



**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
FOR THE TEN MONTH PERIOD ENDED
DECEMBER 31, 2016**

THIS MD&A IS DATED APRIL 18, 2017

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Barkerville Gold Mines' ("Barkerville" , the "Company", "we", BGM, or "our") consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise noted. The Management Discussion and Analysis has been prepared as of April 18, 2017 and includes certain statements that may be deemed "forward-looking statements". Investors are directed to the section "Forward Looking Statements" included within this MD&A.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, prices of gold, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

About Barkerville

Barkerville Gold Mines Ltd. is engaged in the exploration and production of precious metals from mineral tenures located in the Cariboo Mining District in east-central British Columbia. The Company presently controls 211,900 hectares of mineral tenures, including three historic groups of contiguous Crown-Granted mineral claims, namely the Cariboo Gold Quartz Group, Island Mountain Group, and Mosquito Creek Group. This large block of contiguous mineral tenures is roughly centered around the Town of Wells, which is located approximately 85 km east of Quesnel, British Columbia. This contiguous block represents about 75% of the complete mineral tenures package. The Company's QR Mine & Mill are located approximately 58 km southeast of Quesnel, on a separate group of mineral tenures. Outside of these areas, the company has a further 5 blocks of mineral tenures located in and around these two areas. These areas were acquired by staking in late 2015 based on regional target generation completed in 2015. The mineral tenures encompass seven past producing hard rock mines, including the QR Mine & Mill.

The Cariboo Gold Belt has had a rich and extensive history starting with the discovery of placer gold in the 1860's. Recorded production from the Company's property and surrounding area is approximately 3.2 million ounces of placer gold and 1.3 million ounces of lode gold averaging 0.40 oz/t gold from mainly mesothermal quartz vein mineralization, and 0.60 oz/t from sulphide replacement style mineralization. Mining of these deposits took place during the periods 1933 to 1967 and 1983 to 1987.

The company has a two staged business plan based on existing resources at the Bonanza Ledge mine and the larger exploration potential of the Cariboo District.

On April 4, 2017 The Company announced that it has successfully completed the permit amendment process required by the Mines Act (British Columbia), and has received the required permits to begin the development and mining of the Bonanza Ledge Deposit on Barkerville Mountain near Wells, British Columbia. Mine development is expected to begin immediately, with processing of the mineralized material expected to occur approximately three months thereafter. Bonanza Ledge mineralized material will be processed at BGM's 100% owned QR mill facility located 110 kilometres from the deposit by road. The mill and tailings facilities are currently permitted and operational. The Bonanza Ledge mine is permitted to produce up to 150,000 tonnes per year.

This initial production is important to the Company's growth plan in the Cariboo Gold Project. In addition to generating positive cash flow, this underground operation allows BGM to train a local workforce and gain expertise in mining and processing in the district. This experience will assist in the development of other deposits in the camp and the eventual construction of a new centrally located processing facility. In conjunction with this production, BGM's aggressive exploration program continues and will eventually lead to a property scale mineral resource estimate. The short term objective is to reinitiate mining via underground methods from Bonanza Ledge and then add further production life from mineralization identified nearby on the BC Vein.

The long term objective is to develop the other targets in the Wells - Barkerville area and a new near site ore processing facility that would accommodate a more robust, long life mine with a capacity and quality which would create significant returns for all shareholders and stakeholders. The company has a present intention to release a new resource statement in late 2017 that would be the basis for a feasibility study for this objective.

On March 27, 2017 the Company announced that it had entered into a letter agreement with Osisko Gold Royalties Ltd. whereby Osisko has agreed to purchase an additional 0.75% net smelter return ("NSR") royalty on the Cariboo Gold Project for a cash consideration of \$12,500,000 (paid). Currently Osisko's owns a total NSR royalty of 2.25%. The grant of the additional royalty will cancel Osisko's royalty right which was granted pursuant to the investment agreement between Osisko and Barkerville dated February 5, 2016, however, Osisko will retain a right of first refusal relating to any gold stream offer received by Barkerville with respect to the Cariboo Gold Project.

On April 19, 2017, the Company had entered into a Mining Claim Acquisition Agreement pursuant to which Barkerville has agreed to acquire a 100% interest in the Yanks Peak Claims comprised of 10 mineral claims located in the Cariboo Mining District, British Columbia, in exchange for (a) an aggregate of CDN\$50,000; and (b) an aggregate of 250,000 common shares of Barkerville issuable to the vendors of the claims.

Review of Operations

Exploration in 2017 thus far saw exploration drilling on the BC Vein, Cow Mountain and Island Mountain as well as grade classification of the PAG (Potential Acid Generating) waste pile which was a result of previous mining at Bonanza Ledge. Regionally, an extensive soil sampling and prospecting program focussed on the tenement package along the main trend of known mineralization and historic occurrences over a 60 km strike length. This work was supported by an airborne magnetics and electromagnetic (VTEM) geophysical survey. The season's work identified 131 new targets for follow up in 2017 and 2018. General prospecting work was also carried out on the QR block and results are pending. Positive drill results were obtained from all targets and higher degree of the understanding of the controls on the predominantly Jurassic aged mesothermal vein and replacement mineralization was achieved. This has allowed BGM's exploration staff to better define areas of potential new mineralization and how to drill more efficiently when converting that mineralization to resources.

The QR Mill remained on care and maintenance with additional upgrades and inspections performed through the end of the third quarter. A survey of the tailings facility at the QR Mill Site verified capacity of approximately 900,000 tonnes, which will be adequate for the short term mining. The Company will amend its existing permit to increase permitted tailings capacity as required.

The Environmental and Sustainability Department oversaw the MAPA (Mines Act Permit Amendment) Application and submission for the change of mine plan for Bonanza Ledge as well as the initiation of work with Golder and Associates on the Cariboo Gold Project Environmental Assessment (CGP EA). This CGP EA work will support our longer term production objective. The CGP EA baseline studies began in May 2016 and will continue through 2017 with the Project Description completion set for Q3 of 2017. The remediation and clean up of historic production sites carried on through the year and improvements were made to water quality monitoring and tailings facilities. First Nations engagement with Lhtako Dene First Nation resulted in a signed *Engagement Protocol Agreement* and a pending *Relationship/Exploration Agreement*. Engagement has also begun with Xat'sull First Nation. BGM currently employs First Nations members as well as permanent residents of Wells. Community partnerships were also built in 2016 and include: the donation of equipment and manpower to Barkerville Historic Town to help with their seasonal expansion project; the donation of the Cariboo Gold Quartz Headframe to the District of Wells as an observation tower; and, working with the Wells and Area Trails Society and the Wells ATV Club to complete the ATV trail network connecting Prince George to Kamloops. Community engagement in Wells has resulted in increased support from community members for BGM's ongoing activities and an open dialogue to address concerns that are raised.

Results of Operations

Four months Ended December 31, 2016 compared to the Three Months ended February 29, 2016:

The Company reports a net loss of \$24,071,874 during the four month period ended December 31, 2016 as compared to a net loss of \$1,267,135 during the fourth quarter of the comparative year comprising the three month period ended February 29, 2016. Overall, this represents a higher net loss of \$22,804,739.

The variances between the two periods was primarily due to the fourth quarter of the current year comprising four months as compared to three months in the prior year and also due to the following items:

- (i) Decrease of \$1,047,985 in mine operating loss from a loss of \$1,697,767 during the three month period ended February 29, 2016 to a loss of \$649,782 during the four month period ended December 31, 2016. The Company ceased milling operations in February 2015, as such, the Company did not record any revenue in the four month period ended December 31, 2016 and incurred \$649,782 in mine operating costs which represent care and maintenance costs and upkeep on the mine.
- (ii) Increase of \$2,717,072 in exploration expenses from \$4,935,249 during the three month period ended February 29, 2016 to \$7,652,321 during the four month period ended December 31, 2016. The increase is due primarily to a drill program initiated in the later part of the prior fiscal year and continuing into the current quarter, with the resulting expenditures of \$2,601,455 as compared to \$1,966,391 in the comparable period. Employee salaries and benefits increased in correlation with the exploration program increasing from \$522,746 during the three month period ended February 29, 2016 to \$1,147,445 during the four month period ended December 31, 2016 as did consulting fees increased from \$214,036 during the three month period ended February 29, 2016 to \$785,148 during the four month period ended December 31, 2016. Similarly, assaying costs increased from \$643,282 during the three month period ended February 29, 2016 to \$968,073 during the four month period ended December 31, 2016 and administration increased from \$368,719 during the three month period ended February 29, 2016 to \$1,255,738 during the four month period ended December 31, 2016 fees as these costs supporting the exploration program increased.
- (iii) Increase of \$10,507,888 in evaluation expenses from \$nil during the year ended February 29, 2016 to \$10,507,888 during the ten month period ended December 31, 2016. The increase is due to work on the project which was put on care and maintenance as the Company works towards restarting production. The Company incurred consulting fees related to environmental and permitting work required as the Company works towards restarting mining operations which resulted in an increase in consulting expense to \$2,614,739 for the four month period ended December 31, 2016 (three months ended February 29, 2016: \$nil), office and administration expenses of \$870,617 (three months ended February 29, 2016: \$nil) and employee salaries and benefits of \$1,122,070 (three months ended February 29, 2016: \$nil).

The Company also incurred an expense in the amount of \$5,159,660 (year ended February 29, 2016: \$nil), related to the updated closure plan estimate, see note 17 of the audited financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016 for details.

- (iv) Increase of \$2,170,298 in corporate administration from \$1,662,788 during the three month period ended February 29, 2016 to \$3,833,086 during the four month period ended December 31, 2016. This increase was primarily due to an increase in stock based compensation expense of \$2,637,263 during the four month period ended December 31, 2016 compared to \$101,900 during the three month period ended February 29, 2016. See note 19(b) of the audited consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016 for details on options issued during the periods
- (v) Increase of \$710,249 in finance income moving from an expense of \$71,519 during the three month period ended February 29, 2016 to an income of \$236,874 during the four month period ended December 31, 2016. The increase in income is due to interest income on the various marketable securities held as per note 11 of the audited consolidated financial statements for the ten month stub year ended December 31, 2016 and year ended February 29, 2016.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Ten Month Period Ended December 31, 2016 compared to the Year ended February 29, 2016:

The Company reports a net loss of \$43,947,658 during the ten month period ended December 31, 2016 as compared to a net loss of \$8,059,974 during the year ended February 29, 2016. Overall, this represents a higher net loss of \$35,888,084.

