

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED JULY 31, 2016

INTERIM MD&A – QUARTERLY HIGHLIGHTS¹

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 July 31, 2016 and for the three and nine months then ended (the “Interim Financial Statements”) and should be read together with those statements.

This MD&A is dated September 26, 2016 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.***

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 in Lander County, Nevada.

Quarterly Highlights

Major Operating Milestones

The most significant operating milestones achieved to the date of this report are 1) closing the private placement of \$5.59 million net of issuance costs in May 2016; 2) commencing a diamond drilling program planned to exceed 5,000 meters, as set out in our August 2016 technical news release; and 3) completing the buydown of the royalty burden on the Lewis Gold Project as set out in Note 9 to the Interim Financial Statements. In conjunction with the royalty buydown Gold Standard Ventures Corp. (“GSV”) increased its shareholding in the Company from 19.9% to 28.2%.

Private placement and discharge of liabilities

Note 6(a) sets out the highly material private placement transaction which closed early in the fiscal quarter on May 6, 2016 with gross cash proceeds of \$5.768 million, proceeds which then allowed the discharge of virtually all of the Company’s liabilities. This influx of funds had a transformative effect on our balance sheet and liquidity outlook.

Analysis of Financial Condition

The Company ended the fiscal year to date period with total assets of \$8.560 million compared to \$3.463 million at the beginning of the fiscal year. This increase of \$5.097 million was made up principally of an increase of \$4.534 million in cash, as set out in the statement of cash flows, and an increase of \$0.540 million in our investment in the Lewis Gold Project as set out in Note 4 to the Interim Financial Statements.

At the period end we had working capital of approximately \$4.573 million, compared to our very modest working capital of \$32,000 at the beginning of the fiscal year. The improvement in working capital essentially represents the net increase in cash set out in the statement of cash flows. This increase in cash is, of course, attributable to the cash proceeds from the May 2016 private placement described above and in Note 6(a).

At the date of this report we are very strongly funded in cash resources (including short term investment instruments which are cash equivalents) sufficient to fully fund our drilling program currently under way at the Lewis Gold Project, as set out in our most recent technical news release dated July 27, 2016² and our announcement release of August 30, 2016².

¹ This filing is made using the option provided by Part 2.2.1 of NI51-102-F1 to provide Quarterly Highlights.

² These news releases are viewable on SEDAR and on our website www.battlemtngold.com in the section INVESTOR INFO/PRESS RELEASES.

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Analysis of Financial Performance

Our expenses in the fiscal quarter, net of the very material but non-cash item *Share-based payments*, totaled some \$254,000 compared to \$122,000 in the corresponding quarter in the prior fiscal year – an increase of some \$132,000 or 108%. As in the previous fiscal quarter, the principal cost centres showing increases are the two line items *Consulting* and *Salaries and benefits*. Consulting was a \$106,000 cost in the 2016 third fiscal quarter versus \$18,000 in the 2015 third quarter. The principal source of the variance was a USD \$50,000 cost associated with the private placement financing; also, in the prior year there were recurring fees of USD \$7,500 for two months and in the current year these fees were USD \$10,000 for three months. Salaries and benefits were \$81,000 in the 2016 second quarter versus \$38,000 in the 2015 quarter. This \$43,000 increase predominantly arises from 1) an increase in compensation to two executive officers totaling \$28,000 and 2) recognition of directors fees to two outside directors totaling \$6,000 – no such fees were recognized in the 2015 quarter.

