

**Walmer Capital Corp.**  
**(a capital pool corporation)**

**Management's Discussion and Analysis**

*Six months ended June 30, 2016*

# Walmer Capital Corp.

## Management's Discussion and Analysis

Six months ended June 30, 2016

*The following management's discussion and analysis ("MD&A") should be read in conjunction with the Corporation's unaudited financial statements and notes thereto for the quarter and six months ended June 30, 2016 and audited statements for the year ended December 31, 2015. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

This MD&A was prepared by management of Walmer Capital Corp. (the "Corporation"), and it and the unaudited financial statements of the Corporation for the quarter and six months ended June 30, 2016 were approved by the Board of Directors on August 29, 2016. All amounts are in Canadian dollars unless otherwise stated.

### Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law, regulatory practice or requirement.

### Description of the Business

The Corporation is classified as a Capital Pool Company ("CPC") for the purposes of the policies of the TSX Venture Exchange (the "Exchange"). The Corporation has completed a final prospectus dated February 7, 2012 and listed its common shares on the Exchange on May 8, 2012.

The Corporation's business is to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction" as defined in the policies of the Exchange. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. To date, the Corporation has not conducted commercial operations. The Corporation had entered into a Letter of Intent as of April 1, 2014 (the "LOI") with a view to completing a Qualifying Transaction, which LOI has now been terminated. An Agreement for a new Qualifying Transaction was then entered into on March 25, 2015. A Comprehensive Press Release pursuant to the Policies of the Exchange was issued on March 26, 2015 and is available on [www.sedar.com](http://www.sedar.com). However, the Corporation was unable to complete this proposed Qualifying Transaction owing to the inability to raise the \$1,000,000 to fund the purchase and exploration programme called for. As a result, a further press release was issued on February 1, 2016 terminating the Agreement.

Subsequent to the end of the quarter, on August 17, 2016, the Company issued a Comprehensive Press Release announcing the signing of an agreement to acquire the Johan Beetz Feldspar property and its intention to raise additional equity capital to fund the acquisition of the property and its exploration. A National Instrument 43-101 Technical Report is expected to be filed on SEDAR in approximately two weeks' time and the Qualifying Transaction is expected to close in October 2016.

Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying

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Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation's final CPC prospectus dated February 7, 2012 the funds raised pursuant to the Corporation's initial public offering and any subsequent financing have been utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition except as may be permitted by Exchange policies.

The Corporation operates from its primary office in Calgary, Canada. Its registered head office is located 1500, 850 2<sup>nd</sup> Street S. W., Calgary, Alberta, Canada T2P 0R0.

### Selected Financial Information

The Corporation was incorporated under the Business Corporations Act (Alberta) June 27, 2011 and December 31 is the date of its fiscal year end.

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS").

Selected Statement of Financial Position data	As at	As at
	June 30, 2016	December 31, 2015
Cash	\$ 11,087	\$ 31,903
Deferred Share Issuance Costs	-	-
Total Current Liabilities	5,950	18,250
Total Shareholders Equity	16,384	23,940

### Results of Operations

The Corporation does not have any operations and may not conduct any business other than the identification and evaluation of business and assets for potential acquisition. The only expenses recognized during the six month periods ended June 30, 2015 and 2016 were \$10,303 and \$7,556 respectively in professional and filing fees to maintain the public company status of the Corporation and an additional \$39,000 in the 2015 period for property acquisition costs.

### Summary of Quarterly Results

Historical quarterly information of the eight most recently completed quarters is as follows:

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	Sept. 30 2014	Dec. 31, 2014	Mar. 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30., 2016
Revenue	-	-	-	-	-	-	-	-
Net loss	7,523	43,710	33,624	15,579	26,534	20,603	1,883	7,556
Loss per share	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)

### Liquidity, Capital Resources, and Outlook

An initial public offering ("Offering") was completed on May 3, 2012 raising gross proceeds of \$300,000 pursuant to a prospectus dated February 7, 2012. An aggregate of 3,000,000 Common shares in the capital of the Corporation (the "Shares") were subscribed for at a price of \$0.10 per share. The Shares began trading under the stock symbol WAL.P on May 8, 2012.

The Agent received a cash commission equal to 10% of the gross proceeds of the Offering and an option (now expired unexercised) to purchase 300,000 Shares at a price of \$0.10 per share for a period of 24 months from the date of listing of the Shares on the TSX Venture Exchange ("Exchange"). The Agent also received a corporate finance fee of \$15,000.

The Corporation granted 500,000 incentive options to its directors and officers which are exercisable within 10 years from the date of the grant at an exercise price of \$0.10 per share.

As a result of the closing of the Offering, the Corporation had 5,000,000 Shares issued and outstanding until the cancellation of 50% being one million of the Founders' shares on August 7, 2014, owing to the failure to complete a Qualifying Transaction within the prescribed two year period. As a result, there are now 4,000,000 shares outstanding. The cancellation effectively repriced the Founders' shares to \$0.10 per share, the same price as the 3,000,000 IPO shares were issued at. At the same time, the Corporation's shares were relegated to the NEX exchange and the symbol therefor was changed to WAL.H.

As at June 30, 2016 the Corporation had \$11,087 in cash, and \$5,950 in liabilities. Additional equity or debt financing may be required to complete a Qualifying Transaction and an Engagement Letter with First Republic Capital has been signed to raise up to \$1,000,000, expected to be completed in October.

There can be no assurance that the Corporation will be able to obtain adequate financing to complete a Qualifying Transaction.

### Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at June 30, 2016.

### Critical Accounting Estimates and Policies

The Corporation's significant accounting policies and the adoption of new accounting policies are disclosed in the audited financial statements for the year ended December 31, 2015 which should be read in conjunction with this MD&A.

### Financial Instruments and Other Instruments

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The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

### Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

Voting or equity securities:	Authorized	Outstanding
	Unlimited Common Shares	4,000,000 Common Shares.

### Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- (a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (b) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (c) even when a proposed Qualifying Transaction has been identified, there can be no assurance that the Corporation would be able to successfully complete the transaction;
- (d) a Qualifying Transaction may need to be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation; and
- (e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;
- (f) since the public announcement of the first proposed Qualifying Transaction, trading in the common shares has been halted (and subsequently suspended) and will remain halted and suspended for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The common shares may be reinstated to trading before the Exchange has reviewed a subsequent proposed transaction and before a Sponsor has completed its full review (but is expected to remain suspended until the completion or termination of a proposed Qualifying Transaction). Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing a proposed Qualifying Transaction; and

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(g) trading in the common shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange or file them on SEDAR in the time periods required.

### **Disclosure Controls and Procedures**

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation is made known to the Chief Executive Officer and the Chief Financial Officer by others within the Corporation, in an accurate and timely manner in order for the Corporation to comply with its continuous disclosure and financial reporting obligations and in order to safeguard assets.

### **Significant Events Subsequent to June 30, 2016**

The Corporation has entered into an agreement for the acquisition of the Johan Beetz Potassic Feldspar property which will be its Qualifying Transaction and an Engagement Letter with First Republic Capital Corp. for the raising of up to \$1,000,000 of new equity capital.

### **Other Information**

Additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) .

"James A. Richardson"

Chief Executive Officer

August 29, 2016