



MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF THE COMPANY'S FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
THREE MONTHS ENDED MARCH 31, 2013

THIS MD&A IS DATED MAY 28, 2013

## **NOTE TO READERS**

The following is management's discussion in respect of the results of operations and financial position of Chimata Gold Corp. (the "Company" or "Chimata"), formerly Maxtech Resources Inc., for the three months ended March 31, 2013 and should be read in conjunction with the Company's condensed interim financial statements for the same period and the audited annual financial statements for the most recent year ended December 31, 2012, which have been presented in accordance with International Financial Reporting Standards ("IFRS"). The financial statements of the Company are presented in Canadian dollars. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company are available on SEDAR and may be accessed at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENT**

*The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward-looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.*

*Such forward-looking statements, including but not limited to those with respect to the price of metals, the timing and amount of estimated future mineralization and economic viability of properties, capital expenditures, costs and timing of exploration projects, permitting timelines, title to properties, the timing and possible outcome of pending exploration projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors such as general economic and business conditions, change in foreign currency exchange rates, and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Since forward looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Readers should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.*

*These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not intend nor do we undertake any obligation to update or revise any forward-looking statements whether written or oral that may be made by or on the Company's behalf should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law.*

## **DATE OF REPORT**

The information in this report is presented as of May 28, 2013.

## **ABOUT CHIMATA**

Under the *Business Corporations Act* of British Columbia (the "Act") on November 16, 2010, the Company was incorporated as a wholly owned subsidiary of Maxtech Ventures Inc. ("Maxtech") in the name of Maxtech Resources Inc. The principal business of the Company is acquisition, exploration, and development of resource properties. The Company may also acquire additional properties and carry out early stage exploration on such mineral properties and then sell, option or joint venture the mineral

properties. The Company changed its name to Chimata Gold Corp. on February 10, 2011.

On January 15, 2011, the Company entered into an arrangement agreement (the “Arrangement Agreement”) with Maxtech to proceed with a corporate restructuring by way of statutory plan of arrangement (“Arrangement”) under the provisions of the Act, wherein Maxtech was to transfer all of its interest in the Guercheville mineral properties, located in Abitibi region of Québec, to the Company.

The Arrangement Agreement became effective August 17, 2011 and the Company spun out from Maxtech and became a reporting issuer. The Company's common shares started trading on the TSXV on September 16, 2011, under the symbol “CAT”.

## **CORPORATE OVERVIEW AND OVERALL PERFORMANCE**

### **Exploration and Evaluation Assets Update**

During the three months ended March 31, 2013, the Company is evaluating the work programs recommended in the 43-101 report prepared for the Guercheville properties and has not incurred exploration expenditure. Continuity of the Guercheville properties is as follows:

	December 31, 2012	Addition	March 31, 2013
	\$	\$	\$
Acquisition	359,039	-	359,039
Renewal	16,409	-	16,409
Maintenance of mineral claims	585	-	585
Total	376,033	-	376,033

The exploration expenditures incurred in 2011 and 2012 are available in the Company's financial statements for the year ended December 31, 2012. More details about the Company's Guercheville properties are discussed in the 43-101 technical report included as the schedule D to the Company's listing statement dated August 16, 2011 which is available at [www.sedar.com](http://www.sedar.com) under Chimata Gold Corp.

## **SELECTED QUARTERLY INFORMATION**

The Company is an exploration stage Company; thus its result of operation is not subject to seasonality. Management expects it will be difficult for the Company to obtain further equity or debt financing in the near future given that the current Canadian capital market is in a downturn for junior mining companies. The current resources on hand are not adequate for the Company to meet its long term business objective or to conduct any significant explorative activities to the existing mineral properties. In order to preserve cash on hands, management has decided to curtail the Company's operations and will not conduct significant exploration activities until the Company can secure resources to finance such exploration activities. Management will consider equity or debt financing or other arrangement including joint-venture and farm-out arrangements.

The Company's information of the latest eight quarters is summarized as follows:

	2013	2012				2011		
	First Quarter	Four Quarter	Third Quarter	Second Quarter	First Quarter	Four Quarter	Third Quarter	Second Quarter
	\$	\$	\$	\$	\$	\$	\$	\$
Total Assets	384,779	384,649	410,759	1,043,077	880,15	897,268	926,046	594,045
Revenue	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Operating expenses	20,949	24,403	29,933	54,795	42,350	55,104	49,936	456
Loss from continued operation	20,949	22,233	7,947	54,795	42,350	55,104	49,936	456
Loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.01	0.02	456

## **RESULTS OF OPERATION**

The Company is an exploration stage company and has not earned revenue since inception.

### **Three Months Ended March 31, 2013 ("2013 Q1")**

During 2013 Q1, the Company had a loss of \$20,949 comparing to the \$42,350 loss in the same quarter of last year. The \$20,949 loss was mainly a result of incurring \$8,551 in consulting fees (2012 Q1 - \$10,060), \$7,500 occupancy fees (2012 Q1 - \$7,500), and \$2,000 professional fees (2012 Q1- \$2,000). There were no significant movements as the Company was in the same business in these two quarters.

As at March 31, 2013, the Company's cash balance, exploration and evaluation assets, accounts payable and accrued liabilities, was \$6,896 (December 31, 2012 - \$1,858), \$376,033 (December 31, 2012 - \$376,033), \$31,539 (December 31, 2012 - \$10,460) respectively. No significant changes are noted as the Company continued to curtail its operation as discussed in the " Selected Quarterly Information" section.

## **LIQUIDITY AND CAPITAL RESOURCES**

Financing of operations has been achieved by equity and debt financing. As at March 31, 2013, the Company had \$6,896 in cash, and working capital deficiency of \$22,793. The Company has no operations that generate cash inflow. Management realizes that the current resources are not enough to meet the Company's long term business objectives. Management intends to eliminate the working capital deficiency and to finance its operating costs with loans from related parties and or private placement of common shares. While the Company has a history of financing its operation through debt or equity financing in the past, there are no guarantees that the Company can do so in the future.

The Company did not have cash inflow/outflow from its financing/investing activities during 2013 Q1.

The Company is not subject to external capital requirements and does not have capital commitment as of the date of this MD&A.

## **OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

Company does not have any proposed transactions that have material impacts to the Company to discuss at this time.

## **CRITICAL ACCOUNTING ESTIMATES**

Not applicable, the Company is a venture issuer.

## **OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company has 37,649,002 shares issued and outstanding and 4,000,000 share purchase warrants that can be convertible to the Company's common share on one-to-one basis. The Company does not have options outstanding as at the date of this MD&A that are convertible to common shares of the Company.

## **TRANSACTIONS WITH RELATED PARTIES**

Refer to Note 6 to the Company condensed interim financial statements for the three months ended March 31, 2013.

## **CHANGES IN ACCOUNTING POLICIES**

Refer to the Note 2 to the Company condensed interim financial statements for the three months ended March 31, 2013.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

Refer to Notes 3 and 10 to the Company's audited annual financial statements for the year ended December 31, 2012 for the details of the Company's financial instruments and related risk management policies.

## **RISK FACTORS**

Risks of the Company's business include the following:

### **Mining Industry**

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including

regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

#### Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

#### Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

## Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

## Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable.

Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for

orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

#### Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

#### Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

#### Property Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

### **FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

During 2013 Q1, there was no significant change in the Company's internal control over financial reporting since last year ended December 31, 2012.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with Exemption Orders issued in November 2007 and revised 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 the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer 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 NI 52-109.



OFFICERS AND DIRECTORS

Sonny Janda	President, CEO & Director
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Gurdeep Johal	Director
Larry Tsang	CFO

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