The following discussion and analysis of the financial position and results of operations for Altamira Gold Corp. (the "Company" or "ALTA") should be read in conjunction with the condensed interim consolidate financial statements for the ***three months ended May 31, 2017****, and the audited consolidated financial statements for the* ***year ended February 28, 2017****, which are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars unless otherwise specified.*

The effective date of this report is July 31, 2017.

The Company is subject to the specific risks inherent in the mineral exploration business as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on the Company's website at *www.altamiragold.com* as well as at www.sedar.com.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Company Act* (British Columbia) in 1994, and is a reporting issuer in British Columbia and Alberta. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol *ALTA*, and classified as a junior natural resource company.

The Company's primary business is to identify, explore and develop opportunities in the resource sector through acquisition or joint venture. The Company owns interests in various properties Brazil, Labrador, British Columbia, and the Northwest Territories, as described below.

CORPORATE UPDATE

On March 1, 2017, the Company closed a non-brokered private placement of 4,179,521 units at a price of $0.18 per unit for gross proceeds of $752,314. Each Unit consists of one common share and one share purchase warrant exercisable at $0.27 per warrant share for a period of twenty-four months from the issue date.

On April 5, 2017, the Company closed a non-brokered private placement of 1,616,214 units ("Units") at a price of $0.27 per Unit for gross proceeds of $387,891. Each Unit consists of one common share and one share purchase warrant exercisable at $0.33 per warrant share for a period of twenty-four months from the issue date.

On April 5, 2017, the Company granted 2,380,000 to Directors, Officers, Consultants and Employees of the Company, exercisable at $0.28 and valid for 5 years from date of issuance.

On April 10, 2017, the Company announced that it had changed its name to Altamira Gold Corp.

On June 30, 2017 Company announced that the TSX Venture Exchange had accepted for filing the Company's proposal to issue 175,718 common shares at a deemed price of $0.18 per Share to settle outstanding debts totaling $31,629.24.

The securities issued pursuant to the shares for debt settlement are subject to a four month plus one day hold period expiring on October 30, 2017 in accordance with the policies of the TSX Venture Exchange and applicable securities law. 133,333 of these Shares have been issued to a non-arm's length creditor.

On June 30, 2017 the Company also announced that it had granted 1,015,000 stock options to directors, consultants, and officers of the Company. The stock options are exercisable for a term of five years at an exercise price of $0.28 per common share under the terms of the Company's Stock Option Plan.

The composition of the board and management team has undergone significant change in the period. As of the date of this report the members of the board of directors were: Alan Carter, Michael Bennett, Chris Harris, Yannis Tsitos, and Ian Talbot. Michael O'Brien is the CFO and Corporate Secretary.

MINING PROPERTIES

Properties in Brazil:

With the acquisition of AFG in April 2016, the company acquired 100% interest in six gold properties comprising over 186,000 ha of licence area, and four production licenses, in the prolific Juruena Gold Belt of central Brazil. The licence area has subsequently been increased to 200,000 ha with the addition of the Santa Helena and Colider Leste licenses. The production licences have been reduced to two. Our near-term focus is to increase the saprolite resource base at the flagship Cajueiro project, and to advance towards production. A summary of these opportunities follows:

Cajueiro (49,384.07 ha, Mato Grosso and Para States, Brazil): The Cajueiro Project comprises a large land package located in the Alta Floresta - Juruena Gold Belt, a Proterozoic arc consisting of calc-alkaline granite-volcanic, and medium to high grade metamorphic crustal segments. Historic gold production in the belt is generally recognized to be in the range of 7-10MM oz., primarily from garimpeiro activity. At Cajueiro, microgranites and rhyolites host a set of Northeast (NE) and East-West (E-W) conjugate shears exhibiting late brittle deformation. These were the primary structural controllers of hydrothermal alteration and associated gold mineralizing processes.

