



**Management's Discussion and Analysis ("MD&A")  
Quarterly Highlights**

For the three months ended May 31, 2018

Dated: July 25, 2018

This Management's Discussion and Analysis ("MD&A") of Altamira Gold Corp. (the "**Company**" or "**ALTA**") should be read in conjunction with the Company's unaudited condensed interim financial statements the three months ended May 31, 2018, the Company's audited consolidated financial statements for the year ended February 28, 2018 and related notes thereto, and the Company's Annual MD&A for the year ended February 28, 2018.

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 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](http://www.altamiragold.com) as well as at [www.sedar.com](http://www.sedar.com).

**REVIEW OF OPERATIONS**

The Company's operations during the first quarter and up until June 26, 2018, have been discussed in depth in the Company's Annual MD&A. As of the date of this report the Company has completed the first phase of the 2018 trenching campaign in the Baldo target area within the Cajueiro project located in the north of the Alta Floresta Belt, in the states of Mato Grosso and Para, Brazil. Seven new trenches were excavated in the Baldo and Matrincha target areas covering a total strike length of 1,218 meters. Three of the trenches were excavated to investigate the eastern extensions of both the Baldo 1 and Baldo 2 mineralized structures in the northern part of the Baldo target and a further three were excavated in the southern part of the Baldo target to investigate the source of high-grade gold in grab samples. The final trench was excavated in the adjacent Matrincha target to the south of the Baldo area.

Highlights are as follows;

- Trench TCBL 32 was excavated along the eastern extension of the Baldo 1 structure, some 200 meters east of trench TCBL- 29 which returned **10m @ 1.82 g/t gold** and **7m @ 1.79 g/t gold including 1m @ 7.23 g/t gold**.
- Trenches TCBL-30 and TCBL-31 were excavated on the eastern extension of the Baldo 2 structure some 200 meters and 400 meters, respectively east of trench TCBL-28, which returned **29m @ 3.03 g/t gold** including **7m @ 5.42 g/t gold** and **4m @ 8.07 g/t gold**.
- Three trenches, TCBL-33, TCBL-34 and TCBL-36 were excavated in the southern part of the Baldo target to investigate grab samples taken previously in the area in 2011-2012, which had returned values of 92.10 g/t Au and 44.45 g/ t Au. The three trenches cover an east-west strike extension of approximately 450 meters where there is no outcrop.
- Trench TCBL-37 was excavated on the western side of the Matrincha target, adjacent to and south of the Baldo target area.

All trenches have now been mapped and sampled and samples have been dispatched to the SGS laboratory in Belo Horizonte for analysis. *Please see the Company's news release dated July 17, 2018 for additional information.*

The Company is currently seeking additional funding to undertake a major surface exploration and drilling program to expand the current resources and test newly identified targets at Cajuiro, and identify possible buried porphyry sources using geophysical and geochemical techniques, in the Cajueiro, Apiacas and Santa Helena areas, to assess potential for copper mineralization.

*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.*

## FINANCIAL CONDITIONS AND PERFORMANCE

### Financial Condition

During the quarter ended May 31, 2018, the Company's working capital decreased by \$548,623 to \$297,364 mainly due to ongoing exploration costs in Brazil, administrative costs, and the acquisition of an additional truck in Brazil.

### Performance

During the quarter the Company incurred a net loss of \$418,846 compared to \$858,784 for the same period in the prior year. The reduction in the net loss of \$439,938 is primarily attributable to a reduction of \$350,356 in share based payment expense related to stock options, and savings in non-recurring consulting, professional fees and regulatory filing fees related to financings in the prior year, partially offset by increases in advertising and travel expenses resulting from an active push by the Company to expand market awareness of its activities.

The cumulative translation adjustment amounted to \$379,212. This has resulted from the decline in the value of the Brazilian Real against the Canadian Dollar which had the effect of reducing the stated value of exploration and evaluation assets by \$400,773, which was partially offset by a decline in the value of long term liabilities.

## LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration stage company and has to raise funds by the issuance of its common shares or other financial instruments, or by entering partnering or joint venture arrangements. As at May 31, 2018 the Company had cash on hand of \$498,760 and will need additional funds to cover its planned activities for the remainder of the fiscal year.

## 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, 2018	February 28, 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.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on its results, business prospects or financial position.

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's regulatory filings prior to making an investment in the Company. For a comprehensive list of the risks and uncertainties applicable to the Company, please refer to the Company's Annual MD&A for the year ended February 28, 2018.

## **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.