

## **KILLDEER MINERALS INC.**

### **Management Discussion and Analysis**

**For the nine month period ended December 31, 2016**

---

#### **INTRODUCTION**

The following Management Discussion and Analysis (“MD&A”) of Killdeer Minerals Inc. (the “Company” or “Killdeer”) has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of February 20, 2017 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended December 31, 2016 and 2015 and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The following should also be read in conjunction with the audited financial statements and the related MD&A for the year ended March 31, 2016, and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a “Venture Issuer” as defined in NI 51-102. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

#### **FORWARD LOOKING INFORMATION**

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management’s expectations regarding the Company’s future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimization of operations at the properties; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will

continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Risks and Uncertainties”) contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

## **OVERALL PERFORMANCE/SIGNIFICANT EVENTS**

### **Background**

Killdeer Minerals Inc. is a resource exploration company focused on acquiring and exploring resource properties in Canada.

As at December 31, 2016, the Company had working capital of \$16,440 (March 31, 2016 – \$104,277) and will require additional financing from outside participation to undertake further exploration and subsequent development of its exploration and evaluation assets. As at December 31, 2016, the Company has not generated any revenue, has accumulated losses of \$3,952,923 (March 31, 2016 - \$3,824,507) since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, the attainment of profitable operations, external financings and further share issuances.

In August 2016, the Company announced that they have been evaluating a number of projects over the course of the past year and is currently conducting further due diligence on a select few assets.

In February 2017, the Company settled outstanding indebtedness of \$38,000 through the issuance of 380,000 common shares to certain vendors.

In February 2017, the Company completed its non-brokered private placement of units (each, a “Unit”) at a price of \$0.10 per Unit. Each “Unit” consists of one common share of the Company and one half-of-one common share purchase warrant (each whole warrant, a “Warrant”). Each whole Warrant entitles the holder to acquire a further common share at a price of \$0.15 for a period of twelve months, subject to accelerated expiry in the event that the Company’s common shares have a closing price of \$0.40 or higher for ten consecutive trading days. The private placement was fully subscribed and on closing the Company issued 5,000,000 Units for gross proceeds of \$500,000. In connection with closing the Company paid fees of \$31,800 and issued 318,000 Warrants on the same terms to finders’ who introduced subscribers to the private placement. The proceeds of the private placement will be used for general working capital purposes and for the evaluation of potential strategic acquisition opportunities. All securities issued in connection with the private placement are subject to a four-month-and-one-day hold period.

In February 2017, the Company announced that it has engaged Daniel Kunz & Associates, LLC, to assist with due diligence of various mineral resource projects the Company is currently reviewing. Daniel Kunz & Associates, LLC is an internationally recognized consulting firm specializing in the exploration, development

and financing of resource projects. More information on Daniel Kunz & Associates, LLC is available at [www.dkunzassoc.com](http://www.dkunzassoc.com).

## **EXPLORATION ACTIVITIES**

### **Wildcat Property, Yukon**

On December 4, 2009, the Kaska Dena Council of the Kaska Dena First Nation filed a Petition in the Supreme Court of Yukon seeking an order to quash the recording and granting of the Wildcat 92 mineral claim which was optioned to the Company as part of the Wildcat Property. The Government of Yukon, the Watson Lake Mining Recorder, the Minister of Energy, Mines and Resources, the Optioner and the Company are named in the Petition. The Petition states that the recording and granting of the mineral claim known as Wildcat 92 without first consulting the Kaska Dena Council constituted a breach of the government's duty to consult the Kaska Dena Council. The Company continues to monitor the proceedings between the Government of Yukon and the Kaska Dena Council.

The Company has withheld making further option payments and share issuances until the contingency with the Government of Yukon has been settled. During the year ended March 31, 2011, the Company impaired the Wildcat Property to a nominal amount of \$1. The remaining amount of \$1 was written off as at March 31, 2014.

