
ALPHA EXPLORATION LIMITED.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED

DECEMBER 31, 2021

**ALPHA EXPLORATION LTD.
MANAGEMENT DISCUSSION & ANALYSIS**

This Management’s Discussion and Analysis is intended to help the reader understanding Alpha Exploration Ltd (“**Alpha**”, “we”, “our” or the “Company”), our operations, financial performance, and current and future business. This MD&A is intended to supplement and complement our audited consolidated financial statements for the three months and year ended December 31, 2021, prepared in accordance with International Financial Reporting Standards (“IFRS”) and the audited consolidated financial statements of Alpha for the year ended December 31, 2020, in each case, prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

Except for statements of historical fact relating to Alpha, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made. There can be no assurance that such forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are advised to carefully review and consider the risk factors identified in the Circular under, among other places, “*Risk Factors*” for a discussion of the factors that could cause Alpha’s actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements and forward looking information. Accordingly, readers should not place undue reliance on such statements. Alpha does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws. Events discussed elsewhere in the Circular (as defined below) have not been included in the discussion below.

This MD&A is prepared as of May 2, 2022. All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are expressed in United States dollars unless otherwise indicated.

Public Listing Transaction

On October 14, 2021, Alpha became a reporting issuer in Canada. On October 27, 2021, the TSX Venture Exchange provided Final Acceptance to allow Alpha to list on the TSX Venture Exchange (“TSX-V”). On November 1, 2021, the shares of Alpha commenced trading on the TSX-V under the symbol ALEX.

Description of Business

Alpha was incorporated under the *BVI Business Companies Act*, (No. 16 of 2004) (the “**BVI Act**”) on December 6, 2011 under the name “Alpha Exploration Ltd.” with business registration number 1684187. Alpha’s head and registered office is located at 3rd Floor, Omar Hodge Building, Wickhams Cay 1, P.O. Box 362, Road Town, Tortola, British Virgin Islands. Alpha has one subsidiary, Alpha Exploration Eritrea Limited, an Eritrean corporation incorporated on March 13, 2018 under the laws of Eritrea (“**Alpha Eritrea**”). Alpha Eritrea currently holds the rights to the Kerkasha Project (as defined below), Alpha’s main exploration property located in Eritrea.

Alpha is a mineral exploration and development company engaged in the business of acquisition, exploration and, if warranted, development of mineral resource properties. Its objective is to locate, define and ultimately develop economic mineral deposits. Alpha’s currently acquires its properties through negotiating with holders of concessions, claims or mineral licences and enters into acquisition, option agreements or memorandums of understanding to acquire interests in the properties. Alpha then explores

for minerals on properties through surface sampling, airborne and/or ground geophysical surveys and drilling. Alpha’s primary focus to date has been the Kerkasha project located in Eritrea, 10 km south of the city of Barentu and 135 km west-southwest of Asmara, the capital city of Eritrea (the “**Kerkasha Project**”). Alpha currently has 100% ownership of the Kerkasha Project through its wholly owned subsidiary, Alpha Eritrea.

On December 20, 2017, Alpha signed a tenement farm-out agreement with the Eritrean National Mining Corporation (“**ENAMCO**”) governing the terms of ENAMCO’s participation in the Kerkasha Project (the “**ENAMCO Agreement**”). Pursuant to the ENAMCO Agreement, the Eritrean government (through ENAMCO) has the right to a 10% free-carried interest in any mining project developed on the Kerkasha Project area. The Eritrean government also has the right to purchase a further 30% equity ‘participating interest’ in the Kerkasha Project at any time from commencement of exploration to three months after completion of a bankable feasibility study relating to the Kerkasha Project. To purchase this participating interest, ENAMCO must pay the equivalent percentage cost of exploration up to the point of acquiring their participating interest (as determined by an independent auditor) and will thereafter contribute the same participating interest percentage in all exploration and development expenditures on the Kerkasha Project going forward. ENAMCO and Alpha will form a share company in accordance with the Commercial Code of Eritrea after ENAMCO has exercised its right of participation.

The Alpha owned portion of the Kerkasha Project is subject to a 2% net smelter royalty in favour of Nubian Royalty Corporation, a corporation incorporated under the BVI Act and wholly owned by insiders of Alpha (the “**Nubian Royalty**”). If at any time Nubian Royalty Corporation receives an offer from a third party to purchase the Nubian Royalty or any portion thereof, Alpha has a right to match any such third party offer.

