



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS

AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

The following discussion is management's assessment and analysis of the results and financial condition of Alliance Mining Corp. ("Alliance" or the "Company") and should be read in conjunction with the accompanying audited financial statements for the year ended December 31, 2022 and related notes. The financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company. The financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is April 21, 2023. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Description of Business

Alliance Mining Corp. 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 \$8,078,353 as at December 31, 2022 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.

Private Placement and Share Issuance

- In July 2022, the Company returned to treasury 500,000 previously issued to 1911 Gold Corporation for the Greenbelt Property.
- In December 2022, the Company issued 2,000,000 units at \$0.06 per unit for total proceeds of \$120,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.12 per share for 60 months from date of issuance.

*Exploration and Evaluation of Assets***a) Red Rice Lake Property, Bisset, Manitoba, Canada**

In January 2017, the Company signed an option 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 totalling \$1,250,000 (\$250,000 annually over a five-year period).

On November 21, 2017, the Transaction was approved by the TSX-V. Pursuant to the terms of the Agreement, the Company issued 20,000 common shares with a value of \$25,000 to an arm’s length party as finder’s fee.

The Company made the first payment by issuing 200,000 common shares to Tiberius on February 09, 2018. The fair value recognized of \$200,000 was based on the closing quoted market price of the Company’s shares at the date of issuance.

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 24,000 common shares valued at \$30,000 and made two cash payments totaling \$50,000.

On February 27, 2020 and May 4, 2020, the Company made the remaining four payments of \$250,000 each by issuing 800,000 common shares of its capital to Tiberius Gold Corp. The Company has completed all payments to acquire 100% of Tiberius’ property located in the Bissett Gold Mine Camp in Manitoba. The fair value recognized of \$100,000 was based on the closing quoted market price of the Company’s shares at the date of issuance.

As of December 31, 2021, Tiberius has not transferred the 14 mineral claims comprising the Property to the Company. In August 2022, the Company commenced legal action against Tiberius alleging a breach of the agreement.

b) Moose Gold Property, Bisset Gold Mining Camp, Manitoba, Canada

In June 2021, the Company entered into an option agreement to purchase the Moose claim, in the Bissett-Rice Lake district of Southern Manitoba. The Moose claim lies eight kilometers southeast of San Antonio/True North mine-mill complex operated by 1911 Gold Corporation. The Company has the right to purchase a 100% interest in the Moose claims by making cash payments totaling \$100,000 over a five year period (annual payments of \$5,000 payable by June 11, 2021 to 2025 and \$75,000 payable by June 11, 2026) subject to a 1% net smelter return royalty. The Company had made a cash payment of \$5,000 in June 2021 and in July 2022.

c) Greenbelt Property, Manitoba, Canada

In June 2021, the Company entered into a purchase agreement with 1911 Gold Corporation (“1911 Gold”) to acquire 1911 Gold’s 50% interest in 27 contiguous mining claims totalling 410 hectares (collectively known as the “Greenbelt Property”) located south of Bissett, Manitoba, for total consideration of \$500,000, payable in cash or shares. On June 24, 2021, the Company issued 500,000 common shares with a fair value of \$500,000 to 1911 Gold.

Subsequent to the share issuance, the Company and 1911 Gold amended the terms of the original purchase agreement such that the \$500,000 was to be paid in cash only – in equal monthly payments of \$100,000 payable by the 23rd of every month from October 2021 to February 2022. During the year ended December 31, 2021, the Company paid \$250,000 to 1911 Gold.

In April 2022, the Company completed payment on the remaining \$250,000 and in July 2022, 1911 Gold returned the 500,000 shares back to the Company.

TSX-V has approved the Greenbelt Property acquisition.

Results of Operations

	2022 \$	2021 \$
Financial results:		
Net loss for the year	(447,674)	(856,397)
Basic and diluted gain per share	(0.06)	(0.15)
Balance sheet date		
Cash	212	1,040
Total assets	13,225	5,658
Shareholders' deficit	(2,441,969)	(2,112,945)

For the year ended December 31, 2022 the Company reported a loss of \$447,674 (2021 - \$856,397). The Company's loss per share was \$0.06 (2021 - \$0.15). The Company recorded a decrease in net losses due to a reduction in exploration spending. Other cost categories remain consistent but with higher regulatory fees and interest expense on loans to both independent and related parties.

Analysis of the results of operation for the year ended December 31, 2022

Expenses

Expenses during the year ended December 31, 2022 net losses were \$447,674 (2021 - \$856,397). The decrease in expenses for the year ended December 31, 2022 include:

Exploration and Evaluation Expenditures

As at December 31, 2022, the Company incurred exploration expenses of \$27,000 (2021 - \$512,750).

