

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED JANUARY 31, 2015

Introduction

Battle Mountain Gold Inc. is a junior mineral exploration company listed on the TSX Venture Exchange under the trading symbol “BMG” and on the U.S. OTC Pink Sheet market under the symbol “BMTNF”. Battle Mountain’s current exploration focus is the Lewis Gold Project in the Battle Mountain District of Nevada. This management discussion and analysis related to the Company’s financial statements as at January 31, 2015 and for the three months then ended (the “Interim Financial Statements”) and should be read together with those statements.

This MD&A is dated March 27, 2015 and discloses specified information up to that date. Battle Mountain is classified as a “venture issuer” for the purposes of National Instrument 51-102. The Company’s financial statements are expressed in Canadian dollars. Throughout this report we refer from time to time to “Battle Mountain”, “the Company”, “we”, “us”, “our” or “its”. All these terms are used in respect of Battle Mountain Gold Inc. which is the reporting issuer in this document. *We recommend that users read the “Cautionary Statements” on the last page of this document.*

Reverse takeover transaction (“RTO”)

The Company’s financial and operational activities and status addressed in this MD&A continue to be, and will continue to be, profoundly influenced by the reverse takeover business combination in May 2014 in the prior fiscal year’s third quarter (the “RTO”). The financial elements of this are summarized in Note 12 to the Interim Financial Statements.

The former private company now called BMG Mining Inc. is regarded for accounting purposes as the acquirer of Madison Minerals Inc. (“Madison”) the other party to the RTO (although Madison was the acquirer of the Company in legal terms). The RTO had a profound and **fundamentally material effect** on the Company, its share capital structure, its Board of Directors, its assets, liabilities, shareholders’ equity, working capital and liquidity; and among other matters management believes there is a **fundamental lack of comparability** between the three months ended January 31, 2015 and the comparable quarter in the previous financial year. This is because the Company was a private company as at January 31, 2014 and for the quarter then ended, and had entirely different management, accounting practices and business activities at that time. Its financial statements were filed for the first time on a “reporting issuer” basis on March 28, 2014, the effective date of an Information Circular filed with regulatory authorities in respect of the proposed RTO.

The effects of the RTO on our exploration and evaluation assets are set out in Notes 4(a) and 4(c).

Both before and after the RTO, Battle Mountain is in the business of the acquisition, exploration, exploration management and sale of mineral properties, with the primary aim of advancing them to a stage where they can be exploited at a profit. We do not currently have any producing properties and our current operations are exploratory searches for mineable deposits of minerals. Our focus and sole property is the Lewis Gold Project.

Numerous aspects of the RTO are described in detail in a “Notice of Annual Special Meeting of Shareholders and Management Information Circular” prepared by Madison and filed on SEDAR with the effective date March 28, 2014 (the “Information Circular”).

Lack of comparability in the Interim Financial Statements

As set out in Notes 1, 2(c), 4, and 12 to the Interim Financial Statements, the RTO resulted in a significant and material restructuring of the parent-subsidary relationships within the Company. Accordingly, the prior period information for the 2013-2014 fiscal year in the Interim Financial Statements, which is based solely on the former private company now known as BMG Mining Inc., reflects a company which was very different from the current consolidated public company whose 2014-2015 financial information is set out in the Interim Financial Statements.

Overall Performance

The following summarizes the significant events and transactions in the Lewis Gold Project and our financing activities during and subsequent to the most recent fiscal quarter, November 2014 to January 2015.

Lewis Gold Project, Nevada

Note 4(a) to the Interim Financial Statements sets out the interests of the Company in this project and those brought into the Company on the acquisition of Madison, and Note 4(c) sets out a summary in financial terms. The carrying value at the quarter end date is \$2.908 million. Of this, \$2.766 million was incurred by the Company in prior financial years, and

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of that amount \$2.047 million is the amount ascribed to Madison's 60% interest in the project joint venture which was acquired in the RTO, as set out in Note 12. During the first fiscal quarter we added \$141,470 to project costs, of which \$90,513 was for the annual advance royalty payment due in December 2014 and \$50,957 was for direct exploration costs.

During the quarter we continued with the program and budget for field work at the Lewis Gold Project adopted in June 2014, generally consistent with the USD \$355,000 budget set out in the *Proposed Work Budget* section of the Information Circular. This program and budget represents a re-establishment of significant exploration activity at the project. A summary in considerable detail of the proposed program is set out in our news release dated June 25, 2014, to which readers are encouraged to refer. This release is available on the SEDAR website under the Company's profile. On each of September 2 and September 15, 2014 and February 17, 2015 we issued additional technical news releases reporting exploration updates including assay and survey results, and these releases are also available on SEDAR.

