



## Condensed Interim Consolidated Financial Statements

As at and for the three month period ended May 31, 2018  
(Expressed in Canadian Dollars)

## **Altamira Gold Corp.**

### **NOTICE TO READER**

*The accompanying condensed interim consolidated financial statements of Altamira Gold Corp., for the three months ended May 31, 2018, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.*

## Altamira Gold Corp.

### Condensed Interim Consolidated Statements of Financial Position

As at May 31, 2018 and February 28, 2018

(Expressed in Canadian Dollars)

	May 31 2018	February 28 2018
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (note 3)	\$ 498,760	\$ 1,062,758
Other receivables	11,899	27,791
Prepaid expenses	9,882	44,430
<b>Total current assets</b>	<b>520,541</b>	<b>1,134,979</b>
<b>Non-current assets</b>		
Property and equipment (note 4)	72,786	65,269
Exploration and evaluation assets (note 5)	10,718,768	10,860,852
Long term investment	58,266	57,641
Reclamation deposit	15,000	15,000
<b>Total Assets</b>	<b>\$ 11,385,361</b>	<b>\$ 12,133,741</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 103,338	\$ 120,743
Due to related parties (note 9)	47,875	81,833
Current portion of long term liabilities (note 6)	71,964	86,416
<b>Total current liabilities</b>	<b>223,177</b>	<b>288,992</b>
<b>Long term liabilities (note 6)</b>	<b>125,682</b>	<b>157,742</b>
	<b>348,859</b>	<b>446,734</b>
<b>Equity</b>		
Share capital (note 7)	33,417,931	33,427,931
Share subscriptions received (note 7)	3,276	3,276
Share-based payments reserve (note 8)	3,626,877	3,469,324
Accumulated other comprehensive income/(loss)	(415,429)	(36,217)
Deficit	(25,596,153)	(25,177,307)
	<b>11,036,502</b>	<b>11,687,007</b>
<b>Total Liabilities and Equity</b>	<b>\$ 11,385,361</b>	<b>\$ 12,133,741</b>

*Nature of operations and going concern (note 1), Commitments (note 12)*

Approval on behalf of the Board of Directors:

*Michael Bennett*

*Christopher Harris*

Director

Director

The accompanying notes are an integral part of these financial statements.

**Altamira Gold Corp.**

## Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

For the three month periods ended May 31, 2018 and 2017

(Expressed in Canadian Dollars)

	2018	2017
<b>Operating expenses</b>		
Advertising and promotion	\$ 45,315	\$ 10,156
Amortization (note 4)	6,611	5,935
Consulting fees and staff costs (note 9)	138,563	182,230
Office and general	41,332	36,772
Other exploration costs	-	4,032
Professional fees	4,201	54,242
Share-based payments (note 8)	157,553	507,909
Transfer agent and regulatory fees	3,520	45,235
Travel	19,867	9,244
	<b>(416,962)</b>	<b>(855,755)</b>
<b>Other income (expense)</b>		
Interest income	1,110	261
Interest expense	(2,994)	(3,290)
<b>Loss for the period before income tax</b>	<b>(418,846)</b>	<b>(858,784)</b>
<b>Income tax recovery</b>	<b>-</b>	<b>-</b>
<b>Net loss for the period</b>	<b>(418,846)</b>	<b>(858,784)</b>
<b>Cumulative translation adjustment</b>	<b>(379,212)</b>	<b>(31,777)</b>
<b>Total comprehensive loss for the period</b>	<b>\$ (798,058)</b>	<b>\$ (890,561)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ 0.01</b>	<b>\$ 0.02</b>
<b>Weighted average number of common shares outstanding</b>	<b>48,635,205</b>	<b>37,751,058</b>

The accompanying notes are an integral part of these financial statements.