Gold and pyrite in the bedrock sulphide domain is contained within hydrothermal alteration envelopes within and adjacent the structures. An alteration assemblage of sericite-epidote- chlorite-quartz readily distinguishes the prospective "green" rhyolite and microgranite from their unaltered reddish counterparts. Observations indicate the quartz veining and related gold-pyrite mineralization to be a late brittle event of the process.

Gold is also present in the saprolite overlying bedrock, in the oxidized equivalent of the sulphide alteration assemblage. Prospective saprolite hosts an assemblage of sericite-chlorite-silica, with disseminated limonite and "box-works" of limonite with rare occurrences of chalcopyrite. This package is clearly visible on surface in many locations throughout the property.

On May 2, 2016, the Company announced that the updated NI 43-101 Technical Report on Resources for the Cajueiro project (Gustavson and Associates, March 24, 2016) had been filed with SEDAR and made available on the Company's website. The report documents Indicated and Inferred Resources in the sulphide domains totaling 417,600 ounces Au, and Inferred Resources in the oxide domains totalling 78,400 ounces Au.

Table 1-1 Mineral Resource Estimate (Fresh Rock - Sulfide Zone)

Crente							
Indicated				Inferred			
Cutoff	Tonnes	Au	Oz Au	Cutoff	Tonnes	Au	Oz Au
g/t	(000s)	g/t	(000s)	g/t	(000s)	g/t	(000s)
0.3	7,400	0.854	203.2	0.3	4,904	0.695	109.5
0.25	**8,636**	**0.771**	**214.1**	**0.25**	**5,826**	**0.628**	**117.7**
0.2	10,131	0.690	224.8	0.2	7,161	0.553	127.2
Baldo							
				Inferred			
				Cutoff	Tonnes	Au	Oz Au
				g/t	(000s)	g/t	(000s)
				0.3	1,108	0.872	31.1
				0.25	**1,319**	**0.777**	**33.0**
				0.2	1,500	0.711	34.3
Matrincha							
				Inferred			
				Cutoff	Tonnes	Au	Oz Au
				g/t	(000s)	g/t	(000s)
				0.3	1,410	0.867	39.3
				0.25	**1,596**	**0.797**	**40.9**
				0.2	1,884	0.710	43.0
Marines							
				Inferred			
				Cutoff	Tonnes	Au	Oz Au
				g/t	(000s)	g/t	(000s)
				0.3	686	0.500	11.0
				0.25	**785**	**0.472**	**11.9**
				0.2	1,055	0.408	13.8
Total							
Indicated				Inferred			
Cutoff	Tonnes	Au	Oz Au	Cutoff	Tonnes	Au	Oz Au
g/t	(000s)	g/t	(000s)	g/t	(000s)	g/t	(000s)
0.3	7,400	0.854	203.2	0.3	8,108	0.732	190.9
0.25	**8,636**	**0.771**	**214.1**	**0.25**	**9,526**	**0.664**	**203.5**
0.2	10,131	0.690	224.8	0.2	11,600	0.585	218.3

Effective date March 8, 2016

Table 1-2 Mineral Resource Estimate (Saprolite – Oxide Zone)

Crente							
Indicated				Inferred			
Cutoff	Tonnes	Au	Oz Au	Cutoff	Tonnes	Au	Oz Au
g/t	(000s)	g/t	(000s)	g/t	(000s)	g/t	(000s)
0.3				0.3	357	1.562	17.9
0.25				**0.25**	**381**	**1.482**	**18.2**
0.2				0.2	419	1.367	18.4
Baldo							
				Inferred			
				Cutoff	Tonnes	Au	Oz Au
				g/t	(000s)	g/t	(000s)
				0.3	309	3.029	30.1
				0.25	**309**	**3.029**	**30.1**
				0.2	309	3.021	30.0
Matrincha							
				Inferred			
				Cutoff	Tonnes	Au	Oz Au
				g/t	(000s)	g/t	(000s)
				0.3	155	2.726	13.6
				0.25	**155**	**2.717**	**13.5**
				0.2	198	2.184	13.9
Marines							
				Inferred			
				Cutoff	Tonnes	Au	Oz Au
				g/t	(000s)	g/t	(000s)
				0.3	481	1.046	16.2
				0.25	**529**	**0.977**	**16.6**
				0.2	607	0.880	17.2
Total							
Indicated				Inferred			
Cutoff	Tonnes	Au	Oz Au	Cutoff	Tonnes	Au	Oz Au
g/t	(000s)	g/t	(000s)	g/t	(000s)	g/t	(000s)
0.3				0.3	1,302	1.858	77.8
0.25				**0.25**	**1,374**	**1.775**	**78.4**
0.2				0.2	1,533	1.613	79.5

