ALTIMA RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

NOVEMBER 30, 2011 AND 2010

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Altima Resources Ltd.

We have audited the accompanying consolidated financial statements of Altima Resources Ltd. which comprise the consolidated balance sheets as at November 30, 2011 and 2010, and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Altima Resources Ltd. as at November 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Altima Resources Ltd. to continue as a going concern.

Manning Elliott LLP

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

March 27, 2012

ALTIMA RESOURCES LTD.
Consolidated Balance Sheets
As at November 30

		2011		2010
ASSETS				
Current assets				
Cash	$	202,705	$	125,915
Amounts receivable		199,374		65,732
Deposit		-		43,790
		402,079		235,437
Long-term assets				
Restricted cash (Note 5)		189,575		187,592
Petroleum and natural gas properties (Note 6)		22,859,543		21,591,746
	$	23,451,197	$	22,014,775
LIABILITIES				
Current liabilities				
Loans payable (Note 7)	$	938,246	$	3,246,779
Accounts payable and accrued liabilities		1,330,723		1,455,107
Income taxes payable		11,168		150,000
Amounts payable to related parties (Note 11)		822,757		598,220
		3,102,894		5,450,106
Long term liabilities				
Loans payable (Note 7)		2,675,750		-
Notes payable (Notes 7 and 11)		1,050,000		-
Asset retirement obligation (Note 8)		109,985		101,742
		6,938,629		5,551,848
SHAREHOLDERS' EQUITY				
Share capital (Note 9)		20,886,640		18,911,981
Share subscriptions		45,000		1,008,120
Shares issuable (Note 7(a))		-		613,500
Contributed surplus (Note 10)		1,149,293		1,139,813
Deficit		(5,568,365)		(5,210,487)
		16,512,568		16,462,927
	$	23,451,197	$	22,014,775

Nature of operations (Note 1)

Commitments (Note 18)

Subsequent events (Note 19)

Approved on Behalf of the Board:

"Jurgen Wolf" Director

"Joe DeVries" Director

- The accompanying notes are an integral part of these consolidated financial statements -

ALTIMA RESOURCES LTD.
Consolidated Statements of Comprehensive Loss and Deficit
Years Ended November 30

	2011	2010
REVENUE		
Petroleum and natural gas sales	$ 41,341	$ -
Less: royalties	(2,322)	-
	39,019	-
EXPENSES		
Consulting	7,015	226,873
Depletion, depreciation and accretion	37,943	10,431
Finance fees	206,000	683,500
Foreign exchange (gain) loss	32,256	(116,285)
Interest	349,010	332,412
Investor communications	5,595	12,433
Management fees (Note 11)	177,750	195,000
Office and miscellaneous	161,849	233,805
Operating costs	10,311	-
Professional fees	90,700	92,143
Transfer agent and filing fees	23,864	21,815
Travel	44,987	43,330
	1,147,280	1,735,457
LOSS BEFORE OTHER ITEMS AND INCOME TAXES	(1,108,261)	(1,735,457)
Recovery of financing fees (Note 7(a))	613,500	-
Gain on debt settlement (Note 12)	-	581,933
Gain on sale of petroleum and natural gas interests (Note 4)	-	183,845
LOSS BEFORE INCOME TAXES	(494,761)	(969,679)
Current tax recovery (expense)	118,333	(122,000)
Future income tax recovery (Note 14)	18,550	87,052
NET LOSS AND COMPREHENSIVE LOSS	(357,878)	(1,004,627)
Deficit, beginning of year	(5,210,487)	(4,205,860)
Deficit, end of year	$ (5,568,365)	$ (5,210,487)
Basic and diluted loss per share	$ (0.00)	$ (0.01)
Weighted average number of shares outstanding	178,818,809	135,692,272

- The accompanying notes are an integral part of these consolidated financial statements -

ALTIMA RESOURCES LTD.
Consolidated Statements of Cash Flows
Years ended November 30

	2011	2010
OPERATING ACTIVITIES		
Net loss	$ (357,878)	$ (1,004,627)
Items not affecting cash:		
Depletion, depreciation and accretion	37,943	10,431
Finance fees	126,000	613,500
Future income tax recovery	(18,550)	(87,052)
Lease accretion	(63,849)	(53,207)
Gain on sale of property	-	(183,845)
Gain on sale of debt settlement	-	(581,933)
Recovery of financing fees	(613,500)	-
Net change in non-cash working capital accounts	(289,219)	566,915
Cash used in operating activities	(1,179,053)	(719,818)
INVESTING ACTIVITIES		
Petroleum and natural gas properties (net)	(1,297,497)	(1,095,045)
Sale of properties	-	3,033,132
Change in restricted cash	(1,983)	-
Transaction costs	-	(125,623)
Cash (used in) provided by investing activities	(1,299,480)	1,812,464
FINANCING ACTIVITIES		
Loan payments	367,217	(3,128,100)
Proceeds from notes issued	1,050,000	-
Proceeds from related parties	224,537	281,670
Share subscriptions received	45,000	1,008,120
Issuance of shares, net of share issue costs	868,569	771,945
Cash provided by (used in) financing activities	2,555,323	(1,066,365)
Increase in cash	76,790	26,281
Cash, beginning of year	125,915	99,634
Cash, end of year	$ 202,705	$ 125,915
Supplemental cash flow information:		
Cash paid for:		
Interest	$ 17,069	$ 28,899
Income taxes	-	-

Non-cash transactions (see Note 13)

- The accompanying notes are an integral part of these consolidated financial statements -

1. NATURE OF OPERATIONS

Altima Resources Ltd. (the "Company") is engaged in the exploration for and the development of petroleum and natural gas in Canada. The Company was incorporated under the laws of British Columbia on November 14, 2003. The Company commenced trading on the TSX Venture Exchange on May 9, 2006.

At November 30, 2011 the Company has a working capital deficiency of $2,700,815 and has incurred a loss of $357,878 for the year. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. Specifically, the recovery of the Company's investment in petroleum and natural gas properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The Company's consolidated financial statements are presented in Canadian dollars and prepared in accordance with Canadian generally accepted accounting principles for financial statements applicable to a going concern. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Unbridled Energy Corp., Unbridled Energy USA Inc., Unbridled Energy New York LLC, Unbridled Energy PA LLC, and Unbridled Energy Ohio LLC, collectively referred to as "Unbridled". All inter-company balances and transactions have been eliminated on consolidation. To date, the Company's activities have consisted primarily of property evaluation, acquisition and assessment. Until this year, the Company has not generated revenues from its planned principal operations, being the production of petroleum and natural gas, and the majority of its properties are still in the exploration and evaluation stage.

Cash and cash equivalents - The Company considers all highly liquid instruments or redeemable Guaranteed Investment Certificates that can be cashed before maturity without penalty to be cash equivalents.

Petroleum and natural gas properties – The Company follows CICA Accounting Guideline 16, *Oil and Gas Accounting-Full Cost* in applying full cost accounting for its petroleum and natural gas properties, whereby in the pre-production stage all costs (less revenues) associated with the acquisition of, exploration for and the development of petroleum and natural gas reserves are capitalized and accumulated into geographical cost centres. Capitalized costs include lease acquisition costs, the costs of geological and geophysical activities, the costs of drilling both productive and non-productive wells, carrying charges of non-producing properties and overhead costs directly related to exploration and development activities. Government incentives are credited to the cost of the petroleum and natural gas properties at the time the qualifying expenditures are incurred. Proceeds from the disposal of properties are applied as a reduction of the cost of the remaining assets with no gain or loss recognized, unless such a sale would result in a change of more than 20% in the depletion rate.