Operational Highlights

Alpha’s current activities consist solely of mineral exploration. No revenue is currently generated from operational activities.

During the period 1 January – 31 March 2021 (Q1) Alpha completed the following significant programmes and reports:

- Alpha completed a 3,340-meter drilling program consisting of seven deep diamond drill holes (AND0003 to AND009) varying from 315 meters to 597 meters at the Anagulu Prospect in January 2021 and assays for gold and copper have now been received for all holes. The holes were drilled to test a short portion (240 meters) of the two-kilometer long Induced Potential geophysical anomaly identified from an IP survey in February 2020. The anomaly is coincident with elevated gold-copper values in soil and rock chip sampling that also extend for a strike length of over 2 kilometers at Anagulu. The Phase 2 drilling results confirm the occurrence of the high-grade gold and copper mineralization found in the Phase 1 drilling at Anagulu as well as the presence of widespread gold-copper possible porphyry-style mineralization with disseminated sulphides over a strike length of over 240 meters and down to a vertical depth of over 400 meters which explains the large IP chargeability anomaly. The drill core was subjected to laboratory testing in preparation for a more detailed IP survey with the object of pin-pointing higher grade mineralized zones at Anagulu which will be tested in a Phase 3 drilling program.

Table 1 Summary of Anagulu Phase 2 Assay Results

Drill Hole	Depth (m)	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)	Silver (g/t)
AND003	523	173	243	70	0.14	0.12	0.56

“	and	341	344	3	5.86	0.11	1.09
AND004	597.4	165	202	37	0.06	0.11	0.43
AND005	314.6	99	208	109	0.79	0.35	2.21
”	and	121	148	27	2.67	0.89	6.64
AND006	496	241	253	12	0.09	0.11	NA*
AND007	424.2	225	280	55	0.08	0.12	NA*
AND008	405.5	225	343	118	0.21	0.13	NA*
AND009	579.6	145	154	9	0.27	0.11	NA*

During the period April 1 –June 30, 2021 (Q2) Alpha completed the following significant programmes and reports at Kerkasha:

Anagulu Prospect:

- On the April 6, 2021, Alpha had discussions with Consultant Geologists Richard Sillitoe and Michael Gazley on the geochemistry and possible genesis model for the known mineralisation at Anagulu Prospect. Richard and Michael produced memos with their observations, conclusions and recommendations from the discussion during April 2021.
- During May 2021, RSC Consulting generated an updated Leap Frog model for the gold-copper mineralisation at Anagulu Prospect. This model was used by RSC to plan holes for an upcoming follow-up drill programme at Anagulu Prospect in Q3 2021. RSC delivered their recommended follow-up drill programme in early June 2021.
- During June 2021, TMC Geophysics carried out an infill (higher definition) Induced Polarisation (IP) -Resistivity ground survey over the Anagulu Prospect. A report on this survey is expected in Q4 2021.
- During June 2021, Geological Consultants Charlie and Roy Greig (C. J. Greig & Associates) carried out an evaluation of drill core from Anagulu. A report on their observations, conclusions and recommendations was received in Q3 2021.
- During Q2 2021, samples were sent to Southern Geoscience Consultants (SGC) for determination of magnetic properties. A preliminary report was received from SGC in late May 2021 indicating some magnetite association with mineralisation and will be used by to plan applicable ground magnetic surveys for later in 2021 or early in 2022.
- During Q2 2021, samples were sent to Michael Gazley (Consultant Geochemist) for further geochronology and petrographic analysis. A report is expected in Q4 2021
- During Q2 2021, a programme of 20m x 20m soil analysis by portable XRF was completed in the east and southeast of Anagulu Prospect. An interpretation of assay data is expected in Q4 2021

Other prospects:

- During June 2021, Geological Consultants Charlie and Roy Greig (C. J. Greig & Associates) carried out an evaluation of the geology at the Aburna, Tolegimja, Tolefafa West and Kosolda Prospects. A report on their observations, conclusions and recommendations was received in Q3 2021.