Effective date March 8, 2016

NOTE Numbers in the table may not precisely add up due to rounding

Exploration Update:

On May 9, 2016, the Company announced that an exploration program had commenced on the Baldo Target area at Cajueiro. The program, consisting of 1600m of HQ diamond drilling and 700m of trenching, was designed to explore for substantial new oxide resource along an 820m prospective structural corridor, where previous surface sampling had encountered impressive gold grades, including 5.77 g/t Au and 87.20 g/t Au achieved from two circa 1-tonne composite samples, taken from separate pits dug into the oxidized saprolite overlying the structure.

On May 26, 2016, the Company announced that trenching had commenced on May 11, 2016, drilling had commenced on May 20, 2016 and that all field operations were expected to be completed within one month's time.

On July 6, 2016, the Company announced the discovery of near-surface, high grade gold mineralization from trench sampling at the Baldo target. The expanded exploration program included 1585m of HQ diamond drilling (31 holes), and 1680 m of trenching (9 trenches). Major highlights included eight intersections of 1.16 g/t Au or greater, including two high grade intervals of 2m @ 24.26 g/t Au and 2m @ 18.86 g/t Au, and a broader separate near-surface interval of 12m @ 1.42 g/t Au. As of the press release date a large majority of diamond drill assays were pending. A composite sample was sent for bench-scale metallurgical testing including comminution, gravity separation and cyanide leach. The drilling program was expanded by an additional 500m to provide in-fill information around the recently discovered mineralization.

On August 17, 2016, the Company reported results of metallurgical testing on a composite sample of gold mineralized saprolite from the Baldo trenching program. Results indicated low recoveries from gravity processing, and identified recoveries of up to 96.2% from Carbon In Leach (CIL) processing. The Company announced a decision to fast-track to a CIL process, and that engineering design for the plant had commenced.

On August 29, 2016, the Company reported results from the diamond drilling program at the Baldo zone on the Cajueiro project. Thirty seven HQ diamond drill holes totaling 1756m were completed. Thirty three intersections ranging in grade from 0.95 g/t Au to 4.07 g/t Au were reported. Results of the program are to be incorporated into a re-fresh of the 43-101 Resources report for Cajueiro.

On October 13, 2016, the Company reported results from in-fill drilling in the near-surface below the Crente pit at Cajueiro. Two HQ diamond drill holes totaling 252m were completed. Borehole CJO_094 intersected a corelength of 31m grading 1.12 g/t Au. Borehole CJO_095 intersected a corelength of 29m grading 1.03 g/t Au. Results will be incorporated into a re-fresh of the 43-101 Resources Report for Cajueiro.

On May 29, 2017, the Company announced that it had completed 610m of a 1200m planned trenching program on several gold-in-soil geochemical anomalies, aimed at better defining drill targets in advance of the planned drill program.

The principal objective of the mechanical trenching program at Cajueiro is to identify the source of the as yet untested gold-in-soil anomalies, most of which are currently unexplained. The Baldo East area, which is outside the current resource is of particular interest, since grab samples from exposed structures on surface (20 samples) previously returned values of 3.4 – 118.4g/t gold

A total of ten gold-in-soil anomalies have been identified thus far at Cajueiro of which four have only been partially tested. Several previously unrecognized structures have already been mapped at Crente as a result of the current trenching program and samples have been sent for gold assay to SGS Geosol in Belo Horizonte.