## Altamira Gold Corp.

Condensed Interim Consolidated Statements of Changes in Equity

For the three month periods ended May 31, 2018 and 2017

(Expressed in Canadian Dollars)

	*Number of Shares	Share Capital	Subscription Receipts	Reserves	Accumulated OCI / (Loss)	Deficit	Total
<b>Balance, February 29, 2017</b>	<b>32,650,752</b>	<b>\$ 30,474,335</b>	<b>\$ 836,350</b>	<b>\$ 2,566,884</b>	<b>\$ 137,987</b>	<b>\$ (20,112,258)</b>	<b>\$ 13,903,298</b>
Shares issued for cash	5,795,735	1,140,204	(1,140,204)	-	-	-	-
Share subscriptions received	-	-	307,116	-	-	-	307,116
Share-based payments	-	-	-	507,909	-	-	507,909
Share issuance costs	-	(4,000)	-	-	-	-	(4,000)
Currency Translation Adjustment	--	-	-	-	(31,777)	-	(31,777)
Net loss for the period	-	-	-	-	-	(858,784)	(858,784)
<b>Balance, May 31 2017</b>	<b>38,446,487</b>	<b>\$31,610,539</b>	<b>\$ 3,262</b>	<b>\$ 3,074,793</b>	<b>\$ 106,210</b>	<b>\$ (20,971,042)</b>	<b>\$ 13,823,762</b>
<b>Balance, February 28, 2018</b>	<b>48,643,316</b>	<b>\$ 33,427,931</b>	<b>\$ 3,276</b>	<b>\$ 3,469,324</b>	<b>\$ (36,217)</b>	<b>\$ (25,177,307)</b>	<b>\$ 11,687,007</b>
Returned to treasury	(10,000)	(10,000)	-	-	-	-	(10,000)
Share-based payments	-	-	-	157,553	-	-	157,553
Cumulative translation adjustment	-	-	-	-	(379,212)	-	(379,212)
Net loss for the period	-	-	-	-	-	(418,486)	(418,846)
<b>Balance, May 31, 2018</b>	<b>48,633,316</b>	<b>\$ 33,417,931</b>	<b>\$ 3,276</b>	<b>\$ 3,626,877</b>	<b>\$ (415,429)</b>	<b>\$ 25,596,153)</b>	<b>\$ 11,036,502</b>

\*Restated to reflect effect of Share Consolidation in December 2016

The accompanying notes are an integral part of these financial statements.

## Altamira Gold Corp.

Condensed Interim Consolidated Statements of Cash Flows  
For the three month periods ended May 31, 2018 and 2017  
(Expressed in Canadian Dollars)

	2018	2017
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES:</b>		
Net loss for the period	\$ (418,846)	\$ (858,784)
Adjustments for items not affecting cash:		
Share-based payments	157,553	507,909
Amortization	6,611	5,935
Unrealized currency translation adjustment	16,007	767
Changes in non-cash working capital:		
Other receivables	24,548	(16,331)
Prepaid expenses	15,892	6,537
Due to related parties	(33,958)	-
Accounts payable and accrued liabilities	(42,304)	(314,669)
Long term liabilities	(18,555)	(13,892)
	(293,052)	(682,528)
<b>INVESTING ACTIVITIES:</b>		
Exploration and evaluation asset acquisition and expenditures	(248,242)	(222,796)
Acquisition of property and equipment	(22,704)	(846)
	(270,946)	(223,642)
<b>FINANCING ACTIVITIES:</b>		
Shares issued for cash	-	307,116
Share issuance costs	-	(4,000)
	-	303,116
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(563,998)</b>	<b>(603,054)</b>
<b>Cash, beginning of period</b>	<b>1,062,758</b>	<b>2,179,038</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 498,760</b>	<b>\$ 1,575,984</b>

The accompanying notes are an integral part of these financial statements.

# **Altamira Gold Corp.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended May 31, 2018**

**(Expressed in Canadian Dollars)**

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Altamira Gold Corp. (“Altamira” or the “Company”) is a publicly listed company incorporated in British Columbia on September 1, 1994, with limited liability under the legislation of the Province of British Columbia and its shares are listed on the TSX Venture Exchange (“TSX-V”). The Company is principally engaged in the acquisition, exploration, development and mining of mineral properties.