- A total of 1,494 rock chip and channel samples were collected over six (6) Prospect areas with assays starting to be returned at the end of Q2 2021. Some significant assay values for gold were returned from the Aburna Prospect that will warrant follow up channel and trench sampling.
- A total of 1,324 soil samples were collected over five (5) Prospect areas with assays starting to be returned at the end of Q2 2021. Assay results to date indicate base and precious metal anomalism in the southeast of the Kerkasha License. This will be followed up in Q4 2021.
- During Q2 2021, a programme of 20m x 20m soil analysis by portable XRF commenced over the central part of Tolegimja Prospect. An interpretation of assay data was received in Q3 2021.
- In late June 2021, TMC Geophysics commenced a high-definition Induced Polarisation (IP)-Resistivity ground survey over the Kona West Prospect. A report on this survey is expected in Q4 2021.

Regional exploration:

- A total of 496 regional soil samples (250m x 250m) were collected over areas under consideration for relinquishment in late 2021 with assays starting to be returned at the end of Q2 2021.
- At the end of Q2 2021, Alpha commissioned a Machine Learning and probabilistic modelling study of the regional datasets for Kerkasha to develop thematic maps and identify prospective areas for Orogenic Gold, Volcanogenic Massive Sulphide (VMS) and Porphyry Copper-Gold mineralisation at Kerkasha. The results of this study was received in Q3 2021.

During the period July 1–September 30, 2021 (Q3) Alpha completed the following significant programmes and reports at Kerkasha:

Anagulu Prospect:

- During Q3 2021, the Leap Frog model of existing drilling was updated to help locate planned holes for the July - August 2021 drill programme, that will test the interpreted northeast plunge to Cu-Au mineralisation in the northeast of Anagulu Prospect.
- From the 13 July – 30 August 2021, Alpha completed a third phase of Reverse-Circulation (RC) and diamond drilling at Anagulu comprising 14 drill holes for a total of 3,038m. These holes were primarily focused on extending the known high-grade copper-gold mineralisation (found in diamond holes AND001 and AND005) to the northeast, as well as testing some peripheral geophysical anomalies. Assay results from this drill programme are expected in Q4 2021.
- During Q2 2021, TMC Geophysics (Canada) carried out a high resolution (100m spaced lines) Induced Polarisation (IP)-Resistivity ground survey at Anagulu Prospect, to follow up on the previous IP-resistivity survey that had used a 200m line spacing. This more detailed survey was considered necessary to help identify the more discrete, higher-grade IP anomalies associated with higher grade mineralisation seen in some of the drilling. Initial interpretation of IP results in Q3 2021, was used to locate several holes over significant IP anomalies in the 13 July – 30 August 2021 drill programme at Anagulu. The IP-Resistivity survey comprised approximately 24 line kms covering an area of ~3km². A report and interpretation of the datasets from this survey is expected from Southern Geoscience Consultants (Perth, Australia) in Q4 2021.

- During June 2021, Geological Consultants Charlie and Roy Greig (C. J. Greig & Associates) carried out an evaluation of drill core from Anagulu. A report on their observations, conclusions and recommendations was received in July 2021.
- During Q2 & Q3 2021, samples were sent to Michael Gazley (Consultant Geochemist) for further geochronology and petrographic analysis. A report is expected in Q4 2021.
- An MSc Honors thesis By Oliver James from the University of Exeter (United Kingdom) on the mineral and alteration assemblages associated with the Cu-Au-Ag mineralisation at Anagulu, was completed in September 2021. The thesis is expected to be made available to Alpha in Q4 2021.
- A BSc Honors thesis By James Kenneth Dwight of Victoria University (New Zealand) on the distribution of Au-Ag and associated alteration minerals at the Anagulu Au-Cu-Ag Prospect is expected to be made available to Alpha in Q4 2021.

Aburna Prospect:

- From November - December 2020, Alpha geologists took 352 selected grab samples as part of an initial reconnaissance over approximately 8km² of the Aburna Gold Prospect. Of these samples, 37 showed gold values over 1 g/t gold, 7 showed values over 10 g/t gold and 3 showed values over 100 g/t gold. To follow-up on this initial prospecting success, Alpha Geologists took channel and trench samples at over 60 locations (in Q3 2021), across the strike of the earlier high-grade rock chip locations. Assay results are not yet available from this work but are expected to be received in Q4 2021.
- During June 2021, Geological Consultants Charlie and Roy Greig (C. J. Greig & Associates) carried out an evaluation of the geology at the Aburna Prospect. A report on their observations, conclusions and recommendations was received in July 2021.
- During September 2021, Alpha organised for Consultant Structural Geologist Ghislain Tourigny (Canada) to conduct a mapping programme at Aburna, Eritrea, which is expected to be completed in Q4 2021.