On June 15, 2017, the company to announced that it had commenced the planned program of drilling at the Cajueiro project located in western Brazil, and had completed the 1200m trenching program, results for which are pending.

A series of diamond drill holes are planned on several soil anomalies at Cajuiero in the Baldo and Morro Verde target areas which together constitute the bulk of the existing resource (as detailed below). The current drill program will be directed outside of the current resource in an effort to track down the source of those gold-in-soil anomalies and expand the current NI 43-101 resource.

Colider (4216.08 ha, Mato Grosso State, Brazil): The Colider property represents potential for discovery of high-grade, shear zone controlled gold mineralization, suitable to support underground mining operations. To date exploration along a 5.5 km strike length of the target structure has identified four gold-in-soil anomaly areas, and thirteen diamond drill holes totaling 2700m targeting the bedrock have yielded promising results including 4.1 m @ 13.6 g/t Au, and 2m @ 9.6 g/t Au.

Nova Canaa (9693.61 ha, Mato Grosso State, Brazil): Similar to Colider, mineralized veins in granitic rocks host Au with associated pyrite, chalcopyrite and galena. The property currently has three main target areas identified. Previous underground sampling has identified promising grades including 2m @ 92.19 g/t Au. Twenty five diamond drill holes totaling 3,977m were drilled in 2007 and 2010 targeting the bedrock yielding high grade gold and silver results. Gold results included 2m at 7.2g/t Au, 2.9m at 14.2g/t Au, and 1.5m at 17.2g/t.

On November 29th, 2016, the Company reported on previous exploration results and announced plans for an exploration program consisting of mapping and sampling, Induced Polarization (IP) and magnetics surveys in advance of diamond drilling.

Apiacas (97,429.5 ha, Mato Grosso State, Brazil): Apiacas comprises a package of properties covering seven main target areas. There has been no previous drilling. Wide-spaced trenching over prospective structures along a two km trend, adjacent historic garimpeiro workings, has achieved some promising results, including 9m @ 9.44 g/t Au, and 9m @ 4.5 g/t Au. The initial impression of the Company is that there is potential for discovery and delineation of significant open-pit resources at Apiacas.

Rio do Pombo (7546.91 ha, Mato Grosso State, Brazil): The target compromises a parallel vein swarm currently defined over a 650m width and 3 km long strike extension. Grab samples containing up to 66 g/t au have been collected from this mineralized system. A program of systematic exploration is required to assess potential and prioritise amongst the Company’s other opportunities.

Crepori (8322.89 ha, Para State, Brazil): The property is situated in the Tapajos Gold Province approximately 100km SW of the Serabi gold mine complex. Small-scale historical mining was conducted along two gold bearing quartz veins. There is no previous drilling. Historic production in the Creporizinho region between 1983 and 1990 has been estimated by others at 400 kg Au per month. Spectacular grades up to 1022.98 g/t Au have been obtained from grab samples of quartz veining with sulphides in the old mine dumps. The property represents opportunity for discovery of a narrow-vein high grade gold deposit.

On November 15th, 2016, the Company reported on results of a predecessor’s surface sampling program at Crepori that achieved spectacular grades up to 1022.98 g/t Au, and announced plans for an exploration program consisting of mapping and sampling, Induced Polarization and magnetics survey, in advance of diamond drilling.

Vila Rica (2586.79 ha, Mato Grosso State, Brazil): This property is an early-stage exploration play approximately 600 km east of Cajueiro project, within a prospective area of the Juruena Gold Belt. The Company is including Vila Rica in a technical review of all holdings to determine a priority rating for further exploration.

Santa Helena (8398.50 ha, Mato Grosso State, Brazil): Property geology consists of Nhandu granite in the southern and central portions, and Colider suite micro-granites in the northern parts. North to northeast trending diabase dykes are in part parallel to a broad NNE trending shear, hosting later brittle deformation, hydrothermal alteration, quartz veining and gold associated with sulphides. Observed thicknesses and Au grades in the saprolite indicate potential for discovery of a significant open pit resource at Santa Helena. Three km-scale Au in soil anomalies over a 7 km trend associated with the broad shearing event remain virtually untested. Departamento Nacional de Producao Mineral (DNPM) announced that the company was successful in the bidding process to become beneficial owner of the licenses on September 28, 2016. Observed thicknesses and grades within the saprolite oxide domain indicate potential for discovery of an economic open pit deposit.

