

**ALCHEMIST MINING INC.**

**Condensed Interim Financial Statements**

**Three and Six Months Ended October 31, 2017**

**(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Smythe Ratcliffe LLP has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

January 2, 2018

**ALCHEMIST MINING INC.**  
**Condensed Interim Statements of Financial Position**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>October 31, 2017</b>	<b>April 30, 2017</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 100,735	\$ 19,847
Amounts receivable	33,038	4,270
	133,773	24,117
<b>Equipment</b> (note 6)	1,973	2,593
<b>Exploration and Evaluation Assets</b> (note 7)	366,500	236,500
	\$ 502,246	\$ 263,210
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 45,914	\$ 85,614
Notes payable (notes 8 and 10)	-	60,053
	45,914	145,667
<b>Shareholders' Equity (Deficit)</b>		
<b>Share Capital</b> (note 9)	2,648,902	2,138,517
<b>Reserves</b>	124,205	163,046
<b>Deficit</b>	(2,316,775)	(2,184,020)
	456,332	117,543
	\$ 502,246	\$ 263,210

Approved on behalf of the Board:

*"David Gdanski"*

..... Director  
David Gdanski

*"Will Rascan"*

..... Director  
Will Rascan

*The accompanying notes are an integral part of these financial statements*

**ALCHEMIST MINING INC.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
**(Unaudited - Expressed in Canadian Dollars)**

	Three Months Ended		Six Months Ended	
	October 31, 2017	October 31, 2016	October 31, 2017	October 31, 2016
<b>Expenses</b>				
Accounting, legal and audit (note 10)	\$ 3,380	\$ 700	\$ 7,241	\$ 5,408
Recovery of corporate costs	(29,711)	(9,850)	(60,053)	(29,850)
Amortization	310	58	620	116
Consulting fees (note 10)	65,750	62,500	91,000	73,000
Filing fees and shareholder information	7,668	5,937	10,380	7,942
Management fees (notes 10 and 13)	21,500	31,500	40,000	51,000
Office and general	7,533	125	7,898	173
Exploration costs	-	53,983	-	53,983
Rent	15,000	-	30,000	-
Share-based payments (note 9)	-	82,547	89,302	82,547
<b>Net Loss Before Other Item</b>	<b>91,430</b>	<b>227,500</b>	<b>216,388</b>	<b>244,319</b>
<b>Other Item</b>				
Gain on settlement of accounts payable (note 9)	-	17,500	-	17,500
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ 91,430</b>	<b>\$ 210,000</b>	<b>\$ 216,388</b>	<b>\$ 226,819</b>
<b>Basic and Diluted Loss Per Share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding – Basic and Diluted</b>	<b>32,781,143</b>	<b>20,124,078</b>	<b>30,194,187</b>	<b>18,290,111</b>

*The accompanying notes are an integral part of these financial statements*

**ALCHEMIST MINING INC.**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**

	Number of Shares	Share Capital	Reserves			Total
			Share- based Payments	Warrants	Deficit	
<b>Balance, April 30, 2016</b>	<b>15,793,100</b>	<b>\$ 1,453,133</b>	<b>\$ 101,081</b>	<b>\$ 22,919</b>	<b>\$ (1,807,606)</b>	<b>\$ (230,473)</b>
Private placement	1,900,000	95,000	-	-	-	95,000
Shares issued for exploration and evaluation assets	600,000	49,000	-	-	-	49,000
Exercise of warrants	1,100,000	71,500	-	-	-	71,500
Shares issued for debt settlement	1,750,000	70,000	-	-	-	70,000
Share based payments	-	-	82,547	-	-	82,547
Expiry of options and warrants	-	-	(17,448)	(22,919)	40,367	-
Net loss and comprehensive loss for the period	-	-	-	-	(226,819)	(226,819)
<b>Balance, October 31, 2016</b>	<b>21,143,100</b>	<b>\$ 1,738,633</b>	<b>\$ 166,180</b>	<b>\$ -</b>	<b>\$ (1,994,058)</b>	<b>\$ (89,245)</b>
Exercise of options and warrants	600,000	46,924	(8,924)	-	-	38,000
Private placements	2,000,000	140,000	-	-	-	140,000
Share issuance costs	-	(11,040)	-	5,790	-	(5,250)
Shares issued for exploration and evaluation assets	3,000,000	224,000	-	-	-	224,000
Net loss and comprehensive loss for the period	-	-	-	-	(189,962)	(189,962)
<b>Balance, April 30, 2017</b>	<b>26,743,100</b>	<b>\$ 2,138,517</b>	<b>\$ 157,256</b>	<b>\$ 5,790</b>	<b>\$ (2,184,020)</b>	<b>\$ 117,543</b>
Private placements	8,285,000	414,250	-	-	-	414,250
Share issuance costs	-	(14,928)	-	6,803	-	(8,125)
Exercise of options and warrants	1,180,000	111,063	(51,313)	-	-	59,750
Expiry of options	-	-	(83,633)	-	83,633	-
Share based payments	-	-	89,302	-	-	89,302
Net loss and comprehensive loss for the period	-	-	-	-	(216,388)	(216,388)
<b>Balance, October 31, 2017</b>	<b>36,208,100</b>	<b>\$ 2,648,902</b>	<b>\$ 111,612</b>	<b>\$ 12,593</b>	<b>\$ (2,316,775)</b>	<b>\$ 456,332</b>

