



*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 month periods ended November 30, 2019**, and the audited consolidated financial statements for the **year ended February 28, 2019**, 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, 2020.

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 as described below.

CORPORATE UPDATE

In December 2018 the Company announced that members of the Executive Team of the Company had agreed to receive 50% of their future salary payments in shares of Altamira rather than cash in order to preserve working capital in the company. The arrangement was effective for payments due from November 30, 2018 through to April 30, 2019. A total of 569,293 shares were issued to settle March and April 2019 salary payments totaling \$38,000.

On May 11, 2019 the Company closed a non-brokered private placement of 10,479,400 units (“Units”) at a price of \$0.10 per Unit (the “Issue Price”) for gross proceeds of \$1,047,940. Each Unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.15 per warrant share for a period of two years from the issue date. The company issued 7,000 finders warrants exercisable at \$0.15 per warrant share for a period of two years from the issue date.

On July 3, 2019 the Company announced the appointment of Mr. Andrei Santos to the board.

On July 24, 2019 the Company granted 1,300,000 stock options to directors, officers, employees, and consultants of the Company. The stock options are exercisable for a term of five years at an exercise price of \$0.10 per common share under the terms of the Company's Stock Option Plan

MINERAL PROPERTIES

With the acquisition of Alta Floresta Gold Ltd. (“AFG”) in April 2016, the Company acquired a 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 was subsequently increased to 200,000 ha with the addition of the Santa Helena and Colider Leste licenses and the production licences reduced to two.

September 2017 saw a staking rush in the Juruena Belt as a result of a rumoured copper porphyry discovery near Altamira’s Santa Helena project. The Company staked additional ground at the Santa Helena and Fazenda Mogno projects, increasing its land position. In May 2018 the Company reported that it had further increased its land positions in the Santa Helena and Colider projects by an additional 51,553 ha, which after adjustment by the mining office brings its total land position to 244,000 ha. The Company re-evaluated its previous data with a view to identifying copper anomalies, and identified several prospects warranting follow up, leading to an announcement in February 2018 of a copper exploration program, in addition to its gold exploration activities.

In December 2018 the Company reported that it had successfully applied to stake additional claims within the Alta Floresta Belt in Mato Grosso, Brazil. These new claims total 70,184.70 hectares and lie on the northern margin of the Alta Floresta Belt close to the contact with the sediments of the Cachimbo Graben. The acquisition of these claims has increased the total licence area to over 300,000 hectares.

During the current fiscal year the Company has entered into a joint venture agreement with an established gold producer to commence small-scale gold production at the Cajueiro gold project located in the northern part of Mato Grosso state. The Company’s environmental permit has been approved and a trial mining permit issued. Plant construction is expected to commence in early 2020. The Company is in the process of applying for additional trial mining licenses in order to expand the resources available to the plant. The Company has also announced revised NI 43-101 resources of 5.66Mt @ 1.02 g/t gold for a total of 185,000 oz in the Indicated Resource category and 12.66Mt @ 1.26 g/t gold for a total of 515,000oz in the Inferred Resource category.

Cajueiro (28,559 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 shear structures exhibiting late brittle deformation. These were the primary structural controllers of hydrothermal alteration and associated gold mineralisation.

Gold and pyrite in the bedrock sulphide domain is contained within hydrothermal alteration envelopes within and adjacent to the structures. An alteration assemblage of sericite-epidote-chlorite-quartz readily distinguishes the prospective “green” rhyolite and microgranite from their unaltered reddish counterparts.

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 alteration package is clearly visible on surface in many locations throughout the property.

Since acquiring the property in April 2016 the Company has completed 25 trenches totaling 4,062.5m that has resulted the identification of 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. In addition, the Company has drilled 49 HQ diamond drill holes totaling 3,153.5m. *(Please see the full News Releases for detailed results of these programs)*

The Baldo East target area is located approximately 500m due east of the Baldo resource and constituted 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.

During 2016 the Company performed 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.

A series of NNW trending trenches were completed at approximately 100m spacings and have identified a series of previously unrecognized WNW-trending mineralized structures

Trenching activity in 2017 and 2018 excavated at least four continuous high-grade mineralized structures, two 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, and two in the Matrincha area immediately South of the Baldo East area – the northern most of these two structures is referred to as Matrincha 1 and the area immediately south as Matrincha 2.

