



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(FORM 51-102F1)**

**NINE MONTH INTERIM PERIOD ENDED NOVEMBER 30, 2007**

**JANUARY 7, 2008**

**STIKINE GOLD CORPORATION**  
**Management's Discussion and Analysis**  
**Nine Month Period Ended November 30, 2007**  
**Dated as of January 7, 2008**

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*This discussion and analysis should be read in conjunction with the unaudited interim financial statements and related notes thereto for the nine months ended November 30, 2007 and 2006, which have been prepared in accordance with Canadian generally accepted accounting principles. The reader should also refer to the annual audited financial statements for the years ended February 28, 2007 and 2006 and the Management's Discussion and Analysis for those years. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.*

**Forward-Looking Information**

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Stikine Gold Corporation (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

**Description of Business and Overview of Operations and Financial Condition**

The Company is engaged in exploration for mineral resources with its primary focus now being the Huskie Uranium Property, located on the southern boundary of the Athabasca Basin in northern Saskatchewan.

During the nine months ended November 30, 2007, the Company incurred a loss of \$415,175 including a write-off of \$290,741 in exploration and acquisition costs incurred in connection with the Company's Sullivan Deeps Project. At November 30, 2007 the Company had cash and cash equivalents of \$97,817.

**Selected Annual Financial Results**

	<b>Year Ended February 28, 2007</b>	<b>Year Ended February 28, 2006</b>	<b>Year Ended February 28, 2005</b>
Total revenues	Nil	Nil	Nil
Net loss	(3,484,099) <sup>1</sup>	(786,819) <sup>2</sup>	(340,234)
Net loss per share	(0.12)	(0.03)	(0.02)
Total assets	1,537,740	2,947,217	2,707,338
Total long term debt	Nil	Nil	Nil

Note 1: The loss for the year-ended February 28, 2007 includes a write-off of \$3,652,595 in resource property costs and future income tax recoveries of \$562,980.

Note 2: The loss for the year-ended February 28, 2006 includes a write-off of \$358,226 in resource property costs.

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**Results of Operations**

*Sullivan Deeps Project Exploration*

The Company's Sullivan Deeps exploration program was terminated on April 6, 2007, in the Lower Aldridge formation at a total depth of 2,696 metres (8,845 feet), in geology clearly identifiable as Sullivan "footwall". "SD3" intersected a 0.4 metre interval of laminated and semi-massive sulphides, comprised primarily of uneconomic pyrrhotite, at a depth of 2,659 metres. As pyrrhotite is highly conductive, the relatively thin sulphide intervals encountered in SD3 and in previous drill holes is believed to account for the geophysical anomaly.

The Sullivan Deeps target has now been adequately tested and the Company will not conduct any future exploration at the project. The Company has written-off the total of \$3,943,336 incurred on the project through November 30, 2007.

*Catalan Copper Property*

The Company's Catalan Copper Project is located adjacent to the Gibraltar Copper Molybdenum Mine near Williams Lake, in south-central British Columbia. By agreement dated February 15, 2006 as amended, the Company has now acquired a 100% interest in the Catalan Copper Property for \$60,000, subject to a 1% net smelter return.

Assay results were recently received for the Company's initial diamond-drilling program at the Catalan Property. The initial program consisted of three diamond drill holes, designed to target previously untested copper-in-soil geochemical anomalies coincident with induced polarization (IP) and magnetic geophysical anomalies that were identified in 2005. Assays from the drilling include 0.42% copper and 27 ppm molybdenum over 2 metres within a 12 metre interval of 0.13% copper and 13.6 ppm molybdenum in hole CC07-04.

No significant values were encountered in the graphitic argillite from hole CC07-01, located near the western property boundary and CC07-02, located 310 metres south of hole CC07-01. Hole CC07-04 was located 380 metres northwest of hole CC07-02 and hole CC07-03 was lost at a depth of 50 metres. Mineralization was hosted in foliated volcanics associated with a major fault zone and included variable amounts of disseminated chalcopyrite and minor molybdenite. Table 1 below provides a summary of all assay results exceeding 0.1% copper and/or 15 ppm molybdenum.

