



For The Three Months Ended March 31, 2016

Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

- Notice of No Auditor Review of Consolidated Interim Financial Statements
 - Consolidated Interim Statements of Financial Position
 - Consolidated Interim Statements of Shareholders' Deficiency
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NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the consolidated 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 consolidated interim financial statements of Alliance Mining Corp. for the period ended March 31, 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

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

ALLIANCE MINING CORP.

Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	Note	March 31, 2016 \$	December 31, 2015 \$
ASSETS			
CURRENT			
Cash		58	176
GST/HST Recoverable		2,906	2,734
		<u>2,964</u>	<u>2,910</u>
NON-CURRENT			
Property and Equipment	5	835	868
		<u>3,799</u>	<u>3,778</u>
LIABILITIES			
CURRENT			
Accounts Payable and Other Liabilities		187,176	152,743
Due to Related Parties	8(a)	341,105	310,657
Loan Payable	6	92,591	80,026
		<u>620,872</u>	<u>543,426</u>
SHAREHOLDERS' DEFICIENCY			
Share Capital	7	4,050,512	4,050,512
Equity Component of Convertible Debentures		1,494	1,494
Deficit		(4,669,079)	(4,591,654)
		<u>(617,073)</u>	<u>(539,648)</u>
		<u>3,799</u>	<u>3,778</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Mineral Properties (Note 6)

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

Approved on behalf of the Board:

“Scott Kent”

Scott Kent, Director

“Chris Anderson”

Chris Anderson, Director

ALLIANCE MINING CORP.

Consolidated Interim Statements of Shareholders' Deficiency

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Number of Class of Common Shares	Share-Based Payment Reserves			Equity Component of Convertible Loan	Deficit	Total Shareholders' (Deficiency)
			Share Capital \$	Finders' Warrants \$	Stock Options \$			
Balance, December 31, 2014		45,716,124	3,710,903	13,873	59,886	-	(3,998,905)	(214,243)
Shares Issued in Settlement of Debt	7(b)	1,104,186	55,209	-	-	-	-	55,209
Exercise of Warrants	7(b)	300,000	15,000	-	-	-	-	15,000
Net Comprehensive Loss		-	-	-	-	-	(104,736)	(104,736)
Balance, March 31, 2015		47,120,310	3,781,112	13,873	59,886	-	(4,103,641)	(248,770)
Balance, December 31, 2015		52,508,310	4,050,512	-	-	1,494	(4,591,654)	(539,648)
Net Comprehensive Loss		-	-	-	-	-	(77,425)	(77,425)
Balance, March 31, 2016		52,508,310	4,050,512	-	-	1,494	(4,669,079)	(617,073)

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

ALLIANCE MINING CORP.

Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

		Three Months Ended	
		March 31,	
		2016	2015
	Note	\$	\$
EXPENSES			
Accounting, Audit and Legal		10,000	7,892
Automotive and Travel		750	30,364
Bank Charges and Interest		2,618	-
Consulting	8(b)	30,323	50,279
Depreciation		33	55
Exploration		-	2,385
General and Administration		18,546	14,332
Regulatory and Filing Fees		6,155	1,260
Rent	8(b)	9,000	10,500
		<u>77,425</u>	<u>117,067</u>
LOSS BEFORE OTHER ITEMS		(77,425)	(117,067)
Accounts Payable Written Off		-	5,000
		<u>(77,425)</u>	<u>(104,736)</u>
NET COMPREHENSIVE LOSS FOR THE PERIOD		<u>(77,425)</u>	<u>(104,736)</u>
BASIC AND DILUTED LOSS PER SHARE		<u>(0.00)</u>	<u>(0.00)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		<u>52,508,310</u>	<u>46,353,384</u>