Ownership interests in the Lewis Gold Project

Since 2005 Madison Minerals Inc. (now Battle Mountain Gold Inc.) has held a 60% joint venture interest in the project. BMG Mining Inc. ("BMGMI"), the private company acquired, in the legal sense, in the RTO, holds an option to acquire the remaining 40% joint venture interest, currently held by an arm's length third party (the "Optionor"). Prior to the RTO, BMGMI had made cash payments to the Optionor totaling \$100,000 and had issued 2,000,000 of its common shares to the Optionor (which shares have subsequently taken the form of common shares of Battle Mountain Gold Inc.). The sole remaining material condition to the exercise of the option is that the Company, at its sole discretion and option, pay the Optionor \$1,600,000 either in cash or in its common shares at a share price equal to the lesser of the market price and \$0.40 per share on or before April 13, 2017 except that this due date will be accelerated to that date which occurs 10 days following the closing of any financing or financings that result in the Company having raised an aggregate total of more than \$10,000,000. The April 2017 date set out above arises from an extension agreement of March 2015 as set out in Note 11 *Subsequent Event*.

The Information Circular identified above contains a description of the Lewis Gold Project in considerable detail at pages 38 to 65, based upon a National Instrument 43-101 technical report prepared by Apex Geoscience Ltd. dated March 13, 2014 which is filed on SEDAR under the Company's profile with the filing date March 31, 2014.

Comment on the nature of and presumption of continuance of our operations

As set out in Note 1 to the Interim Financial Statements, our financial reporting assumes continuing operations in the normal course of business. At this stage of development, Battle Mountain does not generate cash flow and consumes significant cash resources in carrying on its exploration business. Readers should note that during the first fiscal quarter the Company had a net increase in its cash resources of \$14,316 as set out in the statement of cash flows, notwithstanding that we had raised a net \$255,100 in new equity, and that as at January 31, 2015 the Company had a working capital deficiency (that is, negative working capital) of \$67,860. Accordingly, Note 1 to the Interim Financial Statements states that significant doubt exists about our ability to continue as a going concern due to the uncertainties described in that note. Readers are also referred to the section *Liquidity* immediately following

Liquidity

The Company primarily relies on its cash resources to fund its ongoing exploration plans and its general and administrative efforts in support of those plans. At January 31, 2015 we had cash of \$99,619. Our working capital at that date was a deficiency (that is, negative working capital) of \$ 67,680. We anticipate the need to raise further cash by early in the third fiscal quarter which starts May 1, 2015.

We have recently demonstrated an ability to raise cash by loans from certain shareholders such as in September 2014 as set out in Note 5, and by completing equity private placements as set out in Note 6. Our prospects to continue to be able to secure cash by these means are supported by these recent successful transactions but cannot be relied upon.

Capital Resources

At the date of this report Battle Mountain has a modest cash position as discussed in the preceding section *Liquidity*. We have no commitments for capital expenditures as at January 31, 2015 or at the date of this report. As set out in the preceding section, we expect we will need to further access the equity markets by May of 2015.

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Results of Operations – Summary of Quarterly Results

	Three Months Ended January 31, 2015	Three Months Ended October 31, 2014	Three Months Ended July 31, 2014	Three Months Ended April 30, 2014	Three Months Ended January 31, 2014	Three Months Ended October 31, 2013	Three Months Ended July 31, 2013	Three Months Ended April 30, 2013
Total assets	3,041,916	2,912,643	2,873,666	1,225,261	\$ 820,506	\$ 662,749	\$ 356,589	\$ 335,552
Resource properties	2,907,552	2,766,082	2,532,730	407,942	413,974	356,464	327,730	304,945
Revenues	nil	nil	nil	nil	nil	nil	nil	nil
Net loss for the period	85,987	286,438	135,887	152,532	51,806	66,541	8,566	129,019
Loss per share	0.00	0.01	0.01	0.02	0.01	0.02	0.00	0.07

Discussion of quarterly results

Again, we draw readers' attention to our remarks above in the section *Lack of comparability in the Interim Financial Statements*. Because of the transformation of the Company arising from the RTO transaction of May 14, 2014, we believe there is no meaningful basis by which to analyse and compare net loss amounts for the quarters scheduled.

During the fiscal quarter ended January 31, 2015, total assets increased to \$3.04 million from \$2.91 million at October 31, 2014, principally arising from net financing proceeds of \$255,000 reduced by additional investment of a net \$130,000 in the Lewis project, by net reductions in trade and other payables of \$41,000 and by operating losses of \$86,000.

The significant changes in Battle Mountain's key financial data over the eight quarters scheduled above are attributed principally to proceeds from loan and equity financings, to exploration expenditures on the Lewis Gold Project in Nevada and to administrative efforts in support of the project.

Related Party Transactions

During the three months ended January 31, 2015, Battle Mountain paid or accrued salaries and benefits of \$20,100 to Ian Brown, the Chief Financial Officer for management services, \$1,500 to Chet Idziszek, the Chief Executive Officer, and \$1,500 to independent director Larry Kornze for directors' fees, and AUD \$10,200 and AUD \$1,500 to Steven Garwin, an independent director, for geological consulting and director's fees respectively. All of these transactions arose in the normal course of operations and are measured at the amount of consideration established and agreed to by the Company and the related parties.

As part of the private placement financings set out in Note 6, two directors subscribed for an aggregate \$35,000 of the total gross proceeds of \$257,500.

Risk Factors

The following is a brief summary of certain risk factors for which adverse occurrences may have a material impact on the Company's future financial performance. The factors set out below represent only those risks which in management's judgment are the most serious.