The variances between the two periods were primarily due to the following items:

- (vi) Increase of \$4,540,023 in mine operating loss from an income of \$3,618,565 during the year ended February 29, 2016 to a loss of \$921,458 during the ten month period ended December 31, 2016. The Company did not have any gold sales during the ten month period ended December 31, 2016, as compared to the prior year when the Company sold 8,976 ounces at an average price of \$1,470, totaling gold revenues of \$13,192,311. The Company ceased milling operations in February 2015, as such, the Company did not record any revenue in the ten month period ended December 31, 2016 and incurred \$921,458 in mine operating costs which represent care and maintenance costs on the mine. In the comparable period, cost of sales and direct costs were \$4,934,669 on sales of \$13,192,311 for the year ended February 29, 2016.

Mine operating expenses decreased from \$4,639,077 during the year ended February 29, 2016 to \$921,458 for the ten month period ended December 31, 2016. The decrease is due to the Company putting the mine on care and maintenance as they work to restart operations.

- (vii) Increase of \$6,041,495 in exploration expenses from \$11,743,006 during the year ended February 29, 2016 to \$17,784,501 during the ten month period ended December 31, 2016. The increase is due primarily to a drill program initiated in the later part of the prior fiscal year and continuing into the current quarter, with the resulting in expenditures of \$6,044,348 as compared to \$6,137,256 in the comparable period. Employee salaries and benefits increased in correlation with the exploration program increasing from \$1,740,466 during the year ended February 29, 2016 to \$2,642,137 during the ten month period ended December 31, 2016 as did consulting fees increasing from \$488,011 during the year ended February 29, 2016 to \$2,789,720 during the ten month period ended December 31, 2016. Similarly, assaying costs increased from \$1,350,995 during the year ended February 29, 2016 to \$1,962,269 during the ten month period ended December 31, 2016 and administration increased from \$1,273,607 during the year ended February 29, 2016 to \$2,210,930 during the ten month period ended December 31, 2016 as these costs supporting the exploration program increased.

The Company also booked a provision of \$430,158 in regards to a previously deposited recovery of exploration expenditures (Mining Exploration Tax Credit) as a result of a Canada Revenue Agency assessment which the Company is following up on. During the year ended February 29, 2016, the Company received refunds of \$1,471,961 in connection with the tax credit.

- (viii) Increase of \$16,707,801 in evaluation expenses from \$nil during the year ended February 29, 2016 to \$16,707,801 during the ten month period ended December 31, 2016. The increase is due to work on the project which was put on care and maintenance as the Company works towards restarting production. The Company incurred consulting fees related to environmental and permitting work required as the Company works towards restarting mining operations which resulted in an increase in consulting expense to \$5,838,529 for the ten month period ended December 31, 2016 (year ended February 29, 2016: \$nil), office and administration expenses of \$1,576,221 (year ended February 29, 2016: \$nil), employee salaries and benefits of \$2,115,060 (year ended February 29, 2016: \$nil) as well as stock based compensation expense of \$620,500 (year ended February 29, 2016 - \$nil) related to stock options issued during the current period.

The Company also incurred an expense in the amount of \$5,159,660 (year ended February 29, 2016: \$nil), related to the updated closure plan estimate, see note 17 of the audited consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016 for details.

BARKERVILLE GOLD MINES LTD.

Form 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Ten Month Period Ended December 31, 2016

- (ix) Increase of \$1,539,070 in corporate administration from \$5,808,646 during the year ended February 29, 2016 to \$7,347,716 during the ten month period ended December 31, 2016. This increase was primarily due to an increase in stock based compensation expense of \$3,316,863 during the ten month period ended December 31, 2016 compared to \$2,061,300 during the year ended February 29, 2016. See note 19(b) of the consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016 for details on options issued during the periods, as well as by an increase in salaries and benefits amounting to \$2,456,107 during the ten month period ended December 31, 2016 compared to \$1,739,460 during the year ended February 29, 2016. The main reason for the increase is due to severance pay of \$780,000 to a former CEO incurred during the ten month period ended December 31, 2016.
- (x) Increase of \$2,324,629 in finance income moving from an expense of \$1,873,824 during the year ended February 29, 2016 to an income of \$450,805 during the ten month period ended December 31, 2016. The increase in income is due to a decrease in interest costs related to the gold loan facility that was settled on July 14, 2015 as detailed under point (ii) of "Liquidity and Capital Resources", as well as interest income on the increased cash holdings and marketable securities held (see note 11 of the consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016).
- (xi) The Company recorded a gain on sale of NSR of \$5,926,519 during the year ended February 29, 2016 which was a one time item. This gain was related to the sale of a 1.5% net smelter return ("NSR") royalty on the Cariboo Gold Project for a cash consideration of \$25,000,000 to Osisko Gold Royalties Ltd as described in note 14 of the consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016. Subsequent to December 31, 2016 the Company sold a further 0.75% NSR for proceeds of \$12,500,000.

Selected Annual Information

The following table highlights financial data on the Company for the most recently completed three financial years.

	Fiscal year ended		
	Ten month		
	period		
	31-Dec-16	29-Feb-16	28-Feb-15
Revenue	\$0	\$13,192,311	\$31,201,965
Net loss	(\$43,947,658)	(\$8,059,974)	(\$21,307,854)
Loss per share	(0.15)	(0.04)	(0.17)
Total assets	\$48,403,698	\$46,759,774	\$39,697,256
Total liabilities	\$23,911,294	\$11,419,807	\$38,559,010
Working capital (deficiency)	21,085,727	\$27,863,598	(\$26,022,817)

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Summary of Quarterly Results

The following table sets out selected quarterly unaudited condensed consolidated interim financial information of the Company and is derived from unaudited condensed consolidated interim financial statements prepared by the Company's management.

	IFRS							
	Period ended							
	31-Dec-16 Q3 (four months)	31-Aug-16 Q2	31-May-16 Q1	29-Feb-16 Q4	30-Nov-15 Q3	31-Aug-15 Q2	31-May-15 Q1	28-Feb-15 Q4
Total Revenue	-	-	-	-	-	586,755	12,605,556	10,359,618
Income (loss) before income taxes	(24,090,074)	(11,916,050)	(7,977,934)	(3,099,325)	(7,426,418)	(5,053,206)	5,652,585	(10,497,886)
Net income (loss)	(24,071,874)	(11,906,950)	(7,968,834)	(1,267,135)	(7,417,318)	(5,044,106)	5,668,585	(9,567,886)
Basic income (loss) per Share	(0.08)	(0.04)	(0.03)	(0.02)	(0.03)	(0.03)	0.04	(0.08)
Diluted income (loss) per Share	(0.08)	(0.04)	(0.03)	(0.02)	(0.03)	(0.03)	0.04	(0.08)

See **Results from Operations** for discussion of results.

Liquidity and Capital Resources

On December 31, 2016, the Company had cash and cash equivalents on hand of \$19,224,750 (February 29, 2016: \$25,090,664) and had a working capital of \$21,085,727 (February 29, 2016: working capital of \$27,863,598). The Company's major commitments over the next year are repayment of trade and other payables, and amounts due to related parties, as well as meeting its flow-through expenditure commitments as described in Note 30 of the audited consolidated financial statements for the ten month period ended December 31, 2016 and year ended February 29, 2016.

The Company will rely on future equity financings to fund operations. It is not possible to predict whether financing efforts will be successful. The Company has no assurance that additional funding will be available for further development of its projects. Any additional funding will be dependent upon the Company's ability to obtain financing through joint ventures, equity or debt financing or other means. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and other means, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business advancements.

Recent financing developments are set out below:

- (i) On December 23, 2015, the Company completed a private placement of 18,750,000 flow through common shares at a price of \$0.32 per flow through share for gross proceeds of \$6,000,000 with Osisko Gold Royalties Ltd.
- (ii) On December 23, 2015, the Company completed a private placement of 11,000,000 flow through units at a price of \$0.32 per flow through unit, for gross proceeds of \$3,520,000. Each flow through unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder thereof to purchase one common share at an exercise price of \$0.40 until December 23, 2017. A finder's fee equal to 5% of the gross proceeds of the flow through private placement was paid.

The fair value of the 5,500,000 common share purchase warrants was estimated at \$678,800 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.50%; volatility 111% and an expected life of 24 months.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

- (iii) On February 5, 2016, the Company completed a private placement of 13,250,000 flow through shares at a price of \$0.32 per flow through share for gross proceeds of \$4,240,000 with Osisko Gold Royalties Ltd.
- (iv) On April 26, 2016, the Company completed a bought deal private placement and issued an aggregate of 22,183,500 flow through shares at a price of \$0.70 per flow-through share for aggregate gross proceeds of \$15,528,450.

The Company paid the underwriters a cash commission equal to 6% of the gross proceeds of the Offering, not including gross proceeds raised from investors on the president's list and issued an aggregate of 404,200 compensation options to the underwriters. Each compensation option entitles the holder to acquire one common share of the Company at a price of \$0.71 until April 26, 2018.

- (v) On Dec. 19, 2016 the Company closed its private placement of flow through shares of the Company. The Company issued an aggregate of 20,588,500 flow-through common shares of the Company, comprised of (i) 15,032,000 flow-through shares at a price of \$0.60 per share, and (ii) 5,556,500 flow through shares at a price of \$0.58 per share, for total aggregate proceeds of \$12,241,970.

The Company paid a total cash commission of \$489,728 to the agents.

Events Occurring After the Reporting Date

Subsequent to December 31, 2016:

On March 27, 2017 the Company entered into a letter agreement with Osisko Gold Royalties Ltd., whereby Osisko has agreed to purchase an additional 0.75% net smelter return royalty on the Cariboo Gold Project for a cash consideration of \$12,500,000 (paid). Currently Osisko's total NSR royalty is 2.25%. The grant of the additional royalty will cancel Osisko's royalty right which was granted pursuant to the investment agreement between Osisko and Barkerville dated February 5, 2016, however, Osisko will retain a right of first refusal relating to any gold stream offer received by Barkerville with respect to the Cariboo Gold Project.

Outstanding Share Capital

The Company has an unlimited number of common shares authorized, with 325,370,394 common shares outstanding on December 31, 2016 and 333,639,144 as of the date of this MD&A.

A total of 26,402,661 stock options and 9,851,700 share purchase warrants were outstanding on December 31, 2016 and 22,781,161 stock options and 5,164,200 share purchase warrants were outstanding as of the date of this MD&A.