## **RESULTS OF OPERATIONS**

### **For the nine months ended December 31, 2016**

#### ***Revenues***

Due to the Company's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

#### ***General and administrative expenses***

The Company incurred general and administrative expenses of \$129,356 for the nine months ended December 31, 2016 compared with \$107,980 for the nine months ended December 31, 2015. Expense details are as follows:

- a) Management fees of \$22,500 (2015– \$Nil) and accounting and audit fees of \$16,500 (2015 - \$500) - The increases are due to new management compensation and accounting fees during the period ended December 31, 2016.
- b) Consulting fees of \$25,500 (2015 - \$Nil) – The increase is due to new consulting agreements entered into in the 4<sup>th</sup> quarter of the previous fiscal year and the 3<sup>rd</sup> quarter of the current year.
- c) Office expense of \$14,951 (2015 – \$1,259) – The increase is due to the rental cost for the new office.
- d) Filing fees of \$7,273 (2015 – \$2,785) – The increase is due to AGM fees during the period ended December 31, 2016.
- e) Share-based payments of \$38,329 (2015 – \$99,265) – The Company granted 600,000 stock options (2015 – 750,000) with a fair value of \$38,329 during the period ended December 31, 2016 (2015 - \$99,265).

### For the three months ended December 31, 2016

The Company incurred general and administrative expenses of \$56,680 for the three months ended December 31, 2016 compared with \$103,575 for the three months ended December 31, 2015. Expense details are as follows:

- a) Management fees of \$7,500 (2015– \$Nil) and accounting and audit fees of \$4,500 (2015 - \$Nil) - The increases are due to new management compensation and accounting fees in the current fiscal year.
- b) Consulting fees of \$10,500 (2015 - \$Nil) – The increase is due to new consulting agreements entered into in the 4<sup>th</sup> quarter of the previous fiscal year and the 3<sup>rd</sup> quarter of the current year.
- c) Office expense of \$7,116 (2015 – \$298) – The increase is due to the rental cost for the new office.
- d) Share-based payments of \$22,351 (2015 – \$99,265) – The Company granted 350,000 stock options (2015 – 750,000) with a fair value of \$22,351 during the period ended December 31, 2016 (2015 - \$99,265).

### SUMMARY OF QUARTERLY REPORTS

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revenue	\$ -	\$ -	\$ -	\$ -
Loss for the period	(55,740)	(48,286)	(24,390)	(56,989)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

  

	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Revenue	\$ -	\$ -	\$ -	\$ -
Income (loss) for the period	(104,177)	(3,924)	(2,286)	41,750
Earnings (loss) per share, basic and diluted	(0.01)	(0.00)	(0.00)	0.02

In the quarter ended December 31, 2015, the Company recorded share-based payments of \$99,265.

In the quarter ended March 31, 2015, the Company recorded a gain on settlement of debt of \$58,000.

### LIQUIDITY

As at December 31, 2016, the Company had \$177,973 (March 31, 2016 - \$332,335) in cash. The Company had current assets of \$193,502 (March 31, 2016 - \$339,245) and current liabilities of \$177,062 (March 31, 2016 - \$234,968) with a working capital of \$16,440 (March 31, 2016 – \$104,277). The Company has had to rely upon the sale of equity securities primarily through private placements for the cash required for acquisitions, exploration and development, and operating expenses.

### CAPITAL RESOURCES

In February 2017, the Company completed its non-brokered private placement of units (each, a “Unit”) at a price of \$0.10 per Unit. Each “Unit” consists of one common share of the Company and one half-of-one

common share purchase warrant (each whole warrant, a “Warrant”). Each whole Warrant entitles the holder to acquire a further common share at a price of \$0.15 for a period of twelve months, subject to accelerated expiry in the event that the Company’s common shares have a closing price of \$0.40 or higher for ten consecutive trading days. The private placement was fully subscribed and on closing the Company issued 5,000,000 Units for gross proceeds of \$500,000. In connection with closing the Company paid fees of \$31,800 and issued 318,000 Warrants on the same terms to finders’ who introduced subscribers to the private placement. The proceeds of the private placement will be used for general working capital purposes and for the evaluation of potential strategic acquisition opportunities. All securities issued in connection with the private placement are subject to a four-month-and-one-day hold period.

