
ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

Date prepared: March 29, 2016

GENERAL

This management discussion and analysis ("MDA") covers the operations of Altima Resources Ltd. ("Company") for the year ended November 30, 2015 and should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2015. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com, or by requesting further information from the Company's head office in Vancouver.

FORWARD LOOKING STATEMENTS

Information contained in this MDA that is not historical fact may be considered "forward looking statements". These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as new information regarding recoverable reserves, changes in demand for and commodity prices of crude oil and natural gas, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward looking information.

NATURE OF BUSINESS

The Company was incorporated under the Company Act of British Columbia and is engaged in the acquisition, exploration and development of petroleum and natural gas properties in Canada and has not yet determined whether all the properties contain reserves that are economically recoverable. The recoverability of amounts shown for petroleum and natural gas properties is dependent upon the discovery of economically recoverable reserves of the Company's interest in the petroleum and natural gas properties, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof.

The Company is a public company listed on the TSX Venture Exchange under the symbol ARH.

OVERVIEW

Corporate development

The year 2015 will be remembered as one of the most challenging years the Global oil and gas industry has faced. The Canadian sector was not immune, and all oil and gas explorers and producers were increasingly challenged on many fronts. Provincial and Federal governments were slow to react and the uncertainty of a clear future resulted in great unpredictability for the path forward. Oversupply and negative pricing of oil and natural gas resulted in funds from operations declining materially and balance sheet strength and liquidity became of utmost importance. The Company was not immune to these challenges, and the confluence of negative events significantly stressed our business strategy.

Commodity prices declined close to 50 percent through 2015 substantially reducing revenues from oil, natural gas, and natural gas liquids which profoundly impacted cash flow. The Company's focus shifted through 2015 and continuing into 2016 from capital investment in exploration and production growth to cost reductions, operating efficiencies, and financial reorganization. Despite progress on cost reductions, the collapse in commodity process eroded 2015 cash flow to negative operating levels as well as affecting the market value of Altima shares.

Further low commodity prices are projected for 2016. The Company will prioritize the preservation and strengthening of its balance sheet through a diligent focus on reductions in all areas of spending, including operating, financing and administrative costs. Developing oil and natural gas resources requires a long-term commitment. The Company will continue to focus on collaboration with a broad range of engaged stakeholders to achieve enduring success in reserve and cash flow development.

The Company has engaged in negotiations with creditors, debenture holders, significant shareholders and joint venture partners and will continue to pursue all avenues available to help address its current situation.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

Petroleum and natural gas properties

The Company's exploration program is focused on both conventional and resource based deeper multi-zone gas and gas condensate targets in the Chambers-Ferrier Area of the west central Alberta Deep Basin. The Chambers-Ferrier Area lies immediately west of the multiple producing pools in the Ferrier Field which continues to see significant industry drilling activity.

The Company was party to a participation agreement with Whistler Oil and Gas Pty Ltd. ("Whistler") in the Chambers area in Alberta. The 15-35 well commenced production in September 2013. Whistler paid 100% of the drilling, completion and equipping costs to earn a 50% working interest in the well, with Whistler receiving 60% of the net revenue from the well until they have recovered 100% of their investment.

During fiscal 2014, the second well drilled under Altima's Participation Agreement with Whistler, the 5-35 well commenced production. Whistler paid 100% of the drilling, completion and equipping costs to earn a 50% working interest in the well, with Whistler receiving 75% of the net revenue from the well until they have recovered their investment.

During fiscal 2015, the Company entered into a second amending agreement with Whistler whereby the funds held under the preceding agreement (as a well expenditure commitment) were converted to a loan from Whistler to Altima and a participation in the Acumen agreement below. Interest of 12% per annum commencing April 1, 2015 will be accrued quarterly and has a maturity date of November 30, 2017.

Pursuant to the amending agreement, Altima shall utilise 60% of its proportionate share of any net revenue received from the 3-17 well towards payment of interest and the repayment of the principal of the Loan. As consideration for the amendment to the agreement and the loan, Whistler acquired a 10% working interest in the 3-17 well and section 17.