Current Exploration Activities

Phase II BC Vein Diamond Drilling Program

The Phase II BCV Infill program was performed to provide drilling confidence to the most prospective areas of the BCV mineralization that were identified in the 2015 Phase I campaign. Although the BCV mineralization still remains open to depth over its currently delineated 1,400 metre strike length, the second phase focused on drill-defining a near surface resource and ultimately reserve base which is intended to complement the longer term Bonanza Ledge underground mine planning. Phase II BCV infill drilling was conducted from surface to 150 metres vertical depth over a strike length of 375 metres and has now been drilled to -15 metre centres. As of February 29, 2016, three drill rigs have completed 263 drillholes totaling 50,013.9 metres as part of the Phase I and Phase II programs.

BC Vein Drilling Program

On Barkerville Mountain, two rigs were drilling the BCV structure with the goal of methodically exploring undrilled portions of this large system as well as upgrading the historical drilling that may not have recovered all sulphide bearing drill core. During the preliminary stages of the 2015 Phase I drilling campaign, it was observed that portions of the mineralized zones were not recovered by the drilling process. These intervals of lost core have been assigned zero gold grade. It has been ascertained that the high sulphide intervals were essentially "washed away" by the drilling process and hence not recovered in their entirety. In consultation with Geotech Drilling Services Limited, an industry standard, environmentally safe drilling additive is now being utilized in all holes and core recoveries have increased to greater than 95% through the mineralized sulphide zones.

The BCV has been outlined by past operators over a continuous 1,400 metres strike length and on average only tested to a vertical depth of 75 metres below surface. The deepest historical intersection on the BCV was drilled in 2000 via drillhole BC-00-33 which graded 22.74 g/t Au (0.66 oz/t) Au over 4.11 metres. This intersection is located immediately below the Bonanza Ledge open pit at a vertical depth of only 150 metres below surface and remains completely unexplored below this depth and also along strike. Drillhole pierce points for the 2015 program were designed to intersect the vein on aggressively spread out 50 metre hole spacings with the aim of outlining the most economically viable portions of the known 1,400 metre vein strike length. The first pass of shallow drilling tested the BCV from surface to 150 metres vertical depth whilst the second pass selectively assessed the depth potential of the vein from 200 to 400 metres below surface based on the results gathered from the first pass of shallow drilling.

Other Drilling Barkerville Mountain

In conjunction with the Phase I BCV program, a third drill rig was temporarily utilized to assess other targets on Barkerville Mountain. These targets were largely defined by gold in soil anomalies and to a lesser extent, previously undrilled gold in bedrock occurrences. This first pass assessment was successful in drill defining gold mineralization in four new areas on Barkerville Mountain: TC Area, KL Area, AG Area and the New Trend.

The TC Area occurs 100 metres north of the Bonanza Ledge mineralization as a series of veins comparable to the hangingwall veins above the BCV. Drillhole BGM-15-172, which intersected 10.94 g/t (0.32 oz/t) Au over 8.00 metres including 19.54 g/t (0.57 oz/t) Au over 4.00 metres and 35.40 g/t (1.03 oz/t) Au over 1.00 metres, represents the deepest occurrence of this zone to date at only 50 metres vertically below surface. The TC Area remains untested along strike to the north as well as down dip.

The location of the new KL Area was identified by previous operators by a marked, auriferous soil anomaly and was subsequently exposed by mechanical stripping in 2012. Surface sampling of the exposed bedrock yielded grab assays up to 167.42 g/t (4.88 oz/t) Au in an undrilled swarm of sulphide bearing quartz veins. The first pass of 2015 Phase I drilling has outlined the horizon over a strike length of 60 metres and to a vertical depth of 120 metres. The KL Area remains open at depth and along strike and is interpreted to represent a previously unidentified auriferous structure with characteristics analogous to Cow Mountain mineralization.

The AG Area represents a new, blind discovery located approximately 550 metres east of the Bonanza Ledge open pit. The area is manifested by a 550 metre long coincident gold and silver soil anomaly in an area devoid of rock outcrop and historical drilling. Discovery holes BGM-15-028 and BGM-15-029 have only tested the Upper Horizon to a vertical depth of 20 metres below surface and the Lower Horizon to a vertical depth of 75 metres. The Upper and Lower AG Horizons are located 300 and 200 metres (respectively) in the hangingwall rocks northeast of the BCV and are currently unexplored along strike and down dip. Having never been historically drilled along its surface expression, this area represents a significant new exploration target based on the grades and widths intersected in this first pass of drilling as well as the sheer size of the soil anomaly.

The New Trend mineralization occurs as a linear structure approximately 300 metres stratigraphically above and subparallel to the BCV and was intersected by drillholes BGM-15-119: 28.53 g/t (0.83 oz/t) Au over 2.00 metres including 27.3 g/t (0.80 oz/t) Au over 1.00 metres and 29.7 g/t (0.87 oz/t) Au over 1.00 metres and BGM-15-115: 15.80 g/t (0.46 oz/t) Au over 0.50 metres and 14.02 g/t (0.41 oz/t) Au over 1.30 metres. These intersections correlate with previously reported drillhole BGM-15-102: 22.48 g/t (0.66 oz/t) Au over 2.50 metres including 51.16 g/t (1.49 oz/t) Au over 1.00 metres.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Drilling Highlights Phase I and Phase II Barkerville Mountain

The following is a selection of publicly disclosed drill intersections from the Phase I and Phase II programs on Barkerville Mountain:

- BCV - BGM-15-011: 20.58 g/t (0.60 oz/t) Au over 3.90 metres, including 59.36 g/t (1.73 oz/t) Au over 0.90 metres
- TC - BGM-15-008: 18.04 g/t (0.53 oz/t) Au over 3.35 metres, including 37.78 g/t (1.10 oz/t) Au over 1.55 metres
- TC - BGM-15-010: 14.69 g/t (0.43 oz/t) Au over 6.00 metres, including 103.97 g/t (3.03 oz/t) Au over 0.65 metres
- TC - BGM-15-012: 10.32 g/t (0.30 oz/t) Au over 9.60 metres, including 57.96 g/t (1.69 oz/t) Au over 0.90 metres
- TC - BGM-15-013: 10.90 g/t (0.24 oz/t) Au over 8.13 metres, including 46.93 g/t (1.37 oz/t) Au over 0.90 metres
- BCV - BGM-15-064: 27.93 g/t (0.81 oz/t) Au over 3.90 metres including 118.00 g/t (3.44 oz/t) Au over 0.80 metres
- BCV - BGM-15-070: 21.72 g/t (0.63 oz/t) Au over 3.75 metres including 38.98 g/t (1.14 oz/t) Au over 2.00 metres
- BCV - BGM-15-050: 10.54 g/t (0.31 oz/t) Au over 3.00 metres including 13.00 g/t (0.38 oz/t) Au over 1.50 metres
- BCV - BGM-15-071: 8.72 g/t (0.25 oz/t) Au over 3.60 metres including 25.72 g/t (0.75 oz/t) Au over 0.90 metres
- BCV - BGM-15-076: 16.20 g/t (0.47 oz/t) Au over 0.80 metres and 22.72 g/t (0.66 oz/t) Au over 0.80 metres
- BCV - BGM-15-087: 23.47 g/t (0.68 oz/t) Au over 3.00 metres including 47.40 g/t (1.38 oz/t) Au over 1.20 metres
- BCV - BGM-15-089: 12.37 g/t (0.36 oz/t) Au over 3.00 metres including 27.17 g/t (0.79 oz/t) Au over 1.00 metres
- BCV - BGM-15-090: 13.21 g/t (0.39 oz/t) Au over 9.00 metres including 18.32 g/t (0.53 oz/t) Au over 4.80 metres including 62.38 g/t (1.82 oz/t) Au over 1.00 metres
- BCV - BGM-15-092: 17.00 g/t (0.50 oz/t) Au over 4.45 metres including 31.44 g/t (0.92 oz/t) Au over 2.30 metres including 51.87 g/t (1.51 oz/t) Au over 1.30 metres
- BCV - BGM-15-096: 10.17 g/t (0.30 oz/t) Au over 5.00 metres including 21.85 g/t (0.64 oz/t) Au over 2.00 metres
- BCV - BGM-15-097: 5.27 g/t (0.15 oz/t) Au over 18.00 metres including 13.37 g/t (0.39 oz/t) Au over 5.70 metres including 24.86 g/t (0.73 oz/t) Au over 1.00 metres
- BCV - BGM-15-102: 22.48 g/t (0.66 oz/t) Au over 2.50 metres including 51.16 g/t (1.49 oz/t) Au over 1.00 metres
- BCV - BGM-15-109: 11.23 g/t (0.33 oz/t) Au over 4.05 metres including 23.51 g/t (0.69 oz/t) Au over 1.85 metres including 34.80 g/t (1.02 oz/t) Au over 0.75 metres
- BCV - BGM-15-109: 8.99 g/t (0.26 oz/t) Au over 2.80 metres including 10.70 g/t (0.31 oz/t) Au over 1.10 metres and 14.50 g/t (0.42 oz/t) Au over 0.80 metres
- BCV - BGM-15-110: 10.03 g/t (0.29 oz/t) Au over 5.00 metres including 13.60 g/t (0.40 oz/t) Au over 1.00 metres and 19.30 g/t (0.56 oz/t) Au over 1.00 metres
- BCV - BGM-15-121: 6.71 g/t (0.20 oz/t) Au over 5.50 metres including 22.00 g/t (0.64 oz/t) Au over 1.20 metres
- BGM-15-137: 20.70 g/t (0.60 oz/t) Au over 2.60 metres including 41.51 g/t (1.21 oz/t) Au over 1.20 metres
- BCV - BGM-15-139: 7.87 g/t (0.23 oz/t) Au over 15.05 metres including 14.32 g/t (0.42 oz/t) Au over 1.20 metres and 13.62 g/t (0.40 oz/t) Au over 5.50 metres
- BCV - BGM-15-141: 26.21 g/t (0.76 oz/t) Au over 2.80 metres including 20.40 g/t (0.60 oz/t) Au over 0.95 metres and 64.48 g/t (1.88 oz/t) Au over 0.80 metres
- BCV - BGM-15-142: 11.26 g/t (0.33 oz/t) Au over 8.90 metres including 82.19 g/t (2.40 oz/t) Au over 1.05 metres
- BCV - BGM-15-143: 6.62 g/t (0.19 oz/t) Au over 10.50 metres including 20.28 g/t (0.59 oz/t) Au over 0.55 metres and 17.83 g/t (0.52 oz/t) Au over 1.00 metres and 33.75 g/t (0.98 oz/t) Au over 0.80 metres

BARKERVILLE GOLD MINES LTD.