Baldo East 1

Trenching at the Baldo East 1 zone extended the Baldo East 1 zone to the east, extending the total strike length to more than 900m

Baldo East 2

Work continued on the Baldo East 2 zone, where previous trenching indicated the presence of parallel structures, with one trench exposing apparently parallel structures 250m south of the Baldo East 1 zone.

Matrincha 1

The total strike length of the Matrincha 1 structure thus far is 430m and it is open to the west and east.

Matrincha 2

The total strike length of the Matrincha 2 zone to date is 445m and it is similarly open both to the west and the east.

Current Exploration Update

On August 8th, 2019 the Company announced that it had signed a binding agreement with FMS Investimentos e Participacoes Ltda. ("FMS") to commence small-scale gold production at the Cajueiro gold project located in the northern part of Mato Grosso state in western Brazil. Highlights are as follows;

- FMS, an established Brazilian small mining operator will sole fund, construct and operate a 1000t/d processing plant comprising a crushing and grinding circuit and a gravitational recovery circuit (the "Processing Plant") at Altamira's Cajueiro project
- During payback of the construction capital, Altamira will receive 15% of net income. Following payback of the construction costs, Altamira will receive 50% of net income

- The agreement is a lease and gives FMS the right to exploit the weathered material close to surface over an area of approximately 603ha. The operator will have no ownership in the underlying 43-101 resources

Please see the News Release dated August 8, 2019 for additional details.

On October 10, 2019 the Company announced that it had received results of the new resource estimate from Global Resource Engineering Ltd. for the Cajueiro project.

Altamira's 2019 NI 43-101 Mineral Resource Estimate was completed by Global Resource Engineering Ltd, and totals 5,661,000t @ 1.02 g/t gold for a total of 185,000 oz of gold (Indicated) and 12,665,000t @ 1.26 g/t gold for a total of 515,000oz of gold (Inferred). The resources reported here are confined to an area of approximately 285 ha whilst the total area comprising the Cajueiro concession area amounts to 39,053 ha.

Please see the full News Release dated October 10, 2019 for additional details.

On October 16th, 2019 the Company announced that it had received the first Environmental Permit for the Trial Mining Licenses with respect to permit 866.160/2007 for the Cajueiro project.

- The environmental process LOPM No 320459 within permit 866.160/2007, was published on October 7, 2019 and is valid for three years until October 6, 2022. This permit covers the southern part of the key Crente resource. The Environmental Permit has now been presented to the National Mining Agency ("ANM") in Brazil and the Company is awaiting the approval of the first Trial Mining License
- The first Trial Mining license will allow Altamira and its partner FMS Investimentos e Participacoes Ltda. ("FMS") to commence the construction of the 1000 tonne / day processing facility and will liberate the southern half of the Crente resource for feed for the plant (see press release dated August 8, 2019 for additional information)
- Altamira is also pursuing Trial Mining Licenses over three additional claim blocks which cover the resources in the northern part of the Crente deposit as well as the Baldo, Matrincha and Marines deposits within the Cajueiro project area

Please see the News Release dated October 16, 2019 for additional details.

On November 22, 2019 the Company announced that it had filed the National Instrument 43-101 Technical Report prepared by Global Resource Engineering Ltd. supporting the Resource Estimate for the Cajueiro project as described in the October 10, 2019 News Release.

Please see the full News Releases dated October 10, 2019 and November 22, 2019 for additional details.

On January 16, 2020 the Company announced that had received the first Trial Mining License with respect to permit 866.160/2007 for the Cajueiro Project.

- The Trial Mining license No 041/2019 follows the environmental permit LOPM No 320459 published on October 7, 2019. The Trial Mining License now grants Altamira Gold and its partner FMS Investimentos e Participacoes Ltda. ("FMS") the right to process up to 50,000 tonnes per year from the southern part of the key Crente resource area, and is valid for 36 months.
- The first Trial Mining license also allows Altamira and FMS to commence the construction of the processing facility in the Cajueiro Project area and will open up the southern portion of the highly-prospective Crente resource for feed for the plant.

Please see the full News Releases dated January 16, 2020 for additional details.

Santa Helena (58,591.48 ha, Mato Grosso State, Brazil):

The 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. Observed thicknesses and grades within the saprolite oxide domain indicate potential for discovery of an economic open pit deposit.

