



**ALIANZA MINERALS LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE NINE MONTHS ENDED JUNE 30, 2021**

**OVERVIEW AND INTRODUCTORY COMMENT**

Alianza Minerals Ltd. (“Alianza” or the “Company”) is a growth-oriented junior exploration and development company listed on the TSX Venture Exchange under the trading symbol “ANZ” and trades on the OTCQB market in the US under the symbol “TARSF”. The Company is a prospect generator focused on the Americas, particularly the Cordilleran regions that characterize western North and South America. As a prospect generator, the goal of Alianza is to acquire mineral exploration and evaluation assets (Mineral Properties) on attractive terms, add value through early-stage exploration and then vend or option some or all of a value-added Mineral Property to a third party explorer for further advancement. The Company has properties in Nevada and Colorado USA, Yukon and British Columbia Canada, and Peru. The Company also has a 1% NSR (capped at \$1,000,000) on certain properties in Mexico.

This MD&A is dated August 19, 2021 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the nine months ended June 30, 2021 and the Company’s audited consolidated financial statements for the year ended September 30, 2020 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com), and/or on the Company’s website at [www.alianzaminerals.com](http://www.alianzaminerals.com).

**MAJOR INTERIM PERIOD OPERATING MILESTONES**

**Haldane, Yukon Territory, Canada**

*Phase One Drilling*

On October 26, 2020, the Company reported that the Phase One drilling program had commenced at the Haldane property. On December 10, 2020, the Company reported that the Phase One diamond drilling program had been completed at the Haldane property.

On January 28, 2021, the Company reported results from the Phase One diamond drilling program’s holes HLD20-18 and HLD20-19 targeting the West Fault.

**2020 Significant Drill Intersections – West Fault Target**

Hole	From (m)	To (m)	Core Length (m)	Estimated True Width (m)	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Silver-Equivalent (g/t)*
<b>HLD20-18</b>	246.85	248.00	6.80	3.73	<b>96</b>	0.15	0.15	0.73	140
<b>HLD20-19</b>	225.50	226.01	0.51	0.28	<b>226</b>	0.02	4.61	25.90	1347
<b>and</b>	246.85	263.00	16.15	8.72	<b>311</b>	0.11	0.89	1.13	390
<b>including</b>	252.00	260.30	8.30	4.48	<b>444</b>	0.15	1.54	1.34	554
<b>including</b>	257.00	260.30	3.30	1.78	<b>818</b>	0.20	3.47	1.03	980

Analytical values have been rounded.

\*Silver-equivalent values are calculated assuming 100% recovery using the formula:  $((20 * \text{silver (g/t)} / 31.104) + (1650 * \text{gold (g/t)} / 31.104) + (0.90 * 2204 * \text{lead \%}/100) + (1.10 * 2204 * \text{zinc \%}/100)) * (31.1035 / 20)$ . Metal price assumptions are US\$20/oz silver, US\$1650/oz gold, US\$0.90/lb lead and US\$1.10/lb zinc.

The West Fault Complex is traced for over 650 metres and can be interpreted to extend to 1.1 kilometres in length before merging with the 2.2 kilometre-long Main Zone structure as interpreted from surface geology and historical drilling. Drilling to date has successfully intersected the West Fault over a fraction of this strike length and the target remains open in all directions. The high-grade results from HLD20-19 now allow for additional vectoring along possible high-grade ore-shoot orientations.

The 2020 program at the West Fault was designed to follow up on a 2011 intersection of 320 g/t silver, 1.12 g/t gold, 0.67% lead and 0.86% zinc over 2.20 metres obtained by a prior operator. HLD20-19 intersected 16.15 metres of heavily broken and faulted mineralization in the vein structure and adjacent footwall crackle breccia. HLD20-19 intersected the target structure 39 metres along strike and 55 metres down dip of the 2011 intersection. Much of the structure is heavily fractured and broken, but fragments of sulphide vein (galena, sphalerite +/- sulphosalts) in an iron-manganese carbonate matrix are evident. This is most apparent in a 4.48 metres (estimated true width) intersection averaging 444 g/t silver, 1.54% lead, and 1.34% zinc.

HLD20-18 tested the West Fault 18 metres along strike and 27 metres down dip of the 2011 hole. HLD20-18 returned 96 g/t silver, 0.15% lead and 0.73% zinc over 3.73 metres (estimated true width) from a well-defined structure dominated by iron-manganese carbonate gangue.