The head office, principal address, and registered and records office of the Company are located at 1500 – 409 Granville Street, Vancouver, BC, Canada, V6C 1T2.

#### **Going concern**

These consolidated financial statements were prepared on a going concern basis. As of May 31, 2018, the Company had working capital of \$297,364 (February 28, 2018 - \$845,987). The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Management of the Company believes they are able to raise sufficient funds to cover all of its operating requirements, financial commitments, and business development priorities during the next twelve months. However, the Company expects that it will continue to need to obtain further financing in the form of debt, equity or a combination thereof in the future. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its development projects. All of these material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

#### **Approval of the financial statements**

These consolidated financial statements for the three month period ended May 31, 2018, were reviewed by the Audit Committee and were approved and authorized for issue by the Board of Directors on July 26, 2018.

### **2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

#### **Statement of compliance**

These condensed interim consolidated financial statements of the Company as at and for the three month period ended May 31, 2018, with comparative information as at February 28, 2018 and for the three month period ended May 31, 2017, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Canadian Institute of Chartered Accountants, as applicable to the preparation of interim financial statements including IAS 34. These unaudited interim financial statements do not include all of the disclosures required for annual financial statements and hence should be read in conjunction with the Company’s annual consolidated financial statements for the year ended February 28, 2018. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies as those included in the Company’s most recent annual consolidated financial statements, except as described herein.

#### **Standards, amendments and interpretations not yet effective**

The following revised standards and amendments, unless otherwise stated, are effective on or after June 1, 2018, with early adoption permitted, and have not been applied in preparing these consolidated financial statements. Management is considering the impact of these standards.

## **Altamira Gold Corp.**

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

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#### **2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE - continued**

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 expects the impact as a result of the new requirements to not be material.

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 the impact as a result of the new requirements to not be material.

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 evaluating the impact.

There are no other IFRS that are not yet effective that would be expected to have a material impact on the Company.

#### **3. CASH AND CASH EQUIVALENTS**

As of May 31, 2018, the Company had a \$450,000 (February 2018 - \$1,000,000) guaranteed investment certificate that bears interest at prime minus 2.4% and matures on December 20, 2018.



## Altamira Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

### 4. PROPERTY AND EQUIPMENT

	<b>Machinery &amp; equipment</b>	<b>Furniture</b>	<b>Vehicles</b>	<b>Software</b>	<b>Total</b>
<b><u>Cost</u></b>					
February 28, 2018	\$ 40,368	\$ 5,586	\$ 33,171	\$ 17,402	\$ 96,527
Additions	-	284	22,420	-	22,704
Disposals	-	-	-	-	-
Foreign currency alignment	(4,339)	(689)	(5,539)	(2,085)	(12,652)
<b>May 31, 2018</b>	<b>\$ 36,029</b>	<b>\$ 5,181</b>	<b>\$ 50,052</b>	<b>\$ 15,317</b>	<b>\$ 106,579</b>
<b><u>Accumulated Amortization</u></b>					
February 28, 2018	\$ 17,393	\$ 1,154	\$ 4,838	\$ 7,873	\$ 31,258
Additions	2,401	279	2,896	1,035	6,611
Disposals	-	-	-	-	-
Foreign currency alignment	(2,121)	(158)	(782)	(1,015)	(4,076)
<b>May 31, 2018</b>	<b>\$ 17,673</b>	<b>\$ 1,275</b>	<b>\$ 6,952</b>	<b>\$ 7,893</b>	<b>\$ 33,793</b>
<b><u>Net Book Value</u></b>					
February 28, 2018	\$ 22,975	\$ 4,432	\$ 28,333	\$ 9,529	\$ 65,269
<b>May 31, 2018</b>	<b>\$ 18,356</b>	<b>\$ 3,906</b>	<b>\$ 43,100</b>	<b>\$ 7,424</b>	<b>\$ 72,786</b>

## Altamira Gold Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

#### 5. EXPLORATION AND EVALUATION ASSETS

The following schedule shows the Company's total property expenditures for the three month period ended May 31, 2018 and year ended February 28, 2018:

	<b>Brazil</b>	<b>Canada</b>	<b>Total</b>
<b>Balance, February 28, 2017</b>	<b>\$ 9,299,278</b>	<b>\$ 2,976,414</b>	<b>\$ 12,275,692</b>
Additions during the period -			
Acquisition costs			
Claim maintenance	358,626	-	358,626
Property exploration costs			
Assays	126,857	-	126,857
Camp expenses	322,478	-	322,478
Drilling	331,101	-	331,101
Geological costs	517,423	-	517,423
External studies	19,906	-	19,906
Supplies and rentals	-	690	690
Travel and accommodation	56,903	-	56,903
Total additions during the period	1,733,294	690	1,733,984
Impairment	-	(2,977,101)	(2,977,101)
Foreign currency alignment	(171,723)	-	(171,723)
<b>Balance, February 28, 2018</b>	<b>\$ 10,860,849</b>	<b>\$ 3</b>	<b>\$ 10,860,852</b>
Additions during the period -			
Acquisition costs			
Claim maintenance	21,191	-	21,191
Property exploration costs			
Assays	20,744	-	20,744
Camp expenses	40,586	-	40,586
Drilling	21,182	-	21,182
Geological costs	100,175	-	100,175
External studies	44,597	-	44,597
Travel and accommodation	10,214	-	10,214
Total additions during the period	258,689	-	258,689
Impairment	-	-	-
Foreign currency alignment	(400,773)	-	(400,773)
<b>Balance, May 31, 2018</b>	<b>\$ 10,718,765</b>	<b>\$ 3</b>	<b>\$ 10,718,768</b>

## Altamira Gold Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

#### 5. EXPLORATION AND EVALUATION ASSETS - continued

##### Properties in Brazil:

The following schedule shows the Company's total expenditures in Brazil by property for the three month period ended May 31, 2018 and year ended February 28, 2017:

	Cajueiro	Apiacas	Colider	Nova Canaa	Crepori	Santa Helena*	Other	Total
<b>Balance, February 28, 2017</b>	<b>\$ 8,069,369</b>	<b>\$ 223,637</b>	<b>\$ 173,833</b>	<b>\$ 163,019</b>	<b>\$ 163,019</b>	-	<b>\$ 506,401</b>	<b>\$ 9,299,278</b>
Additions during the period -								
Acquisition costs								
Claim maintenance	153,292	109,925	12,574	-	34,768	-	48,067	358,626
Property exploration costs								
Assays	61,015	1,435	32,048	-	32,359	-	-	126,857
Camp expenses	268,413	9,660	2,692	-	38,737	-	2,976	322,478
Drilling	174,083	-	-	-	157,018	-	-	331,101
Geological costs	351,542	63,261	1,161	-	80,029	-	21,430	517,423
External studies	14,652	816	-	-	4,438	-	-	19,906
Travel and accommodation	32,416	2,654	1,051	-	18,739	-	2,043	56,903
Total additions during the period	1,055,413	187,751	49,526	-	366,088	-	74,516	1,733,294
Foreign currency alignment	(142,029)	(6,403)	(3,477)	(2,537)	(8,236)	-	(9,041)	(171,723)
<b>Balance, February 28, 2018</b>	<b>\$ 8,982,753</b>	<b>\$ 404,985</b>	<b>\$ 219,882</b>	<b>\$ 160,482</b>	<b>\$ 520,871</b>	-	<b>\$ 571,876</b>	<b>\$ 10,860,849</b>
Additions during the period -								
Acquisition costs								
Claim maintenance	15,000	358	771	-	2,557	2,505	-	21,191
Property exploration costs								
Assays	1,947	-	13,821	-	-	4,976	-	20,744
Camp expenses	33,122	17	351	-	1,681	5,415	-	40,586
Drilling	21,182	-	-	-	-	-	-	21,182
Geological costs	84,927	3,270	-	-	-	11,978	-	100,175
External studies	43,545	-	-	-	1,052	-	-	44,597
Travel and accommodation	7,237	629	-	-	-	2,348	-	10,214
Total additions during the period	206,960	4,274	14,943	-	5,290	27,222	-	258,689
Foreign currency alignment	(331,218)	(14,751)	(8,464)	(5,874)	(18,964)	(981)	(20,611)	(400,773)
<b>Balance, May 31, 2018</b>	<b>\$ 8,858,495</b>	<b>\$ 394,508</b>	<b>\$ 226,361</b>	<b>\$ 154,698</b>	<b>\$ 507,197</b>	<b>26,241</b>	<b>\$ 551,265</b>	<b>\$ 10,718,765</b>