Tolegimja Prospect:

- An IP-Resistivity survey consisting of 68-line kms covering an area of approximately 7.2km², was completed by independent contractors TMC Geophysics (Canada) at Tolegimja in July-September 2021. The object of the work was to define targets for drill testing in Q4 2021. A full report on this survey with recommendations is expected from Southern Geoscience Consultants (Perth, Australia) in Q4 2021.
- During June 2021, Geological Consultants Charlie and Roy Greig (C. J. Greig & Associates) carried out an evaluation of the geology at the Tolegimja Prospect. A report on their observations, conclusions and recommendations was received in July 2021.
- During September 2021, Alpha organised for Consultant Structural Geologist Ghislain Tourigny (Canada) to conduct a mapping programme at Tolegimja, Eritrea, which is expected to be completed in Q4 2021.

Kona West Prospect:

- An IP-Resistivity survey consisting of 14-line km covering an area of approximately 1.5km² was completed by independent contractors TMC Geophysics (Canada) over the Kona West Prospect in June-July 2021. The object of the work was to define targets for drill testing in Q4 2021. A preliminary interpretation of the dataset was received from Southern Geoscience Consultants (Perth, Australia) in September 2021. A full report on this survey with recommendations is expected from Southern Geoscience in Q4 2021.

Other Prospects:

- During June 2021, Geological Consultants Charlie and Roy Greig (C. J. Greig & Associates) carried out an evaluation of the geology at the Tolefafa West and Kosolda Prospects. A report on their observations, conclusions and recommendations was received in July 2021.
- During Q2 2021, a programme of 20m x 20m soil analysis by portable XRF was completed over the central part of Tolegimja Prospect. An interpretation of assay data was carried out in Q3 2021.

Regional exploration:

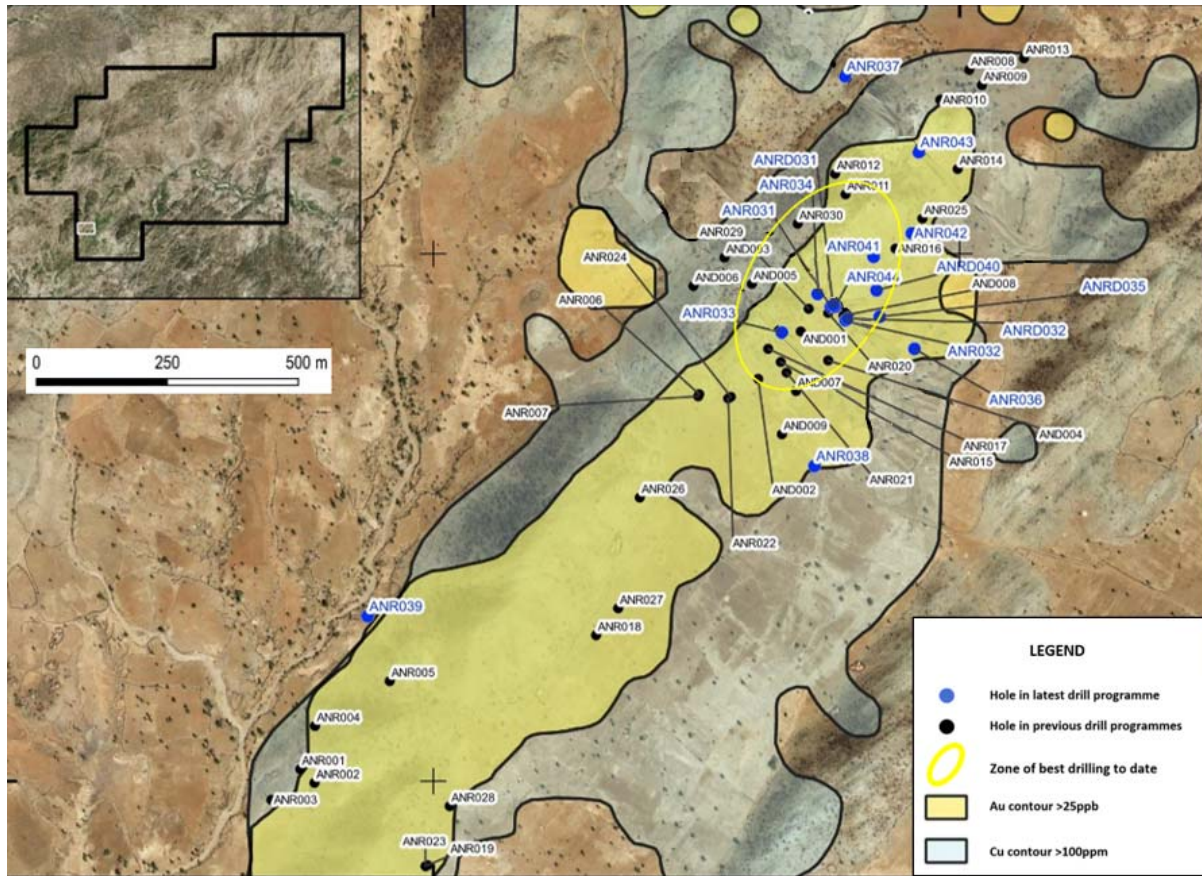
- As part of the Kerkasha License Agreement with the Ministry of Mines in Eritrea, Alpha is required to drop 25% of the original Kerkasha License area in 2021. During Q3 2021, Alpha commenced a review of all data for Kerkasha and also completed a 250m x 250m soil sampling and prospecting programme over areas that were under consideration for the 25% relinquishment. Alpha will relinquish 25% of the Kerkasha License area in Q4 2021.
- At the end of Q2 2021, Alpha commissioned a Machine Learning and probabilistic modelling study of the regional datasets for Kerkasha to develop thematic maps and identify prospective areas for Orogenic Gold, Volcanogenic Massive Sulphide (VMS) and Porphyry Copper-Gold mineralisation at Kerkasha. The results of this study were received in August 2021.
- During Q3 2021, Alpha worked with RSC Consulting Group to develop a set of 'Standard Operating Procedures' (SOPs) to guide future drilling and surface sampling programmes at Kerkasha.