Depletion of petroleum and natural gas properties and depreciation of production equipment is calculated using the unit of production method based upon estimated proven reserves, before royalties, as determined by an independent engineer.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Petroleum and natural gas properties (continued)

The Company applies a ceiling test to capitalized costs to ensure that such costs are recoverable and do not exceed their fair value. The test is applied in a two-stage process. The first stage requires the carrying amounts of cost centres to be tested for recoverability using undiscounted future cash flows from proved reserves and management's best estimate of forward indexed prices. When the carrying amount of a cost centre is not recoverable, the second stage of the process will determine the impairment whereby the cost centre would be written down to its fair value. The second stage requires the calculation of discounted future cash flows from proved plus probable reserves. The fair value is estimated using accepted present value techniques, which incorporate risks and other uncertainties when determining expected cash flows.

Costs of acquiring unproven properties are initially excluded from costs subject to depletion and depreciation and are assessed yearly to determine whether impairment has occurred. When proven reserves are subsequently assigned to a previously unproven property or the property is determined to be impaired, the cost of the property or the amount of the impairment is transferred to costs subject to depletion and depreciation. Impairment is considered to have occurred when the carrying value of petroleum or natural gas property exceeds its fair value, taking into account the following conditions:

- there are no future plans for further drilling for the property;
- negative results were obtained from studies;
- negative results were obtained from studies conducted on properties in the same geographical area; and
- the remaining term of the unproved property does not allow sufficient time for further studies or drilling.

Impairment of long-lived assets – A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset exceeds its fair value. For purposes of recognizing and measuring an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group, at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

Impairment of petroleum and natural gas is recognized and measured in accordance with the Company's accounting policies related to petroleum and natural gas properties.

Asset retirement obligations – The Company's asset retirement obligations ("ARO") arise in the normal course of petroleum and natural gas exploration activities due to government controls and regulations relating to the closure and reclamation of petroleum and natural gas properties. The fair value of estimated ARO is recognized in the financial statements in the period in which they are identified and fair value is determined through a review of engineering studies, industry guidelines and management's estimate on a site-by-site basis. The liability is subsequently adjusted for the passage of time and is recognized as an accretion expense in the statements of operations. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. The ARO includes the costs of abandonment of petroleum and natural gas wells, dismantling and removing tangible equipment, and returning land to its original condition. The asset retirement cost, equal to the estimated fair value of the ARO, is capitalized as part of the cost of the petroleum and natural gas properties.

Earnings or loss per share - The Company utilizes the treasury stock method in computing earnings or loss per share amounts. Under this method, basic earnings or loss per share is computed by dividing earnings or loss available to common shareholders by the weighted average number of common shares outstanding during the year.

For the years ended November 30, 2011 and 2010, the existence of warrants and options affects the calculation of loss per share on a fully diluted basis; however, as the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition – Revenue from the sale of petroleum and natural gas products is recognized upon the passage of title, when there is persuasive evidence of a contract or other arrangement, and when ultimate collection is reasonably assured. This is generally based on the metered volume of gas and liquid shipped.

Stock-based compensation and stock option plan - The Company recognizes compensation cost for the fair value of options granted under its stock option plan and for agents' options and warrants issued in connection with financing activities. The Company uses the Black-Scholes option pricing model to estimate fair value. Any consideration received on the exercise of options and warrants is credited to share capital.

Use of estimates in the preparation of financial statements - The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses for the year. Significant areas requiring the use of estimates are petroleum and natural gas properties, asset retirement obligations, utilization of future income tax assets, and stock-based compensation. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Income taxes - Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates at the date of enactment or substantive enactment.

Flow-Through Shares – The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related exploration expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

The Company follows the recommendations of EIC-146 with respect to flow-through shares. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is a reasonable assurance the expenditures will be made.

Financial instruments – The Company classifies all financial assets as either held-to-maturity, available-for-sale, held for trading or loans and receivables, and classifies all financial liabilities as held for trading or other financial liabilities. Financial assets held to maturity, loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in the statement of loss and deficit.

The Company has classified its cash as held for trading, its amounts receivable as loans and receivables, and its accounts payable, loans payable, amounts payable to related parties, and notes payable as other financial liabilities. During the year ended November 30, 2010 the Company has also classified specific petroleum and natural gas properties as available-for-sale. Transaction costs in respect of loans were immediately charged to operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive income – Comprehensive income is the change in shareholders' equity during a year from transactions and other events and circumstances from non-owner sources. The components of this category will include unrealized gains and losses on financial assets classified as available-for-sale, foreign exchange gains and losses on self-sustaining foreign operations and the effective portion of cash flow hedges, if any.

The Company's accumulated comprehensive income balance at November 30, 2011 is $Nil (November 30, 2010 - $Nil) and for the years ended November 30, 2011 and 2010, the Company's comprehensive loss is equal to its net loss.

Recent accounting pronouncements not yet adopted

International Financial Reporting Standards – Under the pronouncement issued by the CICA Accounting Standards Board in February 2008, effective for the Company's fiscal year commencing December 1, 2011, the Company will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS"). The Company will issue its first IFRS interim and annual financial statements for the fiscal year ending November 30, 2012, with restatement for comparative purposes the amounts reported by the Company for interim and annual fiscal 2011.

3. ACQUISITION OF UNBRIDLED ENERGY CORP.

On February 11, 2010, the Company acquired 100% of Unbridled Energy Corporation's issued and outstanding shares in exchange for 69,933,618 common shares of the Company. Unbridled Energy Corporation is a British Columbia corporation engaged in petroleum and natural gas exploration, evaluation and production. It held interests in the Chambers and Ferrier West areas of west central Alberta and in the US. The US assets were sold subsequent to the acquisition (see Note 4) with the proceeds used to pay down Unbridled's US bank debt. The results of its operations have been included in the consolidated financial statements beginning upon the February 11, 2010 acquisition date.

Total consideration includes shares of the Company, transaction costs and options, being options to acquire common shares of Unbridled that will be exercisable to acquire common shares of Altima on the same terms and conditions as the original option plan with Unbridled. The consideration for the acquisition was allocated based on fair values of the consideration given as outlined below. The estimated fair value of the common shares issued is based on the market trading prices for the Company's shares at the time of the acquisition.

