



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF THE COMPANY'S FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
THREE MONTHS ENDED MARCH 31, 2018**

## **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 three months ended March 31, 2018 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 May 30, 2018.

## 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

#### a) Maggie

On August 31, 2016, the Company entered into an option agreement with Innovative Properties Inc. to earn up to 100% interest in certain mineral concessions ("Maggie Gold Property").

During the year ended December 31, 2017, the Company has abandoned and surrendered the option agreement in respect of all mineral claims of the Maggie Property and fully impaired the property.

#### b) Troilus North

On October 12, 2017, the Company acquired a 100% undivided interest in the Troilus North Property. The property is made up of 139 contiguous claims totaling 7,502.6 hectares located 160 km north of the town of Chibougamau in the province of Quebec.

The total purchase price is two hundred and fifty thousand dollars (\$250,000) with an initial payment of \$25,000 due to the Vendor upon closing, \$25,000 due within ninety (90) days following signing of the Agreement, \$50,000 due on or before September 30, 2018, \$50,000 due on or before March 31, 2019, \$50,000 due on or before September 30, 2019, and \$50,000 due on or before March 31, 2020. In addition, the Company has granted a 1.5% Net Smelter Royalty to the Vendor; 0.5% of which can be repurchased by the Company for \$500,000.

On May 14, 2018, the Company received regulatory approval from the TSX Venture Exchange concluding the acquisition of a 100% undivided interest in the Troilus North Property.

On May 22, 2018, the Company entered into a letter of intent (the "**LOI**") to enter into a definitive option, earn-in, and joint venture agreement with Emgold Mining Corporation ("**Emgold**"; TSX-V: EMR) giving Emgold the right to acquire up to a 100% interest in the Troilus North Property subject to certain conditions, including TSX Venture Exchange acceptance and entry into a definitive option agreement (the "**Definitive Agreement**"), Emgold would have the exclusive right and first option (the "**First Option**") to acquire an 80% interest in the Troilus North Property over a two year period (the "**Transaction**") for consideration of 4 million Emgold shares, to be issued to the Company, and completion of C\$750,000 in exploration expenditures to be incurred by Emgold within two years of closing of the Transaction.

Upon completing the First Option, Emgold would have a further option (the “**Second Option**”) to acquire an additional 20% interest (total 100% interest) in the Troilus North Property by issuing Chimata a further 1 million shares. Chimata would retain a 1% Net Smelter Royalty for Troilus North, half of it (i.e 0.5%) which could be purchased by Emgold at any time for C\$500,000, leaving Chimata with a 0.5% NSR on the Troilus North Property.

c) BAM

On December 1, 2017, the Company acquired a 100% interest in the BAM mineral property. The property is located in the Pacific Golden Triangle mining district approximately 80 Km south of Telegraph Creek in the Liard mining division of northwest British Columbia, Canada.

Under the terms of the purchase agreement, the Company will pay \$60,000 cash and issue 600,000 common shares to Bearclaw Capital Corp. (“Bearclaw”). The initial \$15,000 cash payment was paid to Bearclaw and 600,000 common shares were issued to Bearclaw on November 16, 2017 with a fair value of \$54,000. The claims comprising the mineral property have been transferred to the Company. On March 1, 2018, the Company made \$15,000 cash payment to Bearclaw. The balance of the cash payments will be provided in equal installments of \$15,000 8 months and 12 months from the purchase agreement closing date. Bearclaw will retain a 2% Net Smelter Royalty on the property, of which 1% may be purchased by the Company for \$1,000,000 at any time.

