



For The Nine Months Ended September 30, 2017

Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

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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 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 Alliance Mining Corp. for the period ended September 30, 2017 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 interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ALLIANCE MINING CORP.

Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	Note	September 30, 2017 \$	December 31, 2016 \$
ASSETS			
CURRENT			
Cash		57,530	16,337
GST/HST Recoverable		3,226	3,905
		<u>60,756</u>	<u>20,242</u>
LIABILITIES			
CURRENT			
Accounts Payable and Other Liabilities		225,941	165,441
Due to Related Parties	6(a)	517,751	418,699
Convertible Debenture Payable	4	<u>100,150</u>	<u>91,703</u>
		<u>843,842</u>	<u>675,843</u>
SHAREHOLDERS' DEFICIENCY			
Share Capital	5	4,200,512	4,200,512
Share Subscriptions Received	10	89,500	-
Equity Component of Convertible Debentures		1,494	1,494
Deficit		<u>(5,074,592)</u>	<u>(4,857,607)</u>
		<u>(783,086)</u>	<u>(655,601)</u>
		<u>60,756</u>	<u>20,242</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Subsequent Event (Note 10)

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

Approved on behalf of the Board:

"Al Beaton"
Al Beaton, Director

"Chris Anderson"
Chris Anderson, Director

ALLIANCE MINING CORP.

Interim Statements of Shareholders' Deficiency

For The Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Class "A" Common Shares	Share Capital \$	Subscription Received \$	Equity Component of Convertible Loan \$	Deficit \$	Total Shareholders' (Deficiency) \$
Balance, December 31, 2015	52,508,310	4,050,512	-	1,494	(4,591,654)	(539,648)
Shares Issued for Private Placement	7,500,000	150,000	-	-	-	150,000
Net Comprehensive Loss	-	-	-	-	(188,040)	(188,040)
Balance, September 30, 2016	60,008,310	4,200,512		1,494	(4,779,694)	(577,688)
Balance, December 31, 2016	60,008,310	4,200,512	-	1,494	(4,857,607)	(655,601)
Share Subscription Received	-	-	89,500	-	-	89,500
Net Comprehensive Loss	-	-	-	-	(216,985)	(216,985)
Balance, September 30, 2017	60,008,310	4,200,512	89,500	1,494	(5,074,592)	(783,086)

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

ALLIANCE MINING CORP.

Interim Statements of Comprehensive Loss

For The Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
		\$	\$	\$	\$
EXPENSES					
Accounting, Audit and Legal		8,144	8,000	26,010	28,041
Automotive and Travel		750	750	3,247	2,250
Bank Charges and Interest		2,967	2,613	8,474	6,643
Consulting	6(b)	41,266	30,000	105,804	90,539
Depreciation		-	32	-	97
General and Administration		10,329	10,241	27,478	37,579
Regulatory and Filing Fees		1,464	3,298	18,972	15,283
Rent		9,000	9,000	27,000	27,000
		73,920	63,934	216,985	207,432
LOSS BEFORE OTHER ITEMS		(73,920)	(63,934)	(216,985)	(207,432)
Accounts Payable Written Off		-	-	-	19,392
NET COMPREHENSIVE LOSS FOR THE PERIOD		(73,920)	(63,934)	(216,985)	(188,040)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.00)	(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		60,008,310	63,513,745	60,008,310	56,217,101

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

ALLIANCE MINING CORP.

Interim Statements of Cash Flows

For The Nine Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
CASH PROVIDED FROM (UTILIZED FOR)				
OPERATING ACTIVITIES				
Net Loss for the Period	(73,920)	(63,934)	(216,985)	(188,040)
Non-Cash Items				
Depreciation	-	32	-	97
Accounts Payable Write Off	-	-	-	(19,392)
	(73,920)	(63,902)	(216,985)	(207,335)
Change in Non-Cash Working Capital Accounts				
GST/HST Recoverable	235	526	679	(67)
Accounts Payable and Other Liabilities	30,249	21,152	60,500	143
Due to Related Parties	3,274	36,231	99,052	57,730
Loan Payable	2,940	2,613	8,447	8,984
	(37,222)	(3,380)	(48,307)	(140,545)
FINANCING ACTIVITIES				
Proceeds from Issuance of Shares	-	-	-	150,000
Share Subscriptions Received	89,500	-	89,500	-
	89,500	-	89,500	150,000
INCREASE (DECREASE) IN CASH	52,278	(3,380)	41,193	9,455
Cash, Beginning of the Period	5,252	13,011	16,337	176
CASH, END OF THE PERIOD	57,530	9,631	57,530	9,631

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

ALLIANCE MINING CORP.

Notes to the Financial Statements

For The Nine Months Ended September 30, 2017

(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 888 Dunsmuir Street, Vancouver, Suite 888, British Columbia, Canada, V6C 3K4.

These 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 \$5,074,592 and a working capital deficiency of \$783,086 as at September 30, 2017; accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These unaudited financial statements were approved and authorized for issue by the board of Directors on November 27, 2017.

ALLIANCE MINING CORP.