Fair value of consideration paid:	-$-
Common shares issued – 69,933,618	6,993,362
Transaction costs	207,656
Stock options issued	18,050
Total consideration	7,219,068

Net assets acquired, at fair value:	
Cash	48,737
Accounts receivable	1,324,395
Deposit	43,790
Petroleum and natural gas properties held for use	7,840,399
Petroleum and natural gas properties held for sale	3,117,946
Bank loan	(3,796,172)
Accounts payable and accrued liabilities	(988,249)
Income taxes payable	(28,000)
Asset retirement obligation	(343,778)
Net assets acquired	7,219,068

4. GAIN ON SALE OF OIL AND GAS INTERESTS

Disposition	Date of Sale	Sale Price -$-	Gain (Loss) -$-
Petroleum and natural gas interests in:			
Chautauqua County	March 10, 2010	1,471,400 (US 1,400,000)	266,840
Lycoming County	July 15, 2010	3,281,057 (US 3,283,682)	(82,995)
Total		4,752,457 (US 4,683,682)	183,845

(i) Petroleum and natural gas interest in Chautauqua County, New York

On March 10, 2010, the Company sold its petroleum and natural gas interests located in Chautauqua County, New York for proceeds of US $1,400,000. The Chautauqua County assets were acquired in the business acquisition of Unbridled (Note 3). The proceeds from this sale were applied against Unbridled's secured loan (Note 7).

(ii) Petroleum and natural gas interest in Lycoming County, Pennsylvania

On July 15, 2010, the Company sold its petroleum and natural gas interests located in Lycoming County, Pennsylvania for proceeds of US $3,283,682 and incurred sale costs totalling US $1,720,700 for property lease extensions, commissions and financing fees. The Lycoming County assets were acquired in the business acquisition of Unbridled (Note 3). The net US $1,562,982 proceeds from this sale were applied against Unbridled's secured loan (Note 7).

5. RESTRICTED CASH

The Company has cash on deposit with the Energy Resources Conservation Board ("ERCB") under the ERCB's Liability Management programs to cover potential liabilities relating to its wells. The required security deposit with the ERCB is determined based on a monthly licensee management rating assessment. The security deposit represents the difference between deemed liabilities and deemed assets of the Company's interest in petroleum and natural gas properties in Alberta.

6. PETROLEUM AND NATURAL GAS PROPERTIES

The Company's petroleum and natural gas properties and equipment are as follows:

	Canada -$-	United States -$-	Total -$-
Balance at November 30, 2009	12,753,851	-	12,753,851
Properties held for use acquired from acquisition (Note 3)	7,840,399		7,840,399
Properties held for sale acquired from acquisition (Note 3)	-	3,117,946	3,117,946
Acquired interests in the Ferrier West area	750,000	-	750,000
Capitalized exploration expenditures	345,045	-	345,045
Change in asset retirement costs (net)	(97,549)	-	(97,549)
Sale of properties (Note 4)	-	(3,117,946)	(3,117,946)
Balance at November 30, 2010	21,591,746	-	21,591,746
Capitalized exploration expenditures Chambers area	349,397	-	349,397
Capitalized exploration expenditures Ferrier West area	205,134	-	205,134
Capitalized exploration expenditures Rainbow area	742,966	-	742,966
Depletion and depreciation	(29,700)	-	(29,700)
Balance at November 30, 2011	22,859,543	-	22,859,543

6. PETROLEUM AND NATURAL GAS PROPERTIES (continued)

Chambers Area Gas Prospect, Alberta: During the year ended November 30, 2007 the Company purchased assets in the Chambers area. In December 2008, the Company purchased a further 100% interest in three sections.

On December 16, 2009, the Company entered into a participation arrangement with Crimson Energy Ltd. in the Ferrier West area in Alberta. Upon fulfilling their obligation under the participation agreement, the Company has been assigned working interests ranging of 19.875% in two sections of joint lands and two wells. Such interest will bear their proportionate share of a 1.00% overriding royalty.

The acquisition of Unbridled on February 11, 2010 resulted in the combination of the Company's and Unbridled's interests in the Chambers and Ferrier West areas of west central Alberta. The Company's mostly contiguous land base totals twenty two sections (16,640 gross, 10,323 net acres) and varying interests in seven wells as of November 30, 2011.

During 2011 the Company entered into a Farm-in and Participation Agreement in Rainbow Lake Alberta, to participate in the drilling of a test well on Rainbow Lake, Alberta lands. The Company will pay 33.75% of the costs of drilling through completion to earn a 24.80625% interest in the well and farm-in lands covering an area of 576 hectares, subject to its proportionate share of a 4.7% gross overriding royalty. The farm-in well will test for oil generally present in the area. As at November 30, 2011 the costs relating to the test well were considered impaired and therefore transferred to the costs subject to depletion and depreciation.

As at November 30, 2011, principal operations have not yet commenced in the Chambers and Rainbow areas, these properties are considered to be in the pre-production stage with all costs capitalized, net of incidental revenues. Prior to year end, production commenced on the Ferrier West well, and the Company has recorded $41,341 in revenues.

Capitalized expenditures for petroleum and natural gas property acquisition, exploration and development are subject to depletion and depreciation as follows:

	2011	**2010**
Canada	-$-	-$-
Subject to depletion and depreciation	2,058,182	-
Not subject to depletion and depreciation	20,801,361	21,591,746
	22,859,543	21,591,746

No interest or general and administrative costs have been capitalized during the years ended November 30, 2011 and 2010.

Ceiling test

The petroleum and natural gas assets are tested for impairment at each reporting date to ensure the carrying value does not exceed the fair value of the assets. Impairment tests are conducted separately for each petroleum and natural gas cost centre, and for each individual unproven property having a carrying value representing 10% or more of the total cost centre carrying amount.

For a cost centre, an impairment loss is recognized when the carrying amount of a cost centre is not recoverable and exceeds its fair value. This is presumed to occur when the carrying value of the cost centre exceeds the sum of the undiscounted cash flows expected to be earned from the assets within the cost centre, and the cost of unproven properties subject to a separate test for impairment.

6. PETROLEUM AND NATURAL GAS PROPERTIES (continued)

Ceiling test (continued)

The Company performed a ceiling test on its petroleum and natural gas properties as at November 30, 2011 and determined that there was no impairment. The forecasted future prices used in the ceiling test evaluations of the Company's petroleum and natural gas interests at November 30, 2011 are as follows:

	2011	2012	2013	2014	2015	Increase thereafter to 2020
Petroleum (Hardisty Heavy C$/Bbl)	$59.95	$66.05	$71.15	$76.25	$78.30	2.0% per year
Natural gas (Saskatchewan plantgate spot C$/MMBtu)	$3.65	$4.10	$4.50	$5.00	$5.55	2.0% per year

Future prices received by the Company for oil and gas products may differ from the ones listed above because of purchase price variations, market conditions, quality differentials or marketing arrangements.

7. LOANS PAYABLE

Details of the Company's loans outstanding for the years ended November 30, 2011 and 2010:

	Nov. 30, 2011 -$-	Nov. 30, 2010 -$-
Current liabilities:		
(a) Secured credit facility	300,000	2,578,706
(b) Secured loan	638,246	668,073
Total	938,246	3,246,779
Long term liabilities:		
(a) Secured credit facility	2,675,750	2,578,706
(c) Secured notes payable	1,050,000	-
Total	3,725,750	2,578,706

(a) The principal balance of the Company's secured credit facility is $2,975,750 as of November 30, 2011 which bears interest at 12% per annum, compounded and payable monthly and in full on or before December 31, 2013. The Company may prepay the loan at any time prior to the maturity, without penalty, provided that a minimum three months interest have been paid and such repayment is made on the last business day of a calendar month and the Company has provided not less than ten business days' prior notice of its intention to prepay the Loan. The Company plans to repay $300,000 of principal during 2012 which is presented as a current liability. During November 2011 the Company renegotiated the secured credit facility and incurred additional financing fees of $80,000 as an expense and the original $70,000 amount of finance fees payable from 2010 were added to the principal balance outstanding. The April 2010 original agreement also called for the Company to pay a fee equal to 15% of the original principal amount in common shares of the Company which were recorded as shares issuable and under the renegotiated agreement this fee and the common shares are no longer to be paid and issued, therefore the Company recorded a recovery of financing fees of $613,500 during the year ended November 30, 2011.