Form 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Ten Month Period Ended December 31, 2016

- BCV - BGM-15-145: 18.95 g/t (0.55 oz/t) Au over 4.40 metres including 37.82 g/t (1.10 oz/t) Au over 2.00 metres including 65.82 g/t (1.92 oz/t) Au over 1.00 metres
- BCV - BGM-15-148: 120.43 g/t (3.51 oz/t) Au over 2.50 metres including 332.16 g/t (9.69 oz/t) Au over 0.90 metres
- BCV - BGM-15-149: 11.70 g/t (0.34 oz/t) Au over 5.30 metres including 57.33 g/t (1.67 oz/t) Au over 1.00 metres
- BCV - BGM-15-151: 21.06 g/t (0.61 oz/t) Au over 2.00 metres including 25.96 g/t (0.76 oz/t) Au over 1.00 metres and 16.15 g/t (0.47 oz/t) Au over 1.00 metres
- BCV - BGM-15-159: 28.99 g/t (0.85 oz/t) Au over 2.55 metres including 13.95 g/t (0.41 oz/t) Au over 1.15 metres and 41.34 g/t (1.21 oz/t) Au over 1.40 metres
- BCV - BGM-15-160: 10.06 g/t (0.29 oz/t) Au over 19.40 metres including 16.12 g/t (0.47 oz/t) Au over 9.70 metres including 33.18 g/t (0.97 oz/t) Au over 2.70 metres and 15.40 g/t (0.45 oz/t) Au over 3.00 metres
- BCV - BGM-15-162: 21.49 g/t (0.63 oz/t) Au over 4.00 metres including 27.80 g/t (0.81 oz/t) Au over 3.00 metres including 44.50 g/t (1.30 oz/t) Au over 1.50 metres
- BCV - BGM-15-163: 43.48 g/t (1.27 oz/t) Au over 7.95 metres including 54.88 g/t (1.60 oz/t) Au over 5.95 metres including 209.33 g/t (6.11 oz/t) Au over 1.00 metres
- BCV - BGM-15-165: 18.48 g/t (0.54 oz/t) Au over 4.70 metres including 58.33 g/t (1.70 oz/t) Au over 1.00 metres
- BCV - BGM-15-166: 19.07 g/t (0.56 oz/t) Au over 4.70 metres including 23.27 g/t (0.68 oz/t) Au over 1.00 metres including 59.84 g/t (1.75 oz/t) Au over 1.00 metres
- TC - BGM-15-172: 10.94 g/t (0.32 oz/t) Au over 8.00 metres including 19.54 g/t (0.57 oz/t) Au over 4.00 metres and 35.40 g/t (1.03 oz/t) Au over 1.00 metres
- BCV - BGM-16-207: 23.28 g/t (0.68 oz/t) Au over 7.00 metres including 48.60 g/t (1.42 oz/t) Au over 2.75 metres including 75.31 g/t (2.20 oz/t) Au over 1.00 metres
- BCV - BGM-16-219: 20.64 g/t (0.60 oz/t) Au over 7.25 metres including 38.32 g/t (1.12 oz/t) Au over 1.50 metres and 98.61 g/t (2.88 oz/t) Au over 1.05 metres
- BCV - BGM-16-226: 12.65 g/t (0.37 oz/t) Au over 7.70 metres including 73.93 g/t (2.16 oz/t) Au over 1.10 metres
- BCV - BGM-16-227: 9.97 g/t (0.29 oz/t) Au over 31.00 metres including 15.15 g/t (0.44 oz/t) Au over 14.00 metres including 24.22 g/t (0.71 oz/t) Au over 6.00 metres and 44.92 g/t (1.31 oz/t) Au over 1.00 metres
- BCV - BGM-16-258: 9.75 g/t (0.28 oz/t) Au over 8.80 metres including 15.11 g/t (0.44 oz/t) Au over 3.80 metres including 39.15 g/t (1.14 oz/t) Au over 0.90 metres and 15.57 g/t (0.45 oz/t) Au over 0.80 metres

A complete list of all drill results is available under the Company's profile on SEDAR at www.sedar.com as well as the Company's website at <http://www.barkervillegold.com/>.

Cow Mountain Phase I Diamond Drilling Program

An initial 32,290 metre drilling program on Cow Mountain was initiated in February 2016 and exclusively intended to upgrade areas of geological uncertainty and secondly to augment the geological model in areas that were entirely devoid of historical drilling. The Pinkerton, Sanders, Rainbow and No. 1 Zones have been drilled in the near surface by previous operators at a sufficient hole spacing as to demonstrate a high degree of geological confidence and as such were not the focus of this first drilling campaign. In total, 242 drillholes have been completed to date on approximately 50 metre centres throughout select areas of Cow Mountain.

2016 Cow Mountain Drilling Highlights

- BGM-16-280: 12.51 g/t (0.36 oz/t) Au over 9.70 metres including 17.95 g/t (0.52 oz/t) Au over 1.50 metres and 98.50 g/t (2.87 oz/t) Au over 0.87 metres
- BGM-16-298: 30.98 g/t (0.90 oz/t) Au over 6.80 metres including 52.94 g/t (1.54 oz/t) Au over 3.60 metres including 144.50 g/t (4.21 oz/t) Au over 1.10 metres and 15.85 g/t (0.46 oz/t) Au over 1.00 metres
- BGM-16-307: 34.79 g/t (1.01 oz/t) Au over 5.00 metres including 113.00 g/t (3.30 oz/t) Au over 1.10 metres and 42.60 g/t (1.24 oz/t) Au over 1.10 metres
- BGM-16-315: 28.40 g/t (0.83 oz/t) Au over 3.00 metres including 70.10 g/t (2.04 oz/t) Au over 1.20 metres
- BGM-16-326: 31.67 g/t (0.92 oz/t) Au over 2.90 metres including 11.40 g/t (0.33 oz/t) Au over 0.50 metres including 112.50 g/t (3.28 oz/t) Au over 0.70 metres
- BGM-16-333: 10.62 g/t (0.31 oz/t) Au over 9.30 metres including 23.78 g/t (0.69 oz/t) Au over 2.90 metres including 42.40 g/t (1.24 oz/t) Au over 1.00 metres and 29.70 g/t (0.87 oz/t) Au over 0.70 metres
- BGM-16-347: 119.69 g/t (3.49 oz/t) Au over 2.55 metres including 216.93 g/t (6.33 oz/t) Au over 1.40 metres including 317.00 g/t (9.25 oz/t) Au over 0.90 metres
- BGM-16-349: 21.41 g/t (0.62 oz/t) Au over 5.90 metres including 50.90 g/t (1.48 oz/t) Au over 1.50 metres including 71.10 g/t (2.07 oz/t) Au over 0.70 metres
- BGM-16-352: 28.45 g/t (0.83 oz/t) Au over 5.00 metres including 44.05 g/t (1.28 oz/t) Au over 3.00 metres including 43.50 g/t (1.27 oz/t) Au over 1.50 metres and 44.60 g/t (1.30 oz/t) Au over 1.50 metres
- BGM-16-359: 22.84 g/t (0.67 oz/t) Au over 8.05 metres including 53.57 g/t (1.56 oz/t) Au over 2.65 metres including 66.20 g/t (1.93 oz/t) Au over 1.45 metres and 38.30 g/t (1.12 oz/t) Au over 1.20 metres

A complete list of all drill results is available under the Company's profile on SEDAR at www.sedar.com as well as the Company's website at <http://www.barkervillegold.com/>.

New High Grade Gold Extension Discovered at Cow Mountain

A previously undeveloped and unexplored area of gold-bearing quartz veins hosted between the Sanders and Rainbow Zones at approximately 250 metres vertical depth below surface has been identified during the Phase I program:

- BGM-15-325 9.70 g/t (0.28 oz/t) Au over 7.35 metres including 28.50 g/t (0.83 oz/t) Au over 0.50 metres and 9.60 g/t (0.28 oz/t) Au over 0.50 metres and 44.60 g/t (1.30 oz/t) Au over 1.00 metres
- BGM-16-326 31.67 g/t (0.92 oz/t) Au over 2.90 metres including 11.40 g/t (0.33 oz/t) Au over 0.50 metres and 112.50 g/t (3.28 oz/t) Au over 0.70 metres
- BGM-16-340 5.70 g/t (0.17 oz/t) Au over 10.00 metres including 12.70 g/t (0.37 oz/t) Au over 3.40 metres and 30.30 g/t (0.88 oz/t) Au over 0.50 metres and 18.50 g/t (0.54 oz/t) Au over 0.50 metres and 14.70 g/t (0.43 oz/t) Au over 0.50 metres
- BGM-16-361 6.46 g/t (0.19 oz/t) Au over 12.70 metres including 20.94 g/t (0.61 oz/t) Au over 2.40 metres including 20.20 g/t (0.59 oz/t) Au over 0.70 metres and 47.50 g/t (1.39 oz/t) Au over 0.70 metres

Drilling in this new extension has defined a corridor of auriferous quartz veins with a strike length of approximately 140 metres and was targeted because of a scarcity of historical drilling in this location. These new mineralized vein sets

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

are untested at depth and also along strike to the northwest and have only been drilled on widely spaced 50 metre centres.

Island Mountain Phase I Diamond Drilling Program

The 27,131 metre Phase I exploratory and stratigraphic drilling program on Island Mountain was the first major drilling campaign of its kind since it was last explored in 2009. The program was intended to determine the extents of the vein systems that have historically never been developed or explored as well as discovering new occurrences of the massive sulphide replacement bodies. Past exploration and mining primarily focused on the replacement hosted gold as opposed to the veining due to the higher gold tenor and as such, the extents of the vein sets have never been investigated.

The former Aurum and Island Mountain Mines produced vein and replacement ore from 1934-1967 before being shut down due to depressed gold prices and financial misfortunes. Subsequent to a protracted history of fragmented tenement ownerships and unconnected exploration programs, the former Aurum Mine was developed and brought into production from 1980-1987. The high tenor of the massive sulphide replacement mineralization led to preferential mining of that ore type despite the abundance and awareness of the quartz vein mineralization. Moreover, underground exploration drilling programs were focused on delineating the massive sulphide bodies with drillhole lengths that averaged only 30 metres from the underground development and as such were not able to outline the vein systems by exploring the host footwall rocks.