\* Included in "Other" prior to current period.

AFM holds a 100% interest in all of its properties.

For the Cajueiro and Rio do Pombo (included in "Other") properties, the previous property owners have retained a 1.0% net smelter royalty ("NSR"). In addition, a portion of the Cajueiro property is subject to a 2.5% GSR payable to the land owner.

For the Vila Rica property (included in "Other"), the previous property owners have retained a 1.5% NSR.

## Altamira Gold Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

#### 5. EXPLORATION AND EVALUATION ASSETS - continued

For the Apiacas, Carlinda (part of the Cajueiro property), Colider, Paranaita, and Tapajos properties (the latter two included in 'Other'), the previous property owners have retained a 2.5% NSR which may be reduced to 1.5% at the Company's option for a payment of US\$ 4,000,000. In addition, the Company is committed to issue 600,000 common shares of ECI Exploration and Mining Inc. ("ECI"), AFG's former joint venture partner, to the previous property owners upon realising a resource (defined in accordance with National Instrument 43-101) on any part of these properties, and a further 600,000 common shares of ECI upon receipt of the first bankable feasibility study on any part of these properties. As at May 31, 2018, the Company owned 600,000 common shares of ECI with a book value of \$58,266 (\$45,000 USD).

In addition to the NSR's referred to above, all properties are subject to a 1.75% NSR that is held by ECI.

#### Properties in Canada:

The following schedule shows the Company's total expenditures in Canada by property for the three month period ended May 31, 2018 and year ended February 28, 2017:

	Garland Property	Tom Gold Mine Claims	Day Claims	Nahmint Property	Other Properties	Total
<b>Balance, February 28, 2017</b>	<b>\$ 2,976,411</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 2,976,414</b>
Additions during the period -						
Property exploration costs	-	-	-	-	-	-
Field supplies and rentals	690	-	-	-	-	690
Total additions during the period	690	-	-	-	-	690
Impairment	(2,977,101)	-	-	-	-	(2,977,101)
<b>Balance, February 28, 2018</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 3</b>
Additions during the period -						
Property exploration costs	-	-	-	-	-	-
Total additions during the period	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
<b>Balance, May 31, 2018</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 3</b>

During year ended February 28, 2018 the Company elected not to make the final acquisition payment in respect of the Garland Property and thus relinquished the property. The carrying value of the property amounting to \$2,977,101 was written off.

The Tom Gold Mine Claims, in Yellowknife, NWT, Day Claims, and other claims in BC were written down to nominal amounts in the year ended February 28, 2016 due to minimal activity and increased focus on its other projects.

## Altamira Gold Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

#### 6. LONG TERM LIABILITES

AFM has restructured its liabilities relating to claim maintenance costs for certain of its mineral properties. Pursuant to the terms of restructuring, AFM agreed to repay liabilities relating to claims maintenance costs and penalties totalling BRL\$568,616 over 10 to 60 months including interest. Interest is calculated using the Sistema Especial de Liquidação e Custodia (“SELIC”) rate as published by Brazil’s central bank.

	May 31, 2018	February 28, 2018
Long term liabilities	\$ 197,646	\$ 244,158
Less: current portion of long term liabilities	(71,964)	(86,416)
	\$ 125,682	\$ 157,742

The long-term liabilities payable in each of the next five years are as follows:

	BRL	CAD
May 31, 2019	R\$ 207,036	\$ 71,964
May 31, 2020	167,624	58,264
May 31, 2021	119,308	41,470
May 31, 2022	69,034	23,996
May 31, 2023	5,614	1,952
	R\$ 568,616	\$ 197,646

#### 7. SHARE CAPITAL

a) Authorized:

Unlimited common shares without nominal or par value.

b) Issued:

On December 30, 2016, the Company consolidated the outstanding share capital of the Company on the basis of ten (10) pre-consolidation common shares for one (1) post consolidation common share.