Colider Leste (4216.08 ha, Mato Grosso State, Brazil): The Collider Leste license is an early-stage opportunity, identified by similarities in geology, structure and mineralization with the Company's advanced high grade Nova Canaa Project. At Colider Leste monzogranites of the San Pedro Intrusive suite are in sheared contact with Nova Canaa Suite biotite granites and syenogranties. Gold is reported to be associated with hydrothermal alteration along the shears, with sausseritization, edpidote alteration, and quartz veins and stockworks hosted by a later brittle deformation event, with an overall northwest orientation. Departamento Nacional de Producao Mineral (DNPM) announced that the company was successful in the bidding process to become beneficial owner of the licenses on September 28, 2016.

Carlinda (5126.00 ha, Mato Grosso State, Brazil): The property is underlain by locally sheared granitoids of the Juruena Suite. Historic prospecting and alluvial mining for gold have focused on mineralization broadly correlative with the regional E-W structural fabric. A soil survey has identified an irregular NW trending anomaly with 1 km extent, with values up to 500 ppb Au. Further evaluation is on hold pending technical review in the context of the entire Brazilian portfolio.

Firmino (181.0 ha, Mato Grosso State, Brazil): The property is underlain by granites intruded by younger basic lithologies. Several old prospecting pits expose hydrothermal alteration along a WNW trending ductile shear up to 30m in width. The hydrothermal alteration zone comprises sericite-quartz-pyrite, variably oxidized as exposed in the pits. Gold mineralization has been traced along a 900m strike length in the area, with grab samples grading up to 79.3 g/t Au. Further evaluation is on hold pending a technical review in the context of the entire Brazilian portfolio.

Fazenda Mogno (2207.65 ha, Mato Grosso State, Brazil): The property is underlain by a tonalitic assemblage of the Bakiri-Fazenda Complex. Gold mineralization is associated chloritic shears hosting quartz veining with pyrite and chalcopyrite, exposed by several historic test pits along a NW trend. Further evaluation is on hold pending a technical evaluation in the context of the entire Brazilian portfolio.

Properties in Canada:

Garland Property (23,386 ha, Labrador, Canada): On July 10, 2014, the Company entered into an agreement with Zimtu Capital Corp. (a company with common directors and significant shareholdings), DG Resource Management Ltd., and Ridge Resources Ltd. (owned by the Company's former president), collectively the "Vendors", to acquire a 100% interest in the Garland Property, located in Labrador, Canada. The property encompasses 25,050 hectares and is less than 30 kilometres southeast of Vale's Voisey's Bay Nickel/Copper/Cobalt mine. A review of historical exploration work shows the Garland Property to be within an environment favorable for magmatic nickel-copper sulphide deposits; and which also possess features strikingly similar to those of the Voisey's Bay deposit(s).

In consideration, the Company is to issue 799,999 shares over a 36 month period (266,666 shares issued upon exchange approval with a fair value of $93,333 at February 29, 2016 and 266,666 shares issued May 17, 2016 with a fair value of $186,667); pay $80,000 over a 1 year period (paid), and grant DG Resource Management a 2% Gross Overriding Royalty (GORR) in the Property. The transaction acceptance by the TSX-V on November 17, 2014.

On April 10, 2017, the Company announced that it had entered into an agreement to modify the acquisition terms of the Garland Nickel project, in order to clarify the terms of the final remaining option payment in light of the share consolidation announced December 31, 2016. The final option payment has now been agreed to be 592,592 shares of the Company.

During the year ended February 28, 2016, $186,667 in acquisition costs (February 29, 2016 - $58,580) were incurred and $226,951 (February 29, 2016 - $2,378,759) in exploration expenditures were spent on the Garland Property.