## **RELATED PARTY TRANSACTIONS**

During the periods ended December 31, 2016 and 2015, the Company was involved in the following related party transactions:

- (a) Incurred management fees of \$22,500 (2015 - \$nil) to a company controlled by the President and Chief Executive Officer.
- (b) Incurred accounting fees of \$13,500 (2015 - \$nil) to an accounting firm where the Chief Financial Officer of the Company is a partner.
- (c) As at December 31, 2016, the Company owed \$53,944 (March 31, 2016 - \$53,944) to a company with a common officer and a director which is non-interest bearing, unsecured, and due on demand.
- (d) As at December 31, 2016, the Company owed \$13,388 (March 31, 2016 - \$4,725) to an accounting firm where the Chief Financial Officer of the Company is a partner. The amount due is non-interest bearing, unsecured, and due on demand.
- (e) As at December 31, 2016, the Company owed \$26,500 (March 31, 2016 - \$7,875) to a company controlled by the President and Chief Executive Officer of the Company which is non-interest bearing, and due on demand.
- (f) During the period ended December 31, 2016, the Company granted 150,000 (2015 – 450,000) stock options with a fair value of \$9,583 (2015 - \$59,559) to officers and directors of the Company.

## **RISKS AND UNCERTAINTIES**

*Our exploration programs may not result in a commercial mining operation.*

Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Our exploration and evaluation assets are without a known body of commercial ore and our proposed programs are an exploratory search for ore. We do not know whether our current exploration programs will result in any commercial mining operation. If the exploration programs do not result in the discovery of commercial ore, we will be required to acquire additional properties and write-off all of our investments in our existing properties.

*We may not have sufficient funds to complete further exploration programs.*

We have limited financial resources, do not generate operating revenue and must finance our exploration activity by other means. We do not know whether additional funding will be available for further exploration of our projects or to fulfill our anticipated obligations under our existing property agreements. If we fail to obtain additional financing, we will have to delay or cancel further exploration of our properties, and we could lose all of our interest in our properties.

*Factors beyond our control may determine whether any mineral deposits we discover are sufficiently economic to be developed into a mine.*

The determination of whether our mineral deposits are economic is affected by numerous factors beyond our control. These factors include market fluctuations for precious metals; metallurgical recoveries associated with the mineralization; the proximity and capacity of natural resource markets and processing equipment; costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

*We have no revenue from operations and no ongoing mining operations of any kind.*

We are a mineral exploration company and have no revenues from operations and no ongoing mining operations of any kind. If our exploration programs successfully locate an economic ore body, we will be subject to additional risks associated with mining.

We will require additional funds to place the ore body into commercial production. Substantial expenditures will be required to establish ore reserves through drilling, develop metallurgical processes to extract the metals from the ore and construct the mining and processing facilities at any site chosen for mining. We do not know whether additional financing will be available at all or on acceptable terms. If additional financing is not available, we may have to postpone the development of, or sell, the property.

The majority of our property interests is not located in developed areas and as a result may not be served by appropriate road access, water and power supply and other support infrastructure. These items are often needed for development of a commercial mine. If we cannot procure or develop roads, water, power and other infrastructure at a reasonable cost, it may not be economic to develop properties, where our exploration has otherwise been successful, into a commercial mining operation.

In making determinations about whether to proceed to the next stage of development, we must rely upon estimated calculations as to the mineral reserves and grades of mineralization on our properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of the placing of a property into production and a property's return on capital.

Mining operations often encounter unpredictable risks and hazards that add expense or cause delay. These include unusual or unexpected geological formations, changes in metallurgical processing requirements; power outages, labor disruptions, flooding, explosions, rock bursts, cave-ins, landslides and inability to obtain suitable or adequate machinery, equipment or labor. We may become subject to liabilities in connection with pollution, cave-ins or hazards against which we cannot insure against or which we may elect not to insure. The payment of these liabilities could require the use of financial resources that would otherwise be spent on mining operations.