d) Letter of Intent for the Zimbabwe Lithium Project

On February 14, 2018, the Company approved the entering into a binding Letter of Intent with Zimbabwe Lithium Company (Mauritius) Limited (“Zimbabwe Lithium”, or “ZIM”), a privately held company incorporated under the laws of Mauritius. Pursuant to the terms of the LOI, Chimata will subscribe to the share capital of ZIM for an initial subscription of 19% of ZIM’s share capital in exchange for the allocation by Chimata of an amount of shares representing 19% of its then issued and outstanding share capital to ZIM, such amount being calculated post-closing of the Concurrent Financing, as defined below, with right to further acquire the remaining issued and outstanding share capital of ZIM upon the fulfilling of certain terms and conditions as set out in the LOI, the whole resulting in ZIM becoming a subsidiary of Chimata (the “Transaction”). ZIM will be focused on developing lithium mining properties and assets located in Zimbabwe (the “Assets”) held by ZIM and related companies wholly owned by ZIM’s principals, one of which having recently signed a joint-venture agreement with the Zimbabwe Mining Development Corporation (“ZDMC”) with respect to the grant of exclusive development rights for the Kamativi lithium tailings deposit at the Kamativi Tin mine, Matabeleland North Province, Zimbabwe. This tailings stockpile has been surveyed to give an estimated 23,168,000 metric tonnes of historical tailings material on surface.

i. First Amendment to LOI with ZIM

On May 30, 2018, the Company and ZIM entered into a first amendment of the LOI (Note 4 (a)). The key amendments are summarized as follows: (i) US\$ 99,905 the remaining balance of the US\$ 500,000 advance from the Company to ZIM is required to be made within five business days from May 30<sup>th</sup>, 2018. Upon completion of the US\$ 99,905 advance, Phase I is deemed to be completed with the exception of the concurrent financing and both ZIM and the Company will enter into Phase II; (ii) The Company will work towards the completion of the Concurrent Financing, to a maximum of \$2,000,000 and to a minimum of \$1,800,000 whereby \$800,000 to be raised by the Company no later than July 30<sup>th</sup>, 2018 or two weeks from the date of completion and publication of the Estimate (Note 4(a)) whichever is the latter, and the remaining balance of \$1,000,000 to be raised by the Company no later than (a) August 30, 2018 or (b) six weeks from the date of completion and publication of the Estimate (Note 4(a)) whichever is the latter, and (iii) The Closing of the Definitive Agreement shall be completed no later than September 30, 2018.

## Financing

On October 28, 2016, the Company completed a private placement by issuing 12,500,000 units for gross proceeds of \$250,000. Each unit is comprised on one common share at \$0.02 and one share purchase warrant exercisable into one common share of the Company at \$0.05 per share, and expiring 5 years after issuance. The value allocated to the warrants was \$62,500 using the residual method of value assignment to these warrants.

On September 11, 2017 the Company completed a non-brokered private placement for 15,851,636 units for gross proceeds of \$871,840. Each unit consisted of one common share and one common share purchase warrant, with each share purchase warrant exercisable into one common shares at \$0.075 per warrant for a period of 36 months.

On December 1, 2017, the Company completed a non-brokered private placement for 5,591,500 units for gross proceeds of \$559,150. Each unit consisted of one common share and one common share purchase warrant, with each share purchase warrant exercisable into one common shares at \$0.15 per warrant for a period of 36 months.

On December 22, 2017, the Company completed a non-brokered private placement for 1,416,000 units for gross proceeds of \$212,400. Each unit consisted of one common share and half common share purchase warrant, with each share purchase warrant exercisable into one common shares at \$0.25 per warrant for a period of 36 months.

On February 14, 2018, the Company initiated a non-brokered private placement of up to two million Canadian dollars (CAD\$2,000,000) by the issuance of units of Chimata at a price of \$0.15 per unit, each unit being comprised of one common share in the share capital of Chimata and one half common share purchase warrants, each full warrant entitling its holder to purchase one common share in the share capital of the Company at a price of \$0.25 per common share for a period of 12 months. A finder's fee of six percent (6%) may be payable in cash on the contemplated financing to registered market dealers.

On March 23, 2018, the Company issued common shares of a non-brokered private placement for 1,233,334 shares for gross proceeds of \$185,000.

On May 2, 2018, the Company issued 70,000 units for gross proceeds of \$10,500.00 from the private placement announced on February 14, 2018 which is being completed on a rolling close basis. The use of proceeds of the private placement will be put toward the funding of the Kamativi Tailings Project development and feasibility activities.

