ALTAMIRA GOLD

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 consolidated financial statements for the ***three and nine months ended November 30, 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 January 24, 2018.

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 located in 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 options 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.

On September 14, 2017 the Company announced that Mike Bennett assumed the position of President and CEO of the Company replacing Alan Carter, who remains a director and moved to the position of Chairman of the Company.

On September 14, 2017 the Company also announced that the TSX Venture Exchange had accepted for filing the Company's proposal to issue 236,111 common shares at a deemed price of $0.18 per Share to settle outstanding debts totaling $42,500. The securities issued pursuant to the shares for debt settlement are subject to a four month plus one day hold period expiring January 13, 2018 in accordance with the policies of the TSX Venture Exchange and applicable securities law.

On December 21, 2017 the Company closed a non-brokered placement of 9,665,000 units at a price of $0.20 per unit for gross proceeds of $1,933,000. Each unit is comprised of one common share and one non-transferable share purchase warrant exercisable at $0.33 per warrant share for a period of five years from the issue date. The company has paid cash finder's fees of $123,760 and has issued 618,800 finders warrants exercisable at $0.33 per warrant share for a period of five years from the issue date.

On December 22, 2017 the Company granted 675,000 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 (Chairman), Michael Bennett (CEO), 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 Alta Floresta Gold Ltd. ("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. The near-term focus is to investigate new targets in the flagship Cajueiro project with an aim to increase the resource and to carry out first stage diamond drilling in the Crepori and Apiacas projects, 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.

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 and six 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 reported that it had commenced the planned program of drilling at the Cajueiro project located in western Brazil, and had completed the 1200m trenching program.

A series of diamond drill holes were planned on several soil anomalies at Cajuiero in the Baldo and Morro Verde target areas which together constitute the bulk of the existing resource. The drill program was 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.

On August 1, 2017 the Company announced that through its trenching program it has identified two new previously unrecognized mineralized zones, one at Baldo East and the other at Toninho comprising multiple parallel structures similar to known zones at Crente and Baldo.

Baldo East

The Baldo East target area is located approximately 500m due east of the Baldo resource and constitutes an important previously untested gold-in-soil anomaly and a series of high grade rock samples from surface which range from 3.4 to 118.4 g/t gold. A series of NNW trending trenches have been completed at approximately 100m spacings and have identified a series of previously unrecognized WNW-trending mineralized structures (see map) extending over +250m of strike length which are open to the east and west. Significant results from the trenching program are as follows:-

Trench 10	**1m @ 3.49g/t**
	+2m @ 0.88g/t
	+3m @ 6.54 g/t incl. 1m @ 17.54g/t
	+6m @ 2.26 g/t
Trench 13	1m @ 0.72g/t
	+3m @ 5.83 g/t incl. 1m @ 16.24g/t
Trench 18	**1m @ 9.15g/t**
	+2m @ 1.66g/t
	+9m @ 1.19 g/t incl. 1m @ 5.62g/t

Three diamond drill holes (96, 97 and 99) were completed under these trenches.

Tonino

The Toninho target area is a relatively small gold-in-soil anomaly but is coincident with several small historic placer workings and is located 900m west of the Crente resource. The target has never been tested by trenching or drilling. The first trench at Toninho revealed multiple mineralized zones which appear to trend NE-SW and are currently open to the NE and SW. Results from the initial trench are as follows:-

Trench 14	**5m @ 4.35g/t**
	+5m @ 0.51 g/t
	+3m @ 0.76 g/t
	+1m @ 0.67 g/t
	+10m @ 1.16 g/t
	+1m @ 0.73 g/t
	+1m @ 0.92 g/t
	+2m @ 0.51 g/t

These initial results from the Toninho target area are highly encouraging and appear to indicate the presence of multiple new mineralized zones in close proximity to the existing Crente resource. Two holes drill holes (100 and 101) were completed at Toninho.

Morro Verde
The Morro Verde target is located approximately 1.5km NE of Baldo and is a significant gold-in-soil anomaly. Result were received for one trench showing modest results including 1m @ 0.63g/t and 1m @ 1.36 g/t gold. Two trenches additional trenches were dug and and one diamond drill hole (98) was drilled.

On August 29, 2017 the Company reported additional results.

Baldo East Zone.
Two new trenches were developed on either side of the existing trenches. Trench 20 was developed 100m west of trench 10 and returned **6m @ 21.74g/t gold** including **3m @ 43.02g/t**. The zone remains open to the west. Trench 19 was developed 100m east of trench 18 and returned **1m @ 13.33g/t gold and 9m @ 1.84g/t gold**. The zone remains open to the east and has now been traced for 570m along strike (see map) more than doubling the +250m strike length inferred previously.

One additional diamond drill hole was completed.