During the period 1 October – 31 December 2021 (Q4) Alpha completed the following significant programmes and reports at Kerkasha:

Anagulu Prospect:

- From the 13 July – 30 August 2021, Alpha completed a third phase of Reverse-Circulation (RC) and diamond drilling at Anagulu comprising 14 drill holes (RC Holes ANR031-34, 36-39, 41-44 and RC Holes with a Diamond tail ANRD031-32, 35, 40) for a total of 3,038m. These holes were primarily focused on extending the known high-grade copper-gold mineralisation (found in diamond holes AND001 and AND005) to the northeast, as well as testing some peripheral geophysical anomalies. The drilling has identified significant gold-copper mineralisation (holes with red dots for collar positions in diagram below) plunging and striking to the northeast on 3 sections (38, 40, 42 in diagram below) that are 80m apart.

Drill location plan of previous drilling (Black dots) & latest drilling (Blue dots) with zone of best drill results to date (yellow ellipsoid) on soil anomalies for copper and gold



Significant assay results from the July-August 2021 drill programme at Anagulu are summarised in the table below:

Hole Number	From (m)	To (m)	Interval (m)*	Au (g/t)	Cu (%)	Ag (g/t)	CuEq (%)***	AuEq (g/t)**
ANRD031	122	185.7	63.7	0.94	0.48	2.30	1.08	1.69
ANRD032	208.6	293.85	85.25	0.27	0.16	1.02	0.33	0.52
ANR033	10	105	95	0.65	0.42	1.65	0.83	1.30
ANR044	140	210	70	0.58	0.38	1.64	0.75	1.17

*Note that the true width of the mineralisation is uncertain, but the host structures are interpreted to be steeply dipping implying true widths are in the range of 60–80%. Intervals are based on a 0.1 g/t Au cut off and a maximum internal dilution of 2 m.

**AuEq = $((\text{Cu}\%) \times \text{Cu} \times 22.0642) + (\text{Au}(\text{g}/\text{t}) \times \text{Au} \times 0.032151) / (\text{Au} \times 0.032151)$; minor Ag grades not included.

***CuEq = $((\text{Cu}\%) \times \text{Cu} \times 22.0642) + (\text{Au}(\text{g}/\text{t}) \times \text{Au} \times 0.032151) / (\text{Cu} \times 22.0642)$; minor Ag grades not included.

