



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS

AND RESULTS OF OPERATIONS

FOR THE PERIOD ENDED JUNE 30, 2018

The following Management's Discussion and Analysis ("MD&A") of the financial condition of Alliance Mining Corp ("Alliance" or the "Company") and results of operations of the Company, should be read in conjunction with the unaudited interim financial statements including the notes thereto for the six months ended June 30, 2018 and the audited financial statements including the notes thereto for the years ended December 31, 2017. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). The Company's accounting policies are described in Note 2 of the Annual Financial Statements. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is August 27, 2018. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Description of Business

Alliance Mining Corporation is an exploration company engaged in resource exploration and project development. In this regard, the Company's plan is to acquire properties of merit and take them through the exploration phase and hopefully through feasibility and on to construction and into mining operations.

Overall Performance

The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings.

The Company has incurred recurring losses since its inception, and had an accumulated deficit of \$5,800,296 as at June 30, 2018 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

In addition, the Company has engaged in negotiations with creditors and significant shareholders and reviewed several strategic opportunities in the mining business with a view to increasing shareholder value.

Exploration and Evaluation of Assets

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 the Red Rice Lake 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 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

On November 21, 2017 the Transaction was approved by the TSX Venture Exchange. Pursuant to the terms of the Agreement, the Company issued 500,000 common shares with a value of \$25,000 to an arm’s length party as finder’s fee.

The Company made the first payment of \$250,000 by issuing five million common shares to Tiberius on February 20, 2018.

In March 2018, the Company entered into three agreements to acquire the net smelter rights (NSR) regarding the Red Rice Lake property. Pursuant to the terms of the agreements, the Company issued a total of 600,000 common shares valued at \$30,000, and made two cash payments totaling \$50,000.

Acquisition and exploration costs incurred in the six months ended June 30, 2018 totaled \$437,154 (2017 – Nil).

Results of Operations

	June 2018 \$	June 2017 \$
Financial results:		
Net loss for the year	(627,972)	(143,065)
Basic and diluted gain per share	(0.00)	(0.00)
Balance sheet date		
Cash	6,753	6,466
Total assets	17,513	9,568
Shareholders’ equity	(1,004,690)	(728,519)

For the period ended June 30, 2018, Company reported a loss of \$627,972 (2017 - \$143,065). The Company’s loss per share was \$0.00 (2017 - \$0.00). The increase in the loss reported is a result of an increase in exploration and acquisitions (\$437,154 for the period ended June 30, 2018 vs \$Nil in 2017) as well the Company saw an increase in the

area of stock promotion and investor relations, (\$37,500 for the period ended June 30, 2018 vs \$Nil for the same period in 2017).

Analysis of the results of operation for the period ended June 30, 2018

Expenses

Expenses during the period ended June 30, 2018 were \$627,972 (2017 – \$143,065). Significant increases in expenses for the period ended June 30, 2018 includes:

Administrative and General Expenses	Three Months Ended June30, 2018 \$	Three Months Ended June30, 2017 \$	Six Months Ended June30, 2018 \$	Six Months Ended June30, 2017 \$
Accounting, Audit and Legal	12,741	8,566	20,241	17,866
Advertising, Marketing and Investor Relations	22,500	-	37,500	-
Automotive and Travel	750	750	1,500	2,497
Bank Charges and Interest	3,241	2,823	6,331	5,507
Consulting	39,000	34,538	73,500	64,538
Exploration and Acquisition Costs	105,514	-	437,154	-
General and Administration	9,385	10,732	18,496	17,149
Regulatory and Filing Fees	3,867	3,738	15,250	17,508
Rent	9,000	9,000	18,000	18,000
	205,998	70,147	627,972	143,065