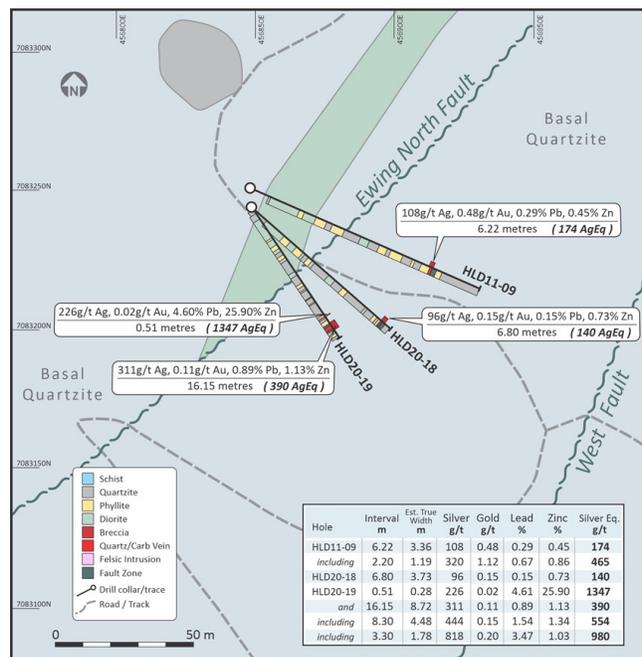


Figure 1: West Fault Plan View

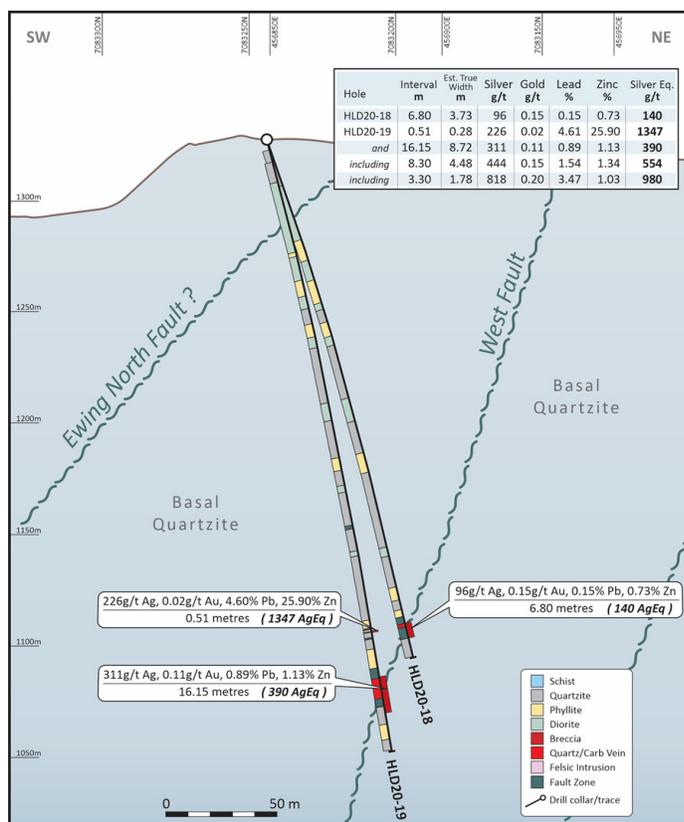


Figure 2: West Fault - HLD20-18 and -19 Cross Section – View looking 050°, +/- 25 metres

On February 16, 2021, the Company reported final results from the Phase One diamond drilling program's holes HLD20-20 and HLD20-21 targeting the Middlecoff Vein.

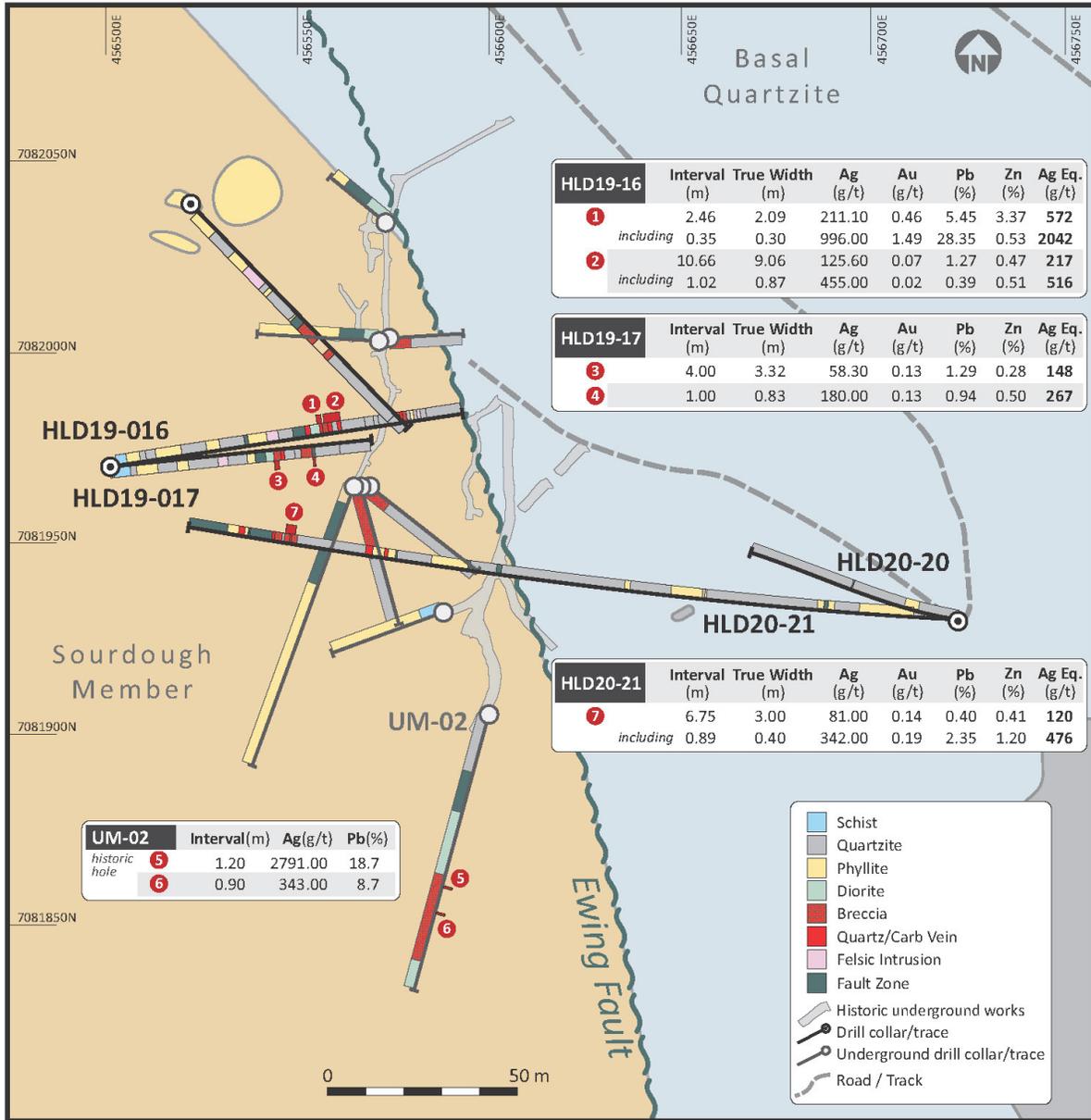
### 2020 Significant Drill Intersections – Middlecoff Target

Hole	From (m)	To (m)	Core Length (m)	Estimated True Width (m)	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Silver-Equivalent (g/t)*
<b>HLD20-21</b>	180.62	187.37	6.75	3.00	<b>81</b>	0.14	0.40	0.41	120
<b>including</b>	186.48	187.37	0.89	0.40	<b>342</b>	0.19	2.35	1.20	476