Exploration Update:

On February 3, 2015, the Company announced that it had commenced its nickel exploration program on the Garland Property in Labrador, Canada. The work encompassed a VTEM Plus airborne survey. On March 27, 2015 the Company completed the VTEM survey and final results were to be analyzed.

On April 16, 2015, Equitas provided an update on the VTEM analysis: it was being interpreted and refined by Geophysicist Alan King of Geoscience North. May 13, 2015 the Company announced the VTEM survey resulted in identifying nine Nickel/Copper sulphide targets at the Garland Property, and that the overall nature of the anomalies highlighted the potential for discovery of buried Voisey's Bay analogues at the Garland Property and that the Company had begun preparing for a 2015 summer exploration program which would include mapping and prospecting, 30 line-km of large loop EM survey, and up to 4000m of diamond drilling.

On May 13, 2015, Equitas issued the final results from the VTEM Plus airborne survey at the Garland Property. The interpretation identified significant new areas of conductivity. A total of nine areas of conductivity prospective for nickel-copper sulphides were the result of the VTEM interpretation. The Company planned for the exploration on the target areas to commence by late June which would include mapping and prospecting, 30 line-km of large loop EM survey, and up to 4000m of diamond drilling.

On July 30, 2015, the Company announced it commenced mobilization of crew and equipment for the exploration and drill program at the Garland Property. The exploration program was to have been managed by Dahrouge Geological Consulting Ltd., a mineral exploration, consulting, and project management group based in Edmonton, Alberta.

On September 23, 2015, Equitas provided an update on its Garland exploration program. The Company acquired 3,311 hectares adjoining the south-western part of the Garland Property. The identified anomalies previously recorded increased to twelve but due to ongoing ground geophysics work the Company had stated that anomalies A and B were of no further interest. Springdale Forest Products commenced drilling starting at anomaly D.

On October 20, 2015, the Company provided an update on the exploration program at the Garland Property. A total of 1515m of diamond drilling was completed within four NQ diamond drill holes. These four holes have tested anomalies D, C, J and Q. A total of 173 samples have been sent to Activation Laboratories in Ancaster, ON for chemical analysis.

On December 16, 2015, the Company reported on the autumn geophysics and drilling program at the Garland property. Five diamond drill holes totaling 1678m were completed. A total of 281 core samples were submitted to Activation Laboratories. Crone PEM surveying was completed at nine of the thirteen target areas. Three focus areas for further evaluation were defined:

- Borehole GP15-005 at the Cominco Showing intersected disseminated pyrrhotite-chalcopyrite-pyrite over a 69m interval from surface. A Crone PEM survey is planned to detect massive sulphide bodies associated with this mineralization.
- Crone Pulse Electromagnetic (PEM) surveying of borehole GP15-004 has produced a complex anomalous response that may indicate a significant good quality conductor near the hole, in the modelled depth range for buried Voisey’s Bay type deposits. A detailed down-hole Crone PEM survey to validate the response is planned ahead of drill testing.
- Regional and property scale data synthesis has interpreted the major E-W lineament in the northern portion of the property to represent the southern margin of the graben structure hosting the Voisey’s Bay mine. Coincident VTEM anomalies will be covered with Crone PEM survey ahead of drill testing.

During August 2016, a complete demobilization of the campsite and diamond drill rig was completed. An onsite inspection in September 2016 by Newfoundland and Labrador Natural Resources personnel did not identify any deficiencies.

Qualified Person

The technical information in the preceding descriptions of the Company’s mining properties above have not changed from those disclosed in the MD&A as at February 28, 2017 and dated June 27, 2017, which were prepared under the supervision of Everett Makela, P. Geo., a Qualified Person as defined by National Instrument 43-101.

SUMMARY OF QUARTERLY RESULTS

The following table provides information for the eight fiscal quarters ended February 28, 2017.