General and Administrative Expenses – Six Month Period

- Consulting fees of \$73,500 (2017 - \$64,538), were accrued /paid to a company controlled by CEO of the Company for general management, strategic, financing, administrative services, project evaluation and future acquisition.
- Advertising, Marketing and Investor Relations of \$37,500 (2017 - \$Nil) paid for advertising and investor relation services. The increase is due to the engagement of an additional firm for IR services and advertising.
- Accounting, audit and legal of \$20,241 (2017 - \$17,866) increased due to the accrual of audit fees expected for the current year.
- The Company incurred \$18,496 (2017 - \$17,149) in general and administration costs during the year. This cost includes administration, office expenses, telephone, courier and postage, printing and insurance.
- Bank charges and interest of \$6,331 (2017 - \$5,507), increased due to the charges of interest on convertible debenture payable.
- Rent of \$18,000 (2017 - \$18,000) paid for office space.
- Filing and transfer agent fees of \$15,250 (2017 - \$17,508) consisted of fees paid to regulatory bodies in Canada in connection with routine filings.
- The Company incurred \$437,154 (2017 - \$Nil) in exploration expenditures on their mining exploration projects. This increase demonstrates the Company’s focus on their drill programs.

General and Administrative Expenses – Three Month Period

- Consulting fees of \$39,000 (2017 - \$34,538), were accrued /paid to a company controlled by CEO of the Company for general management, strategic, financing, administrative services, project evaluation and future acquisition.
- Advertising, Marketing and Investor Relations of \$22,500 (2017 - \$Nil) paid for advertising and investor relation services. The increase is due to the engagement of an additional firm for IR services and advertising.
- The Company incurred \$9,385 (2017 - \$10,732) in general and administration costs during the year. This cost includes administration, office expenses, telephone, courier and postage, printing and insurance.
- Accounting, audit and legal of \$12,741 (2017 - \$8,566) increased due to the accrual of audit fees expected for the current year.
- Bank charges and interest of \$3,241 (2017 - \$2,823), increased due to the charges of interest on convertible debenture payable.
- Rent of \$9,000 (2017 - \$9,000) paid for office space.
- Filing and transfer agent fees of \$3,867 (2017 - \$3,738) consisted of fees paid to regulatory bodies in Canada in connection with routine filings.
- The Company incurred \$105,514 (2017 - \$Nil) in exploration expenditures on their mining exploration projects. This increase demonstrates the Company’s focus on their drill programs.

Summary of Quarterly Reports

Results for the most recent quarters ending with the last quarter for the period ended March 31, 2018:

	Three Months Ended			
	June 30, 2018 \$	March 31, 2018 \$	December 31, 2017 \$	September 30, 2017 \$
Revenue	Nil	Nil	Nil	Nil
Net Income(Loss)	(205,998)	(421,974)	(97,732)	(73,920)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

	Three Months Ended			
	June 30, 2017 \$	March 31, 2017 \$	December 31, 2016 \$	September 30, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Net Income(Loss)	(70,147)	(72,918)	(77,913)	(63,934)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Over the last eight quarters, the Company has been exploring and acquiring property projects and the majority of the loss each quarter relates to the expenditures incurred in maintaining the operations of the Company and indirect cost in supporting the Company’s Projects.

Mineral exploration is typically a seasonal business, and accordingly, the Company’s operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company’s primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company’s activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company’s activity levels and the size and scope of planned exploration projects will typically increase.

Liquidity and Capital Resources

	June 30, 2018 \$	June 30, 2017 \$
Current assets	17,153	8,713
Property and Equipment	-	-
Total Assets	<u>17,153</u>	<u>8,713</u>
Total Liabilities	<u>1,021,843</u>	<u>807,379</u>
Shareholders’ Deficiency	<u>(1,004,690)</u>	<u>(798,666)</u>
Working Deficiency	<u>1,004,690</u>	<u>798,666</u>

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

For the period ended:

	June 30, 2018 \$	June 30, 2017 \$
Cash used in operating activities	(44,808)	(11,085)
Cash used in investing activities	-	-
Cash provided by financing activities	-	-
Change in cash	<u>(44,808)</u>	<u>(11,085)</u>

Convertible Debenture Payable

	June 30, 2018 \$	December 31, 2017 \$
Convertible Debenture Payable	85,000	85,000
Interest Payable	24,910	18,179
	<u>109,910</u>	<u>103,179</u>

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.

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.

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.