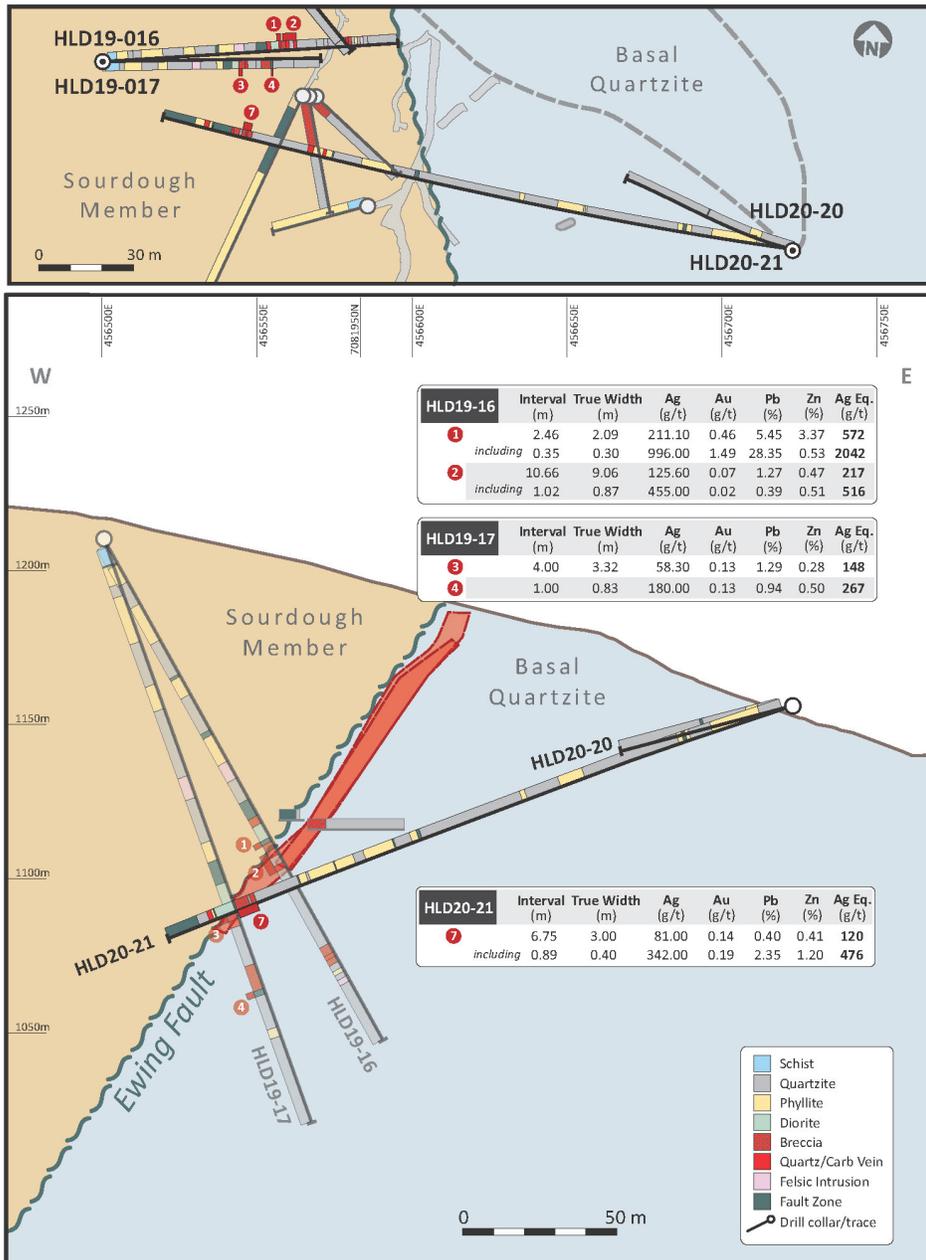
Analytical values have been rounded.

\*Silver-equivalent values are calculated assuming 100% recovery using the formula:  $((20 * \text{silver (g/t)} / 31.104) + (1650 * \text{gold (g/t)} / 31.104) + (0.90 * 2204 * \text{lead \%}/100) + (1.10 * 2204 * \text{zinc \%}/100)) * (31.1035 / 20)$ . Metal price assumptions are US\$20/oz silver, US\$1650/oz gold, US\$0.90/lb lead and US\$1.10/lb zinc.

The 2020 program at Middlecoff was designed to follow up a 2019 intersection of 455 g/t silver over 1 metre. HLD20-21 tested the Middlecoff vein 30 metres south of the 2019 holes and intersected heavily oxidized and broken fault-vein material with fragments of sulphide vein (galena, sphalerite +/- sulphosalts). The entire vein is approximately 6.75 metres in width (3.00 metres estimated true width), with 81 g/t silver, 0.14 g/t gold, 0.40% lead and 0.41% zinc (120 g/t silver-equivalent). The higher-grade portion of the vein was 0.89 metre wide (0.40 metre estimated true width), averaging 342 g/t silver, 2.35% lead and 1.20% zinc (476 g/t silver-equivalent\*), and consisted of grey fault breccia cemented by beige manganese carbonate and orange oxide material. The intersection appears to be bounded on either side by a quartz breccia which may be acting to constrain the vein in this area. HLD20-21 was drilled from the same pad as HLD20-20, which was terminated at 59 metres prior to the target depth due to excessive deviation. Both holes intersected narrow silver-bearing veins in the footwall of the Middlecoff mineralization.



**Figure 3: Middlecoff Plan View**



**Figure 4: Middlecoff - HLD20-20 and -21 Cross Section – View looking 005°, +/- 30 metres**

Phase Two Drilling

On April 29, 2021, the Company reported that the mobilization of equipment for the Phase Two diamond drilling program had commenced with road clearing and camp construction. On May 17, 2021, the Company announced that the Phase Two diamond drilling had commenced. The Phase Two program would systematically follow up on the West Fault result from Phase One drilling, testing along strike and down dip to define possible high-grade shoots associated with the 2020 intersection in HLD20-19.

On July 12, 2021, the Company reported the first analytical results from the 2021 drilling campaign.

The result in HLD21-24 extends the high grade mineralization from HLD20-19 an additional 80 metres to the southwest and down dip. The high-grade nature of this intersection is indicative of the potential of this target and other targets at Haldane.