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

ALLIANCE MINING CORP.
Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2016	2015
	\$	\$
CASH PROVIDED FROM (UTILIZED FOR)		
OPERATING ACTIVITIES		
Net Loss for the Period	(77,425)	(104,736)
Non-Cash Items		
Depreciation	33	55
Disposal of Equipment	-	1,756
Gain on Sale of Equipment	-	(9,087)
Accounts Payable Write Off	(7,005)	(5,000)
	<u>(77,392)</u>	<u>(117,012)</u>
Change in Non-Cash Working Capital Accounts		
GST/HST Recoverable	(172)	(2,502)
Accounts Payable and Other Liabilities	34,433	41,453
Due to Related Parties	30,448	50,955
Loan Payable	12,565	
	<u>(118)</u>	<u>(27,106)</u>
INVESTING ACTIVITY		
Proceeds on Sale of Equipment	-	19,500
	<u>-</u>	<u>19,500</u>
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares	-	15,000
	<u>-</u>	<u>15,000</u>
INCREASE (DECREASE) IN CASH	(118)	7,394
Cash, Beginning of the Period	176	(349)
CASH, END OF THE PERIOD	58	7,045

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

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

For The Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Alliance Mining Corp. (the “Company”) was incorporated on February 3, 2002, under the laws of the Canada Business Corporation Act and is involved in the acquisition, exploration, and development of mineral properties. The Company holds mineral claims located in Arizona, USA. The head office, principal address, and records office of the Company are located at Suite 888 ó 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast uncertainties on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon the financial support from its shareholders and other related parties, its ability to obtain financing for the continuing exploration and development of its mineral properties, the existence of economically recoverable reserves, and the attainment of profitable operations or proceeds from disposition of these properties.

The Company has not yet achieved profitable operations and has accumulated losses of \$4,669,079 and a working capital deficiency of \$617,073 as at March 31, 2016. There is no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and exploration and development activities.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The consolidated interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards (óIFRSsö) issued by the International Accounting Standards Board (óIASBö) and Interpretations of the International Financial Reporting Interpretations Committee (óIFRICö).

These unaudited financial statements were approved and authorized for issue by the board of Directors on May 26, 2016.

b) Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. Cost is the fair value of the consideration given in exchange for net assets.

ALLIANCE MINING CORP.
Notes to the Consolidated Financial Statements
For The Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned U.S. subsidiary, Alliance Mining Inc. (collectively, the “Company”). Intercompany balances and transactions are eliminated in preparing the consolidated financial statements. The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Holding	Functional Currency
Alliance Mining Corp.	Canada	Parent Company	Canadian Dollar
Alliance Mining Inc.	U.S.A.	100%	US Dollar

d) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. The subsidiary determines its own functional currency (Note 2(c)) and items included in the financial statements of the subsidiary are measured using that functional currency.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their revenues and expenses are translated at exchange rates prevailing at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income and accumulated in the currency translation reserve in equity.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

For The Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized to write off the cost of the property and equipment less their residual values over their useful lives using the declining balance method using the following rates, except in the year of acquisition, when one half of the rates are used:

Automobile	30%
Computer Equipment	30%
Furniture and Equipment	20%
Machinery and Camp Equipment	30%

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

f) Exploration Costs

Expenditures related to the acquisition, exploration, and development of mineral properties are expensed and charged to earnings in the period in which they are incurred.

g) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)
(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at March 31, 2016 and December 31, 2015, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

i) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the earliest of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

j) Stock-Based Compensation

The fair value method of accounting is used for stock-based compensation transactions. Under this method, the cost of stock options and other stock-based compensation is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other stock-based compensation, consideration received on the exercise of these equity instruments is recorded as share capital and the related stock-based compensation reserve is transferred to share capital.

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

For The Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

l) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

m) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

For The Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

i) Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- **Financial assets at fair value through profit or loss** ó Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash falls into this category of financial instruments.
- **Loans and receivables** ó Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's promissory note receivable falls into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets (Continued)

- **Held-to-maturity investments** ó Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.

Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired as determined by reference to external credit ratings, then the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

- **Available-for-sale financial assets** ó Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred.