The security for the loan includes a promissory note in the principal amount of the loan, first charge debenture over the Company's domestic assets, first security interest in favour of the Company's personal property and the signing of a share pledge agreement, in which the Company will pledge and grant a security interest in favour of the lender over all the common shares in the capital of all the subsidiaries owned by the Company.

7. LOANS PAYABLE (continued)

(b) As a result of the acquisition of Unbridled, the Company is indebted for a secured loan which bears interest at LIBOR plus 2.5% and is secured by cross guarantees of the Unbridled companies, a floating charge on shares of Unbridled Canada, and the U.S. petroleum and natural gas leases. In October of 2011, the lender agreed to extend the due date of the loan to June 30, 2012, with monthly principal payments of US$5,000 to be made until March 1, 2012, and subsequent principal payments of US$10,000 per month until maturity.

(c) In November 2011, the Company issued notes payable with certain parties to complete the drilling of an oil development well in the Rainbow, Alberta area. The notes bear interest at 12% per annum and mature on December 31, 2012. Interest payments are due quarterly, and on a quarterly basis, principal payments are due (but only to the extent of) 60% of the Company's portion of net operating income, with any remaining balance payable on December 31, 2012. In connection with the notes payable, the note holders were issued a bonus of shares equal to 20% of the principal amount divided by $0.05. The notes are secured by a second charge against the Company’s petroleum and natural gas properties.

8. ASSET RETIREMENT OBLIGATION

The Company has previously recorded asset retirement obligations in connection with estimated reclamation costs on the Chambers Area Gas Prospect site. The obligation is recognized based on the estimated future reclamation costs using a discount rate of 6%. The Company estimates its obligations to be settled in approximately ten years. As at November 30, 2011 the estimated undiscounted obligation was $220,402 (2010 - $220,402).

	2011 -$-	2010 -$-
Balance, beginning of year	101,742	113,741
Obligations acquired	-	85,941
Obligations sold	-	(108,890)
Accretion expense	8,243	10,950
Balance, end of year	109,985	101,742

9. SHARE CAPITAL

Authorized: Unlimited number of voting common shares without par value

Common shares issued:

	# shares	- $ -
Balance, November 30, 2009	69,346,933	10,674,607
Flow through shares issued at $0.12 per share	2,593,000	311,160
Non-flow-through shares issued at $0.12 per share	8,736,649	1,048,398
Shares issued for the acquisition of Unbridled Energy Corp.	69,933,618	6,993,362
Future income tax benefits on expenditures renounced to shareholders	-	(87,052)
Share issue costs	-	(28,494)
Balance, November 30, 2010	150,610,200	18,911,981
Flow through shares issued at $0.05 per share	8,660,000	433,000
Non-flow-through shares issued at $0.05 per share	30,986,394	1,549,320
Shares issued to agents	598,592	29,930
Non-flow-through shares issued in connection with notes payable (Note 7 (c))	4,200,000	126,000
Future income tax benefits on expenditures renounced to shareholders	-	(18,550)
Share issue costs	-	(145,041)
Balance November 30, 2011	195,055,186	20,886,640

9. SHARE CAPITAL (continued)

Year ended November 30, 2011:

On December 30, 2010, the Company closed a private placement financing for gross proceeds of $1,243,120. The Company issued 1,400,000 flow-through units at $0.05 per unit, with each unit consisting of one flow-through common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one non flow-through ("NFT") common share at $0.10 per share on or before December 29, 2011; 23,462,394 NFT units at $0.05 per NFT unit, each NFT unit consisting of one common share and one share purchase warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before December 29, 2011.

The Company also issued a total of 598,592 NFT common shares at a price of $0.05 per share for finders' fees in connection with the NFT unit private placement.

On July 15, 2011, the Company closed the first tranche of a private placement financing for gross proceeds of $481,200. The Company issued 2,300,000 flow-through units at $0.05 per unit, with each unit consisting of one flow-through common share and one share purchase warrant, each whole warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before July 14, 2012; 7,324,000 NFT units at $0.05 per NFT unit, each NFT unit consisting of one NFT common share and one share purchase warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before July 14, 2013.

The Company also issued a total of 452,000 Finder's Warrants, each Finder's Warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before July 14, 2012, as finders' fee in connection with this financing.

On September 6, 2011 the Company closed the second tranche of private placement financing for gross proceeds of $258,000. The Company issued 4,960,000 flow-through units at $0.05 per unit, with each unit consisting of one flow-through common share and one share purchase warrant, each whole warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before September 5, 2012; 200,000 NFT units at $0.05 per NFT unit, each NFT unit consisting of one NFT common share and one share purchase warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before September 5, 2013.

The Company issued 496,000 Agent's warrants, each warrant entitling the holder to purchase one NFT common share at $0.10 per share on or before September 5, 2012, and paid a finder's fee in connection with the flow-through unit private placement.

On November 30, 2011 the Company issued 4,200,000 NFT shares in connection with a loan financing, for notes payable of $1,050,000. The note holders were issued a bonus of shares equal to 20% of the principal amount divided by $0.05 (Note 7 (c)).

For the year ended November 30, 2011, the Company renounced expenditures of $70,000 to flow-through shareholders, with a resulting future income tax recovery of $18,550.

During fiscal 2011, the Company received share subscriptions for future issuances of common shares totalling $45,000.

Year ended November 30, 2010:

On December 30, 2009, the Company closed a private placement financing for gross proceeds of $1,359,558. The Company issued 2,593,000 flow-through units at $0.12 per unit, with each unit consisting of one flow-through common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one NFT common share at $0.275 per share on or before December 29, 2010, and thereafter at $0.40 per share on or before December 29, 2011; and 8,736,649 NFT units at $0.12 per NFT unit, each NFT unit consisting of one NFT common share and one share purchase warrant entitling the holder to purchase one NFT common share at $0.20 per share on or before December 29, 2010, and thereafter at $0.40 per share on or before December 29, 2011. The Company also paid a total of $17,676 cash as finders' fees in connection with the private placements.

9. SHARE CAPITAL (continued)

Year ended November 30, 2010 (continued)**:**

On February 11, 2010, the Company issued 69,933,618 NFT common shares at $0.10 per share relating to the acquisition of Unbridled Energy Corp. (Note 3).

On March 31, 2010, the Company renounced expenditures of $310,901 to flow through shareholders, with a resulting future income tax recovery of $87,052.

During fiscal 2010, the Company received share subscriptions for future issuances of common shares totalling $1,008,120. These shares were issued during the year ended November 30, 2011.

Stock Options

The Company has established a stock-option plan for directors, officers, consultants and administrative personnel. Under the plan, the number of options granted is limited to 10% of the Company's issued shares at the time the options are granted. The number of options granted to any individual director or officer is limited to 5% of the issued shares of the Company and the options granted to all consultants and administrative personnel is limited to 2% of the issued shares. Options granted in respect of investor relations activities vest over one year at a rate of 25% every three months.