**Table 1. Catalan Assay Results**

Drill Hole	From (m)	To (m)	Interval (m)	Copper Cu - %	Molybdenum Mo - ppm	Silver Ag - ppm	Gold Au - ppb
CC07-04 includes	96	108	12	0.13	13.6	0.6	2.4
	96	98	2	0.09	15.2	0.5	2.2
	98	100	2	0.14	24.0	0.7	4.1
	102	104	2	0.42	3.5	1.9	4.5
	106	108	2	0.05	27.0	0.3	1.1
CC07-04	148	150	2	0.01	24.8	0.1	1.5

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Another untested target, for intrusive-hosted copper-mineralization similar to that which occurs at Gibraltar Mine's Sawmill Zone, was also identified approximately one kilometre to the north of the January 2007 drill program, where IP chargeability anomalies occur in an area of higher ground magnetics relief. The chargeability anomalies may be reflecting stronger sulphide mineralization associated with sericite-chlorite altered zones hosted in an intrusive phase of the Granite Mountain batholith.

To November 30, 2007, the Company had incurred a total of \$288,222 at the Catalan Property including \$81,423 in acquisition costs and the balance in deferred exploration costs.

*Huskie Uranium Property*

In May 2006, the Company purchased a 100% interest in the "Huskie Uranium Property", in Northern Saskatchewan for consideration of 1,225,000 common shares with a value of \$441,000. The property is subject to a 2.5 percent net smelter return that is reducible to 1 percent by paying \$3-million. The Company has also staked additional land adjacent to the original land package such that the property now comprises a total area of over 38,000 hectares, favorably located approximately 100 kilometres west of the Key Lake mine/mill complex and 22 kilometres south of Cameco's Virgin River project.

The Huskie Uranium Property claims straddle the important Athabasca Basin Unconformity and have geological similarities to both the Key Lake and Virgin River settings. Exploration work in the area dates to the 1960's and has identified clastic sediments of the Athabasca Group north of the unconformity, and moraine material covers much of the unconformity. That moraine cover has historically limited any detailed exploration at the property. Importantly, two large-scale fault systems are recognized on the property, including a series of NE trending faults and a set of NW trending faults. Both structural domains are considered potential controls for uranium mineralization and proximity to the unconformity suggests relatively shallow target depths. Silt and lake sediments, float and boulders sampled to date on the property indicate anomalously radioactive, hematized, quartz-pebble conglomerate, which are believed to be from the moraine-covered unconformity on the claims.

The Company has completed a detailed airborne geophysical survey over its Huskie Uranium Property. The MEGATEM electromagnetic and magnetic survey was carried out by Fugro Airborne Surveys using a De Havilland DH7 (Dash-7) flying grid lines over approximately 1,900 line kilometres targeting prospective areas. The Company engaged TerraNotes Ltd. to carry out analysis and interpretation of preliminary data, followed by sophisticated modeling of the airborne survey dataset. The final report from TerraNotes remains pending at the time of this report.

To November 30, 2007, the Company had recorded acquisition costs totalling \$481,176 and deferred exploration costs of \$371,256.

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***Operating Expenses and Loss***

During the nine months November 30, 2007, the Company incurred a loss of \$415,175 and deferred acquisition and exploration costs of \$665,224 compared to a loss of \$220,763 and deferred acquisition and exploration costs of \$1,198,751 for first nine months of the prior fiscal year. The loss increased significantly as a result of \$290,741 in resource costs written off during the current year versus nil in first nine months of the prior fiscal year. On a cash-basis, the Company's general and administrative overhead has remained relatively consistent over time.

**Liquidity and Capital Resources**

At November 30, 2007, the Company had cash and cash equivalents of \$97,817. While ongoing administrative functions can be funded, the Company will be required to raise further equity to complete its planned exploration programs and/or further acquisitions.