On April 4, 2018, the Company reported that it had commenced with a copper exploration program at the Santa Helena Project located in eastern part of the Juruena belt in central Brazil. The project is characterized by gold mineralization on surface which the Company believes may be related to a concealed porphyry copper system. The Santa Helena project is the Company's closest project to the newly discovered copper porphyry by Anglo American at Jaca.

On May 16, 2018, the Company provided an update on its early stage geological mapping and rock sampling program at the Santa Helena project.

The project has never been the subject of any previous drilling by Altamira. The current sampling program suggests the presence of a mineralized system with copper and gold values along a distance of 6km E-W.

The most easterly target is the Gabriel area which is located 1.2 km north of a small historic open pit mine which produced gold from a series of high-grade veins. A total of 20 grab samples were collected on surface from this area and returned gold values ranging from 0 to 171.6 g/t gold and 0 – 0.96% Cu and averaged 19.0 g/t gold and 0.11% Cu. Seven samples returned values above 10g/t gold.

The Flecha Dourada target is located 3km WSW of Gabriel. Grab samples from this prospect ranged from 0.3 – 153.8g/t gold and 0 – 0.81% Cu and averaged 31.2g/t gold + 0.13% Cu with 11 samples returning above 10g/t gold.

The Dorival target is located 500m west of Flecha Dourada. Six grab samples were collected from this prospect which ranged from 7.4 to 73.3g/t gold and 0 to 0.27% Cu, and averaged 24.6g/t gold.

Six grab samples were collected from the Tucura area and returned gold values of 0.2 to 22.6 g/t gold and averaged 7.2g/t gold. Tucura is located 2km NW of the Dorival target.

In addition to the rock sample results outlined above, Altamira has completed a program of soil sampling. On June 7, 2018, the Company provided results from its soil sampling program as follows:

A total of 196 soil samples were collected in the Gabriel target area. Soil samples were collected on a grid spaced 100 m N-S and 200 m E-W. This work has identified a significant zone of anomalous copper values up to 308ppm which is 1.5km in diameter. Anomalous molybdenum values up to 6ppm are also evident on the northern margin of the copper-in-soil anomaly with the zone being open to the north.

In addition, two existing gold-in-soil anomalies identified during previous sampling, are known to exist in the Gabriel and Flecha Dourada areas and appear to be peripheral to the copper-in-soil anomaly at Gabriel. The anomaly in the Gabriel area has a north-east trend and a surface expression of 1000m x 400 meters (gold-in-soil values range from 50 to 3,834 ppb Au). The gold

anomaly is located 1km west of the copper-in-soil anomaly. The second gold anomaly is located two kilometers to the south west in the Flecha Dourada area and extends over an area surface of 750 x 500 meters (gold in soil values range from 50 to 3,830 ppb Au).

The presence of a copper-in-soil anomaly at Santa Helena associated with a large scale hydrothermal alteration system, as well as two significant gold-in-soil anomalies and numerous high grade gold bearing structures and elevated copper values increases the potential for a concealed Au-Cu mineralized system at Santa Helena.

Current Exploration Update

In April 2019 the Company applied for bulk sampling licences on claim blocks 866.174/2017 and 867.404/2017 in order to facilitate exploration activities on the central part of the property.

Apiacas (80,376.68) 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. In addition copper values including values exceeding 1% Cu were obtained from grab samples at the Paulinho Troca Tiro prospect at Apiacas.

Current exploration update

On February 4, 2019 the Company reported that it has been granted an additional 42,000 ha within the Apiacas district, adding the highly prospective Mutum target which is characterized by widespread phyllic alteration and disseminated pyrite.

The Mutum target area is estimated to have produced at least 90% of the estimated 1 Moz of placer gold produced from the Apiacas district. Unlike the other known targets at Apiacas, the Mutum target is characterised by widespread quartz-sericite-pyrite alteration of granitic rocks with minor quartz) which extends over at least 4 square kilometres. Artisanal mining of this altered material has taken place at several places suggesting that the altered and pyritized rocks contain gold. This suggests that a large disseminated gold deposit may be present at Mutum.

Please see the News Release dated February 4, 2019 for additional details.

On June 4, 2019 the Company announced results from the initial surface rock sampling program recently completed at the Mutum target.

