



MANAGEMENT'S DISCUSSION AND ANALYSIS

**Year Ended December 31, 2015**

## **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 the year ended December 31, 2015 and should be read in conjunction with the Company's audited financial statements for the same period. 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 April 20, 2016.

## **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 2014, the Company 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. During 2015, it was determined that due to the current state of the iron ore market, the Company would not proceed with this project. Chimata is actively looking for other new business opportunities in order to maximize shareholders' value.

### **Financing**

On April 13, 2015, the Company issued 200,000 units for \$12,000 under a non-brokered private placement. Each unit is comprised of one common share and one share purchase warrant. These share purchase warrants will expire five years from issuance if un-exercised and each share purchase warrant is exercisable into one common share of the Company at \$0.06/share.

## **SELECTED ANNUAL INFORMATION**

Following is the selected annual information of the Company for the last three years:

	2015	2014	2013
	\$	\$	\$
Revenue	--	--	--
Operating Expenses	69,643	152,420	101,446
Net loss	76,370	95,671	477,479
Total assets	1,924	3,307	38,192
Total long-term liabilities	--	--	--
Net loss per share (basic and diluted)	\$ 0.00	\$ 0.00	\$ 0.01

## **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:

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Assets	1,924	2,457	1,952	3,044	3,307	27,413	5,697	26,792
Revenue	-	-	-	-	-	-	-	-
Operating expenses	19,416	20,269	20,480	9,478	41,530	67,942	17,416	21,355
Gain (loss) from continued operation	(22,918)	(21,092)	(22,152)	(10,208)	19,584	(71,306)	(20,005)	(24,214)
Earnings (Loss) per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## **RESULTS OF OPERATION**

### Year ended December 31, 2015 ("Fiscal 2015")

During Fiscal 2015, the Company had a loss of \$76,370 comparing to the \$95,671 loss in Fiscal 2014. The \$76,370 loss was mainly a combined result of incurring \$69,643 operating expenses (Fiscal 2014 - \$148,243), \$6,727 finance fees mainly in connection with the Company's outstanding promissory note (Fiscal 2014 - \$7,301), and \$Nil in gain on related party debt forgiveness (2014 - \$64,050).

The operating expenses incurred in Fiscal 2015 were mainly comprised of \$23,650 consulting fees (Fiscal 2014 - \$45,680), \$15,000 occupancy fees (Fiscal 2014 - \$NIL), and \$13,814 listing and filing fees (Fiscal 2014 - \$35,797) and \$16,007 professional fees (Fiscal 2014 - \$9,950). Professional fees consist of year end audit and tax return filing fee.

As at December 31, 2015, the Company's cash balance, accounts payable and accrued liabilities, and notes payable was \$1,504 (December 31, 2014 - \$3,114), \$125,469 (December 31, 2014 - \$62,482), and \$56,000 (December 31, 2014 - \$56,000) respectively. The decrease in cash was a combined result of receipt of \$12,000 for shares and warrants issuance which was offset by the use of \$13,610 cash in the Company's operations during Fiscal 2015.

During 2014 Q4, \$64,050 owing to a company controlled by a relative of one of the Company's directors (Sonny Janda) was forgiven for \$Nil consideration and \$64,050 was recognized as a gain. There was no similar transaction in 2015.

### Three Months Ended December 31 ("2015 Q4")

During 2015 Q4, the Company had a loss of \$22,918 comparing to the \$19,584 income in the same quarter of last year. The \$22,918 loss was mainly a combined result of incurring \$19,416 operating expenses (2014 Q4 - \$41,530), \$3,501 finance charges in connection with the Company's outstanding promissory note (2014 Q4 - \$7,301), and \$Nil in gain on related party debt forgiveness (2014 Q4 - \$64,050).

The operating expenses incurred in 2015 Q4 were mainly comprised of \$1,500 occupancy fees (2014 Q4 - \$Nil), and \$9,800 professional fees (2014 Q4 - \$2,175).

During 2014 Q4, \$64,050 owing to a company controlled by a relative of one of the Company's directors (Sonny Janda) was forgiven for \$Nil consideration and \$64,050 was recognized as a gain. There was no similar transaction in 2015 Q4.

## **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 December 31, 2015, the Company had \$1,504 in cash, and working capital deficiency of \$179,545. 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.

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 Fiscal 2015 and received net proceeds of \$12,000 from issuance of 200,000 Units during Fiscal 2015.

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 at this time.

## **OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company has 39,149,002 shares and 1,500,000 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 the year ended December 31, 2015, the Company incurred \$1,850 (2014 - \$7,405) in consulting fees to a company controlled by the Company's Chief Financial Officer ("CFO"), \$Nil (2014 - \$15,000) in consulting fees to a company controlled by the Company's Chief Executive Officer ("CEO"), \$Nil (2014 - \$23,275) in consulting fees to a company with a common director, and \$21,000 (2014 - \$Nil) in consulting fees and \$15,000 (2014 - \$nil) in occupancy costs to a company controlled by a relative of one of the Company's directors.

As at December 31, 2015, the Company's due to related parties included \$105 (2014 - \$4,038) owing to the Company's CFO, \$43,713 (2014 - \$Nil) owing to a company controlled by a relative of one of the Company's directors. 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., the former parent company of the Company to finance its operations. Maxtech Ventures Inc. and the Company had a common director when the loans were advanced. Both loans bore interest at 5% per annum until December 31, 2014 (the maturity date of the loan), after which interest increased to prime plus 10% per annum for the loan of \$51,000 and remained at 5% per annum for the loan of \$5,000.

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 had been reversing the discount as accretion expense over the remaining term of the loan to maturity, and as at December 31, 2014, the loans were fully accreted. During the year ended December 31, 2015, \$6,727 (2014 - \$7,301) of interest and accretion was recorded.

### **CHANGES IN ACCOUNTING POLICIES**

Refer to the Note 3 to the Company's audited financial statements for the year ended December 31, 2015.

### **FINANCIAL INSTRUMENTS**

Refer to the Note 10 to the Company's audited financial statements for the year ended December 31, 2015.

### **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.

## **OFFICERS 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