

## **Introduction**

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This Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook for Alchemist Mining Inc. (the "Company"). This discussion should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three months ended July 31, 2016, available through the SEDAR website at [www.sedar.com](http://www.sedar.com).

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 ("IAS 34"). The Company's functional and reporting currency is the Canadian Dollar, unless otherwise stated. This Management Discussion and Analysis is dated September 29, 2016.

The Company was incorporated as NY85 Capital Inc. under the Business Corporations Act on October 22, 2010 in the Province of British Columbia. On May 31, 2012, the Company completed its Qualifying Transaction ("QT") and received the Final Exchange Bulletin from the TSX Venture Exchange ("TSX-V"). On October 1, 2012 the shareholders of the Company approved the name change from NY85 Capital Inc. to Alchemist Mining Inc. at the Annual General and Special Meeting of the Company. On August 20, 2014, the Company de-listed from the TSX-V and commenced trading on the Canadian Securities Exchange ("CSE"). The common shares of the Company are listed for trading on the CSE under the symbol AMS.

The principal business office of the Company is located at 1288 Steeple Drive, Coquitlam, British Columbia, V3E 1K2. The Company's main contact is its President, Mr. Keith Anderson. The Company's phone number is (604) 786-7774.

The registered office and records of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

The Company operates in a single business segment focusing on mineral exploration in Canada. To date, the Company has not generated any revenue from its mineral exploration activities and has met its cash requirements primarily through share issuances. Until the Company attains profitability, it will be necessary to raise additional financings for general working capital and for exploration costs on its property. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company expects to use its available working capital to finance exploration and development on the properties, and for general working capital, including complementary acquisitions. The Company's objectives are to:

- (a) explore its current mineral properties;
- (b) acquire and evaluate additional complementary mineral properties to expand the Company's portfolio; and
- (c) evaluate other opportunities to build shareholder value.

## **Overall Performance**

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Effective July 16, 2015, the Company entered into a second Plan of Arrangement (the "Second Arrangement"). Pursuant to the Second Arrangement, the Company exchanged all of its issued and outstanding common shares for one New Common Share, one Class 1 Reorganization Share, one Class 2 Reorganization Share and one Class 3 Reorganization Share of the Company.

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All of the Class 1 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, Alexis Financial Inc. ("Spinco3"), a private British Columbia company, in exchange for 2,200,000 common shares of Spinco3 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 1 Reorganization Shares by the transfer to Spinco3 of \$15,000 of working capital and a promissory note in the principal amount of \$29,000.

Further, all of the Class 2 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, ChiChi Financial Inc. ("Spinco4"), in exchange for 2,200,000 shares of Spinco4 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 2 Reorganization Shares by the transfer to Spinco4 of \$15,000 of working capital and a promissory note in the principal amount of \$29,000.

Further, all of the Class 3 Reorganization Shares were transferred by shareholders to a wholly-owned subsidiary of the Company, SYD Financial Inc. ("Spinco5"), in exchange for 2,200,000 shares of Spinco5 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 3 Reorganization Shares by the transfer to Spinco5 of \$15,000 of working capital and a promissory note in the principal amount of \$29,000.

On July 24, 2015, the Company amended the terms of 7,730,000 share purchase warrants by reducing the exercise price to \$0.065. The share purchase warrants amended were the 5,500,000 share purchase warrants granted on August 20, 2014 to subscribers and the 2,230,000 share purchase warrants granted on April 2, 2015 to subscribers. The terms of the agents warrants granted on the same dates were not amended.

Subsequent to July 31, 2016, a Letter of Intent ("LOI") with a private British Columbia company expired. The Company had prepaid \$50,000 for an acquisition as part of the LOI. The \$50,000 was expensed to general exploration costs and no further obligations remain.

On August 15, 2016 the Company closed a non-brokered private placement and raised \$95,000 through the issuance of 1,900,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of one year from issuance at an exercise price of \$0.075 per share.

On August 15, 2016, the Company issued 1,750,000 common shares as settlement of \$87,500 in accounts payable.

On September 8, 2016, the Company entered into an option agreement to acquire up to a 70% in the Nemaska Lake Property located in Quebec. See Exploration and Evaluation Assets.

On September 15, 2016, the Company granted 1,850,000 share options to officers, directors and consultants. The options are exercisable at \$0.05 per share and expire on September 15, 2018.

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**Exploration and Evaluation Assets**

**Tchentlo Lake Property**

On June 24, 2014, the Company entered into an option agreement to acquire up to an 80% interest in the Tchentlo Lake Property ("Tchentlo"), consisting of six mineral claims in British Columbia. Payment terms of the agreement were amended on August 6, 2015, August 25, 2015 and again on August 17, 2016.