Year ended November 30, 2011: In 2011 no stock options were granted.

Year ended November 30, 2010: In 2010 the Company did not grant any new stock options, but due to the acquisition of Unbridled, 2,080,000 stock options previously issued to Unbridled personnel were converted to Altima stock options with the same terms as previously existed with Unbridled's stock option plan. The Company has recorded an estimated fair value of $18,050 for the options as purchase consideration in the acquisition of Unbridled.

Details of the Company's stock options outstanding and exercisable are as follows:

	Options outstanding			Options exercisable	
	Options outstanding	Weighted average exercise price - $ -	Weighted average remaining life	Options outstanding	Weighted average exercise price - $ -
Balance, November 30, 2009	2,000,000	0.28	1.31 years	2,000,000	0.28
Options issued in the acquisition of Unbridled	2,080,000	0.53		2,080,000	0.53
Expired	(2,260,000)	(0.52)		(2,260,000)	(0.52)
Balance, November 30, 2010	1,820,000	0.60	0.97 years	1,820,000	0.60
Expired	(1,075,000)	(0.64)		(1,075,000)	(0.64)
Balance, November 30, 2011	745,000	0.54	1.16 years	745,000	0.54

9. SHARE CAPITAL (continued)

Warrants

The Company had the following share purchase warrant transactions and had warrants outstanding as follows:

	Number of warrants	Weighted average exercise price - $ -	Weighted average remaining life
Balance, November 30, 2009	19,644,615	0.40	0.72 years
Granted	10,033,149	0.30	
Expired	(19,644,615)	0.40	
Balance, November 30, 2010	10,033,149	0.30	1.08 years
Granted	39,894,394	0.10	
Balance, November 30, 2011	49,927,543	0.14	0.42 years

10. CONTRIBUTED SURPLUS

	- $ -
Balance, November 30, 2009	1,121,763
Stock-based compensation on issuance of stock options in Unbridled (Note 3)	18,050
Balance, November 30, 2010	1,139,813
Fair value of Agent's warrants issued for finder's fees	9,480
Balance, November 30, 2011	1,149,293

11. RELATED PARTY TRANSACTIONS AND BALANCES

During the year ended November 30, 2011 and 2010, the Company had the following transactions with related parties:

	Nov. 30, 2011 - $ -	Nov. 30, 2010 - $ -
Management fees paid or accrued to directors or companies controlled by directors	177,750	195,000
Fees paid or accrued to directors or companies controlled by directors for development costs of its petroleum and natural gas properties	189,000	189,000
Capitalized exploration expenses paid or accrued to a company related to a director	218,804	-
Capitalized acquisition expenses paid or accrued to companies controlled by a director and an officer	-	39,000
Administrative services and occupancy charges paid or accrued to officers of the Company and company controlled by a director	148,661	130,941
Issued notes payable to companies controlled by directors for exploration expenses	736,500	-
Interest accrued on notes payable	7,015	-

11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

Amounts payable to related parties consists of:

	Nov. 30, 2011 - $ -	Nov. 30, 2010 - $ -
Management, consulting, exploration and administrative fees payable	822,757	600,549
Notes payables	736,500	-

12. GAIN ON DEBT SETTLEMENT

In fiscal 2009, the Company had included a full accrual of the expenditures billed by Unbridled, the operator of the Company's petroleum and natural gas properties. The amounts of these billings were disputed by the Company and the two companies were in litigation. During the litigation proceedings, the Company required Unbridled to undergo a third party audit of the expenditures that had been billed by the operator to the Company.

The third party audit discovered significant discrepancies and resulted in considerable reductions to the billing amounts allowed by the operator to the Company. As the Company had fully accrued the initial invoices from the operator, these reductions resulted in a gain on debt settlement in fiscal 2010 of $581,933.

In February 2010, the Company acquired Unbridled (see Note 3) and further litigation was abandoned by both companies.

13. NON-CASH TRANSACTIONS

Non-cash activities for the years ended November 30, 2011 and 2010 were as follows:

	2011 - $ -	2010 - $ -
Shares issued for finder's fees (Note 9)	29,930	-
Shares issued as financing fees (Note 7)	126,000	613,500
Shares issued for the acquisition of Unbridled Energy Corp. (Note 3)	-	6,993,562

14. INCOME TAXES

During 2011 and 2010, the Company recognized future income tax recoveries from the utilization of available tax assets of the current and prior periods to reduce the future tax liability associated with qualifying Canadian exploration expenses renounced to investors through the issuance of flow-through shares (see Note 9).

14. INCOME TAXES (continued)

The actual income tax recoveries differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income.

	2011 **- $ -**	**2010** **- $ -**
Loss before income taxes	(494,761)	(969,679)
Corporate tax rate	26.63%	28.08%
Expected tax recovery	(131,755)	(272,285)
(Increase) decrease resulting from:		
Permanent differences	34,359	1,137,437
Rate change from prior year to current year	-	971
Reduction in taxes due to lower state taxes in US subsidiary	(152,635)	(234,462)
Difference between current and future rate	16,122	(95,890)
Valuation allowance	97,026	(500,823)
Income taxes expense (recovery)	(136,883)	34,948

The Company's tax-effected future income tax assets and liabilities are estimated as follows:

	2011 **- $ -**	**2010** **- $ -**
Potential future income tax assets		
Non-capital losses	3,154,237	2,793,598
Capital assets	216,423	216,423
Share issue costs and other	101,866	333,103
Asset retirement obligation	27,496	25,435
Petroleum and natural gas properties and equipment	1,252,637	1,287,074
	4,752,659	4,655,633
Valuation allowance	(4,752,659)	(4,655,633)
	-	-

At November 30, 2011, the Company has non-capital losses of approximately $12,058,095 for Canadian income tax purposes which are available to reduce future taxable income. If not utilized, the losses expire through 2031 as follows:

	- $ -
2014	139,283
2015	267,339
2026	2,007,704
2027	2,638,233
2028	2,701,023
2029	2,373,035
2030	556,935
2031	1,374,543
	12,058,095

As at November 30, 2011, the Company's U.S. subsidiaries have U.S. based non-capital tax losses of approximately US$24,542 available to reduce future taxable income each year until expiry.

15. FINANCIAL INSTRUMENTS AND RISKS

Under Canadian generally accepted accounting principles, financial instruments are classified into one of the following categories: held for trading, held-to-maturity investments, available-for-sale, loans and receivables and other financial liabilities. The following table summarizes information regarding the carrying values of the Company's financial instruments for the year ended November 30, 2011 and the year ended November 30, 2010:

	Nov. 30, 2011 - $ -	Nov. 30, 2010 - $ -
Held for trading	202,705	125,915
Loans and receivables	199,374	65,732
Other financial liabilities	6,737,476	5,300,106

Fair Value

The estimated fair values of cash, amounts receivable, accounts payable, amounts due to related parties, loans payable, and notes payable approximate their respective carrying values due to the immediate or short period to maturity.