##### During the three months ended May 31, 2018:

- i. On March 27, 2018, 10,000 common shares of the Company were cancelled and returned to treasury.

##### During the year ended February 28, 2018:

- i. On March 1, 2017, the Company closed a non-brokered private placement of 4,179,521 units (“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 (“Warrant”). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.27 per share for a period of 24 months from closing.
- ii. On April 5, 2017, the Company closed a non-brokered private placement of 1,616,214 units (“Units”) at a price of \$0.24 per Unit for gross proceeds of \$387,891. Each Unit consists of one common share and one share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.33 per share for a period of 24 months from closing.

## Altamira Gold Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

#### 7. SHARE CAPITAL - continued

- iii. On June 30, 2017, the Company issued 175,718 common shares at a deemed price of \$0.18 per share to settle outstanding debts totaling \$31,629. 133,333 of these shares have been issued to a non-arm's length creditor.
- iv. On September 11, 2017, the Company issued 236,111 common shares at a deemed price of \$0.18 per Share to settle outstanding debts totaling \$42,500.
- v. On December 21, 2017, the Company closed a non-brokered placement of 9,665,000 units ("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 two years from the issue date. The finders share purchase warrants were valued at \$57,191 under the following assumptions and ranges: risk free interest rate – 1.66%; expected life – 2 years; expected volatility – 110.57%; expected dividend yield – 0%; and weighted average share price - \$0.20.
- vi. A total of 120,000 warrants were exercised at an exercise price of \$0.27 per share for proceeds of \$32,400.
- c) Warrants:

Warrant transactions and the number of warrants outstanding for the three month period ended May 31, 2018 and year ended February 28, 2018 are summarized as follows:

	May 31, 2018		February 28, 2018	
	Number of Warrants*	Weighted Average Exercise Price*	Number of Warrants	Weighted Average Exercise Price*
Balance, beginning of year	29,892,352	\$ 0.40	14,548,379	\$ 0.54
Issued	-	-	16,079,535	0.31
Exercised	-	-	(120,000)	0.27
Expired	(2,943,200)	1.00	(615,562)	1.50
<b>Balance, end of period</b>	<b>26,949,152</b>	<b>\$ 0.33</b>	<b>29,892,352</b>	<b>\$ 0.40</b>

\*Restated to reflect effect of 1 for 10 share consolidation on December 31, 2016.

## Altamira Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements  
For the Three Months Ended May 31, 2018  
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### 7. SHARE CAPITAL - continued

The following warrants were outstanding as at May 31, 2018:

<b>Expiry Date</b>	<b>Exercise Price*</b>	<b>Number of warrants*</b>	<b>Remaining Contractual Life (Years)</b>
July 29, 2018	\$ 1.60	751,909	0.16
February 22, 2019	\$ 0.27	9,997,707	0.73
March 1, 2019	\$0.27	4,179,522	0.75
April 5, 2019	\$0.33	1,616,214	0.85
December 20, 2019	\$0.33	618,800	1.56
December 20, 2022	\$0.33	9,665,000	4.56
<b>Balance, May 31, 2018</b>	<b>\$0.33</b>	<b>29,829,152</b>	<b>2.12</b>

\*Restated to reflect effect of 1 for 10 share consolidation on December 31, 2016.

### 8. SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX-V. The expiry date for each option should be for a maximum term of five years.

Options granted to directors, employees and consultants, other than consultants engaged in investors relations activities, will vest fully upon the expiry of the TSX-V hold period of four months from the award date, unless otherwise approved by the relevant regulatory authorities. Options granted to employees in investors relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three month period.