Mining operations and exploration activities are subject to national and local laws and regulations governing prospecting, development, mining and production, exports and taxes, labor standards, occupational health and mine safety, waste disposal, toxic substances, land use and environmental protection. In order to comply, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offence under such legislation.

*Our properties may be subject to uncertain title.*

We cannot provide assurance that title to our properties will not be challenged. We own, lease or have under option, unpatented and patented mining claims, mineral claims or concessions which constitute our property holdings. The ownership and validity, or title, of unpatented mining claims and concessions are often uncertain and may be contested. We also may not have, or may not be able to obtain, all necessary surface rights to develop a property. Title insurance is generally not available for exploration and evaluation assets and our ability to ensure that we have obtained a secure claim to individual mining properties or mining concessions may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property will cause us to lose our rights to explore and, if warranted, develop that property. This could result in our not being compensated for our prior expenditures relating to the property.

*Land reclamation requirements for our exploration properties may be burdensome.*

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we must allocate financial resources that might otherwise be spent on further exploration programs.

*We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.*

We compete with other exploration companies, many of which have greater financial resources than us or are further along in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional exploration and evaluation assets or personnel, we will not be able to grow at the rate we desire or at all.

*Some of our directors and officers have conflicts of interest as a result of their involvement with other natural resource companies.*

Some of our directors and officers are directors or officers of other natural resource or mining-related companies. These associations may give rise to conflicts of interest from time to time. In particular, our directors who also serve as directors of other companies in the same industry may be presented with business opportunities which are made available to such competing companies and not to us. As a result of these conflicts of interest, we may miss the opportunity to participate in certain transactions, which may have a material, adverse effect on our financial position.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk, and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

## **DISCLOSURE BY VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE**

An analysis of the material components of the Company's general and administrative expenses is disclosed in the unaudited condensed interim financial statements for the period ended December 31, 2016 to which this MD&A relates.

## OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

As at the date of this report, the Company had the following outstanding:

- 26,024,213 common shares
- Stock options

Number of Options	Exercise Price	Expiry Date
750,000	0.20	December 30, 2018
250,000	0.07	August 26, 2019
350,000	0.07	December 13, 2019
1,350,000		

- Warrants

Number of Warrants	Exercise Price	Expiry Date
2,818,000	0.15	February 7, 2018
2,818,000		

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

## CONTINGENCIES

On December 4, 2009, the Kaska Dena Council of the Kaska Dena First Nation filed a Petition in the Supreme Court of Yukon seeking an order to quash the recording and granting of the Wildcat 92 mineral claim which was optioned to the Company as part of the Wildcat Property. The Government of Yukon, the Watson Lake Mining Recorder, the Minister of Energy, Mines and Resources, the Optionor and the Company are named in the Petition. The Petition states that the recording and granting of the mineral claim known as Wildcat 92 without first consulting the Kaska Dena Council constituted a breach of the government's duty to consult the Kaska Dena Council. The Company continues to monitor the proceedings between the Government of Yukon and the Kaska Dena Council.



## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

### **Changes in Internal Control over Financial Reporting (“ICFR”)**

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis. The Venture Issue 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 NI52-109.

## **MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

## **OTHER MD&A REQUIREMENTS**

Additional information relating to the Company’s operations and activities can be found by accessing the Company’s news releases and filings on SEDAR at [www.sedar.com](http://www.sedar.com).

## **RECENT ACCOUNTING POLICIES**

Please refer to the December 31, 2016 condensed interim financial statements on [www.sedar.com](http://www.sedar.com).

## **FINANCIAL INSTRUMENTS**

Please refer to the December 31, 2016 condensed interim financial statements on [www.sedar.com](http://www.sedar.com).

## **DIRECTORS AND OFFICERS**

Satvir Dhillon, *President, Chief Executive Officer and Director*

Stan Szary, *Director*

Michael Withrow, *Director*

Scott Davis, *Chief Financial Officer*