#### West Fault Target Drill Intercepts from HLD21-24

Hole	Interval (m)	Est True Width (m) <sup>(1)</sup>	Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Silver Eq. <sup>(2)</sup> (g/t)
HLD21-24	5.24 <sup>(3)</sup>	3.14	1351	0.08	2.43	2.91	1542
Including	2.10	1.26	3267	0.11	5.80	7.02	3720

<sup>(1)</sup> True width of the vein and breccia mineralization is estimated to be 50-70% of the core length intersection. A value of 60% is used for the purposes of reporting.

<sup>(2)</sup> Silver-equivalent values are calculated assuming 100% recovery using the formula:  $((20 * \text{silver (g/t)} / 31.1035) + (1650 * \text{gold (g/t)} / 31.1035) + (0.90 * 2204 * \text{lead \%}/100) + (1.10 * 2204 * \text{zinc \%}/100)) * (31.1035 / 20)$ . Metal price assumptions are US\$20/oz silver, US\$1650/oz gold, US\$0.90/lb lead and US\$1.10/lb zinc.

<sup>(3)</sup> Core recovery is estimated at 70-75% with the exception of a 0.80 metre section where recovery was zero. A value of zero was assigned to silver, gold, lead and zinc for the section of zero core recovery for the purposes of composite interval calculations.

The West Fault structure in HLD21-24 was intersected over a 13 metre core length of fractured quartzite, fault gouge and brecciation. Mineralization is concentrated within a 2.1 metre section of massive siderite veining with approximately 10% galena and 10% sphalerite as cross cutting veins and masses. A few metres either side of the vein consists of fault gouge, highly fractured and brecciated quartzite with siderite veinlets with 1-2% sphalerite and trace disseminated galena. Recovery throughout the quoted intervals averages approximately 70-75% with the exception of an 80 centimetre interval above the 2.1 metre high grade section, where recovery was zero.

On July 28, 2021, the Company reported that it completed the 2021 Phase Two drilling campaign focusing on the West Fault target. A total of six holes were drilled (1,576.4 metres) with five reaching target depth, intersecting the West Fault structure and associated splays. Samples from the remaining drill holes targeting the West Fault are in process at the laboratory. It is expected that the complete results will be released in August and September.

On August 18, 2021, the Company announced the result in HLD21-25. HLD21-25 intersected the West Fault structure at 291.5 m over a core length of 13.38 m (estimated true width of 8.36 m), averaging 220.5 g/t Ag (325.0 g/t silver-equivalent). Strong siderite/sulphide breccia and veining was intersected at 293.44 m returning a 6.83 m (4.27 m estimated true width) intersection of 363.4 g/t silver (534.2 g/t silver-equivalent). The highest grade interval of 1.6 m (1.00 m estimated true width) of 1,107 g/t silver, 3.97% lead and 3.97% zinc (1,485 g/t silver-equivalent) consisted of very strong siderite-galena-sphalerite with trace tetrahedrite in veins and breccia. Siderite/sulphide veining is bounded on both sides by zones of clay-gouge with elevated silver content.

The West Fault intersection in HLD21-25 occurs approximately 25 metres uphole from where the target was modelled to occur and it is now believed that the West Fault is a complex of faults and splays rather than a single discrete fault structure. Narrow structures hosting siderite-galena-sphalerite veins have been intersected above the West Fault mineralization in previous holes (HLD20-19, HLD21-24) and are now thought to represent the upper splay of the West Fault, now referred to as WF2. The WF1 structure, host to the high grade silver mineralization previously released in hole HLD20-19 and HLD21-24, looks to weaken to down dip to the northwest, perhaps stepping over to the WF2 splay in this direction.

HLD21-22 and -23 were drilled to test mineralization 50 metres on strike of HLD20-19 to the southwest. HLD21-22 was lost in a fault at 116.70 metres depth. HLD21-23 successfully intersected the West Fault

Vein (WF1); however, recent remobilization of the fault is interpreted to have cut the vein mineralization off, yielding a 30 cm intersection of 145 g/t silver, 0.529 g/t gold, 0.30% lead and 19.3 % Zn (925.6 g/t Ag-equivalent). It appears that some of the intersection may have been lost as the footwall contact consists of rubble and gouge. Samples from the remaining two drill holes targeting the West Fault Complex are in process at the laboratory. It is expected that the next set of results will be released in late September.

Maps and cross-sections can be found below and on the Company's website at [www.alianzaminerals.com/project/haldane/](http://www.alianzaminerals.com/project/haldane/).

### **KRL, British Columbia, Canada**

On July 7, 2021, the Company reported that the Company received a Multi-Year Area-Based (MYAB) Mines Act Permit for exploration activities at the KRL Project from the British Columbia Ministry of Mines, Energy and Low Carbon Innovation. This Permit allows for activities including trenching and diamond drilling to be conducted at KRL, located in BC's Golden Triangle, until July 5, 2026. The property lies near the junction of McLymont Creek and the Iskut River, approximately 5 km from the McLymont Creek and Forrest Kerr power generation stations. Road access exists less than 2 km from the property boundary.

### **Tim, Yukon, Canada**

On May 4, 2021, the Company noted that a subsidiary of Coeur Mining Inc. has commenced an initial exploration program at the Tim silver project in southern Yukon, 19 kilometres northeast of Coeur's Silvertip mine. The current program consists of a SkyTEM airborne geophysical survey and will be followed up by groundwork later this field season. In accordance with the 2020 option agreement between Coeur and Alianza, Coeur is operating the Tim silver project exploration program.

The SkyTEM airborne geophysical survey is expected to collect magnetic and resistivity data over the concessions to help identify and delineate structural features on the property. It is also expected that these data will be valuable in mapping geology in areas of sparse outcrop. These data will be used to plan subsequent work including mapping, soil geochemical sampling and trenching later this summer.

The 2021 exploration program at Tim is targeting high-grade silver-lead-zinc carbonate replacement mineralization (CRM), similar to that found at Coeur's Silvertip operation. Coeur can earn an 80% interest in the property by (i) financing \$3,550,000 in exploration over five years and (ii) making scheduled cash payments totalling \$575,000 over eight years. Coeur must also finance a feasibility study and notify Alianza of its intention to develop a commercial mine on the property on or before the eighth anniversary from the date of notification of the Class 1 exploration permit.

### **Twin Canyon, Colorado, USA**

On March 10, 2021, the Company reported the results of the surface exploration program at the Twin Canyon Gold Project.

