



MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
(EXPRESSED IN US DOLLARS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

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INTRODUCTION AND FORWARD-LOOKING STATEMENTS

This Management's discussion and analysis – quarterly highlights (“Quarterly Highlights”) of the financial position and results of operations of Alphamin Resources Corp. (“Alphamin,” or “the Company”) should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the three and six months ended June 30, 2018 and the audited annual consolidated financial statements of the Company as at December 31, 2017. In this discussion and analysis, unless the context otherwise dictates, a reference to the Company refers to Alphamin Resources Corp. and its subsidiaries. Additional information about Alphamin Resources Corp. is available on SEDAR at www.sedar.com. This Quarterly Highlights is dated August 29, 2018 and information contained herein is presented as of that date, unless otherwise indicated.

This Quarterly Highlights contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This Quarterly Highlights contains forward-looking statements relating to, among other things, guidance for production; total cash costs and all-in sustaining costs, and the factors contributing to those expected results, as well as expected capital expenditures; mineral reserve and mineral resource estimates; grades expected to be mined at the Company's operations; the expected production, costs, economics and operating parameters of the Bisie Tin Project; planned activities for the Company's operations and projects, as well as planned exploration activities; expected production for the Bisie Tin Project; and targeting timing for commissioning and full production (and other activities) related to the Bisie Tin Project, the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Such factors include, without limitation: significant capital requirements and the availability and management of capital resources; additional funding requirements; price volatility in the spot and forward markets for tin and other commodities; fluctuations in the international currency markets and in the rates of exchange of the currencies of the Democratic Republic of Congo (DRC) and the United States of America (US); discrepancies between actual and estimated production, between actual and estimated capital costs to build the Bisie Tin Mine; between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local government legislation in the DRC or any other country in which Alphamin currently or may in the future conduct business; taxation; controls, regulations and political or economic developments in the countries in which Alphamin does or may conduct business; the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction in which Alphamin operates, including, but not limited to: obtaining the necessary permits for the Bisie Tin Project in the DRC; the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law; the uncertainties inherent to current and future legal challenges Alphamin is or may become a party to; diminishing quantities or grades of reserves and resources; competition; loss of key employees; rising costs of labour, supplies, fuel and equipment; actual results of current exploration or reclamation activities; uncertainties inherent to mining economic studies including the Feasibility Study for the Bisie Tin Project; changes in project parameters as plans continue to be refined; accidents; labour disputes; defective title to mineral claims or property or contests over claims to mineral properties; risks, uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorisations and complying with permitting requirements, including those associated with the environment. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and losses of processed tin (and the risk of inadequate insurance or inability to obtain insurance to cover these risks), as well as “Risk Factors” included in this Quarterly Highlights and Alphamin's public disclosure documents filed on and available at www.sedar.com.



View of Mpama North complex under construction, taken from test flight at Bisie Airstrip, 14 July

DESCRIPTION OF THE BUSINESS

Alphamin is in the business of location, acquisition, exploration and, if warranted, development of mineral resource properties. The Company's exploration, evaluation and development efforts are focused on Bisie Tin Project in the Democratic Republic of the Congo ("DRC"). The Bisie Tin deposit occurs within Permis de Exploitation (Mining Permit) PE13155, along with 5 research permits granted to Alphamin's DRC-registered subsidiary, Alphamin Bisie Mining SA ("ABM"). ABM is an 80.75% indirect controlled subsidiary of Alphamin, with the remaining 19.25% owned by the DRC government (5%) and the Industrial Development Corporation of South Africa Ltd ("IDC") (14.25%). All tenements are located within the Walikale District, North Kivu Province of the east-central DRC and lie within one of the world's principal gold and tin metallogenic provinces.

KEY OPERATING MILESTONES

1. Project Funding

During the quarter ended June 30, 2018 the Company raised an additional \$47m for the construction of the Bisie Tin Project as laid out below. As at June 30, the remainder of the project is expected to be funded by cash on hand and the remaining \$45m available under the credit facility.