Tonino
Three additional trenches were developed at Toninho along with three additional diamond Drill holes.

On January 28, 2018 the Company reported that it continued to extend the strike extent of high grade mineralized structures through its recent trenching program at the Baldo East Zone. The trenching activity has excavated at least two continuous high-grade mineralized structures in the Baldo East area – the northern most of these two structures is now referred to as Baldo East 1, whilst the zone immediately south of this is referred to as Baldo East 2.

Baldo East I
Trenching at the Baldo East 1 zone, and specifically the completion of trench TCBL-29 has extended the Baldo East 1 zone an additional 200m to the east extending the total strike length to more than 900m. TCBL-29 was completed 200m east of trench TCBL-19 which returned 9m @ 1.84g/t + 1m @ 13.33g/t gold gold. Results from trench TCBL-29 include;

10m @ 1.82g/t gold
+ 4m @ 1.07g/t
+ 2m @ 1.98g/t
+ 2m @ 1.36g/t
+ 2m @ 1.64g/t
+ **7m @ 1.79g/t including 1m @ 7.23g/t gold**

Baldo East II
Work has continued on the Baldo East 2 zone, where previous trenching indicated the presence of parallel structures with one trench TCBL-25 exposing apparently parallel structures 250m (7m @ 5.53g/t gold) and 425m (2m @ 8.30g/t gold) south of the Baldo East 1 zone. Trench TCBL-28 was excavated approximately 220m to the east and returned **29m @ 3.03g/t gold including 7m @ 5.42g/t gold and 4m @ 8.07g/t gold**. This zone is believed to be the eastward extension to the zone which returned 7m @ 5.53g/t gold in trench TCBL-25. Trench TCBL-28 did not extend south far enough to cut the zone which returned 2m @ 8.30g/t in TCBL-25.

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 and six 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.

Exploration Update:

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 high-grade gold resources at Apiacas.

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.

Exploration Update:

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.

On August 29,2017 the Company announced that a drill rig had been mobilized to the Crepori project to begin drilling.

On September 14, 2017 the Company announced that drilling had commenced at the Crepori project. Reconnaissance work by Altamira has identified outcropping high grade vein mineralization in at least six different areas at Crepori including Ze Milton, Raimundo, Ze do Bode, Filão do Boiadeiro, Filão do Parente and Filão do Ouro which were all to be tested as part of this first phase drill program, expected to comprise 6-7 holes totaling a maximum of 1000m.

On September 27, 2017 the Company reported on surface sampling at Crepori and provided an update of the drilling progress.

Of the 115 surface grab samples recently collected at Crepori, 56 samples were of saprolite or weathered bedrock, with the remainder comprising rock samples. The surface grab samples were collected mainly from four zones; Filao do Milton (24 samples), Ze de Ouro (10 samples) Filao de Parente – Boiadeiro (33 samples) and Raimundo (24 samples). Samples were collected from both outcropping veins and surrounding wall rock and range from below the analytical method detection limit (5ppb) to 148.2g/t gold. Of the 115 samples collected, nine returned values above 5g/t gold, eight returned values of 1 – 5 g/t gold, twenty-six returned values of 0.1 – 1g/t gold and the remaining seventy-two samples returned values of less than 0.1g/t gold. All of the samples which returned values above 1g/t gold were rock samples.

Altamira had completed two diamond drill holes thus far. Holes at the Filao do Milton and Raimundo targets had been completed and the drill was in the process of testing the Ze de Bode target.

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 and six 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.

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.

During December 2017 the Company elected not to make the final acquisition payment in respect of the Garland property and thus relinquish the property. The net book value of the property amounting to $2,977,101 will be written off prior to year-end.

Qualified Person

Guillermo Hughes, P. Geo., a consultant to the Company as well as a Qualified Person as defined by National Instrument 43-101, supervised the preparation of the technical information in the preceding descriptions of the Company's mining properties.

SUMMARY OF QUARTERLY RESULTS

The following table provides information for the eight fiscal quarters ended November 30, 2017.

	November 30, 2017	August 31, 2017	May 31, 2017	February 28, 2017
Total revenues	$ nil	$ nil	$ nil	$ nil
Loss for the period	(284,602)	(449,463)	(858,784)	(352,140)
Basic and diluted loss per share	*($0.01)	*($0.01)	*($0.02)	*($0.02)

Based on post rollback weighted average shares issued.

	November 30, 2016	August 31, 2016	May 31, 2016	February 29, 2016
Total revenues	$ nil	$ nil	$ nil	$ nil
Loss for the period	(534,810)	(526,071)	(638,148)	(2,165,346)
Basic and diluted loss per share	*(0.00)	*($0.04)	*($0.05)	*($0.30)

Based on post rollback weighted average shares issued.