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In consideration for earning a 51% interest in Tchentlo, the Company must make payments and issue common shares as follows:

- \$5,500 in cash (paid) and 100,000 common shares of the Company (issued and valued at \$5,500);
- \$10,000 in cash on or before September 8, 2015 (paid);
- \$5,000 (paid) in cash and 100,000 common shares of the Company on or before August 20, 2016 (issued and valued at \$4,000); and
- \$25,000 in cash on or before August 20, 2017.

The Company must also incur \$175,000 in exploration expenditures on Tchentlo by August 20, 2017.

The vendor will retain a 2% net smelter royalty on Tchentlo of which the Company can buy back 1% on or before August 20, 2021 for \$500,000.

The Company can earn an additional 29% interest in Tchentlo (total of 80%) by making the following payments and issuing common shares as follows:

- \$25,000 in cash and 250,000 common shares of the Company on or before August 20, 2018; and
- \$50,000 in cash and 250,000 common shares of the Company on or before August 20, 2019.

**Nemaska Lake Property**

On September 8, 2016, the Company entered into an option agreement to acquire up to a 70% in the Nemaska Lake Property ("Nemaska") located in Quebec. The property adjoins Nemaska Lithium Inc.'s Whabouchi Property to the northwest, and is located approximately 3 kilometers north of the Whabouchi Property's reported deposit and proposed open-pit mine.

In consideration for earning a 51% interest in Nemaska, the Company must pay \$35,000 and issue 1,200,000 common shares over a period of one year. The Company must also spend \$250,000 in exploration expenditures within two years of the approval date of the transaction.

In consideration for earning an additional 19% interest in Nemaska, the Company must pay an additional \$30,000 and issue an additional 1,000,000 common shares within two years of the approval date of the transaction and incur an additional \$200,000 in exploration expenditures within three years of the approval date of the transaction.

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**Selected Annual Information**

Years ended April 30, 2016, 2015 and 2014.

	April 30, 2016	April 30, 2015	April 30, 2014
Continued Operations			
Net loss for the year	\$ (231,295)	\$ (421,608)	\$ (467,540)
Comprehensive loss for the year	(231,295)	(430,430)	(458,718)
Basic and diluted loss per share	(0.02)	(0.04)	(0.13)
Total Assets	25,419	122,446	148,785
Total Liabilities	255,892	80,884	93,278

**Results of Operations**

For the three months ended July 31, 2016, the Company incurred a net loss of \$16,819 compared to a net loss of \$50,527 for the three months ended July 31, 2015. The Company's loss included expenditures as follows:

- Accounting, legal and audit fees of \$4,708 (2015 - \$241) were higher in 2016 due to legal fees;
- Consulting fees of \$10,500 (2015 - \$10,500) were the same for both 2016 and 2015;
- Filing fees and shareholder information of \$2,005 (2015 - \$8,101) decreased in 2016 due to timing of expenditures;
- Management fees of \$19,500 (2015 - \$31,500) decreased in 2016 due to a reduction in the CEO's fees; and
- Administration fees recovery of \$20,000 (2015 - \$nil) was from a company related by common directors for shared general and administration costs.

**Summary of Quarterly Financial Results**

Results for the most recent quarters including the last quarter ended July 31, 2016 are as follows:

For the Quarterly Periods ended:	July 31, 2016	April 30, 2016	January 31, 2016	October 31, 2015
Total revenues	\$ -	-	-	-
Net loss for the period	(16,819)	(76,728)	(47,068)	(56,972)
Net loss per common share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.01)

For the Quarterly Periods ended:	July 31, 2015	April 30, 2015	January 31, 2015	October 31, 2014
Total revenues	\$ -	-	-	-
Net loss for the period	(50,527)	(199,249)	(41,260)	(110,549)
Net loss per common share, basic and diluted	(0.00)	(0.02)	(0.00)	(0.01)

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**Proposed Transactions**

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The Company has no proposed transactions.

**Related Party Transactions**

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Key management personnel compensation for the three months ended July 31, 2016 and 2015 is as follows:

	July 31, 2016	July 31, 2015
Short-term compensation	\$ 19,500	\$ 31,500

The \$19,500 recorded as short-term compensation for the three months ended July 31, 2016 (2015 - \$31,500) was recorded as management fees.

At July 31, 2016, \$92,410 of unpaid management fees and expense reimbursements was included in accounts payable and accrued liabilities (April 30, 2016 - \$70,885).