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and amounts receivable. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash with high credit chartered Canadian financial institutions. As at November 30, 2011, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its accounts payable, amounts due to related parties, loans payable, and notes payable. The Company handles its liquidity risk through the management of its capital structure as described in Note 16. The Company's accounts payable have contractual maturities of 30 days or are due on demand, do not generally bear interest and are subject to normal trade terms. The Company has a working capital deficit as described in Note 1.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's loan payable and notes payable bears a fixed rate of interest. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in petroleum and natural gas prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. FINANCIAL INSTRUMENTS AND RISKS (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. As at November 30, 2011, the Company held significant balances in US dollars in accounts payable and loans payable and a fluctuation of 1% in the US$ exchange rate would result in a loss/gain of approximately $11,000 on these balances. The Company's financial instruments are denominated in both United States and Canadian dollars but all planned exploration and any resulting revenues will occur within Canada.

16. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its petroleum and natural gas properties. The Company considers as its capital its shareholders' equity.

The Company manages and adjusts its capital structure when changes to the risk characteristics of the underlying assets or changes in economic conditions occur. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of certain of its assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration programs, availability of financing and industry conditions. Annual and materially updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest any excess cash in liquid short-term interest-bearing instruments. When utilized, these instruments are selected with regard to the expected timing of expenditures from continuing operations. The Company requires additional capital resources to meet its planned operations and administrative overhead expenses. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. The Company believes it will be able to raise capital as required, but recognizes there will be risks involved that may be beyond its control.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current presentation. Such re-classification is for presentation purposes only and has no effect on previously reported results.

18. COMMITMENTS

(a) The Company is committed to making lease payments as follows:

Year	Payment
2012	$158,112
2013	$158,112
2014	$ 13,176

19. SUBSEQUENT EVENTS

(a) On December 7, 2011 the Company reported that the test well on the Rainbow, Alberta lands, was drilled, plugged and abandoned. Testing indicated that well was not commercial at the subject location. The Company retains its 24.80625% share on 3,040 acres in the Rainbow, Alberta area. Further evaluation and a technical review of the area will be conducted to determine if additional offset drilling is warranted.

19. SUBSEQUENT EVENTS (continued)

(b) On January 5, 2012, the Company extended the terms of previously issued warrants by one year. Warrants issued December 30, 2010 to purchase a total of 24,162,394 shares at $0.10 per share from December 30, 2010 until December 29, 2011, extended to expire December 28, 2012.

(c) On February 1, 2012, the Company entered into an agreement to pool four sections of joint lands at Chambers-Ferrier. Pursuant to the agreement, the Company holds a 30% working interest in the well and pooled lands and an interest in a total of 24 sections in the Chambers-Ferrier area. The agreement includes drilling a horizontal test well. As of March 2012, the operator has completed the COPOL ET AL HZ CHAMBERS 14-15-41-11 W5M vertical and horizontal well. The Company's cost to date to participate in this well is $1,692,730 which was subsequently paid.

(d) On March 13, 2012 the Company announced a private placement for gross proceeds of up to $3,500,000 involving up to 50,000,000 NFT units at a price of $0.05 per NFT unit for gross proceeds of up to $2,500,000 and up to 20,000,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of up to $1,000,000. Each NFT unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share, exercisable for a period of two years from the date of issuance at a price of $0.10 per share. Each flow-through unit consists of one flow-through common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional NFT common share, exercisable for a period of one year from the date of issuance at a price of $0.10 per share. The Company may pay finders' fees in connection with the private placement. The private placement is subject to TSX Venture Exchange approval and has not closed.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2011

Date prepared: March 27, 2012

GENERAL

The following management discussion and analysis ("MDA") of the financial position of Altima Resources Ltd. ("Company") should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended November 30, 2011. 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

This MDA may contain certain forward looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward looking statements.

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 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

During the current period, the Company continued with the expansion, exploration and development of its Chambers Area Project in west central Alberta, Canada and the Rainbow Lake Area of northwestern Alberta, Canada. To this end, management put effort into raising additional funds for expansion efforts, exploration costs, development costs and working capital.

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 and light gravity oil play in the Rainbow Lake area of northwestern Alberta. 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's initial earning Well GEEL ET AL CHAMB 3-17-41-11 W5M ("3-17") was spud on March 14, 2006, and reached a depth of 3,349 meters and production casing was set. Upon completion of the 3-17 well, the Company purchased an interest in the 7-18-41-11 W5M well which tested water free gas and associated condensate.

During fiscal 2007, the Company drilled and completed an option well on lands located at 16-21-41-11 W5M. The 16-21 well spud on August 26, 2007 and drilled to its total depth of 3289 meters. In fiscal 2008, the Company completed and tested the well at commercial rates. During the first quarter of fiscal 2009, the Operator conducted a large volume frac in the Elkton formation. The frac operation was successful with a final gas rate of 2.3MMSCF/D at a flowing tubing pressure of 1,335psia and a final shut in pressure of 4,014psia. The well is currently suspended waiting on a lateral gas gathering line.

On August 31, 2009, in an effort to maximize the potential of the project and to move the development forward on the Chambers properties, the Company entered into an agreement with Unbridled Energy Corp. whereby the Company would acquire Unbridled's interests in the Chambers and west Ferrier areas. On February 11, 2010, the Company acquired all of the common shares of Unbridled by issuing 69,933,618 shares of the Company for the entire outstanding shares of Unbridled.

In December 2009, the Company and Unbridled entered into a participation agreement with Crimson Energy Ltd. ("Crimson") in the West Ferrier area of west central Alberta. The arrangement provides for the fracture stimulation, completion and testing of multiple zones in Crimson's well in 41-10 W5M that are indicated to be gas bearing based upon log and initial test information. The fracture stimulations were completed and tested and the well is waiting on a pipeline tie-in. Altima and Unbridled will be assigned a working interest to the base of the Mannville formation of 12.375% and 6.9795% respectively, and also assigned a working interest of 7.5% and 4.23% respectively below the base of the Mannville in three sections of joint lands and two wells.

In August 2010, the company entered into a Farm-out and Participation Agreement whereby the farmee has agreed to drill a 3,100 meter Rock Creek test well on Altima lands by paying 100% of the costs through completion to earn 60% in the well and farm-out lands. The farm-out well is to test the multiple, liquids-rich, natural gas zones generally present in the area. The Company retains the right to participate in a portion of the test well costs, which would result in Altima holding a 50% working interest in the farm-out lands. Permitting and licensing of the well was completed, but due to unseasonably wet weather the well was not "spud" within the time frame contemplated.

In March 2011 the 14-6-41-10 W5M well production and metering systems have been commissioned into the newly constructed regional gathering system. Construction was completed on the new 4.35 mile 4.5 inch diameter line in late February. The new gathering line runs through Altima lands in both sections 5 and 6 of Twp 41 Range 10 W5M. Start-up for the 14-6 was waiting on the facility operator to provide line and compression capacity to the operator.

By May 31, 2011, the pipeline and facilities operator tied in two of their own nearby recently completed wells which have been producing approximately 4.8 million cubic feet per day plus associated liquids. This resulted in no available capacity in their pipeline or facility to add in Altima's production, causing Altima to tie into the ConocoPhillips pipeline facility, which was completed in October 2011.