*The accompanying notes are an integral part of these financial statements*

**ALCHEMIST MINING INC.**  
**Condensed Interim Statements of Cash Flows**  
**For the Six Months Ended October 31,**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>2017</b>	<b>2016</b>
<b>Operating Activities</b>		
Net loss	\$ (216,388)	\$ (226,819)
Items not involving cash		
Amortization	620	116
Share-based payments	89,302	82,547
Recovery of corporate costs	(60,053)	(17,500)
	(186,519)	(161,656)
Changes in non-cash working capital		
Amounts receivable	(13,768)	(1,602)
Accounts payable and accrued liabilities	(39,700)	56,573
<b>Cash Used in Operating Activities</b>	<b>(239,987)</b>	<b>(106,685)</b>
<b>Investing Activities</b>		
Exploration and evaluation expenditures (note 7)	(130,000)	(10,000)
<b>Cash Provided by (Used in) Investing Activities</b>	<b>(130,000)</b>	<b>(10,000)</b>
<b>Financing Activities</b>		
Proceeds from exercise of options and warrants (note 9)	59,750	71,500
Proceeds from private placement (note 9)	391,125	95,000
Repayment of notes payable	-	(42,658)
<b>Cash Provided by Financing Activities</b>	<b>450,875</b>	<b>123,842</b>
<b>Increase (Decrease) in Cash</b>	<b>80,888</b>	<b>7,157</b>
<b>Cash, Beginning of Period</b>	<b>19,847</b>	<b>1,121</b>
<b>Cash, End of Period</b>	<b>\$ 100,735</b>	<b>\$ 8,278</b>

*The accompanying notes are an integral part of these financial statements*

**ALCHEMIST MINING INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended October 31, 2017**  
**(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)**

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**1. NATURE OF OPERATIONS**

Alchemist Mining Inc. (the "Company") was incorporated as NY85 Capital Inc. under the *Business Corporations Act* on October 22, 2010 in the province of British Columbia. 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 Company operates in a single business segment focusing on mineral exploration in Canada.

The principal business office of the Company is located at 1288 Steeple Drive, Coquitlam, British Columbia, V3E 1K2.

**2. GOING CONCERN UNCERTAINTY**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. For the six months ended October 31, 2017 the Company incurred a net loss of \$216,388 (2016 - \$226,819), and as at October 31, 2017, has an accumulated deficit of \$2,316,775 (April 30, 2017 - \$2,184,020). The Company has limited resources, no sources of operating cash flows and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

**3. BASIS OF PRESENTATION**

**Approval of the financial statements**

The financial statements of the Company for the three and six months ended October 31, 2017, were reviewed by the Audit Committee and approved and authorized for issue on January 2, 2018 by the Board of Directors of the Company.

**Statement of compliance**

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2017 annual financial statements, which have been prepared in accordance with

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**ALCHEMIST MINING INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended October 31, 2017**  
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**3. BASIS OF PRESENTATION (Continued)**

International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

**Basis of preparation**

The financial statements are presented in Canadian dollars, which is also the Company’s functional currency. The condensed financial statements of the Company have been prepared on a historical cost basis.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended April 30, 2017.

**5. FINANCIAL INSTRUMENTS**

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. 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; and
- Liquidity 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 October 31, 2017 equal \$45,914 (April 30, 2017 - \$145,667). All of the liabilities presented as accounts payable are due within 90 days of October 31, 2017. The Company is seeking additional sources of capital through financing.

**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 October 31, 2017, the Company is not exposed to significant market risk.

