



MANAGEMENT'S DISCUSSION AND ANALYSIS

**Nine Months Ended September 30, 2014**

## **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"), for nine months ended September 30, 2014 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the same period and the Company's audited annual financial statements for the most recent year ended December 31, 2013. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and 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. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.*

<b><i>Forwarding looking statements</i></b>	<b><i>Assumptions</i></b>	<b><i>Risk factors</i></b>
<i>Management intends to further eliminate the working capital deficiency and to finance its operating costs with loans from related parties and or private placement of common shares.</i>	<i>Based on the past history of the Company, the Company was able to raise funds when needed through either private placement or debt financing</i>	<i>Change in interest rate, support by related parties, change in condition of capital market</i>

## **DATE OF REPORT**

The information in this report is presented as of November 14, 2014.

## **ABOUT CHIMATA**

Chimata Gold Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on November 16, 2010 as Maxtech Resources Inc. and changed their name to Chimata Gold Corp. on February 10, 2011. The Company is listed on the TSX Venture Exchange under the symbol “CAT”. The Company’s common shares also began trading on the Frankfurt Exchange under the symbol 8CH commencing July 29, 2014. The Company’s current principal activity is the acquisition and exploration of mineral properties in Canada.

## **CORPORATE OVERVIEW AND OVERALL PERFORMANCE**

### **Business Update**

During the year ended December 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. Due to the downturn of the current Canadian capital market for junior miners, management is in an opinion that the Company cannot raise adequate financing to proceed with exploration work of Guercheville properties. As a result, the Company fully wrote down these properties during the year ended December 31, 2013.

The Company has entered into a Letter of Intent to an exclusive option on the “Huentelauquen Heavy Mineral Sands Project” and “the Juliana 1-18 claims,” located near Los Vilos, in Region IV, in Chile. As of the date of this report, the Company has been conducting its due diligence on the project.

The Company is actively looking for other new business opportunities in order to maximize shareholders’ value.

## **SELECTED QUARTERLY INFORMATION**

The Company has not had revenue from inception. The Company’s past result of operation was 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 by obtaining additional (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:

	2014			2013				2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total Assets	27,413	5,697	26,792	38,192	377,582	379,255	384,779	384,649
Revenue	-	-	-	-	-	-	-	-
Operating expenses	67,942	17,416	21,355	25,118	25,381	29,998	20,949	24,403
Loss from continued operation	71,306	20,005	24,214	401,151	25,381	29,998	20,949	22,233
Loss per share, basic and diluted	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00

## **RESULTS OF OPERATION**

### **Nine Months Ended September 30, 2014 ("2014 Nine Months")**

During 2014 Nine Months, the Company had a loss of \$115,525 comparing to the \$76,328 loss in the same nine months of last year. The \$115,525 loss was mainly a combined result of incurring \$106,713 operating expenses (2013 Nine Months - \$76,328) and \$8,812 accretion and interest expenses in connection with the Company's outstanding promissory note (2013 Nine Months - \$Nil).

The operating expenses incurred in 2014 Nine Months were mainly comprised of \$29,255 consulting fees (2013 Nine Months - \$32,031), \$18,147 property investigation (2013 Nine Months - \$5,000), and \$36,905 listing and filing fees (2013 Nine Months - \$9,277). Property investigation increased in 2013 Nine Months as the Company started doing due diligence in connection with the Huentelauquen Heavy Mineral Sands Project and the Juliana 1-18 claims discussed in the Business Update section. Listing and filing fees increased as the Company incurred additional expenditures to list the Company's shares on the Frankfurt Exchange in July 2014.

Accretion and interest expenses increased from the same period of last year as the Company had an outstanding promissory note balance of \$52,194 throughout 2014 Nine Months, while there was no similar balance in the same period in the last year.

As at September 30, 2014, the Company's cash balance, accounts payable and accrued liabilities, and notes payable was \$24,644 (December 31, 2013 - \$37,351), \$105,640 (December 31, 2013 - \$84,260), and \$54,065 (December 31, 2013 - \$48,699) respectively. The decrease in cash was a combined result of receipt of \$78,000 for shares and warrants issuance which was offset by the use of \$90,707 cash in the Company's operations during 2014 Nine Months

### **Three Months Ended September 30, 2014 ("2014 Q3")**

During 2014 Q3, the Company had a loss of \$71,306 comparing to the \$25,381 loss in the same quarter of last year. The \$71,306 loss was mainly a combined result of incurring \$67,942 operating expenses (2013 Q3 - \$25,381) and \$3,364 accretion and interest expenses in connection with the Company's outstanding promissory note (2013 Q3 - \$Nil).