The Company is party to a second participation agreement with Acumen. Pursuant to agreement, Acumen has been granted the right to earn a 20% working interest in the 3-17 well and Section 17-41-11 W5M. To earn its working interest, Acumen will pay 100% of the funds to re-enter and re-complete and place the well back into production. Upon Acumen earning its working interest, Altima will pay Acumen 60% of its net revenue from the well until Acumen has recovered 100% of its Initial Investment.

Production facility maintenance

The majority of the Company's production is routed through the Keyera North Strachan Gas Gathering System to the sales point at the Keyera deep cut gas facility. This facility has experienced certain curtailments due to maintenance and inspection and production volume restrictions which were implemented by Keyera. Due to the high volume of demand at the facility, Keyera announced an expansion of West Central Alberta Gas Gathering and Processing capacity through acquisition of a portion of the Ricinus deep-cut gas plant, 22km away from the Strachan Plant.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years.

	Years ended November 30,		
	2015	2014	2013
	- \$ -	- \$ -	- \$ -
Revenue	537,391	1,528,370	649,371
Net loss and comprehensive loss	(10,958,883)	(1,293,781)	(1,705,122)
Loss per share	(0.03)	(0.00)	(0.01)
Total assets	17,815,217	29,765,327	27,304,776
Total long-term liabilities	1,800,593	575,221	5,235,065
Total equity	7,610,984	18,569,867	19,555,648

Year ended November 30, 2015:

In the year, the Company had a net loss of \$10,958,833 compared to a net loss of \$1,293,781 in 2014. This significant increase in loss is a result of the Company writing down its petroleum and natural gas properties by \$2,713,864 and its exploration and evaluation assets by \$6,751,481 due to the general decline in oil and gas prices.

In order to manage the Company's working capital deficiency, continue operations, fund its expenditure commitments, and provide adequate working capital for ongoing activities, the Company will continue to depend on equity financing through existing and new shareholders, third party financing, continued support from its trade creditors, and cost sharing arrangements to fund its work programs and operations

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

Year ended November 30, 2014:

The Company's primary investing activity during the year consisted of expenditures of \$655,385 for exploration and development on various properties.

In the year, the Company had a net loss of \$1,293,781 compared to a net loss of \$1,705,122 in 2013.

During the year ended November 30, 2014 the second well drilled under Altima's Participation Agreement with Whistler commenced production in July and to November 30, 2014 the Company recorded \$84,891 in revenues on its interest in the well.

In order to manage the Company's working capital deficiency, continue operations, fund its expenditure commitments, and provide adequate working capital for ongoing activities, the Company will continue to depend on equity financing through existing and new shareholders, third party financing, continued support from its trade creditors, and cost sharing arrangements to fund its work programs and operations.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for eight quarters ending November 30, 2015 under IFRS.

	Nov. 30, 2015	Aug. 31, 2015	May 31, 2015	Feb. 28, 2015
	-\$-	-\$-	-\$-	-\$-
Revenue	131,487	142,559	115,982	147,363
Total assets	17,815,217	27,200,209	27,275,366	28,359,605
Working capital deficiency	7,031,404	6,942,633	6,667,558	7,112,511
Long-term liabilities	1,800,593	1,692,722	1,545,744	527,233
Shareholders' equity	7,610,984	17,343,009	17,718,656	18,148,009
Net loss	(9,732,024)	(375,648)	(429,353)	(421,858)
Net loss per share	(0.03)	(0.00)	(0.00)	(0.00)
	Nov. 30, 2014	Aug. 31, 2014	May 31, 2014	Feb. 28, 2014
	-\$-	-\$-	-\$-	-\$-
Revenue	506,362	353,966	333,013	335,029
Total assets	29,765,327	28,322,770	30,885,459	33,559,275
Working capital deficiency	7,047,625	6,519,136	1,195,815	1,121,806
Long-term liabilities	575,221	464,468	5,559,199	5,299,973
Shareholders' equity	18,569,867	18,788,996	18,979,136	19,245,142
Net loss	(262,164)	(176,890)	(544,222)	(310,506)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Comparison of operating results

In the year ended November 30, 2015 the Company had a net loss of \$10,958,883 compared to \$1,293,781 in 2014. Significant variances in the results for the two years are outlined in the following table:

