

HY LAKE GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006

General

The following discussion of performance, financial condition and future prospects should be read in conjunction with Hy Lake Gold Inc. (the "Company") financial statements and notes thereto for the years ended September 30, 2006 and September 30, 2005, which were prepared in accordance with generally accepted accounting principles (GAAP) in Canada. Additional information regarding the Company can be found on SEDAR at www.sedar.com. All amounts following are expressed in Canadian dollars unless otherwise stated. This discussion and analysis is dated February 28, 2007.

Forward Looking Statements

Certain information in this MD&A and in other public announcements by the Company is forward-looking and is subject to important risks and uncertainties. Forward looking information includes information concerning the Company's future financial performance, business strategy, plans, goals and objectives.

Factors which could cause actual results to differ materially from current expectations include, among other things, the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; competitive conditions in the business in which the Company participates; general economic conditions and normal business uncertainty; fluctuations in foreign currency exchange rates; and changes in laws, rules and regulations applicable to the Company.

The Company does not update forward-looking statements should circumstances or management's assumptions, expectations, or estimates change.

Overview

During the quarter ending December 31, 2006, the Company's shares began trading on the CNQ stock exchange.

The Company announced, on December 22, 2006, the initial closing of 1,607,928 shares of a 2,000,000 flow-through common share non-brokered private placement at \$0.35 per share, previously announced on November 7, 2006. The final closing occurred after the end of the quarter, on February 15, 2007, for an aggregate of 2,000,000 shares, having raised total gross proceeds of \$700,000. The funds are being used to explore on the Company's Mount Jamie Property in the Red Lake mining camp.

Subsequent to the quarter end, the company announced, on January 23, 2007, plans to commence exploration drilling on the 9-claim Mount Jamie Property in the Red Lake mining camp. Major Drilling Group International Inc. of Winnipeg has been contracted for the first phase of the 2007 exploration program, with drilling beginning early in the year. As of the date of this MD&A, no drill results have been reported.

Results of Operations

The Company had a net loss for the quarter ended December 31, 2006 of \$45,674 compared to a loss of \$7,165 for the quarter ended December 31, 2005.

HY LAKE GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006

Revenue

The Company earned no revenue during the period ended December 31, 2006.

Expenses

	Three Months December 31, 2006	Three Months December 31, 2005	% Change
Management and Consulting	\$24,450	\$ NIL	
Professional fees	\$3,476	\$ NIL	
Transfer agent and filing fees	\$10,914	\$ NIL	

Management and consulting fees were \$24,450 for the three month period ended (December 31, 2005 - \$ NIL) reflecting increased activity undertaken by the Company. Professional, transfer agent and filing fees are expected to continue as the Company actively pursues mineral property opportunities.

Quarterly Financial Information (unaudited)

	December 31, 2006 Q4	September 30, 2006 Q3	June 30, 2006 Q2	March 31, 2006 Q1
(a) Revenue	\$ -	\$ -	\$ -	\$ -
(b) Net Income (loss)	\$ (45,674)	\$ (56,518)	\$ 24,631	\$ (48,920)
(c) Net Income (loss) per share (Basic & Fully Diluted)	\$ (0.004)	\$ (0.005)	\$ 0.01	\$ (0.01)

	December 31, 2005 Q4	September 30, 2005 Q3	June 30, 2005 Q2	March 31, 2005 Q1
(a) Revenue	\$ -	\$ -	\$ -	\$ -
(b) Net Income (loss)	\$ (7,165)	\$ 638,553	\$ (11,349)	\$ (11,349)
(c) Net Income (loss) per share (Basic & Fully Diluted)	\$ (0.00)	\$ 0.02	\$ (0.00)	\$ (0.00)

Liquidity and Capital Resources

At December 31, 2006 the Company's cash has increased to \$642,368 compared to cash of \$187,624 as at September 30, 2006 due to the successful first closing of a non-brokered private placement of 1,607,928 flow-through common shares. The Company's December 31, 2006 short-term obligations consist of accounts payable of \$15,658 (September 30, 2006 - \$20,994). The Company had no long-term obligations as at December 31, 2006 and September 30, 2006.

