instruments are exposed to commodity price risk, liquidity and market risks.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations. Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of Company's business is in exploration.

Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes the Company manages its liquidity requirements

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based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year. During the past year the Company has been able to maintain its liquidity through private placements.

**Outstanding Share Data as of the date of this report:**

The authorized share capital consists of an unlimited number of common shares.

**Common shares** – 149,631,893 common shares were issued and outstanding.

**Warrants** - The Company has the following warrants outstanding:

TOTAL NUMBER OF WARRANTS	EXERCISE PRICES	EXPIRY DATES
4,900,000	\$ 0.07	November 16, 2019
18,400,000	\$ 0.05	June 2, 2020
19,850,000	\$ 0.05	January 31, 2022
5,800,000	\$ 0.055	January 31, 2022
10,000,000	\$ 0.05	December 1, 2022
10,000,000	\$ 0.05	January 24, 2023
16,800,000	\$ 0.05	September 7, 2023
<u>75,750,000</u>		

**Options** – The Company has the following options outstanding:

TOTAL NUMBER OF OPTIONS	EXERCISE PRICES	EXPIRY DATES
275,000	\$ 0.065	April 23, 2019
150,000	\$ 0.07	June 29, 2019
500,000	\$ 0.10	March 25, 2020
2,625,000	\$ 0.05	June 21, 2021
350,000	\$ 0.055	December 19, 2021
50,000	\$ 0.10	April 24, 2022
6,970,000	\$ 0.06	January 13, 2023
<u>10,920,000</u>		

**Investor Relations**

Paradox Public Relations has been contracted by the company to provide investor relations services. Paradox's focus is on developing and expanding the Company's communications with the investment community through a comprehensive investor relations program.

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**Disclosure Controls and Procedures**

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s IFRS. The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.