On October 12, 2011, the 14-6-41-10W5M Ferrier well commenced production through the ConocoPhillips Chambers gas gathering system to the Keyera deep cut plant for liquids removal and sales. It is anticipated that up to 35bbls of condensate and/or light oil liquids will be recovered per million cubic feet of natural gas produced. Altima holds a 19.3545% interest in the subject well in addition to sections 5 and 6 Twp. 41 Range 10 W5M and the 6-5-41-10W5M well approximately one mile to the east.

In August 2011, the Company entered into a Farm-in and Participation Agreement in Rainbow Lake Alberta, whereby Altima agreed to participate in the drilling of a 1665 meter (5460 ft.) well on the operators' lands in Northern Alberta. Altima will pay 33.75% of the costs of drilling through completion to earn a 24.80625% interest in the well and farm-in lands covering an area of 576 hectares, subject to its proportionate share of a 4.7% Gross Overriding Royalty. Subsequent to the year end the well was drilled to a total depth of 1,732 meters and abandoned, as testing indicated the hydrocarbons encountered were not commercial at the subject location.

On February 1, 2012, the Company entered into an agreement to pool four sections of joint lands at Chambers-Ferrier and drill a horizontal test into the Upper Mannville formation. The well, COPOL ET AL HZ CHAMBERS 14-15-41-11 W5M, spud on February 12, 2012. Altima holds a 30% working interest in the well and pooled lands

On February 28, 2012, the drilling and evaluation of the vertical pilot hole to a depth of 3,147 meters into the Upper Mannville formation was completed. On March 13, 2012, the Operator completed the drilling of the horizontal portion of the hole to 4280 meters MD (measured depth) extending the well bore approximately 180 meters over the original targeted length. Casing was run to 4,275m MD (14,025 feet) on March 16th and the rig released on March 17, 2012.

The COPOL ET AL HZ CHAMBERS 14-15-41-11 W5M well is the first horizontal well drilled in the Chambers, Alberta area and drilling results are encouraging at this time. Barring any logistical or weather related setbacks, a multistage frac completion will be undertaken prior to the end of the March.

As at March 27, 2012, the Company's mostly contiguous land base at Chambers-Ferrier totals twenty four (24) sections (15,360 gross acres) with an approximate average working interest of 82% in 17 of the 24 sections (100% in 11 sections) and varying interests in seven (7) wells.

SELECTED ANNUAL INFORMATION

	Years ended November 30		
	2011	2010	2009
	- $ -	- $ -	- $ -
Revenue	41,341	-	-
Net loss	(357,878)	(1,004,627)	(1,074,740)
Loss per share	(0.00)	(0.01)	(0.02)
Total assets	23,451,197	22,014,775	12,950,691

Year ended November 30, 2011:

The Company's primary investing activity during the year consisted of expenditures of $1,297,497 for exploration and development on various properties.

Financing activities consisted of loan payments of $367,217, $1,050,000 from the issuance of notes, loans from related parties of $224,537, $45,000 in share subscriptions received, and $868,569 from share issuances. In the year, the Company had a net loss of $357,878 compared to a net loss of $1,004,627 in 2010.

Significant variances between the two years can be found below, in the comparison of operating results section.

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.

Year ended November 30, 2010:

The Company's investing activities during the year consisted of $1,095,045 for exploration and development in the Chambers area and sales of acquired Unbridled properties for $3,033,132.

Financing activities consisted of loan payments of $3,128,100 on the Unbridled loan, $1,008,120 in share subscriptions for private placements, loans from related parties of $281,670 and share issuances of $771,945. The Company had a net loss of $1,004,627 compared to a net loss of $1,074,740 in 2009.

Significant variances between the two years included:

1. consulting fees of $226,873 (2009 - $77,875) due to increased usage of consultants for financing, exploration, and development activities,
2. office and administrative of $233,805 (2009 - $144,020) due to the office rental and administrative obligations assumed with the acquisition of Unbridled,
3. professional fees of $92,143 (2009 - $189,750) due to prior year legal disputes and audit of the Operator's books, which were not repeated in the current year,
4. gains of sales of properties of $183,845 (2009 - $Nil) due to the disposal of certain non-core assets of Unbridled,
5. gains of debt settlements of $581,933 (2009 - $Nil) due to considerable reductions to billing amounts allowed as a result of a third party audit of Unbridled,
6. current income tax of $122,000 (2009 - $Nil) due to the gain on sale of properties, and
7. future income tax recovery of $87,052 (2009 - $553,200) due to the result of selling flow-through shares.

SUMMARY OF QUARTERLY RESULTS

	Nov 30/11	Aug 31/11	May 31/11	Feb 28/11
Revenue	41,341	-	-	-
Net income (loss)	284,050	(268,570)	(232,502)	(140,856)
Net income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
	Nov 30/10	Aug 31/10	May 31/10	Feb 28/10
Revenue	-	-	-	-
Net income (loss)	(64,783)	(426,130)	(194,987)	(318,727)
Net income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

Comparison of operating results

In the year ended November 30, 2011, the Company had a net loss of $357,878 compared to $1,004,627 in 2010. The most significant variances in the results for the two periods are outlined in the following table:

Year ended	Nov 30, 2011 - $ -	Nov 30, 2010 - $ -
Revenue	41,341	-
In October 2011, production commenced on the Company's well in the Ferrier West area. Revenues presented are for October and November production.		
Finance fees	206,000	683,500
In the current year finance fees were incurred to renegotiate the Company's secured credit facility, and shares were issued in conjunction with the secured notes issued. In the prior year, finance fees included costs associated with the secured credit facility.		
Consulting	7,015	226,873
Consulting fees decreased from the 2010 level as in 2010 consultants were used extensively to assist in financing, exploration, and development activities. There were no corresponding costs in 2011.		
Current tax expense (recovery)	(118,333)	122,000
The current tax expense and recovery amounts are due to the Company's recognition of future income tax recoveries from the utilization of available tax assets of the current and prior periods to reduce the future tax liability associated with qualifying Canadian exploration expenses renounced to investors through the issuance of flow-through shares.		
Gain on debt settlement	-	(581,933)
The gain in the prior year was a result of a third party audit of accrued capitalized expenditures billed by the previous operator of the Company's petroleum and natural gas properties.		
Recovery of finance fees	(613,500)	-
The recovery of finance fees was realized on renegotiation of the Company's secured credit facility in the current year.		
Net loss	(357,878)	(1,004,627)

In the three month period ended November 30, 2011, the Company had a net income of $284,050 compared to a net loss of $64,783 in the comparative period in 2010. The most significant variances in the results for the two periods are outlined in the following table:

Three months ended	Nov 30, 2011 - $ -	Nov 30, 2010 - $ -
Finance fees	206,000	683,500
In the current period finance fees were incurred to renegotiate the Company's secured credit facility, and shares were issued in conjunction with the secured notes issued. In the prior year, finance fees included costs associated with the secured credit facility.		
Foreign exchange loss (gain)	115,489	(106,362)
The fluctuation of foreign exchange results from the amount of foreign denominated debt and the change in exchange rates between the US and Canadian dollars. The Canadian dollar strengthened against the US dollar.		
Gain on debt settlement	-	(581,933)
The gain in the prior year was a result of a third party audit of accrued capitalized expenditures billed by the previous operator of the Company's petroleum and natural gas properties.		
Current tax expense (recovery)	(140,595)	122,000
The current tax expense and recovery amounts are due to various factors but primarily include the effects of losses or gains on dispositions of properties.		
Net income (loss)	284,050	(64,784)

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2011 the Company had $402,079 (November 30, 2010 - $235,437) in cash, receivables, and deposits, a working capital deficiency of $2,700,815 (November 30, 2010 - $5,214,669) and had recorded a cumulative deficit of $5,568,365.