On May 14, 2018, the Company granted 1,070,000 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 \$0.17 per common share under the terms of the Company's Stock Option Plan.

## Altamira Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

### 8. SHARE-BASED PAYMENTS - continued

The following is a summary of option transactions under the Company's stock option plan for the three month periods ended May 31, 2018 and year ended February 28, 2018:

	May 31, 2018		February 28, 2018	
	Number of Options*	Weighted Average Exercise Price*	Number of Options*	Weighted Average Exercise Price*
<b>Balance, beginning of year</b>	<b>3,520,000</b>	<b>\$ 0.28</b>	<b>886,460</b>	<b>\$ 1.41</b>
Granted	1,070,000	0.17	4,070,000	0.28
Cancelled	(30,000)	0.28	(1,436,460)	0.98
<b>Balance, end of year</b>	<b>4,560,000</b>	<b>0.25</b>	<b>3,520,000</b>	<b>0.28</b>
<b>Exercisable</b>	<b>4,560,000</b>	<b>\$ 0.25</b>	<b>3,520,000</b>	<b>\$ 0.28</b>

\*Restated to reflect effect of 1 for 10 share consolidation on December 31, 2016

The following stock options were outstanding as at May 31, 2018:

Expiry Date	Exercise Price	Number of options	Remaining Contractual Life (Years)
April 5, 2022	\$0.28	1,830,000	3.85
June 27, 2022	\$0.28	1,015,000	4.08
December 22, 2022	\$0.28	645,000	4.56
May 4, 2018	\$0.17	1,070,000	4.96
<b>Balance, May 31, 2018</b>	<b>\$0.25</b>	<b>4,560,000</b>	<b>4.31</b>

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the three month period ended May 31, 2018, the Company recorded \$157,553 (2017 - \$507,909) in share-based payments expense using the following assumptions:

	Three Months Ended May 31, 2018	Three Months Ended May 31, 2017
Risk free interest rate	2.22%	1.05%
Expected life	5 years	5 years
Expected volatility	131.5%	145%
Expected dividend yield	0%	0%
Expected forfeiture	0%	0%
Weighted average share price	\$0.17	\$0.24



## Altamira Gold Corp.

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### 9. RELATED PARTY TRANSACTIONS

	Three Month Period ended	
	May 31, 2018	May 31, 2017
<b>Key Management Compensation:</b>		
Consulting fees and salaries	\$ 92,250	\$ 67,500
Office administration and rent	-	-
Mineral property costs	-	-
Share-based payments	84,640	-
Advertising and promotion	-	-
Total	\$ 178,890	\$ 67,500

  

	May 31,	February 28,
	2018	2018
<b>Related Party Balances:</b>		
Due to directors and officers of the Company	\$ 47,875	\$ 81,833
Due to (from) companies related by common directors*	(2,206)	(5,688)
Total	\$ 45,669	\$ 76,145

\*Due from companies related by common directors are included with other receivables.

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.

### 10. SEGMENTED DISCLOSURE

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment:

	May 31, 2018	February 28, 2018
Non-current assets by geographic segment		
Canada	\$ 2,967	\$ 3,227
Brazil	10,788,588	10,922,894
Total	\$ 10,791,555	\$ 10,926,121

### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at May 31, 2018, the Company's financial instruments are comprised of cash and cash equivalents, other receivables (excluding GST), long term investment, reclamation deposit, accounts payable and accrued liabilities, due to related parties and long term liabilities. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

## Altamira Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2018

(Expressed in Canadian Dollars)

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### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Continued

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

**At May 31, 2018**

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$ 498,760	\$ -	\$ -	\$ 498,760
Reclamation deposit	15,000	-	-	15,000
<b>Total</b>	<b>\$ 513,760</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 513,760</b>

**At February 28, 2018**

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$ 1,062,758	\$ -	\$ -	\$ 1,062,758
Reclamation deposit	15,000	-	-	15,000
<b>Total</b>	<b>\$1,077,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,077,758</b>

### 12. COMMITMENTS

The Company has no commitments other than in respect of long term liabilities as described in note 7.