Notes to the Financial Statements

For The Nine Months Ended September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Preparation

These interim 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. These interim financial statements do not include all the information required for full annual financial statements. The interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016. The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been 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 when it becomes effective.

a) IFRS 9 – Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The mandatory effective date has been set for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not intend to early adopt IFRS 9. The Company has not yet determined the impact of this standard on its financial statements.

NOTE 4 – CONVERTIBLE DEBENTURE PAYABLE

	September 30, 2017 \$	December 31, 2016 \$
Convertible Debenture Payable	85,000	85,000
Accrued Interest	15,150	6,703
	100,150	91,703

On May 5, 2015, the Company issued a \$75,000 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. Each 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 of the units.

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.

ALLIANCE MINING CORP.

Notes to the Financial Statements

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(Expressed in Canadian Dollars)

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NOTE 4 – CONVERTIBLE DEBENTURE 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 period ended December 31, 2015, the Company recorded accretion expense in the amount of \$1,494.

For the period ended September 30, 2017, the Company recorded interest expense of \$15,150 (December 31, 2016 - \$6,703). On February 5, 2016, the Company and the lender entered into an agreement to extend the term of the debenture by agreeing to an extension fee of \$10,000 and to increase the interest rate on the debenture to 12% per annum.

NOTE 5 – 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 September 30, 2017 there were 60,008,310 common shares issued and outstanding.

c) Share Purchase Warrants

The continuity of share purchase warrants for the period ended June 30, 2017, is summarized below.

Expiry Date	Exercise Price	December 31, 2016	Issued	Exercised	Expired/ Cancelled	September 30, 2017
April 22, 2020	\$0.05	5,388,000	-	-	-	5,388,000
May 18, 2021	\$0.05	7,500,000				7,500,000
Total		12,888,000	-	-	-	12,888,000
Weighted Average Exercise Price		\$0.05	-	-	-	\$0.05

ALLIANCE MINING CORP.

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(Expressed in Canadian Dollars)

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NOTE 5 – 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 September 30, 2017 and December 31, 2016.

NOTE 6 – 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 September 30, 2017 and December 31, 2016, the Company has the following amounts owed to related parties:

	September 30, 2017 \$	December 31, 2016 \$
Due to a Director (also an officer) for consulting services and other expenses	467,551	366,167
Due to a company controlled by a director for Rental Services	40,200	40,200
Due to a company controlled by a an Officer	-	2,332
Loan due to a person related to a Director	10,000	10,000
	<u>517,751</u>	<u>418,699</u>

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 September 30, 2017 and 2016, as described below. All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	2017 \$	2016 \$
Consulting Fees	<u>90,000</u>	<u>90,000</u>
	<u>90,000</u>	<u>90,000</u>

ALLIANCE MINING CORP.

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For The Nine Months Ended September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 7 – COMMITMENTS

Consulting Agreements

On August 01, 2015, the Company renewed the consulting agreement (initially signed August 2012) with a Director of the Company to provide consulting services for a monthly fee of \$10,000 for a period of three years.

NOTE 8 – 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(j) of the audited financial statements. 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 has a working capital deficiency of \$783,086 as at September 30, 2017. 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. 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 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.

ALLIANCE MINING CORP.

Notes to the Financial Statements

For The Nine Months Ended September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 8 – 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 September 30, 2017 and December 31, 2016. The carrying values of the Company's financial assets and liabilities approximate their fair values as at September 30, 2017 and December 31, 2016.

NOTE 9 – CAPITAL MANAGEMENT

The Company manages its share capital as capital, which as at September 30, 2017, was \$4,050,512 (December 31, 2016 - \$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.

ALLIANCE MINING CORP.

Notes to the Financial Statements

For The Nine Months Ended September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

NOTE 9 – 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 September 30, 2017.

NOTE 10 – SUBSEQUENT EVENT

- In January 2017, the Company signed an option agreement (the "Agreement") with Tiberius Gold Corp. ("Tiberius") a private company, under which the Company may acquire 100% of Tiberius' property (the "Property") located in the Bissett Gold Mine Camp in Manitoba (the "Transaction").

Under the terms of the Agreement, the Company may earn-in a 100% interest in the Property by making certain staged cash payments and/or share payments of common shares of the Company to Tiberius over a four year period as follows:

	Cash and/or Common Shares Equivalent
On or before 90 days of the TSX Venture Exchange's ("the Exchange") approval of the Transaction	250,000
On or before the first anniversary of the approval date	250,000
On or before the second anniversary of the approval date	250,000
On or before the third anniversary of the approval date	250,000
On or before the fourth anniversary of the approval date	250,000
	1,250,000

As of the quarter ended September 30, 2017, the Transaction has been approved by the Exchange.

- In November 2017, the Company completed a non-brokered private placement and issued 6 million units at a price of \$0.05 per unit for a gross proceeds of \$300,000. Each unit consists of one common share and one transferable common share purchase warrant. Each whole warrant is exercisable for one additional common shares at a price of \$0.075 until November 10, 2022. The warrants are subject to a 10-day accelerated expiry provision if the closing price of the Company's share is \$0.15 or higher for 10 consecutive trading days.

As at September 30, 2017, the Company received \$89,500 in share subscriptions.