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**ALCHEMIST MINING INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended October 31, 2017**  
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**6. EQUIPMENT**

	Computer Equipment	Furniture and Fixtures	Total
<b>Cost</b>			
Balance, April 30, 2016	\$ 2,724	\$ 2,032	\$ 4,756
Additions	2,729	-	2,729
Balance, April 30, 2017 and October 31, 2017	5,453	2,032	7,485
<b>Amortization</b>			
Balance, April 30, 2016	\$ 2,544	\$ 1,366	\$ 3,910
Amortization	849	133	982
Balance, April 30, 2017	3,393	1,499	4,892
Amortization	566	54	620
Balance, October 31, 2017	\$ 3,959	\$ 1,553	\$ 5,512
<b>Net Book Value</b>			
April 30, 2017	\$ 2,060	\$ 532	\$ 2,592
October 31, 2017	\$ 1,494	\$ 479	\$ 1,973

**ALCHEMIST MINING INC.**  
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**7. EXPLORATION AND EVALUATION ASSETS**

	<b>Tchentlo</b>	<b>Nemaska</b>	<b>Aubaine</b>	<b>Windfall</b>	<b>Total</b>
Balance, April 30, 2016	21,000	-	-	-	21,000
Acquisition Costs					
Cash	5,000	5,000	10,000	2,500	22,500
Shares	4,000	45,000	176,000	48,000	273,000
Impairment	(30,000)	(50,000)			(80,000)
Balance, April 30, 2017	\$-	\$-	\$186,000	\$50,500	\$236,500
Acquisition Costs					
Cash	-	-	30,000	-	30,000
Exploration Costs					
Geological Consulting	-	-	100,000	-	100,000
Balance, October 31, 2017	\$-	\$-	\$316,000	\$50,500	\$366,500

**Tchentlo Lake Property ("Tchentlo")**

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 August 7, 2016.

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 in cash (paid) 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 or before August 20, 2017.

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

**ALCHEMIST MINING INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended October 31, 2017**  
**(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)**

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**7. EXPLORATION AND EVALUATION ASSETS (Continued)**

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.

There was no work performed on the property during the year ended April 30, 2017.

Management recorded an impairment loss of \$30,000 in accordance with level 3 of the fair value hierarchy for the year ended April 30, 2017 as they determined they could not meet the financial commitments due August 20, 2017.

**Nemaska Lake Property (“Nemaska”)**

On September 8, 2016, the Company entered into an option agreement to acquire up to a 70% interest in the Nemaska Lake Property (“Nemaska”) located in Quebec.

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

- \$5,000 in cash upon signing of the agreement (paid);
- 500,000 common shares of the Company within five business days of September 28, 2016 (issued and valued at \$45,000);
- \$10,000 in cash on or before January 3, 2017;
- \$20,000 in cash and 700,000 common shares on or before September 28, 2017.

The Company must also incur \$50,000 in exploration expenditures by September 28, 2017 and an additional \$200,000 in exploration expenditures by September 28, 2018.

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 by September 28, 2018 and incur an additional \$200,000 in exploration expenditures by September 28, 2019.

There was no work performed on the property during the year ended April 30, 2017.

Management recorded an impairment loss of \$50,000 in accordance with level 3 of the fair value hierarchy for the year ended April 30, 2017 as they did not meet the financial commitments due January 3, 2017.

**Windfall Lake Property (“Windfall”)**

On March 2, 2017, the Company entered into an option agreement to acquire a 100% interest in the Windfall Lake Property (“Windfall”) located in Quebec. In consideration, the Company paid \$2,500 in cash and issued 800,000 common shares of the Company (issued and valued at \$48,000).

There was no work performed on the property during the six months ended October 31, 2017.

**ALCHEMIST MINING INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended October 31, 2017**  
**(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)**

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**7. EXPLORATION AND EVALUATION ASSETS (Continued)**

**Aubaine Property (“Aubaine”)**

On March 3, 2017, as amended May 17, 2017, the Company entered into an option agreement to acquire a 100% interest in the Aubaine Property (“Aubaine”) located in Quebec. In consideration, the Company must make payments and issue common shares as follows:

- \$10,000 in cash (paid) and 2,000,000 common shares (issued and valued at \$160,000) of the Company upon signing of the agreement;
- \$15,000 in cash (paid) on or before May 27, 2017;
- \$15,000 on or before June 27, 2017 (paid);
- \$25,000 in cash on or before March 3, 2018;
- \$25,000 in cash on or before September 3, 2018; and
- \$100,000 in cash on or before March 3, 2019.

The Company must also incur \$500,000 in exploration expenditures on or before March 3, 2020. The vendor will retain a 3% NSR on Aubaine, of which the Company can buy back 1% on or before March 3, 2023 for \$1,000,000. In March 2017, The Company also issued 200,000 finders shares valued at \$16,000.