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Notes to the Consolidated Financial Statements
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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

ii) Financial Liabilities (Continued)

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- **Financial liabilities at fair value through profit or loss** ó Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's bank overdraft falls into this category.
- **Other financial liabilities** ó Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable and other liabilities, loans payable, and amounts due to related parties fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

n) Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year. These reclassifications have no effect on the consolidated net comprehensive loss for the year ended December 31, 2015.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

ALLIANCE MINING CORP.

Notes to the Consolidated Financial Statements

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NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

a) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

As at March 31, 2016 and December 31, 2015, the Company has no material impairment of its non-current assets.

b) Decommissioning and Restoration Provision

The decommissioning and restoration provision is based on future cost estimates using information available at the reporting date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent and costs of required decommissioning and restoration activities. Actual costs may differ from these estimates.

As at March 31, 2016 and December 31, 2015, the Company has no material decommissioning and restoration liabilities.

c) Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The accounting standard, amendment to standards, and interpretation listed below are issued but not yet effective up to the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standard and interpretation, if applicable, when it becomes effective. The Company has not yet determined the impact of this standard on its consolidated financial statements.

IFRS 9 – Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of International Accounting Standard (IAS) 39 and applies to classification and measurement of financial assets and financial liabilities, as defined in IAS 39. The standard was initially effective for annual period beginning on or after January 1, 2014, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2018.

ALLIANCE MINING CORP.
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NOTE 5 – PROPERTY AND EQUIPMENT

	Computer Equipment \$	Furniture and Equipment \$	Total \$
COST			
At December 31, 2015	9,465	4,997	14,462
Disposition	-	-	-
At March 31, 2016	9,465	4,997	14,462
ACCUMULATED DEPRECIATION			
At December 31, 2015	9,169	4,425	13,594
Depreciation Charge	22	11	33
At March 31, 2015	9,191	4,436	13,627
NET BOOK VALUE			
At December 31, 2015	296	572	868
At March 31, 2016	274	561	835

NOTE 6 – LOAN PAYABLE

	March 31, 2016 \$	December 31, 2015 \$
Loan Payable to 0873540 BC Ltd	85,000	75,000
Accrued Interest	7,591	5,026
	92,591	80,026

On May 5, 2015, the Company issued a \$75,000 (2014 - \$nil) convertible debenture (the "Debenture"). At the option of the holder, the principal amount of the Debenture is to be converted into 1,500,000 units. One unit consists of one common share and one share purchase warrant. One warrant entitles the holder to acquire one additional common share of the company at an exercise price of five cents per share for 60 months following the date of issuance.

The Debenture had a maturity date of October 5, 2015 and was subject to an interest rate of 10% over the term of the Debenture.

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NOTE 6 – LOAN PAYABLE (Continued)

The Debenture is recorded in part as a liability and in part as shareholders' equity. The Company uses the residual valuation method to determine the debt and equity components of the convertible debenture. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity.

The Debenture has been accreted to its face value at maturity through a charge to operations. For the year ended December 31, 2015, the Company recorded accretion expense in the amount of \$1,494 (2014 - \$nil).

On February 5, 2016, the Company and the lender entered into an agreement to extend the loan for an extension fee of \$10,000 and to accrue interest on the principal at a rate of 12% per annum.

For the period ended March 31, 2016, the Company recorded interest expense of \$7,591 (2015 - \$nil).

NOTE 7 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited Number of Class 'A' Common Shares, Voting, Without Par Value.
Unlimited Number of Class 'B' Common Shares, Non-Voting, Without Par Value.

b) Issued and Outstanding Common Shares

As at March 31, 2016 there were 52,508,310 common shares issued and outstanding.

c) Share Purchase Warrants

The continuity of share purchase warrants for the period ended March 31, 2016, is summarized below.

Expiry Date	Exercise Price	December 31, 2015	Issued	Exercised	Expired/Cancelled	March 31, 2016
April 22, 2020	\$0.05	5,388,000	-	-	-	5,388,000
Total		5,388,000	-	-	-	5,388,000
Weighted Average Exercise Price		\$0.05	-	-	-	\$0.05

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NOTE 7 – SHARE CAPITAL (Continued)

d) Stock Options

The Company has established a Stock Option Plan which provides for the granting of incentive stock options up to a maximum of 10% of the Company's issued and outstanding common shares. The terms of the options granted are subject to determination and approval by the Board of Directors.