## **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:

	<b>2018</b>	<b>2017</b>				<b>2016</b>		
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
Total assets	392,425	1,152,890	548,546	8,307	18,661	23,205	8,001	2,224
Revenue	-	-	-	-	-	-	-	-
Operating expenses	326,801	669,752	376,922	50,718	14,310	27,789	16,322	23,158

Gain (loss) from continued operation	(326,801)	(674,348)	(377,474)	(51,070)	(14,310)	(26,749)	(16,322)	(23,158)
Earnings (loss) per share, basic and diluted	0.01	0.03	0.03	0.00	0.00	0.00	0.00	0.00

## **RESULTS OF OPERATION**

### **Three Months Ended March 31, 2018 (“2018 Q1”)**

During 2018 Q1, the Company had a loss of \$326,801 comparing to the \$14,310 loss in the same quarter of last year. The \$326,801 loss was mainly a combined result of incurring \$326,305 operating expenses (2017 Q1 - \$14,286), \$496 finance fees mainly in connection with the Company’s outstanding promissory note (2017 Q1 - \$24).

The operating expenses incurred in 2018 Q1 were mainly comprised of \$135,703 consulting fees (2017 Q1 - \$NIL), \$60,974 travel expense (2017 Q1 - \$NIL), \$66,224 exploration and evaluation (2017 Q1 - \$NIL), and \$13,133 professional fees (2017 Q1 - \$NIL). The increase of these operating expenses in 2018 Q1 comparing to 2017 Q1 was due to the increase in exploration and property investigation activities related to the LOI with Zimbabwe Lithium Project and private placement financing activities in the current quarter.

As at March 31, 2018, the Company’s cash balance, accounts payable and accrued liabilities, and long-term payable was \$285,396 (December 31, 2017 - \$704,117), \$199,481 (December 31, 2017 - \$215,636), and \$150,000 (December 31, 2017 - \$150,000) respectively. The decrease in cash was a result of payments to finance the Company’s operations, acquisition of mineral property funded by private placement during 2018 Q1.

## **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 March 31, 2018, the Company had \$285,396 in cash, and working capital of \$192,944. 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 2018 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**

Other than the transactions described in the Business Update Section, the 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 35,657,270 shares and 22,294,163 share purchase warrants outstanding. The Company has 3,000,000 options outstanding as at the date of this MD&A.

## **TRANSACTIONS WITH RELATED PARTIES**

During the quarter ended March 31, 2018, the Company incurred \$30,000 (2017 - \$Nil) in consulting fees to the Company's Chief Executive Officer ("CEO"), \$6,000 (2017 - \$Nil) in consulting fees to the Company's Corporate Secretary.

As at March 31, 2018, the Company's accounts payable balance owing to the Company's CEO is \$1,041 (2017 - \$Nil).

- (a) The Company and an entity controlled by its CEO entered into a consulting agreement whereby the Company is committed to pay a monthly consulting fee of \$10,000 to the CEO over a term of 24 months commencing from February 1, 2018. The monthly consulting fee to be paid to the CEO will be increased to \$20,000 upon successful completion by the Company of its first major acquisition of \$5 million or greater in value.
- (b) The Company and an entity controlled by the Company's Chief Financial Officer (the "CFO") entered into a consulting agreement whereby the Company is committed to pay a monthly consulting fee of \$10,000 to its CFO over a term of 23 months commencing from May 1, 2018. The monthly consulting fee to be paid to the CFO will be increased to \$20,000 upon successful completion by the Company of its first major acquisition of \$5 million or greater in value.

## **CHANGES IN ACCOUNTING POLICIES**

Refer to the Note 3 to the Company's audited financial statements for the year ended December 31, 2017.

## **FINANCIAL INSTRUMENTS**

Refer to the Note 9 to the Company's audited financial statements for the year ended December 31, 2017.

## **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 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**

Richard Groome                      Interim CEO, President, Director and Chairman since September 25, 2017)

Robert Rosner                        CFO, and Director (Became Director on January 21, 2017, Became CFO on March 27, 2017; Secretary from March 27, 2017 to December 1, 2017)

Steve Cozine                      Secretary since December 1, 2017)

Luis Martins                      Director

Alain Moreau                      Director since December 19, 2017)

CONTACT ADDRESS

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