Highlights include:

- Channel sampling at the Mutum target returned **12m @ 2.0g/t gold** in weathered rock with the section being open in all directions
- Other surface rock grab sampling at the Mutum target returned gold values ranging **from 0.5 – 96.6 g/t gold** (12 of 16 samples returning values above 0.5 g/t gold)
- Three new targets have also been identified within the Apiacas project area at Nelson Rocha, Ze Rodrigues and Chaveta. The results from 26 grab samples collected at the Nelson Rocha target returned values ranging from **13.2 – 335.2 g/t gold** from thirteen of twenty-six samples. Five samples returned **copper values of 0.2 to 1.2% Cu**.

Please see the News Release dated June 4, 2019 for additional details.

Crepori (6,788.91 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 has been no previous drilling. Historic production in the Creporzinho 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 an opportunity for the discovery of a narrow-vein high grade gold deposit.

In 2017 the Company collected 115 surface grab samples at Crepori, 56 samples were of saprolite or weathered bedrock, with the remainder being 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.

The Company drilled a total of 7 holes for 876m at Crepori during November and December 2017. Holes were located in six separate areas where high grade veins had been mapped on surface but surface exposures in the area were sparse with +99% of the area being covered by recent soils. Once hole, CPR-1 returned grades and widths at Ze Milton that are considered very encouraging and require further drilling and follow up.

The bulk of the placer gold previously mined from the area was mined upstream from the Ze Milton and Ze de Bode targets in an area with virtually no outcrop. This area will be the focus of further work aimed at identifying the source of the placer gold previously mined from the Crepori area.

Colider (9,250.94 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. Pre-acquisition 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. In addition multiple elevated copper values were found in previous drill holes at the Colider project including 4.1m @ 1.05% Cu and 18.59g/t Au in Hole #CL-1 and 2.9m @ 0.61% Cu and 6.1g/t Au in Hole #CL-8.

Nova Canaa (10,011.20 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 Au.

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.

Porta Aberta (1,521ha Mato Grosso State, Brazil):

The Porta Aberta project area is located 13km SSW of the Cajueiro project and is characterized by extensive historic placer workings which produced an estimated 500kg of gold and cover an area of several square kilometers. Outcropping gold mineralization appears to be confined to a series of quartz-sulphide veins within a NNWtrending shear zone characterized by silica-sericite-pyrite alteration which has been traced for 2.5km and is open to the north and south. The width of the shear zone and the width and extent of individual veins within the zone is, as yet, unknown

In October 2018 the Company announced that the Porta Aberta claim blocks have been extended for a further two years.

In October 2018 the Company reported the results of reconnaissance rock chip sampling from outcropping quartz-sulphide veins that returned gold values ranging from 0.5 to 242.8g/t gold (12 samples) with three samples returning **199.3g/t, 202.1g/t and 242.8g/t gold**. In addition to the high-grade gold values returned from the surface sampling, elevated Ag (up to 60g/t), Zn (up to 0.13%), Pb (up to 1%) Cu (up to 0.08%) values were also returned.

NEAR TERM FOCUS

- Commence construction for gold production facility targeting gold production in mid 2020.
- Trenching of previously untested peripheral gold-in-soil targets at Cajueiro including Novo Sonhos and Sossego.
- Identification of possible buried porphyry sources using geophysical and geochemical techniques in the Cajueiro, Apiacas and Santa Helena areas to assess potential for copper mineralization.

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, 2019:

	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
Total revenues	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(266,943)	(348,408)	(227,981)	(348,200)
Basic and diluted loss per share	(0.004)	(0.005)	(\$0.004)	(\$0.01)

	November 30, 2018	August 31, 2018	May 31, 2018	February 28, 2018
Total revenues	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(111,818)	(250,687)	(418,846)	(3,472,020)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(\$0.08)

Trends over the last eight quarters:

The losses reported since May 31, 2017 have generally trended downward subsequent to the acquisition of Alta Floresta gold in April 2016 and the consequent changes in both the regional

focus and the holding company management team. Share-based payments costs in respect of stock options granted have increased the losses in the February 28, 2018, February 28, 2019 and August 31, 2019 quarters. The significant increase in the loss in the February 28, 2018 quarter results from the write-off of the Garland property in Newfoundland that was relinquished during that quarter. The decrease in the loss in the November 2018 quarter is a result of the sale of a mineral property in the period.