During the six months ended October 31, 2017, the Company incurred \$100,000 in geological consulting expenditures, which were capitalized to exploration and evaluation assets.

**Environmental**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

**Title to exploration and evaluation interests**

Although the Company has taken steps to verify the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

**ALCHEMIST MINING INC.**  
**Notes to the Condensed Interim Financial Statements**  
**For the Six Months Ended October 31, 2017**  
**(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)**

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**8. Notes Payable**

Notes payable are promissory notes related to plans of arrangement dated December 30, 2014 and July 16, 2015. The promissory notes are without interest or stated terms of repayment. During the year ended April 30, 2017, \$3,358 (2016 - \$1,589) was repaid on the notes payable and \$63,300 (2016 - \$nil) was charged back to the Company for recovery of corporate and accounting costs. During the six months ended October 31, 2017, \$nil (2016 - \$3,358) was repaid on the notes payable and \$60,053 (2016 - \$nil) was charged back to the Company for recovery of corporate and accounting costs.

**9. SHARE CAPITAL**

**Authorized**

Unlimited number of common shares without par value

**Issued**

*For the six months ended October 31, 2017:*

On September 7, 2017, and as amended September 18, 2017, the Company closed a non-brokered private placement and raised \$414,250 through the issuance of 8,285,000 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 two years from issuance at an exercise price of \$0.075 per share. The Company paid finders fees of \$8,125 and issued 162,500 agent warrants valued at \$6,803 with the same terms as the warrants in the private placement. At October 31, 2017, and as of the date of these condensed interim financial statements, there was \$15,000 in amounts receivable from the President and CEO of the Company for shares issued in the private placement.

*For the year ended April 30, 2017:*

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 with officers of the Company. The fair value of the common shares issued according to the trading price was \$70,000. Accordingly, the Company realized a gain on settlement of accounts payable of \$17,500.

On August 20, 2016, the Company issued 100,000 common shares valued at \$4,000 as payment on the Tchentlo Lake Property (note 7).

On September 28, 2016, the Company issued 500,000 common shares valued at \$45,000 as payment on the Nemaska Lake Property (note 7).

**ALCHEMIST MINING INC.**  
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**For the Six Months Ended October 31, 2017**  
**(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)**

**9. SHARE CAPITAL (Continued)**

On November 3, 2016, the Company closed a non-brokered private placement and raised \$140,000 through the issuance of 2,000,000 units at a price of \$0.07 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 two years from issuance at an exercise price of \$0.10 per share. The Company paid finders fees of \$5,250 and issued 75,000 agent warrants valued at \$5,790 with the same terms as the warrants in the private placement.

**Share options**

The Company has adopted a share option plan pursuant to which the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and exercisable for a period of up to ten years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The changes in share options during the six months ended October 31, 2017 and the year ended April 30, 2017 are summarized as follows:

	October 31, 2017		April 30, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	1,802,000	\$ 0.05	188,000	\$ 0.10
Granted	1,750,000	\$ 0.06	1,850,000	\$ 0.05
Exercised	(1,150,000)	\$ 0.05	(200,000)	\$ 0.05
Expired	(152,000)	\$ 0.10	(36,000)	\$ 0.10
Outstanding, end of period	2,250,000	\$ 0.06	1,802,000	\$ 0.05

The following table summarizes information about share options outstanding at October 31, 2017:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Outstanding	Options Exercisable
September 15, 2018	0.87	\$ 0.05	500,000	500,000
May 24, 2019	1.56	\$ 0.06	1,600,000	1,600,000
June 1, 2019	1.58	\$ 0.06	150,000	150,000
	1.41	\$ 0.06	2,250,000	2,250,000

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**9. SHARE CAPITAL (Continued)**

The fair value of share options granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>Six Months Ended October 31, 2017</b>	<b>Year Ended April 30, 2017</b>
Expected life (years)	2.00	2.00
Risk-free interest rate	0.71%	0.57%
Volatility	207%	227%
Dividend yield	N/A	N/A
Weighted average grant date fair value	\$0.05	\$0.04

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price for share options with expected lives greater than one year.