Commodity prices: \$Cu = US\$4.00/lb (= US\$8,818/tonne) and \$Au = US\$1,750/oz.

Factors: 22.0642 = Cu% to lbs per tonne, and 0.032151 = Au g/t to oz per tonne.

Metallurgical recovery for Cu and Au is assumed to be 100%

- During Q2 2021, TMC Geophysics (Canada) carried out a high resolution (100m spaced lines) Induced Polarisation (IP)-Resistivity ground survey at Anagulu Prospect, to follow up on the previous IP-resistivity survey that had used a 200m line spacing. This more detailed survey was considered necessary to help identify the more discrete, higher-grade IP anomalies associated with higher grade mineralisation seen in some of the drilling. Initial interpretation of IP results in Q3 2021, was used to locate several holes over significant IP anomalies in the 13 July – 30 August 2021 drill programme at Anagulu. The IP-Resistivity survey comprised approximately 24 line kms covering an area of ~3km². A report and interpretation of the datasets from this survey was received from Southern Geoscience Consultants (Perth, Australia) in Q4 2021. The drilling in July-August 2021 did not find a good correlation between the chargeability anomalies identified from ground geophysics and gold-copper mineralisation intersected in drilling.
- During Q2 & Q3 2021, samples were sent to Michael Gazley (Consultant Geochemist) for further geochronology and petrographic analysis. A report is expected in the first half of 2022.
- An MSc Honors thesis By Oliver James from the University of Exeter (United Kingdom) on the mineral and alteration assemblages associated with the Cu-Au-Ag mineralisation at Anagulu, was completed in September 2021. The thesis was received by Alpha in Q4 2021.
- A BSc Honors thesis By James Kenneth Dwight of Victoria University (New Zealand) on the distribution of Au-Ag and associated alteration minerals at the Anagulu Au-Cu-Ag Prospect was near completion in Q3 2021. The thesis was received by Alpha in Q4 2021.

Aburna Prospect:

- From November - December 2020, Alpha geologists took 352 selected grab samples as part of an initial reconnaissance over approximately 8km² of the Aburna Gold Prospect. Of these samples, 37 showed gold values over 1 g/t gold, 7 showed values over 10 g/t gold and 3 showed values over 100 g/t gold. To follow-up on this initial prospecting success, Alpha Geologists took channel and trench samples at

over 60 locations (in Q3 2021), across the strike of the earlier high-grade rock chip locations. All assay results from the channel and trench sampling are expected in Q1 2022.

- During October-November 2021, Consultant Structural Geologist Ghislain Tourigny (Canada) carried out a mapping programme at Aburna. His report was delivered to Alpha in December 2021.

Tolegimja Prospect:

- An IP-Resistivity survey consisting of 68-line kms covering an area of approximately 7.2km², was completed by independent contractors TMC Geophysics (Canada) at Tolegimja in July-September 2021. The object of the work was to define targets for drill testing in Q4 2021. A full report on this survey with recommendations was received from Southern Geoscience Consultants (Perth, Australia) in December 2021.
- During November 2021, Consultant Structural Geologist Ghislain Tourigny (Canada) carried out a mapping programme at Tolegimja. His report was delivered to Alpha in December 2021.

Kona West Prospect:

- An IP-Resistivity survey consisting of 14-line km covering an area of approximately 1.5km² was completed by independent contractors TMC Geophysics (Canada) over the Kona West Prospect in June-July 2021. The object of the work was to define targets for drill testing in Q4 2021. A preliminary interpretation of the dataset was received from Southern Geoscience Consultants (Perth, Australia) in September 2021. A full report on this survey with recommendations is expected from Southern Geoscience in Q1 2022.
- During November 2021, Consultant Structural Geologist Ghislain Tourigny (Canada) carried out a mapping programme at Kona West. His report was delivered to Alpha in December 2021.

Other Prospects:

- During Q4 2021, a total of 781 soil samples from 2 Prospect areas and a total of 283 rock chip samples from 6 Prospect areas were collected. Assay results are expected in Q1 2022.

Regional exploration:

- As part of the Kerkasha License Agreement with the Ministry of Mines in Eritrea, Alpha was required to drop 25% of the original Kerkasha License area in 2021. During Q3 2021, Alpha commenced a review of all data for Kerkasha and also completed a 250m x 250m soil sampling and prospecting programme over areas that were under consideration for the 25% relinquishment. Alpha relinquished 25% of the Kerkasha License area in November 2021. The remaining area of the Kerkasha License is now 771km².