In the year, the Company issued 44,444,986 shares providing net cash proceeds of $1,974,659.

To date, the Company's ongoing operations have been financed predominantly by private placements, the exercise of warrants and stock options, and loans. Production commenced on the Company's well in the Ferrier West area in Alberta, and the Company has recorded revenues of $41,341 on its portion of the production from October and November 30, 2011.

On December 30, 2010, the Company closed a private placement financing for gross proceeds of $1,243,120 by issuing 1,400,000 flow-through units at $0.05 per unit, with each unit consisting of one flow-through common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at $0.10 per share on or before December 29, 2011; and 23,462,394 non flow-through units ("NFT") at $0.05 per NFT unit, each NFT unit consisting of one common share and one share purchase warrant entitling the holder to purchase one additional common share at $0.10 per share on or before December 29, 2011. The Company also issued a total of 598,592 common shares at a deemed price of $0.05 per share for finders' fees in connection with the NFT unit private placement.

On July 15, 2011 the Company closed the first tranche of a private placement financing for gross proceeds of $481,200. The financing included a total of 2,300,000 flow-through units at $0.05 per unit, each unit consisting of one flow-through common share and one share purchase warrant, each whole warrant entitling the holder to purchase one additional non flow-through common share at $0.10 per share on or before July 14, 2012. The Company also issued a total of 7,324,000 non-flow-through units at $0.05 per unit, with each unit consisting of one common share and one share purchase warrant, each warrant entitling the holder to purchase one additional common share at $0.10 per share on or before July 14, 2013.

The Company also issued a total of 452,000 warrants entitling the holder of each warrant to purchase one common share at $0.10 per share on or before July 14, 2012.

On September 6, 2011 the Company closed a private placement financing for gross proceeds of $258,000. The financing included a total of 4,960,000 flow-through ("FT") units at $0.05 per FT unit providing gross proceeds of $248,000. Each FT unit consists of one flow-through common share and one share purchase warrant, with each whole warrant entitling the holder to purchase one additional non flow-through share at $0.10 per share on or before

September 5, 2012. A total of 200,000 non-flow-through ("NFT") units at $0.05 per NFT unit provided gross proceeds of $10,000. Each NFT unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at $0.10 per share on or before September 5, 2013.

The Company also issued a total of 496,000 Agent's warrants on the FT units. Each warrant entitles the holder to purchase one common share at $0.10 per share on or before September 5, 2012. The Company also paid $19,840 cash as finders' fees in connection with the FT Unit private placement.

On November 30, 2011 the Company issued 4,200,000 NFT shares in connection with a loan financing, for notes payable of $1,050,000. The note holders were issued a bonus of shares equal to 20% of the principal amount divided by $0.05.

For the year ended November 30, 2011, the Company renounced expenditures of $70,000 to flow-through shareholders, with a resulting future income tax recovery of $18,550.

During fiscal 2011, the Company received share subscriptions for future issuances of common shares totalling $45,000.

On March 13, 2012 the Company announced a private placement for gross proceeds of up to $3,500,000 involving up to 50,000,000 NFT units at a price of $0.05 per NFT unit for gross proceeds of up to $2,500,000 and up to 20,000,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of up to $1,000,000. Each NFT unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share, exercisable for a period of two years from the date of issuance at a price of $0.10 per share. Each flow-through unit consists of one flow-through common share and one share purchase warrant, each warrant entitling the holder thereof to purchase an additional NFT common share, exercisable for a period of one year from the date of issuance at a price of $0.10 per share. The Company may pay finders' fees in connection with the private placement. The private placement is subject to TSX Venture Exchange approval and has not closed.

TRANSACTIONS WITH RELATED PARTIES

During the year ended November 30, 2011 and 2010, the Company had the following transactions with related parties:

	Nov. 30, 2011 - $ -	Nov. 30, 2010 - $ -
Management fees paid or accrued to directors or companies controlled by directors [1,2,3,4]	177,750	195,000
Fees paid or accrued to directors or companies controlled by directors for development costs of its petroleum and natural gas properties [1,2]	189,000	189,000
Capitalized exploration expenses paid or accrued to a company related to a director [2]	218,804	-
Capitalized acquisition expenses paid or accrued to companies controlled by a director and an officer [4]	-	39,000
Administrative services and occupancy charges paid or accrued to officers of the Company and company controlled by a director [4,5]	148,661	130,941
Issued notes payable to companies controlled by directors for exploration expenses [3,4]	736,500	-
Interest accrued on notes payable [3,4]	7,015	-

[1] Richard Switzer, President, Director and CEO
[2] Jim O'Byrne, Director and Chairman of the Board
[3] Jurgen Wolf, Director
[4] Joe DeVries, Director
[5] Richard Barnett, CFO and Secretary

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

Amounts payable to related parties consists of:

	Nov. 30, 2011 - $ -	Nov. 30, 2010 - $ -
Management, consulting, exploration and administrative fees payable	822,757	600,549
Notes payable	736,500	-

ADDITIONAL INFORMATION

Legal proceedings: Management is not aware of any legal proceedings involving the Company.

Contingent liabilities: Management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Outstanding Share Data: As of March 27, 2012, the Company had 195,055,186 common shares outstanding.

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, 2011, 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 INSTRUMENTS

Under Canadian generally accepted accounting principles, financial instruments are classified into one of the following categories: held for trading, held-to-maturity investments, available-for-sale, loans and receivables and other financial liabilities.

Fair Value

The estimated fair values of cash, amounts receivable, accounts payable, amounts due to related parties, loans payable, and notes payable approximate their respective carrying values due to the immediate or short period to maturity.

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and amounts receivable. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash with high credit chartered Canadian financial institutions. As at November 30, 2011, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its accounts payable, amounts due to related parties, loans payable, and notes payable. The Company handles its liquidity risk through the management of its capital structure as described in Note 16 of the consolidated financial statements. The Company's accounts payable have contractual maturities of 30 days or are due on demand, do not generally bear interest and are subject to normal trade terms. The Company has a working capital deficit of $2,700,815.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's loan payable and notes payable bears a fixed rate of interest. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in petroleum and natural gas prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. As at November 30, 2011, the Company held significant balances in US dollars in accounts payable and loans payable and a fluctuation of 1% in the US$ exchange rate would result in a loss/gain of approximately $11,000 on these balances. The Company's financial instruments are denominated in both United States and Canadian dollars but all planned exploration and any resulting revenues will occur within Canada.

RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements not yet adopted

International Financial Reporting Standards – Under the pronouncement issued by the CICA Accounting Standards Board in February 2008, effective for the Company's fiscal year commencing December 1, 2011, the Company will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS"). The Company will issue its first IFRS interim and annual financial statements for the fiscal year ending November 30, 2012, with restatement for comparative purposes the amounts reported by the Company for interim and annual fiscal 2011.

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.