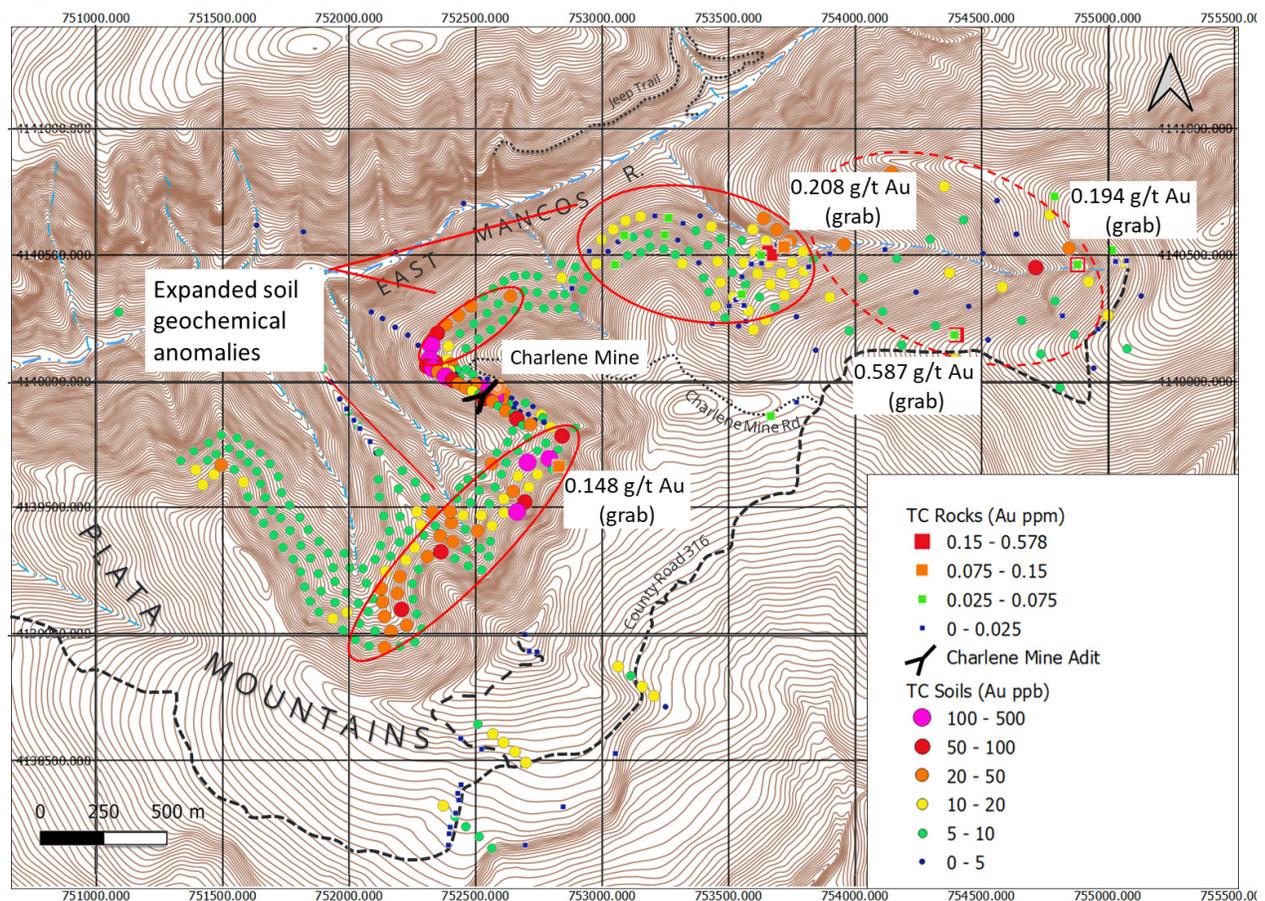
The current program expanded the size of the gold in soil anomaly footprint to over 3,000 meters along the prospective Junction Creek Sandstone. The anomalous values range from 10 ppb – 460 ppb gold. Limited sampling of both the stratigraphically lower Entrada, and stratigraphically higher Dakota, sandstones returned weakly anomalous gold values opening up two new prospective units with potential to host gold mineralization. In light of the successful expansion of the soil geochemical anomalies, Alianza had commenced permitting an initial drill program to test the extent of gold mineralization in the Junction Creek Sandstone and other targets that may be identified.

An underground structural mapping and sampling program was also completed and revealed that two types of black bitumen veins and fracture fills along with resistant brown coloured shears are associated with gold mineralization. Gold-bearing veins, fracture fills and shears dominantly strike north-east and dip to the south east. This orientation is approximately orthogonal to the axis of an anticline centred over

Twin Canyon. These types of mineralized veins returned 1.15 – 5.66 g/t gold from grab samples, while the immediate wall rock surrounding them consisting of disseminated bitumen-spotted sandstone and hard brown concretions also returned highly anomalous values ranging from 0.52 – 6.28 g/t gold. A sample of white, resistant deformation bands and wall rock with a north-west strike parallel to the strike of the anticline returned 1.45 g/t gold.