	May 31, 2017	**February 29, 2017**	**November 30, 2016**	**August 31, 2016**
Total revenues	$ nil	$ nil	$ nil	$ nil
Loss for the period	(890,561)	(352,140)	(534,810)	(526,071)
Basic and diluted loss per share	*($0.02)	*($0.02)	(0.00)	($0.00)

**Based on post rollback weighted average shares issued.*

	May 31, 2016	**February 29, 2016**	**November 30, 2015**	**August 31, 2015**
Total revenues	$ nil	$ nil	$ nil	$ nil
Loss for the period	(638,148)	(2,165,346)	(970,393)	(403,910)
Basic and diluted loss per share	($0.01)	($0.30)	($0.10)	($0.10)

Trends over the last eight quarters:

The increase in loss in the most recent quarter is due to the issuance of stock compensation options in the period. The decline in the loss in last quarter of 2017 results from the termination of administration and investor relations contracts that coincided with the move of the Vancouver office. For the Quarters ending November 30 and August 31, 2016, the loss increased as the result of the incorporation of the results of AFG. During the quarter ended May 31, 2016, the Company acquired AFG, and incurred expenses in relation to the acquisition and promotion of the new properties in Brazil. During the quarter ended February 29, 2016, the Company impaired a number of Canadian properties which significantly increased the loss for the quarter. During 2015, the Company acquired a new property in Canada and increased its expenses to promote the property in order to raise funds for exploration

RESULTS OF OPERATIONS

	Three Months Ended May 31			
		2017		**2016**
Expenses				
Advertising and promotion	$	10,156	$	93,444
Administration fees		-		37,500
Amortization		5,935		296
Consulting fees and staff costs		182,230		340,157
Exploration costs		4,032		4,497
Investor relations		-		30,000
Office and general		36,772		4,934
Professional fees		54,242		93,175
Share-based payments		507,909		-
Transfer agent & regulatory fees		45,235		6,734
Travel		9,244		18,579
	$	855,755	$	629,316

Advertising and promotion, administration fees, and investor relations expenses declined in the quarter as a result of the company terminating its administrative management and investor relations agreement during the prior year, and also generally cutting back on promotional activity.

The decline in administration fees is partially offset by the increase in office and general costs. Office and general costs have also increased due to the inclusion of the results of AFG for the full quarter in the current year.

Consulting and staff costs have declined as a result of changes in management.

Professional fees in the current quarter relate to mainly to the financings and change of name in the current quarter. The prior year included legal accounting and advisory services required for the acquisition of AFG.

Share-based payments results from the valuation of stock compensation options issued in the Quarter. No options were issued in the prior year.

Transfer agent and regulatory fees increased as a result of the financings in the current period.

Travel has declined as a result of the lower level of promotional activity in the period.

CAPITAL RESOURCES AND LIQUIDITY

As of May 31, 2017, the Company had cash of $1,575,984 (February 28, 2017, $2,179,038) and working capital surplus of $1,376,499 (February 28, 2017, $1,653,996). The Company has no source of operating cash flows and operations to date have been funded primarily from the issuance of share capital. As a result, the Company’s ability to continue as a going concern is contingent on its ability to monetize assets, obtain additional financing through loans or equity financing, or through other arrangements.

Funds raised from previous financing are being used towards continued corporate development and general working capital purposes. The Company expects its current capital resources to be sufficient to cover its planned fiscal 2018 activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions. The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its future exploration and operating activities; however there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at May 31, 2017, the Company's financial instruments are comprised of cash, due to related parties, reclamation bonds, and accounts payable and accrued liabilities. The carrying value of cash, due to related parties, reclamation bonds, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, and cash.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have not changed over the period presented. The Company is not subject to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

For the period ended		May 31, 2017		May 31, 2016
Key Management Compensation:				
Consulting fees and salaries	**$**	**67,500**	$	155,500
Office administration and rent		**-**		37,500
Mineral property costs		**-**		13,300
Share-based payments		**-**		-
Advertising and promotion		**-**		37,750
Total	**$**	**67,500**	$	230,750

		May 31, 2017		February 28, 2017
Related Party Balances:				
Directors of the Company	**$**	**110,129**	$	135,918
Companies related by common directors		**3,353**		45,934
Total	**$**	**113,482**	$	181,852

Related party amounts are unsecured, non-interest bearing and due on demand. These transactions are measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

DISCLOSURE OF OUTSTANDING SHARE DATA

At the date of this report, the Company has 38,622,205 common shares outstanding on a post rollback basis.