General and Administrative Expenses

Differences in general and administrative expenses incurred during the year ended December 31, 2022, are as follows:

- Consulting fees of \$180,000 (2021 - \$180,000), were accrued/paid to a company controlled by CEO of the Company for general management, strategic, financing, administrative services, project evaluation and future acquisition. Travel expenses of \$3,000 (2021 - \$3,000) and rent of \$42,000 (2021 - \$42,000) were also recorded.
- The Company incurred \$48,329 (2021 - \$39,660) in general and administration costs during the year. These costs include administration, office expenses, telephone, courier and postage, printing, and insurance.
- Accounting, audit and legal of \$52,338 (2021 - \$61,273) for legal and audit services.
- Bank charges of \$134 (2021 - \$424) and interest expense of \$78,277 (2021 - \$25,678), for interest accrued and paid on loans, the convertible debenture and related party loans.
- Filing and transfer agent fees of \$12,996 (2021 - \$22,268) consisted of fees paid to regulatory bodies in Canada in connection with routine filings.

Other Items

The Company wrote off \$Nil (2021 - \$37,500) for old accounts payable and forgiven debt.

Selected Annual Information

The following financial data is derived from the Company's audited financial statements for the years ended December 31, 2022, 2021 and 2020.

	2022 \$	2021 \$	2020 \$
Financial Results:			
Income	Nil	Nil	Nil
Net (loss) for the year	(447,674)	(856,397)	(414,218)
Basic and diluted loss per shares	(0.06)	(0.15)	(0.12)
Financial Position			
Working Deficit	(2,441,969)	(2,112,945)	(1,935,580)
Total Assets	13,225	5,658	4,620
Total Liabilities	2,455,194	2,118,603	1,940,200
Share Capital	5,634,890	6,016,240	4,837,208
Stock Option Reserve	Nil	Nil	Nil
Deficit	(8,078,353)	(7,637,583)	(6,781,186)

The Company's accounting policy is to expense the costs of acquiring, maintaining, exploring, and developing mineral properties.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries and are not intended to represent present or future values.

The Company has taken steps to verify title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, but these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Fourth Quarter

During the fourth quarter, the Company reported a net loss of \$112,955 compared to loss of \$64,894 in the fourth quarter of 2021. The Company recorded higher bank fees and interest expense on loans in the fourth quarter of 2022, \$23,094 compared to \$9,215 in 2022. All other cost categories, however, showed consistent results. The increase in interest and the 2021 write-off in accounts payable of \$37,500 accounts for the difference in the recorded net loss for the current period.

Summary of Quarterly Reports

Results for the most recent quarters ending with the last quarter for the period ended December 31, 2022:

	December 31, 2022 \$	Three Months Ended September 30, 2022 \$	June 30, 2022 \$	March 31, 2022 \$
Revenue	Nil	Nil	Nil	Nil
Net Income (Loss)	(112,955)	(117,324)	(120,122)	(97,273)
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.01)

	December 31, 2021 \$	Three Months Ended September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$
Revenue	Nil	Nil	Nil	Nil
Net Income (Loss)	(64,894)	(589,257)	(118,228)	(84,018)
Basic and diluted loss per share	(0.04)	(0.10)	(0.02)	(0.02)

Over the last eight quarters, the Company has been exploring and acquiring property projects and most 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 can 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

	December 31, 2022 \$	December 31, 2021 \$
Current assets	13,225	5,658
Property and Equipment	Nil	Nil
Total Assets	13,225	5,658
Total Liabilities	2,455,194	2,118,603
Shareholders' Deficiency	(2,441,969)	(2,112,945)
Working Deficiency	(2,441,969)	(2,112,945)

The Company does not generate enough 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.

	December 31, 2022 \$	December 31, 2021 \$
Cash used in operating activities	(119,478)	(678,754)
Cash provided by financing activities	118,650	679,032
Change in cash	(828)	278

During the year ended December 31, 2022,

- The Company had cash of \$212 (2021 - \$1,040) and working capital deficiency of \$2,441,969 (2021 - \$2,112,945).

Advances Payable

	December 31, 2022 \$	December 31, 2021 \$
	57,000	8,000

During the year ended December 31, 2022, the Company received an additional \$49,000 (2021 - repaid \$22,200) in advances to the Company. Advances payable are non-interest bearing, unsecured and have no specific terms of repayment unless otherwise specified.

Loan Payable

	December 31, 2022 \$	December 31, 2021 \$
Loan Payable	10,500	10,500
Accrued Interest	17,419	14,306
	27,919	24,806

On August 15, 2018, the Company entered into an agreement with an arm's length individual for a loan of \$33,000. During the year ended December 31, 2021, the Company repaid \$22,500 in loans, leaving an outstanding balance of \$10,500. The loan is unsecured, has a term of one year and is subject to an interest rate of 12% per annum.

For the year ended December 31, 2022, the Company recorded interest expense of \$3,113 (2021 - \$3,573).