After 1987, exploration by various operators on the unconsolidated land package was dominated by grassroots programs in the form of mapping, trenching, soil sampling and limited drilling programs in select areas. Disjointed land title amongst the various previous owners inhibited exploration of the complete mine sequence and only 10,000 metres of surface and underground diamond drilling has been performed since 2009 again focusing on the replacement hosted mineralization.

2016 Phase I Island Mountain Drilling Highlights

- BGM-16-503: 11.62 g/ Au over 6.20 metres
- BGM-16-506: 10.74 g/t Au over 4.50 metres
- BGM-16-509: 38.35 g/t Au over 1.70 metres
- BGM-16-512: 6.05 g/t Au over 12.60 metres
- BGM-16-514: 192.50 g/t Au over 2.17 metres
- BGM-16-517: 15.15 g/t Au over 5.60 metres
- BGM-16-518: 19.51 g/t Au over 3.00 metres
- BGM-16-522: 24.64 g/t Au over 4.00 metres

Island Mountain Phase II Diamond Drilling Program

The recently initiated 2017 Phase II exploration drilling program on Island Mountain is currently being performed with eight drill rigs on widely spaced 100 metre drill centres and infill dice-five drill patterns in the recently discovered "Shaft Zone". Discovered by way of the 2016 Phase I program, the Shaft Zone is defined by a series of previously undrilled vertically dipping vein sets occurring immediately footwall to the former Aurum Mine development.

The 130,000 metre 2017 Phase II exploratory and delineation drill program on Island Mountain is intended to determine the extent of the vein systems that were historically never explored, and is aimed at discovering new vein systems and sulphide replacement bodies that will ultimately inform a maiden resource at Island Mountain. Seven drill rigs are currently operating on Island Mountain, with an eighth rig testing for additional mineralization below the former Aurum and Cariboo Gold Quartz Mines which have never been explored since mining operations ceased circa 1960.

2017 Phase II Island Mountain Drilling Highlights

- IM-17-072: 32.06 g/t Au over 30.70 metres
- IM-17-078: 11.42 g/t Au over 28.55 metres
- IM-17-068: 14.10 g/t Au over 20.00 metres
- IM-17-058: 31.22 g/t Au over 7.50 metres
- IM-17-004: 67.82 g/t Au over 2.90 metres
- IM-17-044: 24.70 g/t Au over 6.60 metres
- IM-17-004: 13.45 g/t Au over 9.10 metres
- IM-17-063: 15.04 g/t Au over 8.05 metres
- IM-17-044: 21.23 g/t Au over 5.05 metres
- IM-17-040: 5.20 g/t Au over 19.90 metres
- IM-17-037: 6.26 g/t Au over 16.20 metres
- IM-17-052: 28.28 g/t Au over 3.30 metres
- IM-17-038: 12.30 g/t Au over 7.50 metres
- IM-17-016: 12.27 g/t Au over 7.45 metres
- IM-17-072: 16.55 g/t Au over 5.45 metres
- IM-17-036: 16.96 g/t Au over 5.15 metres
- IM-17-068: 7.76 g/t Au over 10.45 metres
- IM-17-050: 12.60 g/t Au over 6.00 metres
- IM-17-007: 11.18 g/t Au over 6.70 metres
- IM-17-045: 14.01 g/t Au over 5.25 metres
- IM-17-072: 25.00 g/t Au over 2.85 metres
- IM-17-013: 34.06 g/t Au over 2.05 metres

A complete list of all drill results is available under the Company's profile on SEDAR at www.sedar.com as well as the Company's website at <http://www.barkervillegold.com/>.

New High Grade Stockworks Intersected at Shaft Zone

The Company was very pleased to announce on April 17th, 2017 that Island Mountain Shaft Zone drillhole IM-17-072 has discovered a formerly unidentified wide network of high tenor veining grading 19.20 g/t Au over 54.40 metres including 32.06 g/t Au over 30.70 metres. This new intersection consists of several higher-grade intervals including 272.00 g/t Au over 0.50 metres, 760.00 g/t Au over 0.85 metres, 64.20 g/t Au over 0.50 metres, 42.80 g/t Au over 0.50 metres, 65.40 g/t Au over 1.50 metres and 15.80 g/t Au over 1.15 metres. An intensely silica altered and pyritized sandstone package hosts this dense network of mineralized veining. Located 250 metres vertically below surface in the Shaft Zone, this auriferous occurrence is untested by drilling above and below the intersection and is open for expansion. In addition to the aforementioned intersection, IM-17-072 also established auriferous veining grading 25.00 g/t Au over 2.85 metres located 25 metres below surface, 16.55 g/t Au over 5.45 metres 100 metres vertically below surface, followed by 9.41 g/t Au over 3.30 metres 110 metres below surface.

Situated 180 metres vertically below drillhole IM-17-072 which intersected 19.20 g/t Au over 54.40 metres including 32.06 g/t Au over 30.70 metres, drillhole IM-17-078 has discovered another broad occurrence of sandstone hosted stockwork veining averaging 11.42 g/t Au over 28.55 metres including two subintervals of 30.76 g/t Au over 6.60 and 12.10 g/t Au over 8.15 metres. These new intersections occur at vertical depth of 420 metres below surface, and are open for expansion in all directions due to the extremely limited drilling at this depth.

Because these standalone drillholes constitute two widely separated intercepts that cannot be confidently corroborated by additional drillhole pierce points, the geometry and hence true width of the potential mineralized zone cannot be assuredly concluded at this time.

BARKERVILLE GOLD MINES LTD.
 Form 51-102F1
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Ten Month Period Ended December 31, 2016

Updated Mineral Resource Statement

On April 6th, 2017, Barkerville Gold Mines Ltd. announced an updated mineral resource estimate for Barkerville Mountain at the Company's flagship Cariboo Gold Project (the "CGP" or "Cariboo Gold Project"). The undiluted and in-situ mineral resource estimate incorporates the Bonanza Ledge ("BL") and BC Vein ("BCV") deposits reported at underground cutoff grades (3.50 grams per tonne ("g/t") of gold ("Au")). The updated mineral resource estimate was conducted by InnovExplo Inc., an independent consulting firm based out of Val-d'Or, Québec, and includes drilling campaigns from 2015 and 2016. The updated mineral resource estimate is supported by a new understanding of geological controls on gold mineralization at the Cariboo Gold Project developed by the Company's technical team. In accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), an updated technical report for the Cariboo Gold Project will be filed on SEDAR and the Company's website.

TABLE 1: 2017 BARKERVILLE MOUNTAIN MINERAL RESOURCE ESTIMATE REPORTED AT A 3.50 G/T AU CUT-OFF GRADE (BC VEIN AND BONANZA LEDGE).

CATEGORY	TONNES (T)	AU (G/T)	CONTAINED AU (OZ)
MEASURED	248,200	8.07	64,400
INDICATED	436,700	6.72	94,400
TOTAL M+I	684,900	7.21	158,800
INFERRED	108,100	5.34	18,600

TABLE 2: BC VEIN MINERAL RESOURCE ESTIMATE REPORTED AT A 3.50 G/T AU CUT-OFF GRADE.

CATEGORY	TONNES (T)	AU (G/T)	CONTAINED AU (OZ)
INDICATED	381,500	6.93	85,000
INFERRED	108,100	5.34	18,600

TABLE 3: BONANZA LEDGE MINERAL RESOURCE ESTIMATE REPORTED AT A 3.50 G/T AU CUT-OFF GRADE.

CATEGORY	TONNES (T)	AU (G/T)	CONTAINED AU (OZ)
MEASURED	248,200	8.07	64,400
INDICATED	55,200	5.30	9,400
TOTAL M+I	303,400	7.57	73,800
INFERRED	-	-	-

The mineral resources disclosed in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards on mineral resources and reserves, definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council.

Technical considerations for the estimation:

- Each of Karine Brousseau, P.Eng and Carl Pelletier, P.Geo, B.Sc. of InnovExplo Inc. is an independent "qualified person" (as defined in NI 43-101) responsible for the 2017 mineral resource estimate. The effective date of the 2017 mineral resource estimate is March 21, 2017.
- Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- Results are presented in-situ and undiluted.
- The estimate includes two gold zones.
- Sensitivity was assessed using cut-off grades of 1.50, 2.00, 2.50, 3.00, 3.50, 4.00, 4.50, 5.00 and 6.00 g/t Au. The final underground resource is reported at a cut-off grade of 3.50 g/t Au. Cut-off grades must be re-evaluated considering prevailing market conditions (including gold prices, exchange rates and mining costs).
- Density (g/cm³) data was established on a per zone basis and ranges from 2.72 to 3.20 g/cm³.
- A minimum true thickness of 2.0 metres was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
- Compositing was done on drill hole sections falling within the mineralized zones (composite = 2.0 metres for BC Vein and Bonanza Ledge with distributed tails).

BARKERVILLE GOLD MINES LTD.

Form 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Ten Month Period Ended December 31, 2016

- High-grade capping (g/t Au) was done on composited data and varies from 32 to 70 g/t Au based on the statistical analysis of individual mineralized zones. Restricted search ellipsoids were used during the BC Vein interpolation using ½ variographic ranges and a threshold of 21 g/t Au.
- Resources were estimated using GEOVIA GEMS 6.7 software from drill hole sampling, using a 2-pass Ordinary Kriging interpolation method in a block model (block size = 2 metres x 2 metres x 5 metres).
- The “inferred mineral resource” category is only defined within areas where blocks were interpolated during Pass 1 or Pass 2, where continuity is sufficient to avoid isolated blocks being interpolated by only one drill hole. The “indicated mineral resource” category is only defined by blocks interpolated by a minimum of two drill holes in areas where the maximum distance to drill hole composites is less than 20 metres for blocks interpolated in Pass 1. The “measured mineral resource” category is only defined by blocks interpolated by a minimum of three drill holes in areas where the maximum distance to the closest drill hole composite is less than 10 metres for blocks interpolated in Pass 1 and in close proximity with the sampled open pit (< 40 metres).
- Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes, g/t).
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations as per NI 43-101.
- Neither the Company nor InnovExplo Inc. is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate.

TABLE 4: INPUT PARAMETERS USED FOR DETERMINATION OF UNDERGROUND CUT-OFF GRADE. GOLD PRICE AND EXCHANGE RATES ARE BASED UPON THREE YEAR TRAILING AVERAGES.