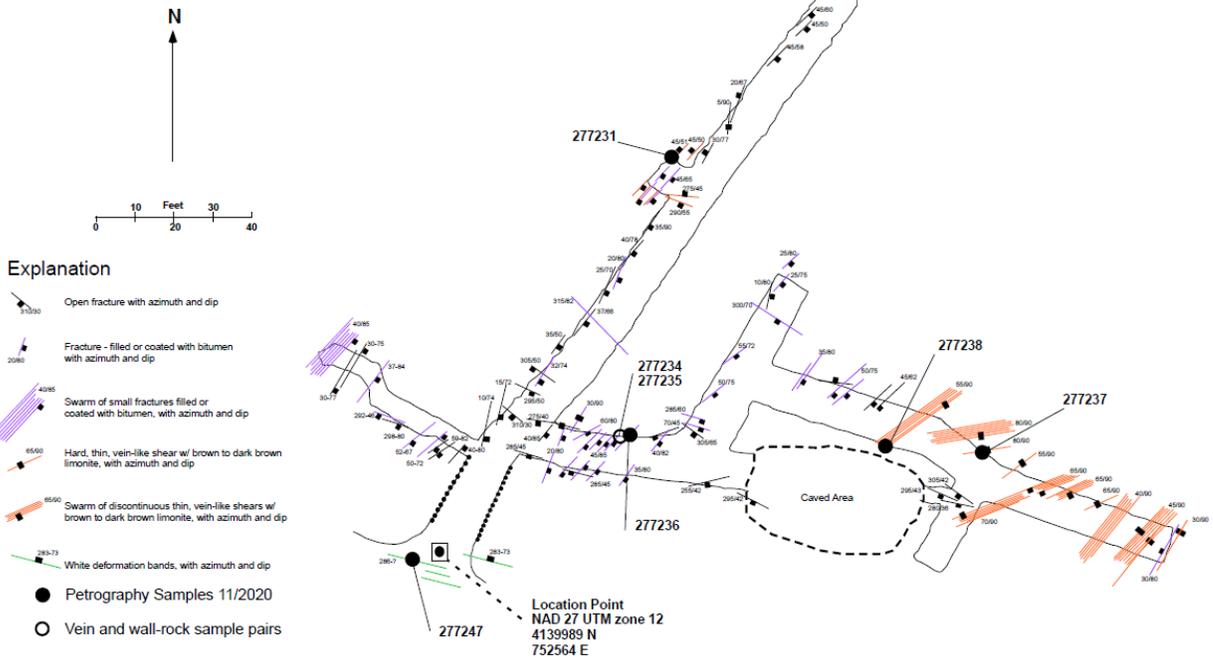
Alianza launched the 2020 fall program to follow up the successful first field program at Twin Canyon. Highlights of that work included expansion of the property to over four square kilometres, definition of a large gold in soil anomaly ranging from 20 – 460 ppb gold and measuring over 1,900 metres long by 100 metres wide, and the discovery of new areas of gold mineralization through limited prospecting. Results included 0.208 g/t gold in a grab sample of bitumen-spotted altered Junction Creek Sandstone.

Gold mineralization occurs at Twin Canyon in areas where the host sandstone unit is bleached and spotted with bitumen, with small amounts of limonite after pyrite. Optical and microprobe work carried out on mineralized samples indicate a direct gold – bitumen association raising the novel possibility that the mineralizing process at Twin Canyon is related to those associated with petroleum basin development. A small underground gold mine (the Charlene Mine) operated at Twin Canyon dating back to the mid-1950s. Historical sampling of the underground workings has returned grab samples ranging from 0.1 to 15.77 g/t gold. Twenty-eight historical channel samples 1.5 to 10 metres in length were anomalous in gold, eight of which exceeded 2 g/t gold (including a highlight of 8.1 g/t gold over 3 metres).



**Figure 5: Twin Canyon Soil and Rock Geochemistry Plan**

**Charlene Mine  
Montezuma County, Colorado  
Structure Map**



**Figure 6: Plan map of 2020 underground sampling and structural mapping**

**Twin Canyon – Charlene Structural Mapping – Grab Sample Results.**

Sample #	Gold g/t	Description
228408	4.50	bitumen vein type 1
228410	0.952	wall rock - bitumen vein type 1
277231	0.861	wall rock - hard brown shear
277232	2.22	hard brown concretion
277233	1.465	wall rock - bitumen vein type 1
277234	5.66	bitumen vein type 1
277235	6.28	wall rock - bitumen vein type 1
277236	3.86	wall rock - bitumen vein type 2
277237	0.518	wall rock - hard brown shear
277238	3.03	wall rock and shear - hard brown shear
277247	1.445	white deformation bands w/ wall rock
277248	0.52	wall rock - bitumen vein type 1
277249	1.145	wall rock - bitumen vein type 1 & 2

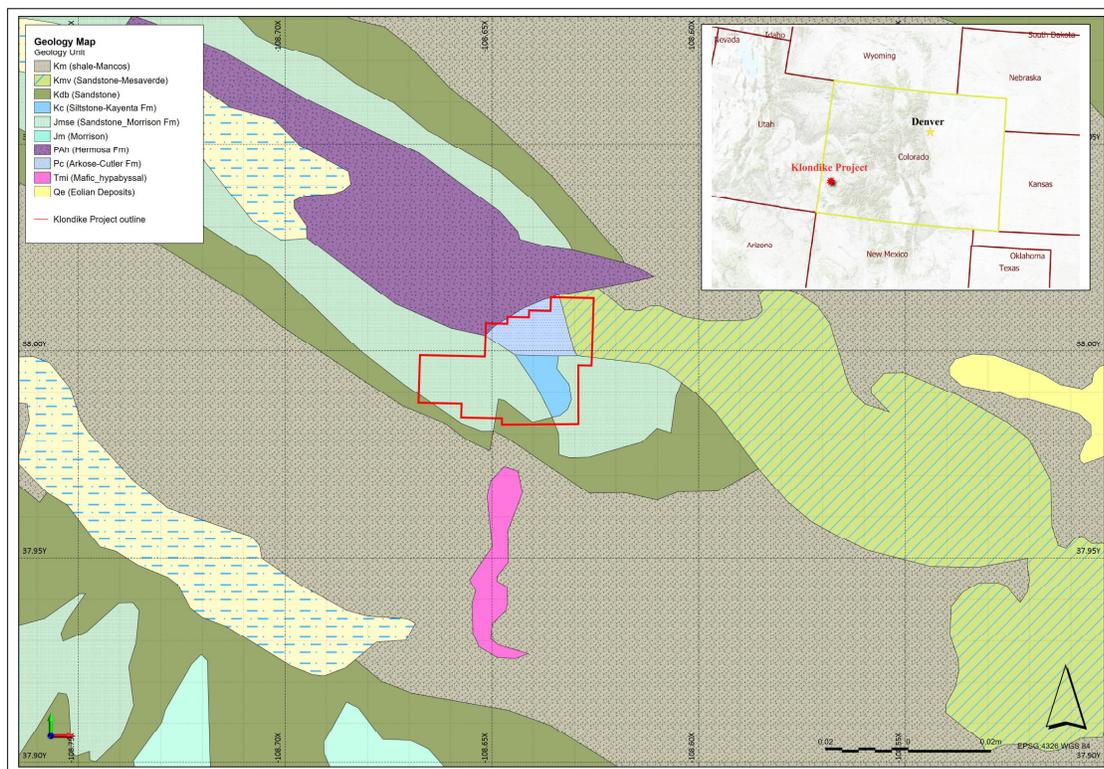
**Klondike, Colorado, USA**

On June 15, 2021, the Company and Imperial X PLC announced that the two companies struck a Strategic Alliance (the “Strategic Alliance”) to explore for copper deposits in the United States. This Strategic Alliance focuses on the identification, acquisition and advancement of copper projects in the southwestern US states of Arizona, Colorado, New Mexico and Utah. Together, the two companies intend to identify new copper exploration opportunities to acquire and advance with the intent of finding a partner to further the projects. Imperial X PLC changed its name to Cloudbreak Discovery PLC (“Cloudbreak”).