The following table provides a summary of the Company's stock options outstanding at the date of this report on a post rollback basis:

Expiry Date	Exercise Price*	Number of options*	Remaining Contractual Life (Years)
February 17, 2020	$ 1.00	10,000	2.64
November 19, 2020	$1.50	10,000	3.40
April 27, 2021	$1.50	221,858	3.83
April 5, 2022	$0.28	2,230,000	4.77
Total, end of period		**2,501,858**	**4.66**

The following table provides a summary of the Company's warrants outstanding at the date of this report on a post rollback basis:

Expiry Date	Exercise Price*	Number of warrants*	Remaining Contractual Life (Years)
July 15, 2017	$ 1.50	615,563	.05
March 18, 2018	$ 1.00	800,000	.70
April 6, 2018	$ 1.00	2,263,200	.78
July 29, 2018	$ 1.60	751,909	1.09
February 22, 2019	$ 0.27	10,117,707	1.66
March 1, 2017	$ 0.27	4,179,522	1.68
April 5, 2017	$ 0.33	1,616,214	1.78
Balance, end of period		**20,344,115**	**1.47**

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

The Company has consistently applied the accounting policies and the significant judgments, estimates and assumptions set out in Notes 2, 3 and 5 of the Company's audited consolidated financial statements for the year ended February 28, 2017 to all the periods presented in these unaudited interim consolidated annual financial statements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The following revised standards and amendments, unless otherwise stated, are effective on or after March 1, 2017, with early adoption permitted, and have not been applied in preparing these annual consolidated financial statements. The Company does not plan to adopt any of these standards early.

i) IFRS 9, Financial Instruments ("IFRS 9") replaces IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") and some of the requirements of IFRS 7, Financial Instruments: Disclosures ("IFRS 7"). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

   IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

   The Company is in the process of determining the impact of the adoption of this standard on the consolidated financial statements, if any.

ii) IFRS 15, Revenue from Contracts with Customers ('IFRS 15") replaces IAS 11, Construction Contracts ("IAS 11"), IAS 18, Revenue ("IAS 18") and some revenue- related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

   IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company expects no impact as a result of the new requirements as the Company's properties will not be in commercial production prior to the effective date.

iii) IFRS 16, Leases ('IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of- use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

The Company is in the process of determining the impact of the adoption of this standard on the consolidated financial statements, if any.

There are no other IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not yet effective that would be expected to have a material impact on the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

FORWARD LOOKING STATEMENTS

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. All such statements, other than statements of historical facts, that address estimated resource quantities, grades, locations, geometry and contained metals, possible future mining, exploration and development activities, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward- looking statements.

Readers are cautioned not to put undue reliance on forward looking statements.

RISKS AND UNCERTAINTIES

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Availability of financing

There is no assurance that additional funding will be available to the Company for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Title matters

While the Company has performed its diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or other adverse land claims, and title may be affected by undetected defects.

Management

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company.

Environmental legislation

Environmental legislation is becoming increasingly stringent and the costs of compliance with environmental legislation are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated

Economics of developing mineral properties

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

With respect to the Company's properties, should any mineral resource exist, substantial expenditures will be required to confirm that mineral reserves which are sufficient to commercially mine exist on its current properties, and to obtain the required environmental approvals and permits required to commence commercial operations. Should any resource be defined on such properties, there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable, merchantable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) market prices for the minerals to be produced; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control.

The ability of the Company to sell and profit from the sale of any eventual mineral production from any of the Company's properties will be subject to the prevailing conditions in the global minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of the Company and therefore represent a market risk which could impact the long-term viability of the Company and its operations.