

PC GOLD INC.
(the “Company”)

FORM 51-102F1
MANAGEMENT’S DISCUSSION & ANALYSIS

Date

This MD&A is dated May 14, 2008 and should be read in conjunction with the interim financial statements for the period ended March 31, 2008.

Overall Performance

The Company was incorporated under the laws of Ontario on October 17, 2007 to consolidate leasehold ownership interests in, explore and develop, the Pickle Crow Property in northwestern Ontario. The Pickle Crow Property is the Company’s sole property.

Acquisition

On May 13, 2008, the Company acquired a 100% interest in a mining lease expiring July 31, 2067 which covers the Pickle Crow Property, consisting of 98 patented mineral claims totaling 1,582.9 hectares located in Connell and McCullagh Townships, Patricia Mining Division, near the town of Pickle Lake, Ontario, hosting the past producing Pickle Crow gold mine, together with all surface infrastructure including a modern mill, stockpiles, equipment and tailings.

	\$
Purchase price	
Deposit	50,000
Cash paid on closing	3,450,000
9,500,000 common shares of the Company at \$1.00 per common share	9,500,000
2,375,000 warrants entitling the holder to purchase one common share of the Company at a price of \$1.40 per common share until May 13, 2010	1,074,591
Reimbursement of costs incurred by the vendors for the care and maintenance of the Pickle Crow Property from November 2, 2008 to May 13, 2008	36,850
1% net smelter return royalty	–
Acquisition costs	43,015
	<hr/> 14,154,456
Net assets acquired	
Reclamation deposit	108,841
Mineral resource property	14,045,615
	<hr/> 14,154,456

The Pickle Crow Property

The Pickle Crow Property hosts the past-producing Pickle Crow Gold Mine. The Pickle Crow Mine was a well known asset when in production and remains well known in the industry today. It was among the highest grade, longest-lived underground gold mines in North America, operating continuously from April 1935 through September 1966 and producing in total 45 tonnes (1,446,214 Troy oz.) of gold and 5.25 tonnes (168,757 Troy oz.) of silver from 2,785,488 tonnes (3,070,475 tons) of ore milled. Average recovered grade over the life of the mine was 16.14 g/t Au (0.47 oz/T Au) and 1.88 g/t Ag (0.06 oz/T Ag).

Faced with a declining real gold price and increasing costs from deepening operations, the mine recorded its first operational loss in 1964, and closed in 1966 with mineralization in place, productive veins open to depth,

and largely untouched zones of iron formation hosted gold within the workings. The Pickle Crow Property lay dormant for many years, but saw extensive work by various operators through the course of the 1980's, 1990's and first part of this decade. This historical work, which included several non-NI 43-101 compliant estimates of the volume of gold mineralization hosted by the Property, outlined substantial zones of auriferous material within the area of, or in close proximity to, the historic workings. These historical estimates can be separated into two groups, namely:

1. Estimates of quartz-carbonate vein material only, prepared by the engineering department of the Pickle Crow Mine prior to mine closure in 1966 (historically, production from the Pickle Crow Mine was almost entirely from high grade quartz-carbonate veins); and
2. Estimates of both quartz-carbonate vein and iron formation hosted gold mineralization conducted by various groups between mine closure and the late 1980's. Iron formation hosted gold was not historically mined at the Pickle Crow Mine, possibly because the mill was not set up to process it, and possibly because its average grade of about 7 grams/tonne Au (0.20 oz/T) was below the mid 1960's cut-off grade of 8.57 g/t Au (0.25 oz/T).

These historical estimates, which can be viewed in Section 5.4 of the NI 43-101 Technical Report dated January 25, 2008 and amended and restated April 21, 2008, available on SEDAR at www.sedar.com, prepared by independent consultants MPH Consulting Limited of Toronto, range from a general inventory in place on mine closure (PCGM, September 1966) of 140,000 tonnes averaging 11.31 g/t Au (46,190 oz. Au) to a global calculation (Noramco, April 1988) totalling 5,731,050 tonnes at 7.26 g/t Au (1,213,919 oz. Au). These estimates are historical in nature and pre-date and are non-compliant with NI 43-101. The Company is not treating these historical estimates as current mineral resources or reserves and has not undertaken any independent investigation of the estimates nor independently analyzed the results of the previous exploration work in order to verify the historical resource figures. These historical estimates should therefore not be relied upon. The Company does however believe that these historical estimates provide a conceptual indication of the potential of the gold mineralized zones on the Pickle Crow Property and are relevant to ongoing exploration, and that it is reasonable to suggest they may be brought into compliance with the NI 43-101 standard, in whole or in part, through implementation of the exploration program now underway, which will include necessary verification drilling and additional studies.