- a. On June 18, the Company announce that it had raised C\$19.2 million (US\$15.0 million) by issuing a total of 76,800,000 common shares of the Company (the "Common Shares") at a price of C\$0.25 per Common Share (the "Issue Price") through the closing of its previously announced non-brokered private placement (the "Private Placement").
- b. On June 8, 2018, the Company announced that it had completed a US\$25 million drawdown under its previously announced credit facility of up to US\$80 million (the "Credit Facility"). In addition, the Company converted US\$3.396 million of debt due to Sprott Private Resource Lending (Collector), L.P., Barak Fund SPC Limited and the Company's 44.86% shareholder, Tremont Master Holdings, in connection with the Credit Agreement into 17,389,387 common shares of the Company (the "Common Shares") at a price of C\$0.25 per Common Share (the "Debt Settlement").
- c. Additional equity funding from the Industrial Development Corporation of South Africa ("IDC") in the amount of approximately US\$7.1 million was received by the Company's 80.75% owned subsidiary, Alphamin Bisie Mining SA ("ABM"). The investment maintains the IDC's 14.25% shareholding in ABM.

2. Project development progress

As at August 29, 2018, construction is 75% complete and on track for commissioning in Q1 2019.

Safety

The Company has recorded 1,161,188 hours worked by 674 project employees with no lost time injuries reported. EPCM contractor DRA Projects has completed "Total Safety Culture" training on 293 employees.

Mine construction

The Company's underground mining contractor, Reliant SARL continued to progress ahead of schedule during and after the six months ended June 30, 2018, despite challenges with respect to explosives permitting and logistics. As at August 26, 2018, Reliant SARL had advanced a cumulative total of 1,709 meters compared to a target of 1,541. The capital footprint contemplates a total of 2,700 meters.

Access road and airstrip

The Company completed the construction of a 1200m airstrip, which is located approximately 11 km from the Bisie Tin Project. The Company intends to use the airstrip from Q3, 2018, following completion of the licensing process.

The Company's 36km access road from the nearest national road to the Bisie Tin Project has also been completed and deliveries are travelling the road without difficulty.

Process plant construction

The cut to fill operation continues and 180,448m³ of earth has been moved against a target of 178,306 m³.

Steel erection commenced during the quarter with a cumulative total of 256 tonnes erected as August 29. Plant construction is ahead of schedule.

Project logistics and procurement

The access routes to site are moving freely with approximately 400 out of a total of 550 loads delivered to site. Port congestion in Mombasa caused some concern early in the quarter but this has eased. Procurement is progressing well with approximately 90% of packages placed by value. To date Alphamin has committed to \$98 million in project packages.

3. Corporate and other developments

Management changes

On April 30, 2018 Mr Maritz Smith joined the board of directors. On May 28, Mr Bernard Swanepoel resigned from the board of directors of the Company.

DRC Mining Code changes

On March 28, 2018 a revised mining code was published in the official gazette in the Democratic Republic of Congo ("DRC"), becoming law following the signing in by president Joseph Kabila on March 9. The Company is in the process of assessing the revised mining code and regulations, and their impact on Alphamin. At present, it appears that the Company could be subject to a higher royalty rate of 3.5%, up from 2%, and potentially higher taxes, as a result of a reduction in tax deductible expenses. The Company notes that article 220 states that companies developing projects in infrastructure poor provinces may be able to avail of certain exemptions.

CURRENT COMPANY OBJECTIVES

The current Company objectives are:

1. Complete the construction of the Bisie Tin Mine on time and on budget.
2. Continue to foster strong relationships with key stakeholders in the DRC, in particular in the local communities of the project affected areas as well as with provincial and national government stakeholders.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Mine under Construction costs

	June 30, 2018 USD	December 31, 2017 USD
Opening balance	99,504,474	-
Additions	46,480,782	-
Transfer from Exploration and Evaluation Assets (Note 7)	-	97,529,580
Rehabilitation and closure asset (Note 12)	-	1,974,894
	145,985,256	99,504,474

Mine under construction costs incurred of \$46,480,782 consists primarily of underground mining, earthworks and EPC contractor expenses, and acquisition of capital items required for the Bisie Tin Mine.

Exploration and evaluation expenditures

Deferred exploration and development costs Bisie	Balance, as at	
	June 30, 2018	December 31, 2017
Drilling & assays	666,450	666,450
Annual license fees	360,000	360,000
Mineral license acquisition costs	975,000	975,000
Sampling and field costs	200,000	200,000
Total exploration and evaluation assets	2,201,450	2,201,450

The Company carried out no exploration and evaluation expenditures during the quarter ended June 30, 2018 as a result of the focus of expenditure on the development of the Bisie Tin Project.

Loss for the three ("Q2, 2018") and six months ("H1, 2018") ended June 30, 2018, compared to the three ("Q2, 2017") and six months ("H1 2017") ended June 30, 2017

The loss for H1 2018 was \$2,306,184 compared to a loss for H1 2017 of \$3,600,279. The H1 2018 figures includes warrants credit of \$2,531,962 (H1 2017: Nil). The warrants credit relates to the period end fair value revaluation of the warrant liability on the balance sheet using the Black Scholes method as outlined in note 11 to the financial statements. The large credit was a result in changing volatility, share price and remaining life of the warrants during the period. There was no corresponding income/expense in 2017 as there were no warrants in issue during the corresponding period of 2017.