Convertible Debenture Payable

	December 31, 2022 \$	December 31, 2021 \$
Convertible Debenture Payable	85,000	85,000
Interest Payable	101,412	80,625
	186,412	165,625

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 (60,000 post consolidated). 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 year 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 to an open ended maturity date, by agreeing to an extension fee of \$10,000 and to increase the interest rate on the debenture to 12% per annum.

For the year ended December 31, 2022, the Company recorded interest expense of \$20,787 (2021 - \$18,469).

Transactions with Related Parties

a) Related Party Balances

As at December 31, 2022 and 2021, the Company has the following amounts owed to related parties:

	2022 \$	2021 \$
Due to a Director (also an Officer) for consulting services, other expenses and loan including interest (a)	1,854,585	1,361,016
Due to a Director (also an Officer) for management services (b)	900	-
Due to companies with a common Director (c)	40,200	40,200
Loans due to persons related to a Director (d)	5,000	5,000
	<u>1,900,685</u>	<u>1,406,216</u>

(a) Chris Anderson and companies owned by Chris Anderson

(b) Scott Kent

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

(d) Family members related 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 years ended December 31, 2022 and 2021, as described below. All related party transactions were in the ordinary course of business and were measured at their exchange amount.

Consulting Fees and Allowances (a)	186,600	186,600
Management Fees (b)	3,600	-
Office and Administration Reimbursements (c)	7,291	3,611
	<u>197,491</u>	<u>190,211</u>

(a) Consulting Fee paid/accrued to a companies controlled/owned by the President and CEO of the Company, Chris Anderson.

(b) Management Fees paid/accrued to an Officer and a Director, Scott Kent

(c) Office reimbursements paid to a companies controlled/owned by the President and CEO of the Company, Chris Anderson.

Commitments

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.

Subsequent Events

In January 2023, the Company entered into an Office Service Agreement for a gross monthly fee of \$35,000 per month. Additional fees of \$7,500 per quarter and \$10,000 annually are also payable for the preparation of quarterly and annual financial statements. The agreement is for a five-year term, expiring December 31, 2027.

Off Balance Sheet Agreements

The Company has not engaged in any off-balance sheet arrangements in the year period ended December 31, 2022.

Critical Accounting Policies and Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

New Accounting Standards

Several new accounting standards, amendments to standards, and interpretations have been issued but not yet effective as of December 31, 2022. The Company is assessing the impact of these new standards but does not expect them to have a significant effect on the financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 “Leases”, and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company has determined that this standard has no material impact of its financial statements.

Risk and Uncertainties

The Company’s Operations and results are subject to several different risks at any given time. These factors include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

- (a) the state of the capital markets, which will affect the ability of the Company to finance further mineral property acquisitions and expand its contemplated exploration programs.
- (b) the prevailing market prices for base metals and precious metals
- (c) the consolidation and potential abandonment of the Company’s property as exploration results provide further information relating to the underlying value of the property.
- (d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

Other Risk Factors:

Nature of Mineral Exploration and Mining

There is no known economic recoverable mineral resource upon any of the Principal Properties. Development of any of the Principal Properties will follow only upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and of those properties which are explored, few are developed into producing mines. The Company provides no assurance that its mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by several factors out of the Company's control.

Mineral Deposits and Productions Costs, Metal Prices

Many factors affect the economics of developing mineral deposits, including variations in ore grade, cost of operations, and price fluctuations in of products sold. Metal prices heavily influence the value of the Principal Properties. Metal prices can and do change by substantial amounts over short periods of time and are affected by numerous factors beyond the Company's control, including changes in supply and demand, international economic and political trends, inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. The Company provides no assurance that the prices of mineral products will be enough to ensure that any of the Principal Properties can be mined profitably.

Depending on the price received for minerals produced, the Company may determine that it is impractical to commence or continue commercial production. The grade of any ore ultimately mined from a mineral deposit may differ from that predicted by drilling results.

Additional Financing

The Company has limited financial resources and provides no assurance that it will obtain additional funding for further exploration and development of its projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's Properties with the possible dilution or loss of such interests. Further, revenues, financings, and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its Properties.

Permits and Licenses

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained or plans to obtain all necessary licenses and permits required carrying on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development, and mining operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the Principal Properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the Principal Properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn in the world economies has driven the commodities prices much lower which has made raising capital more difficult more competitive than past years.

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 several estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties, and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Capital Risk Management

The Company manages its share capital as capital, which as at December 31, 2022, was \$5,634,890 (2021 - \$6,016,240). 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 return 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 the Company's 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.

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 year ended December 31, 2022.

Financial Instruments and Risk Management

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 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 \$2,441,969 (2021 - \$2,112,945) as at December 31, 2022. 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 is 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 years ended December 31, 2022 and 2021. The carrying values of the Company's financial assets and liabilities approximate their fair values as at December 31, 2022 and 2021.

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, 2022.

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	8,744,316	n/a	n/a
Stock options	Nil	n/a	n/a
Warrant	2,000,000	\$0.12	December 20, 2027
Finders' Warrants	Nil	n/a	n/a