PARAMETER	UNIT	VALUE
EXCHANGE RATE	USD/CAD	1.31
GOLD PRICE	\$US/OZ	\$ 1,222.00
GOLD PRICE	\$CAD/OZ	\$ 1,602.00
PROCESSING COSTS	\$C/T	\$ 25.00
PROCESS RECOVERY	%	95%
DILUTION	%	0%
GLOBAL MINING COST	\$C/T	\$ 130.00
TOTAL COST	\$C/T	\$ 155.00

2017 Mineral Resource Estimation Methodology

The 2017 mineral resource for Barkerville Mountain was created in GEMS software using 3D block modelling and the ordinary kriging interpolation (OK) method. The resource area measures 1,525 metres along strike, 250 metres wide and 500 metres deep. The resource estimate is based on a compilation of historical and recent diamond drill holes and wireframed mineralized zones constructed by InnovExplo Inc.

The diamond drill hole database contains 659 surface diamond drill holes and 109 underground drill holes. A selection of 680 holes was considered for the resource estimate. From these, a subset of 496 holes (436 from surface and 60 from underground) cut across the mineralized zones. The database also contains 7,688 production blast holes, which were used as guidelines for interpretation purposes only.

Data verification included a site visit to the Barkerville Mountain field site as well as to the logging facilities. It also included a review and re-sampling of selected core intervals, drill hole collar locations, assays, the newly implemented QA/QC program, downhole surveys, information on mined-out areas, and the descriptions of lithologies, alteration and structures.

To conduct accurate resource modelling of the deposit, InnovExplo Inc. based its mineralized-zone wireframe model on the drill hole database and its knowledge of the Bonanza Ledge deposit and similar deposits. In doing so, InnovExplo Inc. created two mineralized solids that honor the drill hole database. Construction lines were created on cross sections varying in spacing from 5 metres to 25 metres, which were snapped to drill hole intercepts to produce valid solids.

The Bonanza Ledge wireframe was inspired by a sulfide shell of previous work using a threshold of 3% pyrite content and clipped on the footwall fault located to the south-west, which was modeled from drill log descriptions. The BC Vein wireframe was largely inspired by Barkerville’s geologist interpretation.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

To minimize any bias introduced by the variable sample lengths, the raw gold assays of the drillholes were composited within each mineralized zone. The thickness of the mineralized domains, the proposed block size, and the original sample length were taken into consideration for the selected composite length. For the BC Vein and the Bonanza Ledge zones composites of 2.0 metres with distributed tails were selected. All intervals within solids that are not assayed were given a value of zero during compositing.

Given the density of the processed data, the search ellipse criteria, the drill hole density and the specific interpolation parameters, InnovExplo Inc. believes the current mineral resource estimate can be classified using the "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" categories. The estimate is compliant with CIM standards and guidelines for reporting mineral resources and mineral reserves.

Prior Technical Reports on Non-Material Properties Property Outdated

The Company's flagship Cariboo Gold Project described above is the primary focus of the Company at this stage and is the only material mining property of the Company. The Company notes that while a prior technical report in respect of the Cariboo Gold Project, entitled "Barkerville Gold Mines Ltd., Cow Mountain NI 43-101 Technical Report, Project No. V1458" dated May 15, 2015 (effective date of March 31, 2015) was prepared by Snowden Mining Industry Consultants and filed, however, the Company cautions that the information in that report should not be relied upon by investors. The Company anticipates ongoing drilling work and geological modeling will result in a new and different understanding of both the Cow Mountain and Island Mountain areas and is expected to attenuate the prior understanding of the potential of the Cow Mountain resource. An updated resource estimate and technical report will be disclosed in due course.

Qualified Persons

Each of Karine Brousseau, P.Eng and Carl Pelletier, P.Geo, B.Sc. of InnovExplo Inc. is an independent "qualified person" (as defined in NI 43-101) responsible for this mineral resource estimate.

Engagement of ALS (Canada)

ALS Geochemistry (Canada) has been engaged to perform all analytical work for all drilling/sampling campaigns. Drill core samples are submitted to ALS Geochemistry's analytical facility in North Vancouver, British Columbia for preparation and analysis. The ALS facility is accredited to the ISO/IEC 17025 standard for gold assays and all analytical methods include quality control materials at set frequencies with established data acceptance criteria. The entire sample is crushed and 250 grams is pulverized. Analysis for gold is by 50g fire assay fusion with atomic absorption (AAS) finish with a lower limit of 5ppb and upper limit of 10,000ppb. Samples with gold assays greater than 10,000ppb are re-analyzed using 50g fire assay with gravimetric finish, as well as 1,000g screen metallic fire assay. Samples are also analyzed using a 48 multi-elemental geochemical package by a 4-acid digestion, followed by Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) and Inductively Coupled Plasma Mass Spectroscopy (ICP-MS).

New QAQC Program Implementation

Lynda Bloom M.Sc., P.Geo, of Analytical Solutions Limited (ASL), was engaged to design a rigorous QAQC program and operations manual for the Company's diamond drilling sampling programs. ASL was chosen due to their extensive experience in exploration geochemistry, data interpretation and quality control for assay programs. ASL provides independent consulting services that enable mining companies to comply with security exchange regulations. Quality assurance/ quality control (QAQC) programs are designed and monitored according to specific project requirements. ASL provides QPs with assistance in designing QC programs so that regulators and third-party auditors are satisfied with the integrity of the assays, while minimizing expense.

Data Compilation

The Company is performing an ongoing assessment and compilation of all historical technical data in an effort to establish a comprehensive and quality assured database that will form the basis of a three dimensional geological model of the property. This exercise will allow for a detailed interpretation of the geological controls of the gold mineralization allowing for more constrained and detailed resource estimates to be performed that will entertain the potential amenability of the mineralization to underground mining scenarios. Additionally, the Company is compiling historical data as part of its ongoing regional assessment.

Regional Surface Mapping and Sampling

Talisker Exploration Services Incorporated, based out of Toronto, Ontario was engaged to perform a project wide surface and underground geological mapping and sampling program with the aim of developing a clear geological understanding on the controls of the gold mineralization in the district as well as establishing a stronger understanding of the larger scale geological framework as it pertains to regional targeting. This work was performed in parallel with the regional compilations and also the geological modelling of the Cow Mountain drilling database.

Based on the initial larger scale regional assessment, the Company elected to acquire an additional 81,000 hectares via staking of mineral claims in 12 separate areas. The Company's mineral claim holdings now total ~213,000 hectares.

As part of this undertaking, a large scale regional surface exploration program was initiated that will focus on assessing the numerous, high ranking regional targets that have only received limited systematic exploration over the project's history. To assist with the regional understanding, Geotech Airborne Ltd. was contracted to perform a 20,000 line kilometre electromagnetic and magnetic aerial survey encompassing the Company's land holdings.

The regional reconnaissance program initiated in May 2016 has delineated a previously unknown 25 kilometer long corridor of multi-station and multi-line auriferous soil anomalies beginning at the newly acquired Williams Creek property and trending southwest along strike to the past producing Cariboo-Hudson Mine. Defined by both the recently acquired geophysical and geochemical data, the width of the mineralized corridors ranges between 150 and 500 metres, which is consistent with the mineralized envelopes on Island, Cow and Barkerville Mountains. To date, 131 new regional targets have been generated by the 2016 program over 43 kilometers of the Cariboo Break. The 2016 regional grassroots exploration program was intended to begin assessment of the larger scale potential of the Cariboo Belt through a combination of systematic grid-based B-horizon soil sampling, geological mapping and prospecting augmented by the regional airborne geophysical data

The Company's recently acquired, proprietary high resolution magnetics and electromagnetics survey collected over the entirety of the extensive 2,119 square kilometer Cariboo Gold Project combined with field mapping and sampling, has now conclusively determined the existence and location of the newly named 'Cariboo Break' which has been traced for more than 60 kilometers. The Break is interpreted as a major deep-seated shear which appears to have focused gold mineralization along its length. The Cariboo Break is manifested as a well constrained magnetic depression coincident with the auriferous soil anomalies generated from the 2016 regional exploration program and also the mine trend on Island, Cow and Barkerville Mountains. Historic regional geological mapping and data compilations crudely indicated the existence of the Cariboo Break, but poor outcrop exposure throughout the area precluded an irrefutable, empirical interpretation of its occurrence until now.

Bonanza Ledge Deposit

Beginning in 1998, the Company focused on delineating a high grade resource within the BC Vein, roughly 3 km southeast of the Gold Quartz Mine. The Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000, now known as the Bonanza Ledge deposit. At that time, the Company was focused on bringing the Bonanza Ledge open pit mine into production as soon as reasonably possible, as all necessary approvals and permits had been obtained.

In December 2012, Snowden Mining Industry Consultants Inc. ("Snowden") updated the geological model for Bonanza Ledge in an effort to confirm the 'Starter Pit' defined in the Technical Report issued in August 2009. Using this new model, Snowden applied current economics (gold price and mining/processing costs) to define a potential pit for Bonanza Ledge. Both the model and the ultimate pit were not materially different from the 2009 work. Within the ultimate pit shell, Snowden identified a smaller pit shell with a concentration of mineralized material representing approximately one year's mill feed.

The Technical Report notes that the only prior mining study conducted in the Cariboo Gold Project area, including costing and economic analysis, was completed for the Bonanza Ledge deposit and formed part of the Company's pre-feasibility study titled "Pre-Feasibility Study of the Bonanza Ledge Deposit, Wells, BC, Canada" dated August 17, 2009, and prepared by EBA Engineering Consultants Ltd. (available on SEDAR). However, the economics of the same are now considered to be outdated due to:

- Changes to capital and operating costs over time.
- Changes to metal prices.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

- Purchase of the QR Mill such that toll milling is no longer applicable.
- Purchase of property interests such that royalty payments are no longer applicable.

Consequently, Snowden completed an update to the economic analysis for Bonanza Ledge in order to assess the relevance of the mineral reserve under the revised modifying factors.

After the results obtained as at February 28, 2015 (refer to section "Results of Operations"), management decided to stop production and to put Bonanza Ledge under Care and Maintenance.

Permits

The Bonanza Ledge deposit was discovered when the Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000. Since that time the Company has worked diligently drilling, mine modeling and completing studies including First Nations consultations to obtain all the necessary approvals and permits to bring the proposed Bonanza Ledge open pit mine into production. The receipt of the Mines Act permit for the proposed open-pit mine at Bonanza Ledge was received and announced in a News Release on December 6, 2011.