At the Pickle Crow Property, the high grade veins from which the historic production was drawn are known from the historical drilling record to remain open to depth. Of these known veins within the now flooded Pickle Crow Mine workings proper, only a minority actually outcropped on surface, whereas more than a dozen are known in deeper areas of the mine, indicating a robust mineralized system which may be intensifying with depth. Moreover, several substantial zones of gold in iron formation, not historically mined, remain in place both within the area of the historic workings, and to depth. It is therefore reasonable to consider the unexplored block of virgin ground to depths of 2,000 metres or more below the historic workings to be as prospective from an exploration standpoint as the shallower areas mined in the past. There are, in addition, several areas on the Property which host near surface mineralization or remain prospective for same. Consequently, there is believed to be considerable potential to expand the Property's known zones of gold mineralization.

A major, three-phase exploration and development program on the Pickle Crow Property totalling \$18,001,500, comprised of two recommended phases and a third provisional phase, was called for by MPH in the NI 43-101 Technical Report. Phase 1 of this program, estimated to cost \$2,293,500 and running until December 31, 2008, has now begun with a preparatory program of data compilation, digitization and modeling which will serve as a guide for a program of surface based, shallow, intermediate and deep exploration drilling to get underway with multiple drills in Summer 2008. Other Phase 1 activities may include staffing and drilling contractor selection, permit renewal and/or acquisition, possible construction of

onsite camp, office and related facilities, evaluation of the condition of the No. 1, No. 3 and Albany shafts, reconstruction of survey grids, initial metallurgical testwork, as well as a possible economic scoping study based on historical technical information. Phase 2 of the exploration and development program is expected to cost \$2,744,500 and to run from January 2009 to December 2009. Phase 2 will focus on the continuation of the surface drilling and metallurgical testwork, as well as detailed planning for underground exploration drilling and resource establishment. Phase 3, currently estimated to require \$12,963,500, would be undertaken conditional upon satisfactory results from the Phase 1 and Phase 2 work. Anticipated Phase 3 tasks would include dewatering of the workings and rehabilitation of shafts to gain access for underground exploration of known zones of iron formation hosted gold mineralization, including some 18,000 metres of outline and definition diamond drilling, completion of resource estimates to NI 43-101 standards, evaluation of various potential production scenarios, and completion of geological, exploration, metallurgical, mining, processing, environmental, infrastructure, sales and marketing studies to bring the project to prefeasibility and then to feasibility study status by NI 43-101 standards.

The principal objectives of this multi-phase exploration and development program will be to attempt to expand known zones of gold mineralization on the Pickle Crow Property by testing for new discoveries and extensions of known mineralization in deep areas to 2,000 metres or more below the historic workings; to attempt to confirm, delineate and possibly expand known zones of vein and iron formation hosted gold mineralization within or in close proximity to the historic workings; and to attempt to bring a substantial volume of the known zones of gold mineralization on the Pickle Crow Property into compliance with NI 43-101.

Financings

On October 20, 2007, the Company issued 500,000 common shares to a director for proceeds of \$1.

On November 21, 2007, the Company issued 1,266,818 common shares to a director for proceeds of \$190,023 and 233,182 common shares in settlement of advances of \$34,977 from a director.

On January 18, 2008, the Company completed a private placement of 2,433,334 common shares for proceeds of \$912,500 and 66,666 common shares to settle an advance of \$25,000.