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Gross profit (loss)	(56,691)	679,642
The decrease in gross profit is attributable to a reduction in petroleum and natural gas sales for the year due to a decrease in volume and prices, as well as a decrease in operator income. Volume has been reduced due to the production volume restrictions and equipment maintenance at the Keyera Strachan processing plant.		
Reversal of accounts payable	239,861	-
The increase is due to writing off historical lease obligations while there was no similar transaction in the prior year.		
Share-based payment	-	308,000

The current year had no share-based payments while the comparative year included non-cash amounts relating to the issuance of stock options.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Impairment loss on petroleum & natural gas properties	2,713,864	-
During the year the Company wrote down its petroleum and natural gas property based on a determination of a fair value while the prior had no comparable transactions.		
Impairment loss on exploration & evaluation assets	6,751,481	-
During the year the Company wrote down its exploration & evaluation assets due to several sections of land leases which will expire during the current year, while the prior had no comparable transactions.		
Interest	662,476	508,819
The increase is primarily attributable due to interest on a further long-term loan that the Company entered into in the current year.		
Net loss	10,958,883	1,293,781

In the three month period ended November 30, 2015 the Company had a net loss of \$9,732,024 compared to \$262,164 in 2014. Significant variances in the results for the two periods are outlined in the following table:

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Gross profit (loss)	(56,074)	177,741
The decrease in gross profit is attributable to a reduction in petroleum and natural gas sales for the period due to a decrease in volume and prices, as well as a decrease in operator income. Volume has been reduced due to the production volume restrictions and equipment maintenance at the Keyera Strachan processing plant.		
Reversal of accounts payable	239,861	-
The increase is due to writing off historical lease obligations while there was no similar transaction in the prior year.		
Impairment loss on petroleum & natural gas properties	2,713,864	-
During the year the Company wrote down its petroleum and natural gas property based on a determination of a fair value while the prior had no comparable transactions.		
Impairment loss on exploration & evaluation assets	6,751,481	-
During the year the Company wrote down its exploration & evaluation assets due to several sections of land leases which will expire during the current year, while the prior had no comparable transactions.		
Interest	276,195	150,121
The increase is primarily attributable due to interest on a further long-term that the Company entered into in the current year.		
Net loss	9,732,024	262,164

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2015 the Company had \$1,372,235 (November 2014 - \$3,572,614) in cash, prepaids, and receivables, a working capital deficiency of \$7,031,404 (November 2014 - \$7,047,625) and had recorded a cumulative deficit of \$22,839,915.

For the year ended November 30, 2015 significant cash flows were as follows:

Funds used in operating activities for the year were \$1,405,300. Net loss for the year of \$10,958,883 included non-cash transactions totaling \$9,553,583; this is mostly made up of impairment losses on the company's petroleum & natural gas properties and exploration and evaluation assets. Changes in non-cash working capital included a total decrease in receivables of \$112,997 including a decrease in joint venture receivables and a decrease in GST and trade receivables, decreases in accounts payable of \$801,845.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

On June 30, 2015, the Company's secured debenture for \$5,370,497 matured and has not been paid. The Company is currently in negotiations with the debenture holders to extend the maturity date and alter the payment terms, but there is no certainty that the negotiations will be successful.

During the year, the Company had a change in restricted cash of \$519,881 which included a return of \$519,018 of restricted funds from the Alberta Energy Regulator due to an improvement in its liability rating assessment, and invested \$512,771 on exploration and evaluation assets. Total proceeds from investing activities for the year were \$338,659.

Financing activities for the year required cash flows of \$154,073, comprised of repayments of loans of \$154,073.

TRANSACTIONS WITH RELATED PARTIES

During fiscal 2015, Whistler Oil & Gas Pty. was deemed to be a related party due to increasing influence that one of the Company's directors has in Whistler Oil & Gas Pty.