On July 15, 2021, the Company and Cloudbreak announced that the acquisition of the first project generated from their newly formed Strategic Alliance. The Klondike Property, located in Colorado, consists of 72 Bureau of Land Management (BLM) claims and a State of Colorado Exploration Permit with an exclusive right to a State Lease.

The Klondike project is located approximately 25 km south of Naturita, Colorado. This property lies within the Paradox Copper Belt, which includes the producing Lisbon Valley Copper Mine. There are numerous historical copper occurrences that have been identified throughout the district; however, many of these have not been explored using modern exploration techniques.

At Klondike, documented copper exploration ceased in the 1960s with subsequent exploration targeting uranium during the 1970s. Previous workers reported high-grade copper mineralization highlighted by results of 6.3% copper and 23.3 g/t silver in outcrop. In addition to its high-grade potential, disseminated copper-silver mineralization has been observed which may be amenable to modern open pit mining with Solvent Extraction Electro Winning (SXEW) processing similar to the Lisbon Valley Mine. Sedimentary-hosted copper deposits are an important contributor to world copper production, accounting for more than 20% of the world’s copper supply annually.



**Figure 7: Klondike Property Location Map**

Klondike is located at the southeast end of a gypsum salt anticline in a similar structural setting as Lisbon Valley. Copper mineralization occurs in bleached and altered, porous and permeable, sandstone units adjacent to small graben-bounding normal faults. Copper mineralization in outcrop includes malachite, azurite, chalcocite and black copper oxides.

Table 1 - Klondike prospect, samples 1999 JPT assays by Intertek Bondar Clegg # R99-10390.0 and #R99-10389.0

Sample number	Ag ppm	Cu ppm	Cu %	Pb ppm	Zn ppm	As ppm	Co ppm	Ba ppm	Cr ppm	V ppm
K 9	0.3		1.3	86	19	50	1	182	380	54
K 10	3.2		2.3	257	77	8	11	567	36	1950
K 11	16.7	5119		50	56	45	1	>2000	254	206
K 13	4.5	5137		43	27	<5	9	>2000	231	46
K 14	23.3		6.3	790	82	129	29	>2000	382	770
K 16	0.8	2442		21	31	<5	2	426	574	103
K 17	28.5	4295		34	52	25	4	268	131	96
K 18	85.4	3282		32	29	20	2	563	253	1590
K 19	<0.2		4.1	357	88	<5	68	1104	262	959
K 20	<0.2	1151		161	36	<5	9	644	187	612
K 21	3.7	7342		23	23	<5	5	1092	210	97
K 22	<0.2	113		15	9	<5	3	840	152	54
K 23	<0.2	603		42	43	6	1	>2000	325	98
K 24	<0.2	73		32	9	7	1	714	145	51
K 25	<0.2	30		33	124	<5	3	466	1412	54

Surface sampling of mineralized outcrops along the graben faults has yielded assay results up to 6.3% copper and 23.3 g/t silver. Eleven of 15 samples reported from a limited historical prospecting and mapping program returned assays ranging from 0.12 to 6.3% copper and below detection to 85.4 g/t silver. Additionally, disseminated copper-silver mineralization has also been identified in outcropping sandstones of Jurassic and Permian age. Both styles of mineralization will be investigated in upcoming work programs with the goal of refining drill targets in these units. Initial work will include detailed geological mapping, soil and rock sampling, and geophysics.

The project is road accessible year-round, traveling 2 km of gravel road from paved highway.

Under the terms of the Strategic Alliance, either company can introduce projects to the Strategic Alliance. Projects accepted into the Strategic Alliance will be held 50/50 but funding of the initial acquisition and any preliminary work programs will be funded 40% by the introducing partner and 60% by the other party. Project expenditures are determined by committee, consisting of two senior management personnel from each party. Alianza is the operator of alliance projects unless the Alliance steering committee determines, on a case-by-case basis, that Cloudbreak would be a more suitable operator. The initial term of the Alliance is two years and may be extended for an additional two years.

### **Horsethief, Nevada, USA**

On October 22, 2020, the Company announced that the gold results had been received for the final four holes of the ten-hole reverse circulation drilling program completed in August at the Horsethief property. HT20-009 at the Stallion target yielded a 76-metre intersection from surface of anomalous gold results up to 0.185 g/t from individual 1.5 metre samples. Anomalous gold results are associated with moderate to strong jasperoid development within the carbonate host rocks. One additional hole at the Stallion, one at the Mustang and one at the Thoroughbred target all intersected variable altered carbonate rocks with only spotty anomalous gold results.

On November 20, 2020, Hochschild terminated the earn-in on the Horsethief project. Thus, the Company retains 100% interest in the Horsethief project.

During the option period, Hochschild had forwarded a total of \$1,601,766 (US\$1,200,814) for the Horsethief property.

### **Yanac, Peru**

On April 28, 2021, the Company reported that it has acquired additional data pertaining to the Company's Yanac Copper Project in Peru.

The data obtained is from a five-hole reverse circulation drill program totalling 1,135 metres conducted in 2005 under a joint-venture between the Japan Oil, Gas, and Metals Corporation (JOGMEC) and Phelps Dodge. One hole from the 2005 program returned 232 metres averaging 0.23% copper and 0.015% molybdenum. Interrogation of the detailed drill log reveals that this hole was drilled largely within phyllic altered rocks leaving the enticing possibility that the potassic core of the system has not been properly tested. The data from the program will be further evaluated and incorporated into the existing database to target follow up drilling.