**Summary of Quarterly Results**

	<b>Nov. 30, 2007</b>	<b>Aug. 31, 2007</b>	<b>May 31, 2007</b>	<b>Feb. 28, 2007</b>
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(34,874)	(69,994)	(310,307) <sup>1</sup>	(3,263,336) <sup>2</sup>
Net income (loss) per share	0.01	(0.01)	(0.01)	(0.11)
Total assets	1,282,944	1,183,474	1,068,766	1,537,740
Total long term debt	Nil	Nil	Nil	Nil
	<b>Nov. 30, 2006</b>	<b>Aug. 31, 2006</b>	<b>May 31, 2006</b>	<b>Feb. 28, 2006</b>
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(57,805)	(107,800)	(55,158)	(389,663) <sup>3</sup>
Net income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	4,409,222	4,421,217	3,490,626	2,947,217
Total long term debt	Nil	Nil	Nil	Nil

Notes:

- 1) The loss for the quarter ended May 31, 2007 includes a write-off of \$273,330 in resource property costs.
- 2) The loss for the quarter ended February 28, 2007 includes a write-off of \$3,652,595 in resource property costs and future income tax recoveries of \$562,980.
- 3) The loss for the quarter ended February 28, 2006 includes a write-off of \$358,226 in resource property costs.

**Critical Accounting Estimates**

The Company's accounting policies are described in Note 2 to the consolidated financial statements. The estimates made in applying the policies below can be uncertain and a change in these estimates could materially impact the consolidated financial statements.

***Resource Property Costs***

Resource property costs represent the most significant assets of the Company. The costs associated with resource costs and/or property, plant and equipment include acquired interests in exploration stage properties representing the fair value at the time they were acquired. The values of such mineral properties are primarily driven by the nature and amount of mineral

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interests believed to be contained or potentially contained, in properties to which they relate. The Company reviews and evaluates its mineral interests for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

***Stock Option and Warrant Valuation***

The determination of the fair value of stock options and warrants issued requires management to estimate future stock volatility, expected life, and a risk-free rate of return. The Company uses historic information to estimate these future variables.

***Income and Mining Taxes***

The Company uses the liability method of accounting for income taxes. Under the liability method, future tax assets and liabilities are determined based on differences between the financial statement carrying amounts and their respective tax bases, and for tax losses and other deductions carried forward. The Company evaluates the carrying values of its future tax assets periodically by assessing its valuation allowance and by adjusting the amount of such valuation allowance in the period, if necessary.

**Changes in Accounting Policies**

In April 2005, the Canadian Institute of Chartered Accountants ("CICA") issued three new standards relating to financial instruments, applicable for fiscal years beginning on or after October 1, 2006, as follows:

***a) Financial Instruments—Recognition and Measurement (Section 3855)***

The standard prescribes when a financial asset, financial liability and non-financial derivative is to be recognized on the Balance Sheet and whether fair value or cost-based measures should be used. It also specifies how financial instruments gains or losses should be presented.

***b) Hedges (Section 3865)***

The standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the existing Accounting Guideline 13 (acG-13) "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

***c) Comprehensive Income (Section 1530)***

This standard introduces new rules for the reporting and display of comprehensive income. Comprehensive income is currently reported under US generally accepted accounting principles to measure the change in shareholders' equity of a company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period, except those resulting from investments by owners and distributions to owners. These items include holding gains and losses on certain investments, gains and losses on

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certain derivative instruments, and foreign currency gains and losses related to self-sustaining foreign operations.

The impact from the adoption of these new standards on the Company's financial statements is still to be determined.

### **Related Party Transactions**

Each of Scott Broughton, David Skerlec, John Mirko, and John Baker either directly or through a wholly owned company, provides consulting or contract services to the Company pursuant to a consulting agreement. Mr. Broughton charges a per diem rate of \$400, and Messrs. Skerlec, Mirko and Baker charge per diem rates of \$350. During the nine months ended November 30, 2007, consulting fees of \$3,600 (2006 - \$17,000) were paid or accrued to the President and CEO. Services provided include general corporate, exploration and acquisition strategy, planning and management, contract negotiations, and investment presentations. During the nine months ended November 30, 2007, consulting fees of \$18,900 (2006 - \$23,100) were paid or accrued to the CFO and Secretary. Services provided include corporate finance initiatives, fund raising, contract negotiations, accounting, office and general management. During the nine months ended November 30, 2007, per-diem contract fees of \$3,850 (2006 - \$7,000) were paid or accrued to a company controlled by a director. During the nine months ended November 30, 2007, rent, operating and sundry costs of \$15,629 (2006 - \$10,617) were paid or accrued to a company with common management to the Company. At November 30, 2007, current liabilities include \$19,158 payable to related parties (2006 - \$3,000). These amounts were incurred in the ordinary course of business, are non-interest bearing, and without specific repayment terms.