For the period ended June 30, 2018, the Company recorded interest expense of \$6,731 (2017 - \$5,507).

Transactions with Related Parties

a) Related Party Balances

As at June 30, 2018 and December 31, 2017, the Company has the following amounts owed to related parties:

	June 30, 2018	December 31, 2017
	\$	\$
Due to a Director (also an officer) for consulting services and other expenses ^(a)	590,718	392,680
Due to a company controlled by a Director ^(b)	40,200	40,200
Loan due to a person related to a Director ^(c)	10,000	10,000
	640,918	442,880

(a) A company owned by Chris Anderson

(b) Great Atlantic Mining Corp., a common Director, Allan Beaton

(c) A related party to Chris Anderson

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 June 30, 2018 and 2017, as described below. All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	June 2018	June 2017
	\$	\$
Consulting Fees ^(a)	60,000	60,000
	60,000	60,000

(a) Paid to a company owned by Chris Anderson

Commitments

Consulting Agreements

- a) 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. The agreement may be terminated by either party on one hundred eighty days written notice. On August 01, 2018 the consulting agreement was renewed for a period of five years at a rate of \$15,000 per month.
- b) On December 14, 2017, the Company entered into an agreement with an independent consultant to provide consulting services for a monthly fee of \$3,000 for a period of one year. The agreement may be terminated by either party on thirty days written notice.
- c) In February 2018, the Company entered into an agreement with Momentum Public Relations Inc. (“Momentum”) for investor relations services for a term of six months. Momentum will receive 500,000 stock options exercisable at \$0.05 for a period of five years and will be paid a fee of \$50,000 for the six months service.

Off Balance Sheet Agreements

The Company has not engaged in any off-balance sheet arrangements in the period ended June 30, 2018.

Critical Accounting Policies and Estimates

The details of Alliance’s accounting policies are presented in Note 2 of the audited financial statement ended December 31, 2017.

Changes in Accounting Policies

In preparing these interim financial statements as at June 30, 2018, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2017.

Risk and Uncertainties

There are no significant changes relating to the risk factors since the filing of the annual MD&A of December 31, 2017 and the June 30, 2018 interim financial statements and MDA.

Forward-Looking Information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Capital Risk Management

The Company manages its share capital as capital, which as at June 30, 2018, was \$4,787,208 (December 31, 2017 - \$4,507,208). 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.

Management Financial Risks

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) of the audited financial statement. 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 \$1,004,690 as at June 30, 2018. 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 from and 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.

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 June 30, 2018 and December 31, 2017. The carrying values of the Company's financial assets and liabilities approximate their fair values as at June 30, 2018 and December 31, 2017.

Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at www.sedar.com
- (b) On the Company's website at www.allianceminig.com
- (c) In the Company's annual audited financial statements for the year ended December 31, 2017.

Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outstanding Shares

	Number	Exercise Price	Expiry Date
Common shares	72,108,310	n/a	n/a
Stock options	Nil	n/a	n/a
Warrant	5,388,000	\$0.05	April 22, 2020
Warrant	7,500,000	\$0.05	May 18, 2021
Warrant	6,000,000	\$0.075	November 10, 2022
Finders' Warrants	228,000	\$0.075	May 11, 2022

Subsequent Event

- i) In August 2018, the Company signed a letter of Intent with Jadestone Energy LLC to acquire a 100% interest in Jadestone's Tonopah Uranium project. The Tonopah Uranium project is located in the Tonopah Mining district in Nye County and Esmerelda Country, Nevada. The project consists of 160 contiguous Bureau of Land Management claims covering an area of 3,200 acres. Pursuant to the terms of the Letter of Intent with Jadestone Energy LLC, the Company may earn-in a 100% interest in the property by making certain staged cash payments and share payments of common shares in the capital of the Company to Jadestone over a four year period as follows: (i) USD\$300,000 in cash; and (ii) USD\$1,700,000 in common shares. ALM must also expend a minimum of USD\$600,000 of exploration expenditures on the property over a four year period.
- ii) On August 01, 2018, 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 \$15,000 for a period of five years. The agreement may be terminated by either party on one hundred eighty days written notice.