The Company has defined a mineable resource, developed a mine and reclamation plan, and completed a Preliminary Assessment Report of the economic feasibility of the proposed open pit at Bonanza Ledge. These formed the basis for the application submitted in April 2006, under the provisions of the *BC Mines Act*, to produce up to 74,000 tonnes of ore per year. Over the course of the application process, the Company received comments from government review agencies, completed supplemental engineering and environmental work, and submitted updates. The Company received its *Mines Act* permit for the proposed open-pit mine at Bonanza Ledge on December 5, 2011 and currently has a mine life of four years.

In July 2012, the Company received an amendment to *Mines Act* Permit M-198 to allow the custom milling of up to 300,000 tonnes of ore from the Bonanza Ledge Mine and up to 300,000 tonnes of ore from the Dome Mountain Mine, as well as the disposal of associated mine tailings in the QR Main Zone Pit. In December 2012, the Company received its amended *Environmental Management Act* permit, PE 17876, to allow effluent discharge associated with active mining at Bonanza Ledge. Dewatering of the Main Zone pit is ongoing. The Company engaged the services of consultants to update its mineral resource calculations and the Bonanza Ledge pre-feasibility study.

In January 2013 the Company provided updates and reported that final clearing of the laydown area for Bonanza Ledge and stump tub grinding for reclamation were both complete. Mining equipment, including excavators, cats, and trucks used at QR Mine for the dam raise, had been moved to the Bonanza Ledge Mine site.

In March 2014, the Company announced the commencement of operations at the Bonanza Ledge Mine. The first production blast was achieved on March 12, 2014.

QR Mine and Mill

QR Mill

The QR Mill operates under Permit M-198, received in June 2012, as amended, to allow the Company to process Bonanza Ledge ore at the QR Mill. The trial grouting of the first hole on the North Dam was completed. During the year ended February 28, 2015 the Company decided to place the QR Mill into Care and Maintenance, this resulted in an impairment charge of \$2,869,545.

Goldstream Mill

During the year ended February 28, 2013, the Company recognized an impairment loss of \$224,000, which reduced the carrying value of the Goldstream mill to fair value less costs to sell. The impairment loss was primarily a result of declining scrap steel prices.

BARKERVILLE GOLD MINES LTD.
 Form 51-102F1
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Ten Month Period Ended December 31, 2016

The Company determined that further indications for impairment existed for the Goldstream Mill during the year ended February 29, 2016.

The recoverable amount of the Milling Plant & Equipment was obtained using a professional valuator, using an orderly liquidation value. The recoverable amount for the Milling Plant & Equipment was \$2,697,450 (including 5% selling costs) and an impairment loss of a further \$669,450 was recorded for the year ended February 28, 2016. Significant assumptions in this valuation include scrap metal prices.

On September 8, 2016, the Company sold the assets and liabilities related to the Goldstream Mill for proceeds of \$2,000,000 in the form of a \$1,000,000 promissory note payable as follows:

- (i) Less than 6 months - \$50,000
- (ii) 6 - 12 months - \$50,000
- (iii) 12 - 24 months - \$175,000
- (iv) 24 - 36 months - \$275,000
- (v) 36 - 48 months - \$450,000

With the remaining \$1,000,000 receivable over time by way of having the right to receive 25% of the net profits generated from commercial processing of material through the Mill.

The Company will record proceeds of disposition as they are received due to the uncertainty of collection regarding the amount receivable. Subsequent to December 31, 2016, the first payment due was not received by the Company.

Gold Loan Facility

Gold Loan Facility

By agreement dated October 8, 2013 and amended January 31, 2014, the Company entered into a \$15,000,000 gold loan facility (the "Facility") with 2176423 Ontario Limited (the "Lender").

On July 14, 2015, the Company settled the balance of the gold loan facility with 2176423 Ontario Ltd., a company controlled by Mr. Eric Sprott, through the issuance of an aggregate of 74,885,900 common shares of the Company at a price of \$0.27 per common share. As a result of the Debt Settlement, Mr. Eric Sprott is now the "Control Person" (as that term is defined in the policies of the TSX Venture Exchange) of the Company.

Annual General Meeting

The Company held its annual general meeting on May 17, 2016. As reported on May 17, 2016, the shareholders voted in accordance with management's recommendations on all matters placed before them at the meeting.

Related party balances and transactions:

These transactions are recorded at exchange value, being the value established and agreed upon by the related parties.

Name of Related Party	Description	Ten month period	Year ended
		ended December 31, 2016	February 29, 2016
		\$	\$
Standard Drillings & Engineering Ltd.	Cost of Goods Sold ¹	Nil	30,856
Pubco Management	Paralegal services ¹	Nil	7,856
Minaz Dhanani, former CFO ⁴	Salary & benefits	Nil ⁴	35,218
	Severance	Nil ³	240,000
	Options	Nil	81,900
Andrew H. Rees ⁵	Severance ⁵	Nil	60,000
	Share based payments ^{21,22}	Nil	49,700

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Tom Obradovich, former CEO	Salary & benefits ⁶	166,177	502,218
	Consulting fees	68,750	Nil
	Share based payments ^{21,22}	187,500	583,100
	Severance ⁶	780,000	Nil
Chris Lodder, CEO	Salary & benefits ²⁷	252,813	Nil
	Share based payments ²⁹	570,825	Nil
Alex Obradovich	Salary & benefits ¹⁸	Nil	11,606
Reid Obradovich	Salary & benefits ¹⁸	19,649	Nil
Greg Gibson, former Director	Consulting fees ⁷	Nil	26,400
Andres Tinajero, CFO	Consulting fees ⁸	219,044	165,000
	Share based payments ^{21,22, 29}	153,300	202,000
Lisa McCormack, Corporate Secretary	Consulting fees ⁹	Nil	35,000
	Salary & benefits ⁹	81,906	20,000
	Share based payments ^{21,22}	95,700	59,700
Paul Geddes, VP Exploration	Salary & benefits	285,254	Nil
	Share based payments ²⁹	153,300	Nil
Chris Pharness, VP Environment	Salary & benefits	179,621	Nil
	Share based payments ^{21,22}	387,050	Nil
Aaron Pharness	Salary & benefits ²⁶	20,245	Nil
Cale Pharness	Salary & benefits ²⁶	9,001	Nil
Wildeboer Dellelce	Legal fees ¹⁵	Nil	16,715
Sprott Private Wealth	Financing fee	Nil	176,000
Talisker Exploration Services	Exploration ²⁴	231,690	120,975
Osisko Gold Royalties Ltd.	Operation & administrative	222,338	Nil
San Gold Corporation	Inventory ¹⁷	Nil	31,613
	Equipment ¹⁷	Nil	200,000

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Name of Director	Description	Ten month period ended December 31, 2016	Year ended February 29, 2016
		\$	\$
Greg Gibson (former director)	Directors' fees	74,167 ¹⁰	59,333
	Share based payments	374,800 ^{21,22, 29}	256,600
Anthony Makuch	Directors' fees	35,000 ¹⁰	30,000
	Share based payments	196,000 ^{21,22, 29}	252,100
Norman Anderson	Directors' fees	Nil ¹¹	1,500
	Share based payments	Nil ^{21,22, 29}	49,700
John Kutkevicius	Directors' fees	35,000 ¹²	29,500
	Share based payments	196,000 ^{21,22, 29}	162,500
Ian Gordon	Directors' fees	30,000 ¹⁶	27,500
	Share based payments	187,500 ^{21,22, 29}	128,200
Allan Folk	Directors' fees	30,000 ¹⁰	21,000
	Share based payments	187,500 ^{21,22, 29}	257,000
Morris Prychidny	Directors' fees	43,333 ¹⁶	36,667
	Share based payments	196,000 ^{21,22, 29}	132,700
Chris Lodder	Directors' fees	Nil ¹²	23,500
	Share based payments	196,000 ^{21,22, 29}	261,500
Sean Roosen	Directors' fees	41,250 ¹⁶	Nil
	Share based payments	608,550 ^{25, 29}	Nil

As at December 31, 2016, \$nil (February 29, 2016 - \$1,775) is recorded as a receivable from a Company in which a director of Barkerville Gold Mines Ltd. is the CEO. The amount was receivable in connection with sale of equipment and shipping costs charged during the year ended February 29, 2016. During the year ended February 29, 2016, the Company charged \$5,151 in relation to rent and \$30,000 in connection with sale of equipment and shipping costs.

Notes:

1. These fees were paid to a company controlled by the former CEO.
2. See **Loan from Mr. Callaghan and Partial Revocation of Cease Trade Order**. Amounts payable to the Company's CEO from the PRO bear interest at 20% per annum in the first year and 10% in the second year; interest is payable in full to the lender on repayment of the principal, due six months from the date of any such loan.
3. On November 1, 2012, the Company entered into an employment agreement with the CFO. The agreement is for an initial term of three years and will renew automatically for subsequent one year terms unless the Company provides notice of its intent not to renew 90 days prior to expiration. It can be terminated by the CFO at any time on giving 90 days' notice. The agreement includes termination clause to pay the CFO 24 months of base salaries, one year of group benefits, 36 months to exercise all the outstanding options and to issue 500,000 options in the next grant.
4. This represents payment of the base salary and benefits to Mr. Dhanani. The Company may recover some of the salary paid from other companies when Mr. Dhanani performs non-contractual services for them from time to time.
5. On November 1, 2012, the Company entered into a consulting agreement with Mr. Rees (the "Consulting Agreement"). Mr. Rees was required to provide reasonably full time consulting services to the Company. The Consulting Agreement was for an initial term of three years and will renew automatically for subsequent one year terms unless the Company provides notice of its intent not to renew 90 days prior to expiration. The Consulting Agreement can be terminated by Mr. Rees at any time on giving 90 days' notice. The agreement includes termination clause

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

to pay Mr. Rees 24 months of base charges, one year of group benefits and 36 months to exercise all the outstanding options. Source deductions were remitted.

6. On January 15, 2015, the Company entered into an employment agreement with the CEO. The agreement is to pay the CEO \$300,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a target payout of 100% of Base salary based on achievement. The agreement is also to pay a \$1,200 monthly car allowance, reimbursement for an annual physical performed and reimbursement for an annual out of town membership at The Cambridge Club. The agreement includes termination clause to pay the CEO 24 months of base salaries, plus one time his average annual bonus. In the event of a change of control, the CEO is entitled to a lump sum payment equal to 24 months of his annual salary plus two times his average annual bonus.