RESULTS OF OPERATIONS

	Three Months Ended November 30,		Nine months Ended November 30,	
	2019	2018	2019	2018
<i>Operating Expenses</i>				
Advertising and promotion	\$ 24,463	\$ 14,884	\$ 36,543	\$ 72,220
Amortization	6,257	6,564	19,570	19,813
Consulting fees and staff costs	158,483	147,565	460,345	425,974
Office and general	24,895	30,033	96,162	103,315
Other Exploration costs	-	-	6,835	6,301
Professional fees	9,360	11,140	42,765	41,731
Share-based payments	-	6,927	76,142	164,480
Transfer agent & regulatory fees	10,383	7,777	24,777	20,438
Travel	28,408	8,241	68,630	47,182
	(262,249)	(233,131)	(831,769)	(901,454)

Certain promotional initiatives in the prior year did not recur, and the Company has cut back its participation at trade shows resulting in significant Advertising and Promotion costs savings for the nine months ended November 30, 2019. The increased expense in the quarter relates to promotional activity in support of a financing that had been announced in the Quarter.

For the nine months ended November 30, 2019, consulting and staff costs have increased as the Company has sought to improve its communication materials. Costs in the quarter have increased over the prior year as a result of the timing of activities.

Office and General costs for both the quarter and nine months ended November 30, 2019 reflect a small savings over the prior year as result of the careful management of expenditures.

Other Exploration cost are payments required to maintain title to properties in Canada that were fully impaired in prior years.

For the nine months ended November 30, 2019, professional fees are generally in line with the previous year. Professional fees in the quarter and reflect a small savings over the prior year and is reflective of the level of commercial activity in the period.

Share based payments reflects the value attributed to stock options granted in the period.

For the nine months ended November 30, 2019, transfer agent and regulatory fees increased due to financing activity. The increase in the current quarter over the prior year results from the timing of activities.

For the nine months and quarter ended November 30, 2019, travel has increased as a result of site visits, increased team travel in Brazil, and a change in the mix of trade shows attended. The increase in the quarter results from trade show attendance in the period.

The cumulative translation adjustment amounted to a loss of \$430,290 for the nine months ended November 30, 2019 and a loss of \$89,420 for the quarter. This resulted from the decline

in the value of the Brazilian Real against the Canadian Dollar in both periods and had the effect of reducing the stated value of exploration and evaluation assets and property plant and equipment, which was partially offset by a decline in the value of long term liabilities.

CAPITAL RESOURCES AND LIQUIDITY

As of November 30, 2019, the Company had cash and cash equivalents of \$42,313 (February 28, 2019, \$123,742) and a working capital deficit of \$261,533 (February 28, 2019, deficit of \$35,751). The Company closed a \$1,047,940 financing in May 2019.. 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 will need to raise funds to cover its planned fiscal 2020 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, 2019, 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.

9. RELATED PARTY TRANSACTIONS

	Nine month period ended	
	November 30, 2019	November 30, 2018
Key Management Compensation:		
Consulting fees and salaries	\$ 242,750	\$ 285,750
Salary paid as shares	25,500	-
Share-based payments	47,099	84,640
Advertising and promotion	-	-
Total	\$ 315,349	\$ 370,379
	August 31, 2019	February 28, 2019
Related Party Balances:		
Due to directors and officers of the Company	\$ 22,054	\$ 1,525
Due to (from) companies related by common directors	(1,391)	(4,771)
Total	\$ 23,445	\$ (3,246)

In March and April 2019, members of the key management group were paid a portion of their consulting fees and salaries in the form of shares of the Company. A total of 383,609 shares were issued in respect of salary payments totaling \$25,500.

Amounts due to directors and officers of the Company comprise accrued salaries, consulting fees, and expense reimbursement claims. Share Subscriptions Received include a total of \$102,892 received from directors and officers in respect of an impending financing. 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 69,961,603 common shares outstanding.

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

Expiry Date	Exercise Price	Number of options
April 5, 2022	\$0.28	1,830,000
June 27, 2022	\$0.28	915,000
November 10, 2022	\$0.28	605,000
May 14, 2023	\$0.17	1,070,000
October 1, 2021	\$0.10	100,000
February 4, 2024	\$0.10	1,075,000
July 22, 2024	\$0.10	1,300,000
Total		6,895,000

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

Expiry Date	Exercise Price	Number of warrants
December 22, 2022	\$0.33	9,665,000
August 16, 2023	\$0.20	6,060,000
August 23, 2023	\$0.20	2,940,000
May 10, 2021	\$0.15	10,486,400
Total		29,151,400

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, 2019 to all the periods considered in this MD&A.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

No new standards were adopted in the period and there are no IFRS 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.

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.

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.

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.