Risks of failing to meet additional substantial funding requirements

The Company has not received cash flow from operations in the past and cash flow is not expected in the next few years to satisfy the Company's operational requirements and cash commitments. In the past, the Company has relied on sales of equity securities to meet most of its cash requirements, and has been able when necessary to make short term unsecured loans from certain major shareholders. There can be no assurance that funding from these sources will be sufficient in the future to satisfy operational requirements and cash commitments, and the shareholder loans of course require repayment out of future equity financings..

As a result of the RTO and the related financial effects as set out in Notes 6 and 12 to the Interim Financial Statements, the Company has to date been able to maintain sufficient financial resources to fund its calendar 2014 tenure costs and a field work program at the Lewis Gold Project as has been reported on in news releases of September 2 and 15, 2014 and February 17, 2015, and to provide for associated administrative costs through the quarter end date January 31, 2015. Readers are specifically referred to the section "*Liquidity*" on page 2 above where we state, "We anticipate the need to

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raise further cash by early in the third fiscal quarter which starts May 1, 2015.” Further exploration programs, if adopted in the current or future years, will require additional financing to proceed. The exploration of the Company’s properties depends upon the Company’s ability to obtain financing through any or all of equity financing, the joint venturing of projects, debt financing, or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to obtain additional financing on a timely basis could cause the Company to forfeit all or a portion of its interest in its properties or reduce or terminate its operations on such properties.

Risks to investors of significant fluctuations in share prices and share price volatility

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Since trading of “BMG” on a post-consolidation basis commenced on May 14, 2014 the per share price has fluctuated from a high of \$0.355 to a low of \$0.07 with the most recent reported closing price on March 27, 2015 of \$0.11. It is probable that such price fluctuations will continue.

Risks of the Company’s exploration efforts failing to establish a viable mining project

The Company is engaged in the business of acquiring interests in mineral properties in the hope of establishing mineral reserves. The Company’s property interests are in the exploration stage only and are without a known body of commercial ore. Accordingly, there is a low likelihood that the Company will realise any profits in the short to medium term. Any profitability in the future from the Company’s business will be dependent upon locating mineral reserves, which itself is subject to numerous risk factors. The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. In exploring its mineral deposits, the Company will be subjected to an array of complex economic factors and accordingly there is no assurance that a positive feasibility study or any projected results contained in a feasibility study of a mineral deposit will be attained. Technical considerations, delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring properties. Such delays could have a materially adverse affect on the financial performance of the Company.

Recent IFRS Pronouncements

New Accounting Standards Adopted

The Company adopted the following accounting standards on November 1, 2014: a) an amendment to IAS 32 *Financial Instruments: Presentation*; b) amendments to IAS 36 *Impairment of Assets*. The adoption of these amendments to the standards had no significant impact on our consolidated financial statements:

New Accounting Standard Not Yet Adopted

IFRS 9 Financial Instruments: This standard and its consequential amendments are tentatively effective for reporting periods beginning on or after January 1, 2018. Among other matters, this standard will introduce new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. The adoption date for this standard has been deferred a number of times and management believes it is premature to assess the impact of this proposed new standard, if, as and when finalized and adopted. Management has decided against early adoption of this standard.

Statutory Disclosure

Important additional information about Battle Mountain, including prior financial statements, news releases, technical reports and material change reports, is available on the SEDAR website – www.sedar.com – under the Company’s profile.

Disclosure by venture issuer without significant revenue

The amount disclosed as “Field expenses” of \$50,957 in Note 4(c) for Q1 2015 consists of the following sub-categories: engineering and consulting - \$25,657; assay and laboratory costs - \$24,127; and other costs - \$1,173. Analyses of the material components of Battle Mountain’s general and administrative expenses for the current fiscal year to date are provided in the financial statements to which this MD&A relates.

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Outstanding Share Data

The authorized share capital of the Company is an unlimited number of common shares without par value of which 29,145,896 were outstanding at January 31, 2015 and at the date of this report.

At January 31, 2015 and to the date of this report Battle Mountain had 1,550,000 incentive stock options outstanding as set out in Note 6(c) to the Interim Financial Statements.

At January 31, 2015 and to the date of this report, as set out in Note 6(b) to the Interim Financial Statements, Battle Mountain had a total of 3,537,500 share purchase warrants outstanding, made up of 250,000 warrants exercisable at \$0.64 per warrant for a term expiring in April 2015; 1,287,500 warrants exercisable at \$0.20 per warrant for a term expiring in December 2016; and 2,000,000 warrants exercisable at \$0.15 per warrant for a term expiring in March 2018.

Vancouver, British Columbia



March 27, 2015

We recommend that users of this report read the Cautionary Statements following.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, certain statements regarding the RTO first set out above under the heading *Reverse takeover transaction*, and further alluded to from time to time elsewhere in this document, certain statements about our plans for future financing including making loans from certain parties and carrying out equity financings, and our exploration plans and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment and the scope and timing of exploration programs and estimates of share-based payments expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price and other volatility in the financial markets and in the mineral commodities we seek, and operational and political risks. We recommend that users of this document do not place undue reliance on forward-looking statements.