### **Risks and Uncertainties**

The Company's financial success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. All of the Company's short to medium term operating and exploration cash flow must be derived from external financing. Actual funding may vary from what is planned due to a number of factors including the progress of exploration and development on its current properties. Should changes in equity market conditions prevent the Company from obtaining additional external financing, the Company will need to review its exploration property holdings to prioritize project expenditures based on funding availability.

### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive

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Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of November 30, 2007. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

### **Internal Control over Financial Reporting**

Multilateral Instrument 52-109 also requires a reporting issuer to submit an annual certificate relating to the design of internal control over financial reporting. Internal control over financial reporting is a process designed by management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles. As part of this process, management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the design of the internal control over financial reporting November 30, 2007 and based on this evaluation, management has concluded that a weakness existed in the design of internal control over financial reporting caused by a lack of adequate segregation of duties.

The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He also has the responsibility to prepare and to review the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements.

Management has concluded that taking into account the present stage of the Company's development; the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time. To help mitigate the impact of this weakness and to ensure quality financial reporting, financial reports are also reviewed by the Audit Committee prior to their release.

### **Changes in Internal Control over Financial Reporting**

Under the provisions of Multilateral Instrument 52-109, a reporting issuer is also required to disclose in their MD&A any change in internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect internal control over financial reporting. Management has determined that there have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

### **Legal Claims and Contingent Liabilities**

At November 30, 2007, there were no material legal claims or contingent liabilities outstanding.

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**Off-balance Sheet Arrangements**

The Company has no material off-balance sheet arrangements.

**Outstanding Share Data**

In September of 2007, the Company completed a non-brokered private placement for proceeds of \$300,000. Three million units were issued at a price of \$0.10 per unit, each consisting of one common share and one half of one share purchase warrant. Each full warrant entitles the holder to acquire an additional common share until September 13, 2008 at price of \$0.20. Directors of the Company purchased a total of 2,025,000 units. Directors of the Company also exercised a total of 1,125,000 options at an exercise price of \$0.10 per share for proceeds of \$112,500 during the nine months ended November 30, 2007.

During the first quarter, 478,000 warrants, all held by directors, exercisable at \$0.55 per share, expired unexercised. During the second quarter, 1,750,000 warrants (56,001 held by directors) and 90,466 Agent Warrants exercisable at \$0.45 per share expired unexercised.

Common shares and convertible securities outstanding as at November 30, 2007 were:

<b>Security</b>	<b>Expiry Dates</b>	<b>Exercise Prices</b>	<b>Common Shares on Exercise</b>
Common Shares	-	-	37,792,917
Warrants	Dec. 29, 2007 to Sept.13, 2008	\$0.20 to \$0.45	2,500,000
Agent Warrants	Dec. 29, 2007	\$0.45	112,694
Options	July 31, 2008 to Feb. 20, 2012	\$0.10 to \$0.55	2,230,000
Total November 30, 2007			42,635,611

Subsequent to the third quarter ended November 30, 2007, 1,000,000 warrants and 112,694 Agent warrants expired unexercised, leaving only 1,500,000 warrants outstanding at an exercise price of \$0.20.

**Outlook**

At the Huskie Uranium Property the MEGATEM electromagnetic and magnetic survey, once interpreted, will be followed-up with field work as soon as ground conditions and financial resources permit. The Company is also advancing plans for follow-up work at its targets at the Catalan Copper Property.

Management of the Company also remains committed to new project generation through acquisitions and grassroots exploration.