HY LAKE GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006

The Company's working capital at December 31, 2006 was \$645,655 a compared to \$174,070 as at September 30, 2006. The current amount of working capital is not sufficient for the planned mining activities. During the quarter the company completed the first tranche of a financing raising a total of \$562,774 by issuing 1,607,928 non-brokered flow-through common shares. An additional 250,000 common stock shares were issued as part of an option to purchase 75% of the Jamie Frontier property, as discussed in the September 30, 2006 audited financial statements. Another 17,721 common shares were issued to satisfy finders fees on first tranche. Subsequent to quarter a second tranche of financing raised \$137,225.20 with the issuance of 392,072 flow through shares completing the 2,000,000 flow-through common share private placement financing raising an aggregate total of \$700,000. The Company will be further accessing the equity market to fund expansion of the Company's agenda and while there is no guarantee that this will be available, management has no reason to expect that this capability will not be accessible.

Share Capital

- (a) Shares - As at December 31, 2006 the Company had 13,187,610 common shares outstanding.
- (b) Warrants - As at December 31, 2006 there are no warrants outstanding.
- (c) Stock Options – As of December 31, 2006 there were 1,000,000 options outstanding at \$0.35.

Subsequent to quarter end, the Company issued 392,072 shares for \$137,225.20. The Company also granted options to purchase three hundred and fifty thousand common shares to officers, directors and consultants of the Company at an exercise price of \$0.50 per share for a period of five years.

Management's evaluation of disclosure controls and procedures

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Such controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported, on a timely basis, to senior management, including the President and the Chief Financial Officer (CFO), so that appropriate decisions can be made by them regarding public disclosure.

The system of disclosure controls and procedures includes, but is not limited to, our Disclosure Policy, our Code of Business Ethics, the effective functioning of our Disclosure and Audit Committees, procedures in place to systematically identify matters warranting consideration of disclosure by the Disclosure Committee and verification processes for individual financial and non-financial metrics and information contained in annual and interim filings, including the financial statements, MD&As, Annual Information Forms and other documents and external communications.

As required by CSA Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted, under the supervision of Management, including the President and CFO, as of December 31, 2006. The evaluation included documentation review, enquiries and other procedures considered by Management to be appropriate in the circumstances.

Based on that evaluation, the President and the CFO have concluded that the design and operation of the system of disclosure controls and procedures was effective as of December 31, 2006.

HY LAKE GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006

Risk Factors and Risk Management

The Company's business is highly uncertain and risky by its very nature. Future business opportunities pursued by the Company may be in other fields, and are also likely to be risky. In addition, the ability to raise funding in the future to maintain the Company's search for new business opportunities, and to carry through with the ensuing activities is dependant on financial markets that often fail to provide necessary capital.

Regulatory standards continue to change making the review process longer, more complex and more costly. Even if an apparently successful business proposal is developed, there is no assurance that it will ever be carried out or be profitable, as its potential economics are influenced by many key factors such as the general state of the economy, foreign exchange rates, equity markets and political interference, which can not be controlled by management.

Related Party Transactions

- (a) Included in consulting are fees paid to directors of the Company and corporations related to them of \$6,500.
- (b) Exploration expenditures totaling \$7,500 were charged by a director of the Company.
- (c) The Company was charged \$3,476 (2005 - \$NIL) for legal fees by a law firm of which an officer of the Company is a partner.
- (d) Accounts payable at December 31, 2006 includes \$4,830 (2005 - \$NIL) owing to officers and directors and a law firm which an officer of he Company is a partner.

The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Company believes that, due to the size and relative simplicity of the operations of the Company, it is more economical to use related parties for the business transactions contemplated.

Dated this 28th day of February, 2007.

"David McDonald"

David McDonald, CFO