Trends over the last eight quarters:

The increase in loss in the two quarters ended August 31, 2017 and May 31,2017 is due to the issuance of stock compensation options in each of those periods. The decline in the loss in last quarter of 2017, ended February 28, 2017, results from the termination of administration and investor relations contracts that coincided with the move of the Vancouver office and which resulted in ongoing cost savings. The Company acquired AFG during the Quarter ending August 31, 2016 which increased expenses in the period and all subsequent periods. During the quarter ended February 29, 2016, the Company impaired a number of Canadian properties which significantly increased the loss for the quarter.

RESULTS OF OPERATIONS

	Three Months Ended November 30		Nine Months Ended November 30	
	2017	**2016**	**2017**	**2016**
Expenses				
Advertising and promotion	**33,099**	34,942	$ **85,392**	$ 278,267
Administration fees	**-**	12,500	**-**	87,500
Amortization	**5,738**	6,234	**15,893**	9,978
Consulting fees and staff costs	**147,542**	164,991	**455,637**	657,686
Investor Relations	**23,900**	46,704	**30,300**	106,704
Other exploration costs	**439**	38,972	**4,471**	53,769
Office and general	**35,008**	7,624	**107,862**	20,368
Professional fees	**11,704**	99,100	**74,991**	255,373
Share-based payments	**-**	-	**728,156**	-
Transfer agent & regulatory fees	**(7,404)**	73,440	**39,474**	94,367
Travel	**33,784**	30,084	**50,178**	79,008
	(283,810)	(514,591)	**(1,592,354)**	(1,643,020)

For the three and nine months ended November 30, 2017, advertising and promotion, administration fees, and investor relations expenses declined 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 these costs have been offset by the increase in office and general costs which have also increased due to the increase in the activities of AFG for the current quarter, in support of permitting, trenching and drilling activities.

For the three and nine months ended November 30, 2017, consulting and staff costs have declined as a result of changes in management.

For the three and nine months ended November 30, 2017, professional fees declined compared to the prior year as a result of non-recurring costs for legal accounting and advisory services. The comparative quarter included cost for due diligence in respect of a financing transaction, comparative year to date included costs related to the acquisition of AFG.

For the nine months ended November 30, 2017, share-based payments results from the valuation of stock compensation options issued in each of the two quarters to day. No options were issued in the current quarter, nor the prior year.

For the nine months ended November 30, 2017 transfer agent and regulatory fees decreased because due to a lower level of financing activity compared to the prior year. The negative fee in the current quarter results from the reversal of an overprovision for filing fees made at the previous year end and now reversed.

For the nine months ended November 30, 2017, travel has declined as a result of the lower level of promotional activity in the period. The increase in travel in the current quarter is a result of site visits and increased team travel in Brazil due to the exploration program.

CAPITAL RESOURCES AND LIQUIDITY

As of November 30, 2017, the Company had cash of $367,737 (February 28, 2017, $2,179,038) and working capital surplus of $171,082 (February 28, 2017, $1,653,996). The Company closed a $1,933,000 financing in December 2017. 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 financings 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 November 30, 2017, the Company's financial instruments are comprised of cash, amounts 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		November 30, 2017		November 30, 2016
Key Management Compensation:				
Consulting fees and salaries	**$**	**267,700**	$	335,750
Office administration and rent		-		87,500
Mineral property costs		-		13,300
Share-based payments		**364,040**		-
Advertising and promotion		-		124,131
Total	**$**	**631,740**	$	560,681

		November 30, 2017		February 28, 2017
Related Party Balances:				
Directors and officers of the Company	**$**	**68,719**	$	97,766
Companies related by common directors		-		2,623
Total	**$**	**68,719**	$	100,389

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.

During the nine months ended November 30, 2017 the Company issued 133,333 Shares at a deemed price of $0.18 to settle an amount of $24,000 owing to a director.

DISCLOSURE OF OUTSTANDING SHARE DATA

At the date of this report, the Company has 48,643,316 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***
April 5, 2022	$0.28	1,830,000
June 27, 2022	$0.28	1,015,000
December 22, 2022	$0.28	675,000
Total		**3,520,000**

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*
March 18, 2018	$ 1.00	800,000
April 6, 2018	$ 1.00	2,263,200
July 29, 2018	$ 1.60	751,909
February 22, 2019	$ 0.27	9,997,707
March 1, 2019	$0.27	4,179,522
April 6, 2019	$0.33	1,616,214
December 22, 2019	$0.33	618,800
December 22, 2022	$0.33	9,665,000
Total		**29,892,352**

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 January 1, 2018, with early adoption permitted, and have not been applied in preparing these annual consolidated financial statements. Management is considering the impact of these standards.

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.

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.

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.

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.