On May 13, 2008, pursuant to an agency agreement between the Company and Canaccord Capital Corporation (the "Lead Agent") and Research Capital Corporation (with the Lead Agent, the "Agents"), the Company completed an initial public offering of 11,500,000 common shares at a price of \$1.00 per common share for gross proceeds of \$11,500,000. In connection with the Offering, the Company (i) paid to the Agents a commission of \$805,000 equal to 7% of the gross proceeds of the Offering; (ii) issued to the Agents 805,000 common share purchase warrants entitling the holders to purchase one common share at a price of \$1.00 per common share until May 13, 2010; and (iv) paid Lead Agent costs of \$50,000.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These

risks include, but are not limited to, the Company's access to additional capital to fund future activities, its reliance on the Pickle Crow Property as its sole asset, the loss of mineral properties or the inability to obtain mining licences, the inherently risky nature of the Company's activities and its lack of experience in bringing an exploration property into production, foreign exchange fluctuations, price fluctuations for gold and silver, title risks, political and regulatory risks related to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters, statutory and regulatory compliance, the adequacy and availability of insurance coverage, competition for equipment and skilled personnel, liquidity risk, and the Company's dependence upon employees and consultants.

Results of Operations

Period from Incorporation October 17, 2007 to March 31, 2008

	\$
General and administrative expenses	
Professional fees	10,330
Consulting fees	45,320
Premises	4,321
Office, general and administration	5,627
Investor relations	4,353
Travel	7,043
Amortization	937
	<hr/> 77,931
Loss before the following item	(77,931)
Interest income	4,386
Loss for the period	<hr/> (73,546)

The Company commenced operations on October 17, 2007 and therefore, comparative figures are not provided.

3 months ended March 31, 2008

	\$
General and administrative expenses	
Professional fees	7,000
Consulting fees	45,320
Premises	4,321
Office, general and administration	4,912
Investor relations	4,353
Travel	675
Amortization	937
	<hr/> 67,518

Loss before the following item	(67,518)
Interest income	4,386
Loss for the period	(63,132)

The Company commenced operations on October 17, 2007 and therefore, comparative figures are not provided.

Summary of Quarterly Results

The year end of the Company is June 30. The summary of quarterly results has been prepared in accordance with Canadian generally accepted accounting principles.

	Q2	Q3
	2008	2008
	\$	\$
Interest revenue	(note 1) -	4,386
Loss		
- Total	10,413	63,132
- Per share	0.01	0.02

1. The Company commenced operations on October 17, 2007 and the figures presented are for the period October 17, 2007 to December 31, 2007.

Liquidity and Capital Resources

The Company is not in commercial production on its mineral resource property, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

As at March 31, 2008, working capital of \$999,431 included cash of \$662,903. On May 13, 2008, the Company completed an initial public offering of 11,500,000 common shares at a price of \$1.00 per common share for gross proceeds of \$11,500,000.

Future cash requirements will depend primarily on the extent of future expenditures on the Company's exploration programs. The NI 43-101 Technical Report dated January 25, 2008, and amended and restated April 21, 2008, calls for a significant exploration program on the Property totaling \$18,001,500, comprising two recommended phases, and a third provisional phase contingent on the outcome of the first two phases. Phase 1, now underway, covers the period from May to December 31, 2008, with budgeted expenditures of \$2,293,500. Phase 2 is expected to cover the period from January 1, 2009 through December 31, 2009, with associated expenditures of \$2,744,500. The provisional Phase 3 program, anticipated to require \$12,963,500, would run from January 1, 2010 onwards. The schedule of these anticipated exploration activities, program phases, and associated expenditures may be adjusted and brought forward in time. At present, the Company has sufficient funds to maintain its current mineral resource properties, meet its overheads, and carry out the recommended Phase 1 and Phase 2 exploration programs as presently envisaged, to the end of 2009. However, in the event that the Phase 1 and 2 exploration programs are successful, the Company will require additional financing to complete Phase 3.

Transactions with Related Parties

On October 20, 2007, the Company issued 500,000 common shares to a director for proceeds of \$1.

On November 21, 2007, the Company issued 1,266,818 common shares to a director for proceeds of \$190,023 and 233,182 common shares in settlement of advances of \$34,977 from a director.

During the period October 17, 2007 to March 31, 2008, consulting fees of \$30,000 were expensed for a director of the Company.

These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

Proposed Transactions

There are currently no proposed transactions.

Critical Accounting Estimates

Mineral resource properties

Costs relating to the acquisition, exploration and development of mineral resource properties are deferred until the properties are brought into commercial production, at which time they are amortized over the estimated useful life of the related property on a unit-of-production basis. The cost of mineral resource properties includes the cash consideration and the fair value of shares issued on the date the property is acquired. The proceeds from options granted on properties are credited to the cost of the related property. When a property is determined to be non-commercial, non-productive or its value impaired, those costs in excess of estimated recoveries are charged to operations.

The recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The amount shown for mineral resource properties does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

Stock-based compensation

Stock-based compensation is determined using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the expected price volatility of the Company's common shares and the expected life of the options. Changes in these input assumptions can materially affect the estimate of fair value.

Changes in Accounting Policies including Initial Adoption

The Company adopted amendments to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" which includes requirements to assess and disclose an entity's ability to continue as a going concern; disclosure of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern; disclosure of when financial statements are not prepared on a going concern basis, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

The Company adopted CICA Handbook Section 1400, "Capital Disclosures" which requires disclosure of qualitative information about its objectives, policies and processes for managing capital; disclosure of quantitative data about what is regarded as capital; and disclosure of compliance with any externally imposed

capital requirements and the consequences of such non-compliance.

The Company adopted CICA Handbook Section 3862, “Financial Instruments – Disclosures” and Section 3863, “Financial Instruments – Presentation” which requires disclosures to enable users to evaluate the significance of financial instruments on the entity's financial position and performance, and the nature and extent of risks arising from financial instruments and non-financial derivatives.

Beyond additional disclosure, the adoption of these new accounting standards did not have an effect on the Company's financial position or results of operations.

Future Changes in Accounting Policies

On July 1, 2008, the Company will adopt CICA Handbook Section 3031, “Inventories”, which will replace Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

On July 1, 2008, the Company will adopt CICA Handbook Section 3064, “Goodwill and Intangible Assets” which will replace Section 3062. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

Financial Instruments and Other Instruments

The carrying value of cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk, and commodity price risk.

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Commodity price risk

The Company is exposed to commodity price risk with respect to gold and silver prices. A significant decline in gold and silver prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource property.

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company, particularly during the period in which the interim filings are being prepared. The Chief Executive Officer and Chief Financial Officer have also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures and assessed the design of the Company's internal controls over financial reporting. As the Company has a limited number of personnel, management has concluded that a weakness exists in the design of internal controls over financial reporting caused by a lack of adequate segregation of duties. This weakness has the potential to result in material misstatements in the Company's financial statements and should also be considered a weakness in its disclosure controls and procedures. Management has concluded that taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional personnel to correct this weakness at this time. To help mitigate the impact of this weakness and to ensure quality financial reporting, there are supervisory controls exercised by management and audit committee oversight, and in the future, interim financial statements will be reviewed by the Company's auditors.

There has been no change in the Company's internal control over financial reporting that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure of Outstanding Share Data (as at May 14, 2008)*Shares*

Authorized:

Unlimited number of common shares.

Outstanding:

25,700,000 common shares.

Warrants

Outstanding:

805,000 warrants entitling the holder to purchase one common share at a price of \$1.00 per common share until May 13, 2010.

2,375,000 warrants entitling the holder to purchase one common share at a price of \$1.40 per common share until May 13, 2010.

Stock options

Authorized:
2,570,000 stock options.

Outstanding:

Exercise price	Options outstanding	Options exercisable	Expiry date
\$1.00	2,115,000	1,075,000	May 13, 2013

At May 14, 2008, there are 455,000 options available to be granted under the stock option plan.

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “will”, “would”, “should”, “guidance”, “potential”, “continue”, “project”, “forecast”, “confident”, “prospects”, and similar expressions typically are used to identify forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which it operates. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied by these forward-looking statements due to a number of factors, including but not limited to the Company’s access to additional capital to fund future activities, the loss of mineral properties or the inability to obtain mining licences, the inherently risky nature of the Company’s activities and its lack of experience in bringing an exploration property into production, foreign exchange fluctuations, the political stability and economic uncertainty of those areas in which the Company carries on operations and the lack of infrastructure in those areas, title risks, the risks and uncertainties associated with joint ventures and the Company’s reliance on third parties, statutory and regulatory compliance, the adequacy and availability of insurance coverage, the Company’s dependence upon employees and consultants and fluctuations in mineral prices. These risks, as well as others, could cause actual results and events to vary significantly. The Company expressly disclaims any intent or obligation to update these forward-looking statements, unless the Company specifically states otherwise.

Additional Information

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