At July 31, 2016, notes payable of \$123,353 (April 30, 2016 - \$126,711) from the plans of arrangement are held by companies with common directors.

During the three months ended July 31, 2016, the Company recovered \$20,000 (2015 - \$nil) of shared administration costs from a company with common directors.

**Liquidity and Capital Resources**

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As at July 31, 2016, the Company has \$17,388 (April 30, 2016 - \$1,121) in cash and other current assets of \$54,271 (April 30, 2016 - \$2,452) for an aggregate of \$71,659 (April 30, 2016 - \$3,573). Current liabilities totaled \$255,739 (April 30, 2016 - \$255,892). Accordingly, as at July 31, 2016, the Company's net working capital deficiency was \$184,080 (April 30, 2016 - \$252,319).

To address working capital requirements for the 2017 fiscal year, the Company has maintained cost control measures to minimize its general and administrative expenses. On August 15, 2016 the Company closed a non-brokered private placement and raised \$95,000 through the issuance of 1,900,000 units at a price of \$0.05 per unit. The Company also issued 1,750,000 common shares as settlement of \$87,500 in accounts payable.

The Company will need to pursue additional financing during the April 30, 2017 fiscal year to further explore the Company's resource properties and pay general and administrative expenses.

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**Outstanding Shares**

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The following table sets forth information concerning the outstanding securities of the Company:

	<u>September 29, 2016</u>	<u>July 31, 2016</u>	<u>April 30, 2016</u>
Common shares	20,543,100	16,793,100	15,793,100
Stock Options	2,002,000	188,000	188,000
Warrants	3,434,000	5,729,000	6,729,000
Fully Diluted Shares	<u>25,979,100</u>	<u>22,710,100</u>	<u>22,710,100</u>

**Financial and Other Instruments**

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Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as financial assets at FVTPL; and accounts payable and accrued liabilities and notes payable, as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of July 31, 2016 equal \$255,739 (April 30, 2016 - \$255,892). All of the liabilities presented as accounts payable are due within 90 days of July 31, 2016.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at July 31, 2016, the Company is not exposed to significant market risk.

### **Critical Accounting Estimates**

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The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates made in the preparation of these financial statements include the recoverability of the carrying value of exploration and evaluation assets, accrued liabilities, assumptions for the determination of fair value of share-based payments, and for the recoverability of deferred tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

### **Management's Report on Internal Control over Financial Reporting**

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In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

### **Accounting Standards, Amendments and Interpretations not yet Effective**

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For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited financial statements for the year ended April 30, 2016.

### **Off-Balance Sheet Arrangements**

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The Company did not enter into any off-balance sheet arrangements as at July 31, 2016 or as of the date of this report.

### **Risks and Uncertainties**

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The Company believes that the following risks and uncertainties may materially affect its success.

#### **Limited Operating History**

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated on October 22, 2010 and has yet to generate a profit from its activities. The

Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

### **Exploration, Development and Operating Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

### **Fluctuating Mineral Prices**

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the properties.

### **Substantial Capital Requirements and Liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations, if any.



### **Regulatory Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

### **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

### **Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the mineral properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

### **Requirement for Permits and Licenses**

The Company may need to acquire further permits or licenses necessary to carry on proposed exploration activities on the properties. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

### **Competition**

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### **No Mineral Reserves or Mineral Resources**

The properties in which the Company holds an interest are considered to be early exploration stage properties; however, no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

### **Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

### **Governmental Regulations and Processing Licenses and Permits**

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and

regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

### **Local Resident Concerns**

Apart from ordinary environmental issues, work on, or the development and mining of the properties, could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

### **Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

### **Uninsurable Risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **Caution Regarding Forward Looking Statements**

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This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future

investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

#### **Additional Disclosure for Venture Issuers without Significant Revenue**

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Detailed listings of general and administrative expenses and exploration expenditures are provided in the interim financial statements of the Company for the three months ended July 31, 2016.

#### **Officers and Directors**

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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 natural resource 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 director in a conflict will disclose his/her interest and abstain from voting in the matter(s). 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.

Current Directors of the Company are as follows:

Keith Anderson, President, CEO and Secretary  
Joseph Meagher, CFO and Director  
Dal Brynelsen, Director  
John Kerr, Director

#### **Outlook**

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The Company's primary focus for the foreseeable future will be on reviewing its financial position and continuing exploration and development activities on its mineral properties.

**Approval**

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The Board of Directors of Alchemist Mining Inc. has approved the disclosure contained in this MD&A.

Additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com), on the Company's website at [www.alchemistmining.com](http://www.alchemistmining.com).