7. The Company pays the Chairman of the Board \$1,200 per day plus HST when services were performed as required.

8. On May 1, 2015, the Company entered into a consulting agreement with the CFO. The agreement is to pay the CFO \$180,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a target payout of 50% of Base fee based on achievement. The agreement includes termination clause to pay the CFO 24 months of base fees. In the event of a change of control, the CFO is entitled to a lump sum payment equal to 24 months of his annual fee.

9. The Company pays Corporate Secretary \$5,000 per month plus HST. During November 2015, the Corporate Secretary was added to the Company's payroll for services from November 2015 onwards.

10. Includes fee for Board meetings attended.

11. Includes fee for Board meetings, Search Committee and audit meetings attended.

12. Includes fee for Board meetings, Finance Committee, GNC and audit meetings attended.

13. Includes fee for Board meetings and Finance Committee meetings attended.

14. includes fee for Audit Committee meetings attended, GNC Committee, Search Committee meetings & Board meetings attended.

15. These fees were paid to a law firm in which a director is a partner.

16. Includes fee for Board meetings & audit meetings attended.

17. These purchases were paid to a company whose CEO is a former director of the Company (Greg Gibson).

18. Alex and Reid Obradovich are immediate family of the former CEO.

19. On October 3, 2014, the Company entered into an employment agreement with the interim President. The agreement is to pay the interim President at the rate of \$1,000 per day plus GST commencing September 25, 2014. Any out-of-pocket and travelling expenses will be paid by the Company. Source deductions were remitted.

20. On October 3, 2014, the Company entered into an employment agreement with the interim CEO. The agreement is to pay the interim CEO at the rate of \$1,000 per day plus GST commencing September 25, 2014. Any out-of-pocket and travelling expenses will be paid by the Company. Source deductions were remitted.

21. On July 15, 2015, the Company granted an aggregate of 8,980,000 options to purchase common shares of the Company exercisable at a price of \$0.27 per share for a period of five years, to certain directors, officers, employees and consultants, 401,161 options exercisable at a price of \$0.27 per share for a period of two years to the former CEO to settle the severance obligation and 250,000 options exercisable at a price of \$0.27 per share for a period of two years to Andrew Rees, former director of the Company.

22. On October 14, 2015, the Company announced that it has granted an aggregate of 2,590,000 options to purchase common shares of the Company exercisable at a price of \$0.29 per share for a period of five years, to certain directors, officers, employees and consultants and 500,000 options to purchase common shares of the Company exercisable at a price of \$0.29 per share for a period of two years to the former CFO to settle the severance obligation.

23. Fees were paid before Mr. Gordon became a related party to the Company

24. Talisker Exploration Services is a company controlled by Chris Lodder. Chris Lodder (Director of the Company) with a 33.33% interest and is the President of the company. His other equal partners are Ruben Padilla, PHD Geo., and Terry Harbort PHD. Geo. serve as part time consultants to BGM. They are specialized in ore controls, geological modelling and greenfields exploration

25. On March 8, 2016, the Company granted an aggregate of 3,365,000 options to purchase common shares of the Company exercisable at a price of \$0.52125 per share for a period of five years, to certain directors, officers, and employees.

26. Aaron Pharness and Cale Pharness are immediate family of the VP of Environment.

27. On July 1, 2016 Chris Lodder was appointed as CEO of the Company. The agreement is to pay the CEO \$400,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long target payout of 200% of Base salary based on achievement. The CEO is entitled in the event of termination of employment without cause, of an amount equal to two (2) times his base salary plus average bonus paid for the previous 2 - year period. In the event where less than 2 -year bonus was paid, the average paid for the previous period will be used to calculate the 2 - year average; payment, in the event of a change of control of the Company, of an amount equal to two (2) times his base salary plus bonus at target for the previous 2 - year period; participation in the executive medical benefits plan offered by the Company

28. On October 17, 2016, The Company amended Chris Pharness' employment agreement. The agreement is to pay the VP of Environment \$240,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long term target payout of 100% of Base fee based on achievement. The agreement includes termination clause to pay the VP of Exploration 24 months of base fees. In the event of a change of control, the Vp of Exploration is entitled to a lump sum payment equal to 24 months of his annual fee

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

29. On December 7, 2016, the Company granted an aggregate of 9,800,000 options to purchase common shares of the Company exercisable at a price of \$0.4675 per share for a period of five years, to certain directors, officers, and employees.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Recent Accounting Pronouncements

The Company did not adopt any new or amended standards for the year beginning March 1, 2016 that had a material impact on the consolidated financial statements.

The following new standards, amendments to standards and interpretations have been issued but are not effective during the ten month period ended December 31, 2016:

IFRS 15 Revenue Recognition

On May 28, 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers*. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue - Barter Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on March 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

IFRS 16 Leases

IFRS 16 - In 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), replacing IAS 17, *Leases* and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") has been adopted. The Company has not yet determined the impact of the amendments on the Company's financial statements.

There are no additional standards not yet effective that would have an impact on the consolidated financial statements.

Financial Instruments and Risk Management

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	Financial Assets at Fair Value through Profit or Loss		Loans and Receivables		Available for Sale Investments	
	December 31, 2016	February 29, 2016	December 31, 2016	February 29, 2016	February 29, 2016	February 29, 2016
Cash and cash equivalents	\$ 19,224,750	\$ 25,090,664	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	-	471,600	161,281	-	-
Available for sale investments	-	-	-	-	10,965,097	10,481,193
Reclamation deposits	-	-	3,395,800	3,395,800	-	-
Total Financial Assets	\$ 19,224,750	\$ 25,090,664	\$ 3,867,400	\$ 3,557,081	\$ 10,965,097	\$ 10,481,193

	December 31, 2016	February 29, 2016
Financial liabilities at amortized cost:		
Trade and other payables	\$ 5,221,681	\$ 2,207,913
Due to related parties	101,374	110,375
Lease payable	74,375	104,124
Total Financial Liabilities	\$ 5,397,430	\$ 2,422,412

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

a) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings at variable rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

b) Commodity Price Risk:

The Company is subject to commodity price risk for all the principal metals that are recovered from the concentrates that it produces. These include gold and silver. These metal prices are subject to numerous factors beyond the control of the Company including central bank sales, producer hedging activities, interest rates, exchange rates, inflation and deflation, global and regional supply and demand, and political and economic conditions in major producing countries throughout the world. A 5% increase/decrease in gold price would have an impact of approximately \$nil. The Company has elected not to actively manage its exposure to metal prices at this time.

c) Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings. The available-for-sale investment in the common shares of Lions Gate Energy Inc. is not a source of market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash, reclamation deposits and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The reclamation bonds are maintained with financial institutions by the Province and can be released upon the Company fulfilling its reclamation obligations.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents of \$19,224,750 (February 29, 2016: \$25,090,664), reclamation deposits of \$3,395,800 (February 29, 2016: \$3,395,800), amounts receivable of \$471,600 (February 29, 2016: \$161,281), and available for sale investments of \$10,965,097 (February 29, 2016: \$10,481,193).

Liquidity Risk

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. As at December 31, 2016, the Company had a working capital of \$21,085,727 (February 29, 2016: \$27,863,598).

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as at December 31, 2016 and February 29, 2016:

	Book Value at December 31, 2016	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	\$ 5,221,681	\$ 5,221,681	\$ -	\$ -	\$ 5,221,681
Due to related parties	101,374	101,374	-	-	101,374
Lease payable	74,375	34,000	40,375	-	74,375
Total	\$ 5,397,430	\$ 5,357,055	\$ 40,375	\$ -	\$ 5,397,430

	Book Value at February 29, 2016	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	\$ 2,207,913	\$ 2,207,913	\$ -	\$ -	\$ 2,207,913
Due to related parties	110,375	110,375	-	-	110,375
Lease payable	104,124	34,000	70,124	-	104,124
Total	\$ 2,422,412	\$ 2,352,288	\$ 70,124	\$ -	\$ 2,422,412

Other Risk Factors

As a mining company the Company faces other risks including, but not necessarily limited to, the following:

Reliance on Management's Expertise

Barkerville strongly depends on the business acumen expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse effect on the Company.

Legal risk

The Company has been made aware of a complaint filed in the Circuit Court of the 11th Judicial Circuit in Miami-Dade County, Florida, between Jack Kachkar, as plaintiff, and the Company, and approximately seventy (70) other persons, as defendants, being Case No. 15-27567-CA-27. The Claim relates to a convertible debenture financing that occurred in 2006. The claim does not specify the quantum of damages allegedly suffered by the plaintiff and has not been formally served on the Company. If and when the Company is formally served with the complaint, the Company will vigorously defend itself against the claim.

On April 8, 2016, the Company announced that it has been served with a proposed class action lawsuit that has been commenced in the Ontario Superior Court of Justice relating to an August 12, 2012, technical report prepared by Peter T. George, P. Geo, concerning a mineral resource estimate for the Cariboo Gold Project. The Notice of Action also names the Company's former President and CEO, James Francis Callaghan, former CFO, Minaz Dhanani, the author of the Technical Report Peter T. George and his consulting company, Geoex Limited.

The representative plaintiff is requesting various orders and declarations in the Notice of Action, including \$9,900,000 in damages, based on alleged misrepresentations in violation of Canadian securities regulatory requirements relating to the mineral resource estimate that was announced on June 28, 2012, and incorporated into various disclosure documents, including but not limited to, the Technical Report.

The Company has retained counsel and intends to vigorously defend its interest and protect its rights.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct, operate and maintain mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk are taken, mining operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of its mineral properties requires the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Commitments and Contingencies

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

On March 30, 2016, a statement of claim was issued against the Company relating to alleged misrepresentations. The Company intends to vigorously defend itself against this claim. The costs of defense are covered under the Company's Directors and Officers Insurance.

BARKERVILLE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Ten Month Period Ended December 31, 2016

While the outcomes of this matter is uncertain, based upon the information currently available, the Company does not believe that these matters in aggregate will have a material adverse effect on its consolidated financial position, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in its consolidated financial statements in the appropriate period relative to when such changes occur.

The company is committed to certain purchase obligations as follows:

2017	\$	34,000
2018		34,000
2019		6,375
2020		-
	\$	<u>74,375</u>

Flow-through shares

As at December 31, 2016, the Company is committed to spending approximately \$18,163,000 by December 31, 2017 in connection with its flow-through offerings (February 29, 2016 - \$10,695,000).

Financial and Disclosure Controls and Procedures

During the ten month period ended December 31, 2016 there has been no significant change in the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com. In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 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.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

"Chris Lodder"

Chris Lodder
President & Chief Executive Officer