Work on the property identified a 1.2 by 0.9 kilometre target area consisting of copper-molybdenum soil geochemistry, chargeability and magnetic anomalies. This work was funded through an Alliance between Alianza's predecessor, Estrella Gold and Cliffs Natural Resources in 2011-2014. This defined a target area of porphyry style alteration and mineralization (pyrite-chalcopyrite-copper oxide-molybdenite) surrounded by a halo of quartz-pyrite veining. Chargeability anomalies suggest the porphyry target may extend at depth. A change in corporate direction at Cliffs resulted in termination of the alliance prior to the planned drilling.

The Company is actively seeking a partner to conduct the next phase of drilling at Yanac, testing the observed porphyry system at surface and potential extension to depth.

## **INTERIM PERIOD FINANCIAL CONDITION**

### **Capital Resources**

On October 9, 2020, the Company completed a non-brokered private placement by issuing 7,670,370 non-flow-through units ("Unit") at a price of \$0.135 per Unit for gross proceeds of \$1,035,500 and 13,881,130 flow-through shares ("FT Share") at a price of \$0.155 per FT Share for gross proceeds of \$2,151,575. Each Unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a 24-month period at a price of \$0.20 until October 9, 2022. The Company paid \$199,868 as a cash finder's fee and issued 1,339,036 finders' warrants. Each finder's warrant is exercisable into one common share at \$0.135 until October 9, 2022.

On June 14, 2021, the Company completed a non-brokered private placement by issuing 10,510,333 flow-through shares ("FT Share") at a price of \$0.12 per FT Share for gross proceeds of \$1,261,240. The Company paid \$79,870 as a cash finder's fee and issued 665,583 finder's warrants, each of which is exercisable into one common share at a price of \$0.12 until June 14, 2023.

On April 22, 2021, the Company issued 150,000 common shares as part of the acquisition cost for the claims contiguous to the Haldane property.

During the nine months ended June 30, 2021, the Company received \$626,805 from the exercise of 56,100 finder's warrants and 6,240,000 warrants.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants, finders' warrants and options, along with the planned developments within the

Company will allow its efforts to continue throughout 2021. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

### Liquidity

As at June 30, 2021, the Company had working capital of \$1,238,376 (September 30, 2020 – working capital deficiency of \$66,197). As at June 30, 2021, \$1,731,744 was held in cash (September 30, 2020 - \$278,993) and \$Nil was held in restricted cash (September 30, 2020 - \$83,070). The total increase of \$1,369,681 was due to: (a) net proceeds from financing activities of \$4,731,905; while being offset by (b) net exploration and expenditures assets expenditures of \$2,193,585; (c) operating activities of \$1,140,372 and (d) deposits of \$27,576.

### Operations

#### **For the three months ended June 30, 2021 compared with the three months ended June 30, 2020:**

Excluding the non-cash depreciation of \$Nil (2020 - \$47), the Company's general and administrative expenses amounted to \$180,236 (2020 - \$167,350), an increase of \$12,886. The change in the expenses was mainly due to the increases in investor relations and shareholder information (2021 - \$86,923; 2020 - \$57,235) and wages, benefits and consulting fees (2021 - \$45,792; 2020 - \$29,753) while being offset by accounting and legal fees (2021 - \$31,016; 2020 - \$64,002).

The other major item for the three months ended June 30, 2021, compared with June 30, 2020, was:

- Flow-through share premium recovery of \$131,470 (2020 - \$Nil).

During the period, the Company incurred a net loss of \$51,651 (2020 - \$99,075)

#### **For the nine months ended June 30, 2021 compared with the nine months ended June 30, 2020:**

Excluding the non-cash depreciation of \$Nil (2020 - \$140) and share-based payments of \$202,304 (2020 - \$Nil), the Company's general and administrative expenses amounted to \$787,978 (2020 - \$868,136), a decrease of \$80,158. The change in the expenses was mainly due to decreases in: (a) investor relations and shareholder information (2021 - \$395,773; 2020 - \$470,128); (b) accounting and legal fees (2021 - \$141,454; 2020 - \$181,788); (c) travel (2021 - \$180; 2020 - \$18,786); while being offset by the increases in: (d) property investigation expenses (2021 - \$37,906; 2020 - \$7,689); and (e) wages, benefits and consulting fees (2021 - \$146,818; 2020 - \$122,070) as the Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

The other major item for the nine months ended June 30, 2021, compared with June 30, 2020, was:

- Flow-through share premium recovery of \$291,556 (2020 - \$21,459).

During the period, the Company incurred a net loss of \$709,674 (2020 - \$776,148).

### **SIGNIFICANT RELATED PARTY TRANSACTIONS**

During the quarter, there was no significant transaction between related parties.

## COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As a result of the administrative practices with respect to mining taxation in Mexico, there can be significant uncertainty, in regards to when, or if, taxes are payable and the amount that may ultimately be payable. As at September 30, 2015, Mexican claim taxes totaling approximately \$766,000 had been levied. Of this amount, \$563,000 relates to properties that were held by Minera Tarsis, S.A. de C.V., which the Company has applied to wind up, and \$203,000 relates to properties being acquired. On February 16, 2016, the Company sold all its Mexican properties to Almadex, and reduced the claim taxes to \$173,783. These taxes will never be paid in full and any amount that will, or might, be payable cannot realistically be determined at this time. Accordingly, these taxes have been disclosed as a contingent liability, and not recognized as a liability or provision.

As of the date of the MD&A, the Company has no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

## RISK FACTORS

In our MD&A filed on SEDAR January 28, 2021 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by Alianza. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at June 30, 2021:

	Issued and Outstanding	
	June 30, 2021	August 19, 2021
Common shares outstanding	148,750,655	148,750,655
Stock options	5,815,000	5,815,000
Warrants	34,285,186	34,285,186
Finder's warrants	2,004,619	2,004,619
Fully diluted common shares outstanding	190,855,460	190,855,460

## QUALIFIED PERSON

Jason Weber, BSc., P.Geo is the Qualified Person as defined under National Instrument 43-101 responsible for the technical disclosure in this document. Mr. Weber is the President and Chief Executive Officer of Alianza and prepared the technical information contained in this MD&A – Quarterly Highlights.

### Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our

exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.