The operating expenses incurred in 2014 Q3 were mainly comprised of \$15,700 consulting fees (2013 Q3 - \$13,130), \$18,147 property investigation (2013 Q3 - \$5,000), and \$27,487 listing and filing fees (2013 Q3 - a recovery of \$2,914). Property investigation increased in 2014 Q3 as the Company started doing due diligence in new projects discussed in the Business Update section in this quarter. Listing and filing fees increased in 2014 Q3 as the Company incurred additional expenditures to list the Company's shares on the Frankfurt

Exchange in July 2014.

Accretion and interest expenses increased from the same quarter of last year as the Company had an outstanding promissory note balance of \$52,194 throughout 2014 Q3, while there was no similar balance in 2013 Q3.

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company is an exploration stage company and has not earned revenue from operating activities since inception. Financing of operations has been achieved by equity and debt financing. As at September 30, 2014, the Company had \$24,644 in cash, and working capital deficiency of \$132,292. The Company has no operations that generate cash inflow.

Management intends to eliminate the working capital deficiency and to finance its operating costs with non-current loans from related parties and or private placement of common shares. The Company is currently in the process of closing a non-brokered private placement consisting of up to ten million units at \$0.06 per unit to raise up to \$600,000 (the "Financing"). The Company will use the proceeds from the Financing for the Company's working capital. Each unit will consist of one common share and one share purchase warrant of the Company. Each warrant can be convertible into one common share at \$0.06/share for a period of five years from the closing of the financing. As of the date of this report, the Company has closed the first tranche of this Financing and issued 1,300,000 units for gross proceeds of \$78,000. The Company is in the process of finishing this Financing as of the date of this report.

While the Company has a history of financing its operation through debt or equity financing in the past, readers are cautioned that there are no guarantees that the Company can do so in the future.

The Company did not have cash inflow/outflow from its investing activities during 2014 Nine Months.

The Company is not subject to external capital requirements and does not have capital commitment.

### **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.

### **OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company has 38,949,002 shares and 1,300,000 share purchase warrants outstanding. The Company does not have options that are outstanding as at the date of this MD&A.

## **TRANSACTIONS WITH RELATED PARTIES**

During nine months ended September 30, 2014, the Company incurred \$5,255 (Nine months ended September 30, 2013 ("2013 Nine Months") - \$5,226) and \$10,000 (2013 Nine Months - \$Nil) in consulting fees to two companies controlled by the Company's Chief Financial Officer ("CFO") and a director of the Company (Curt Huber) respectively.

As at September 30, 2014, the Company's accounts payable included \$1,800 owing to the Company's CFO (2013/12/31- \$1,995) and \$5,250 (2013/12/31 - \$Nil) to a director of the Company (Curt Huber). These amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

During the year ended December 31, 2013, the Company received loans of \$56,000 from Maxtech Ventures Inc., a company having a director (Curt Huber) common to Chimata, to finance its operations. The loans bear interest at 5% per annum. The loans were discounted using an estimated market rate of 15% per annum with the discount of \$8,523 recorded to the loan reserve account in equity on inception. The Company will reverse the discount as accretion expense over the remaining term of the loan to maturity. As at September 30, 2014, the carrying value of this promissory note was \$54,065 (12/31/2013 - \$48,699). This promissory note is unsecured and will mature on December 31, 2014.

### **Transactions with other related parties**

The Company did not have transactions with other related parties during 2014 Nine Months.

## **CHANGES IN ACCOUNTING POLICIES**

Refer to the Note 3 to the Company's audited financial statements for the year ended December 31, 2013 and Note 3 to the Company's unaudited condensed interim financial statements for the nine months ended September 30, 2014.

## **FINANCIAL INSTRUMENTS**

Refer to the Note 8 to the Company's unaudited condensed interim financial statements for the nine months ended September 30, 2014.

## **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**

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements.

The management of the Company has filed the Venture Issuer Basic Certificate on SEDAR at [www.sedar.com](http://www.sedar.com). In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer 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.

## **OFFICIERS AND DIRECTORS**

Sonny Janda	Director (Stepped down from the position of CEO and President on April 24, 2014)
Curt Huber	CEO, President, and Director (Became CEO and President on April 24, 2014)
David Jimenez	Director
Luis Martins	Director
Larry Tsang	CFO