There were no stock options outstanding as at March 31, 2016 and December 31, 2015

NOTE 8 – RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Related Party Balances

As at March 31, 2016 and December 31, 2015, the Company has the following amounts owed to related parties:

	March 31, 2016 \$	December 31, 2015 \$
Due to a Director (also an officer) for Consulting Services and other expenses	249,700	217,252
Due to an Officer for Accounting Services	-	2,000
Due to a company controlled by a director for Rental Services	81,405	81,405
Loan due to a person related to a Director	10,000	10,000
	341,105	310,657

b) Compensation of Key Management Personnel and Other Related Parties

The Company incurred consulting and management fees for services provided by key management personnel for the period ended March 31, 2016 and 2015, as described below. All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	2016 \$	2015 \$
Consulting Fees	30,000	30,000
Rent and Office	-	9,000
	30,000	39,000

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NOTE 9 – COMMITMENTS

Consulting Agreements

On September 1, 2013, the Company signed a consulting agreement with a Director of the Company to provide consulting services for a monthly fee of \$10,000 for a period of three years.

NOTE 10 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 2(m). The Company's risk management is coordinated in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

a) 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 is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. The Company has a working capital deficiency of \$610,903 as at March 31, 2016. There can be no assurance that such financing will be available on terms acceptable to the Company.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management considers that risk related to interest is not significant to the Company at this time as the Company has limited short term investments. Amounts owed to related parties are non-interest bearing.

c) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company is in the exploration stage and has not yet commenced commercial production or sales. The Company is not exposed to significant credit risk.

d) 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 foreign exchange rates. The Company conducts a significant portion of its business activities in foreign currency. The Company is exposed to foreign exchange risk to the extent it incurs mineral exploration expenditures and operating costs denominated in U.S. Dollars. The Company does use derivatives to manage its exposure to foreign exchange risk.

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NOTE 10 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity prices. The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of gold. The Company has not hedged any of its future gold sales. The Company's input costs are also affected by the price of fuel. The Company closely monitors gold and fuel prices to determine the appropriate course of action to be taken.

f) Fair Values

The Company uses the following hierarchy for determining fair value measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's financial instruments measured at fair value use Level 1 valuation technique during the period ended March 31, 2016 and December 31, 2015. The carrying values of the Company's financial assets and liabilities approximate their fair values as at March 31, 2016 and December 31, 2015.

NOTE 11 – CAPITAL MANAGEMENT

The Company manages its share capital as capital, which as at March 31, 2016, was \$4,050,512 (December 31, 2015 - \$4,050,512). The Company's objectives when managing capital are:

- i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii) to ensure the entity has the capital and capacity to support a long-term growth strategy.

The Company's capital structure reflects the requirements of a company focused on significant growth in a capital intensive industry. The Company faces lengthy development lead times, as well as risks associated with rising capital costs and timing of project completion because of the availability of resources, permits and other factors beyond our control. The Company's operations are also affected by potentially significant volatility of the metals and materials cycles.

Management continually assesses the adequacy of the Company's capital structure and makes adjustments within the context of its strategy, the base metal mining industry, economic conditions, and the risk characteristics of the Company's assets. To adjust or maintain its capital structure, the Company may enter into new credit facilities or issue new shares.

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NOTE 11 – CAPITAL MANAGEMENT (Continued)

The Company has several key policy guidelines for managing its capital structure:

- i) maintain a liquidity cushion that allows the Company to address operational and/or industry disruptions or downturns;
- ii) ensure the Company has enough funding to complete its development programs at or around the time a definitive decision is made to move forward with a project; and
- iii) maintain a conservative level of debt relative to total capital and earnings within the context of financial forecasts for pricing, costs and production.

The Company's share capital is not subject to external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes in the Company's approach to capital management during the period ended March 31, 2016.