The Company had the following transactions with related parties in the years indicated:

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Capitalized fees on long-term assets to directors or companies related to a director ^{1, 2}	168,393	195,522
Management fees paid or accrued to directors/companies controlled by directors ^{1, 2, 4}	151,500	157,750
Office facilities and miscellaneous charges accrued to companies controlled by a director or an officer ^{4, 5}	204,000	202,005
Operating costs incurred with a company with a common director ²	2,435	25,733
Revenue earned from a company with a common director ²	7,744	66,485
Revenue accrued to a related party ⁷	523,292	-
Operating costs accrued to a related party ⁷	288,229	-
Accrued interest on loan with related party ⁷	94,247	-
Interest on convertible debenture ^{1, 8}	35,902	35,902

¹ Richard Switzer, President, Director and CEO

² Jim O'Byrne, Director

³ Jurgen Wolf, Director

⁴ Joe DeVries, Director

⁵ Richard Barnett, CFO and Secretary

⁶ Stephen Watts, Director

⁷ Whistler Oil & Gas Pty

⁸ Simco Services Inc.

The Company has identified all of the directors and officers as its key management personnel. The remuneration for these key management personnel, which include the amounts disclosed above, was as follows:

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Short-term employee benefits – management, administrative, and consulting fees	318,000	333,000
Stock-based compensation	-	223,229

These transactions were recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties. Except where previously indicated, the amounts due to related parties bear no interest and are due on demand.

Liabilities to related parties consist of:

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Management, consulting, interest, exploration and administrative fees payable presented as amounts payable to related parties	164,473	110,807
Amounts included in convertible debenture (Note 9)	300,000	300,000
Interest payable on convertible debenture (Note 9)	24,000	-
Revenue distribution payable	186,243	-
Long-term loan payable	1,114,444	-

Outstanding Share Data: As at the current date, the Company had 315,716,516 common shares outstanding.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of November 30, 2015 that our disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company, is made known to them by others within those entities. It should be noted that disclosure controls and procedures cannot prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. We have designed controls for this process and have conducted an evaluation which has identified potential weaknesses in such controls. Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties. Weaknesses in the Company's internal controls over financial reporting allow for a greater likelihood that a material misstatement would not be prevented or detected.

Management and the Board of Directors mitigate the risk of material misstatement in financial reporting by performing a detailed review of operational and financial reports. It is not possible to provide absolute assurance that this risk can be eliminated.

FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposures to credit risks are on its cash held in bank accounts, and accounts receivable balances. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution, as determined by rating agencies. The Company's exposure to credit risk on accounts receivable is influenced mainly by the individual characteristics of each customer or joint venture partner. As the Company sells its petroleum products through only two large marketers, it is also exposed to a concentration risk. Trade receivables from petroleum products marketers are normally received within 30 days of the month following production. . At November 30, 2015, trade receivables of \$60,544 are considered current. The Company has not experienced collection issues on trade receivables during the year ended November 30, 2015.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. As at November 30, 2015 the Company has a working capital deficiency of \$7,031,404 including a past due secured debenture of \$5,370,497. The Company's ability to continue as a going concern is dependent on management's ability to renegotiate the terms of the secured debenture and raise the required funding through future debt or equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollars, but also world economic events that dictate the levels of supply and demand. Fluctuations may be significant.

Foreign exchange risk

Foreign exchange risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's financial results are reported in Canadian dollars while it conducts a significant portion of its business activities in US dollars. The assets, liabilities and expenses that are denominated in US Dollars

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2015

will be affected by changes in the exchange rate between the Canadian dollar and the US Dollar. If the Canadian dollar changes by one percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a change in net loss for the year of approximately \$6,100.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing debt with a floating interest rate. A 1% change in bank interest rates would result in a change in net loss for the year of approximately \$1,200.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements other than on its secured convertible debt, which was due on June 30, 2015, and is currently being renegotiated. There is no certainty that the negotiations will be successfully concluded. There have been no changes to the Company's capital management structure during the year ended November 30, 2015.

Classification of financial instruments

The following table summarizes information regarding the carrying values of the Company's financial instruments for the years then ended:

	Nov. 30, 2015	Nov. 30, 2014
	- \$ -	- \$ -
Fair value through profit or loss	3,170	1,223,884
Loans and receivables	1,360,348	2,300,886
Other financial liabilities	9,669,754	10,686,841

RECENT PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards are not yet effective as of November 30, 2015. See Note 3 of the November 30, 2015 financial statements for details.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring oil and gas properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.