**Warrants**

The changes in warrants during the six months ended October 31, 2017 and the year ended April 30, 2017 are summarized as follows:

	<b>2017</b>		<b>2017</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	3,975,000	\$ 0.09	6,729,000	\$ 0.07
Issued	8,447,500	\$ 0.08	3,975,000	\$ 0.09
Exercised	(30,000)	\$ 0.08	(1,100,000)	\$ 0.07
Expired	(1,870,000)	\$ 0.08	(5,629,000)	\$ 0.07
Outstanding, end of period	10,522,500	\$ 0.08	3,975,000	\$ 0.09

A summary of warrants outstanding at October 31, 2017 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
November 3, 2018	1.01	\$ 0.10	2,075,000
September 7, 2019	1.85	\$ 0.075	8,447,500
	0.68	\$ 0.09	10,522,500

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**9. SHARE CAPITAL** (Continued)

*For the six months ended October 31, 2017:*

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted with the following weighted average assumptions: risk-free interest rate of 1.47%; expected dividend yield of zero; expected stock price volatility of 211%; expected life of two years. The Company used the historical volatility of the Company's share price to estimate the volatility of the share price. The grant date fair value of each finder's warrant was \$0.04. Accordingly, \$6,803 was recognized as share issue costs and recorded as a reduction in the share capital amount for the 6 months ended October 31, 2017.

*For the year ended April 30, 2017:*

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted with the following weighted average assumptions: risk-free interest rate of 0.54%; expected dividend yield of zero; expected stock price volatility of 211%; expected life of two years. The Company used the historical volatilities of comparable companies to estimate the volatility of the share price. The grant date fair value of each finder's warrant was \$0.08. Accordingly, \$5,790 was recognized as share issue costs and recorded as a reduction in the share capital amount for the year ended April 30, 2017.

**10. RELATED PARTY TRANSACTIONS**

Key management personnel compensation for the six months ended October 31, 2017 and 2016 is as follows:

	<b>2017</b>	<b>2016</b>
Short-term compensation	\$ 91,500	\$ 54,000

Of the \$91,500 recorded as short-term compensation for the six months ended October 31, 2017 (2016 - \$54,000):

- \$5,000 (2016 - \$3,000) was included in accounting, legal and audit fees incurred to an officer of the Company;
- \$40,000 (2016 - \$51,000) was included in management fees; and
- \$46,500 (2016 - \$nil) was included in consulting fees, of which \$36,500 was paid to directors of the Company and \$10,000 was paid to a relative of a director of the Company.

At October 31, 2017, \$28,328 (April 30, 2017 - \$41,098) of management and consulting fees owing to related parties were included in accounts payable and accrued liabilities.

At October 31, 2017, \$15,000 (April 30, 2017 - \$nil) was included in amounts receivable from the President and CEO for funds not yet received for the private placement completed in September 2017. As of the date of these condensed interim financial statements, the amount is outstanding.

At October 31, 2017, the notes payable from the plans of Arrangement held by companies with common directors to the Company at the time of each Arrangement had been fully repaid (April 30, 2017 - \$60,053) (note 8).

Transactions with related parties are made on terms agreed upon by the two parties. The balances with related parties are unsecured, non-interest bearing, and due on demand.

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**11. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, mineral exploration and development, and all of its operations are in Canada.

**12. COMMITMENTS**

The Company has entered into management services and consulting agreements with total monthly commitments of \$12,500 to pay officers and consultants. All the management services agreements can be terminated with 90 days' notice.

On August 14, 2017, the Company signed a non-binding Letter of Intent to acquire a 100% stake in Better Cannabis Genetics Corporation, a company specializing in the research and development of cannabis strains, for a purchase price to be mutually agreed upon in writing by the parties involved. As of the date of these condensed interim financial statements, no acquisition agreement has been signed and the Company has not yet completed its due diligence review of Better Cannabis Genetics.

**13. CAPITAL MANAGEMENT**

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the six months ended October 31, 2017. The Company is not subject to external restrictions on its capital.

**14. EVENTS AFTER THE REPORTING DATE**

- a) On November 15, 2017, the Company granted 1,520,000 share options to officers and consultants. The options are exercisable at \$0.155 per share and expire on November 15, 2018.
  - b) On December 19th, 2017, the Company signed a non-binding Letter of Intent (LOI) to acquire a 40% stake in the software application: Cannabis Experience Signature™, a mobile and web application that uses crowd sourced data to catalog the effects of various cannabis strains and products. According to the terms of the non-binding LOI, the Company will pay the vendors a total value of \$200,000, with 50% of such payment to be in cash, and the remaining 50% of such payment to be in shares of the Company. As of the date of these condensed interim financial statements, no acquisition agreement has been signed and the Company has not yet completed its due diligence review of the application or its vendors.
  - c) Subsequent to October 31, 2017, the Company received gross proceeds of \$10,000 on the exercise of 100,000 warrants.
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**ALCHEMIST MINING INC.**

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- d) Subsequent to October 31, 2017, the Company received gross proceeds of \$39,000 on the exercise of 650,000 options.