Significant bank charges were incurred in ABM as a result of capitalising ABM with the funds received from the by the Company and the IDC. A loss on write off of assets was recorded in the amount of \$503,345 as a result of damage inflicted on a newly acquired Manitou forklift which was in route to the Bisie Tin Mine site. Share based payment expenses increased as a result of more options being in issue. Management fees and salaries have increased due to staff increases as the Company's development activities have ramped up.

The loss of Q2 2018 was \$713,390 compared to a loss in Q2 2017 of \$1,996,941. The warrants credit, as outlined above accounted for \$1,668,823 of the difference on a quarterly comparison basis.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2018 the Company had a consolidated cash balance of \$37,104,533 and working capital of \$37,988,198. Current liabilities as at June 30, 2018 were \$8,067,561 excluding the warrant liability of \$9,954,606, which cannot result in a cash outflow for the Company.

As at quarter end the Company had long-term debt of \$36,194,512 (including capitalised interest of \$1,194,512 and excluding net capitalised fees of). The Company believes it will continue to be able to access the Credit Facility and, if required, additional equity at the Company and subsidiary levels.

Operating activities

Cash used in operating activities for the three and six months ended June 30, 2018 was \$3,646,319 and \$10,905,645 respectively (three and six months ended June 30, 2017: \$1,399,753 and \$3,209,201 respectively). The large increase is primarily as a result of prepayments.

Investing activities

Cash used in investing activities for the three and six months ended June 30, 2018 was \$27,765,667 and \$46,548,458 respectively (three and six months ended June 30, 2017: \$4,250,491 and 7,687,060 respectively). The majority of costs incurred relate to mine construction costs and related plant and equipment. The increase was the result of the ramp up in construction activity at the Bisie Tin Project and uninterrupted availability of funding in the H1 2018.

Financing activities

During the quarter ended June 30, 2018, the Company received net \$25,000,000 from the second draw down on the Credit Facility. In addition, the Company completed a private placement for gross proceeds of \$15,000,000 and received additional equity investment in ABM of \$7,086,834. The Company raised \$7,606,020 in the corresponding period in 2017.

Liquidity outlook

As at quarter end the Company had \$37.1m in cash and undrawn debt in the amount of \$45m.

RELATED PARTY TRANSACTIONS

For the quarter ending June 30, 2018, \$9,000 (H1 2018: \$18,000) was paid to Adansonia Management Services Limited for corporate secretarial services performed by Mrs Zain Madarun. Adansonia Management Services Limited are owned by Adansonia Holdings Limited, which is ultimately owned by Brendon Jones and Rudolf Pretorius (Directors of the Company) and Mrs Zain Madarun, Company Secretary. All potential conflicts have been disclosed via the Company's interest register.

Under the terms of the agreements with the IDC announced on November 11, 2015, the Company entered into a shareholders' agreement which grants the IDC certain director appointment, offtake purchases, pre-emptive and share exchange rights. See note 10 of the interim financial statements for further details.

INTERNAL CONTROL

In accordance with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), 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 condensed consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the full certificate under NI 52-109, 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.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2017, available on SEDAR at www.sedar.com for a description of these risk factors.

OTHER MD&A REQUIREMENTS

Outstanding share data

Balance as at;

June 30 and August 29, 2018

Common shares outstanding	786,233,993
Warrants issued and outstanding	131,129,346
Options outstanding	8,411,754
Options exercisable	887,550

QUALIFIED PERSON

Mr Gordon Mark Cresswell (PrEng MSc, FSAIMM, MIMMM, ARSM) is a Minerals Processing Consulting Engineer of DRA Projects, an independent EPCM consulting company to Alphamin and a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure of Mineral Projects. Mr Cresswell has reviewed and approved the scientific and technical information contained in this MD&A.

Mr John Anthony Cox (PrEng ECSA, BSc Mining, ARSM, FSAIMM) is a Principal Consultant for DRA Projects, an independent EPCM consulting company to Alphamin and a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure of Mineral Projects. Mr Cox has reviewed and approved the scientific and technical information contained in this MD&A.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Quarterly Highlights. Readers of this Quarterly Highlights and other filings can review and obtain copies of the Company's filings from SEDAR at www.sedar.com and copies will also be provided upon request.