Our expenses in the fiscal year-to-date, net of the very material but non-cash item *Share-based payments*, totaled some \$514,000 compared to \$312,000 in the corresponding period in the prior fiscal year – an increase of some \$202,000 or 65%. The principal cost centres showing increases are the cost centres *Consulting* and *Salaries and benefits*, as is also the case for the three month third quarter; in addition, notable decreases occurred in *Legal fees* and in *Accounting and audit* expense. *Consulting* was a \$166,000 cost in the 2016 year-to-date period versus \$18,000 in the corresponding 2015 period. A consultant was paid USD \$75,000 (approximately \$98,000) in monthly fees in the 2016 period plus a USD \$50,000 additional fee (approximately \$65,000). The 2015 period comprised only two months of fees totaling USD \$15,000 (approximately \$18,000). *Salaries and benefits* were \$197,000 in the 2016 year-to-date period versus \$115,000 in the corresponding 2015 period. This \$82,000 increase predominantly arises from 1) an increase in compensation to two executive officers totaling \$62,000 and 2) an increase in a non-executive compensation amount of \$11,000. *Legal fees* diminished from \$30,000 to \$14,000 attributable to a reduction in the need for outside legal advice in the current fiscal year. *Accounting and audit* expense diminished from \$65,000 to \$47,000 attributable to a reduction in the cost of preparing tax returns for the entities involved in the 2014 reverse takeover transaction.

Analysis of Cash Flows

The statement of cash flows sets out a net increase in cash in the year-to-date period of some \$4.533 million. Cash resources were increased principally by the May 2016 financing proceeds of \$5.589 million (net of share issuance costs) set out in Note 6(a), and were diminished by expenditures on the Lewis Gold Project of some \$506,000 and by cash consumed for operations – essentially our general and administrative activities – of some \$533,000.

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

As set out in Note 1 to the Interim Financial Statements, the private placement financing with gross proceeds of \$5,768,502 set out in Note 6(a) removes any current reservations about our ability to continue as a going concern.

Liquidity

The private placement financing with gross proceeds of \$5,768,502 set out in Note 6(a) has provided the Company with abundant liquidity for the fiscal year currently in progress and into the subsequent fiscal year.

Related Party Transactions

During the three months ended July 31, 2016, Battle Mountain paid or accrued salaries and benefits of \$22,500 to Chet Idziszek, President, and \$28,700 to Ian Brown, Chief Financial Officer, for management services, and AUD \$50,405 (recorded as CAD \$49,713) to Steven Garwin, a director of the Company, for exploration consulting services. The Company also accrued a total of \$6,000 for directors' fees, being \$3,000 to each of directors Garwin and Kornze.

During the nine months ended July 31, 2016, Battle Mountain paid or accrued salaries and benefits of \$52,500 to Chet Idziszek, President, and \$73,100 to Ian Brown, Chief Financial Officer, for management services, and AUD \$63,505 (recorded as CAD \$62,509) to Steven Garwin, a director of the Company, for exploration consulting services. The Company accrued a total of \$12,000 for directors' fees, being \$6,000 to each of directors Garwin and Kornze.

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Commitments

As set out in Note 4(i) the Company must make a payment of \$1,550,000 on or before April 13, 2017 in order to exercise its option to acquire a further 40% interest in the Lewis Gold Project joint venture. At the Company's option this payment may be made in either cash or in common shares. Further terms are set out in Note 4(i).

Risk Factors

Our Annual Management Discussion and Analysis, filed on SEDAR on February 26, 2016, sets out a brief summary of certain risk factors for which adverse occurrences may have a material impact on the Company's future financial performance. We draw our readers' attention to that disclosure of risk factors.

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

Analyses of the material components of Battle Mountain's deferred exploration costs for the current fiscal year to date are provided in the schedule of *Field costs* in the table in Note 4. 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 and in the section *Analysis of Financial Performance* on page 2.

Outstanding Share Data

The authorized share capital of the Company is an unlimited number of common shares without par value of which 52,679,171 were outstanding at July 31, 2016. At the date of this report 58,930,356 shares are outstanding, the increase being principally attributable to the exercise of warrants by GSV set out in Note 9.

At July 31, 2016 and at the date of this report the Company had 4,214,000 incentive stock options outstanding as set out in Note 6(c) to the Interim Financial Statements.

At July 31, 2016, as set out in Note 6(b) to the Interim Financial Statements, Battle Mountain had a total of 11,541,177 share purchase warrants outstanding. At the date of this report 6,175,460 warrants are outstanding, the decrease being principally attributable to the exercise of warrants by GSV in September set out in Note 9.

Vancouver, British Columbia



September 26, 2016

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, statements regarding exploration plans, related financing 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, estimates of exploration investment, the scope of exploration programs, and statements about financings not yet arranged or completed. 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, other than as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, the capital markets, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.