Exploration and Development Expenditures

Mineral exploration expenditures with respect to the Kerkasha Project formed a significant portion of Alpha's expenses during the periods set out in Alpha's financial statements. These expenses are set out in the following table:

Category of Expense	Three months ended December 31, 2021 (unaudited) (\$)	Three months ended December 31, 2020 (unaudited) (\$)	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)
Drilling	174,235	452,958	376,304	563,135
Assays	71,899	25,485	298,483	101,838
Surveys	-	5,995	19,542	121,116
Technical services	276,313	126,363	461,956	231,963
Exploration licenses & fees	-	96	12,267	13,803
Labour cost	(156,822)	90,365	792,800	299,586
Share based compensation	464,674	-	464,674	-
Consultancy charges	-	(32,676)	101,843	20,067
Consumable spare parts and supplies	54,590	52,297	209,165	145,647
Other direct expenses	(112,676)	137,843	255,914	236,432
Depreciation expenses	20,636	3,688	64,484	31,458
Other income – royalty option sale	-	-	-	(50,000)

Quarterly Information

The following table sets forth summary financial information of Alpha for the three months and year ended December 31, 2021 and 2020. This information has been summarized from the interim financial statements of Alpha.

	Three months ended December 31, 2021 (unaudited) (\$)	Three months ended December 31, 2020 (unaudited) (\$)	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)
Loss and Comprehensive Loss	422,055	413,243	775,737	1,870,060
Loss/share Basic and Diluted	0.01	0.01	0.01	0.04
Other Income	(31,752)	-	(31,752)	-
General and Administrative Expenses	255,553	383,126	565,177	584,039

Finance Cost	5,678	20,293	12,975	23,844
Shared Based Compensation	255,967	-	256,535	1,251,177
Foreign Exchange (Gain)/Loss	(9,250)	9,824	(33,829)	11,000
Weighted Average Number of Shares Outstanding at Period End	51,606,157	46,698,480	59,799,591	49,326,199

Results of Operations

Category of Income/Expense	Three months ended December 31, 2021 (unaudited) (\$)	Three months ended December 31, 2020 (unaudited) (\$)	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)
Other income	(31,752)	-	(31,752)	-
Professional fees	83,107	334,846	295,196	441,062
Salary	29,613	-	90,385	-
Directors fee	5,909	-	5,909	-
Office expenses	-	(1,212)	1,693	953
Share based compensation	255,967	-	256,535	1,251,177
General and administrative expenses	172,446	49,492	268,288	142,024
Finance cost	5,678	20,293	12,975	23,844
Foreign exchange (gain)/loss	(9,250)	9,824	(33,829)	11,000
Fair value adjustment on warrant liability	(89,663)	-	(89,663)	-
Net loss	422,055	413,243	775,737	1,870,060

For the three month period ended December 31, 2021

During the three month period ended December 31, 2021, the net loss was \$422,055 compared to a net loss of \$413,243 for the three months period ended December 31, 2020. This increase was largely contributed by increase in share based compensation of \$255,967. General and administrative expenses have also

increased by \$172,446, mainly resulting from repair and maintenance. Professional fees have increased by \$83,107.

For the year ended December 31, 2021

The net loss for the year ended December 31, 2021 was \$775,737 compared with \$1,870,060 for the year ended December 31, 2020. This decrease was largely a result of shared based payment amounted to \$1,251,177 made by the company for the year ended December 31, 2020. Furthermore, the general and administrative expenses have also increased to \$268,288.

Selected Annual Information

The following table sets forth summary financial information of Alpha for the years ended December 31, 2021, 2020, 2019 and 2018. This information has been summarized from the financial statements of Alpha. This summary of financial information should only be read in conjunction with the financial statements, including the notes thereto.

	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)	Year Ended December 31, 2019 (audited) (\$)	Year Ended December 31, 2018 (audited) (\$)
Loss and Comprehensive Loss	775,737	1,870,060	136,178	133,623
Loss/share Basic and Diluted	0.01	0.04	0.01	0.1
Exploration and Evaluation Assets	7,381,258	4,323,826	2,608,781	1,146,140
Expensed Research and Development Costs	-	-	-	8,000
General and Administrative Expenses	565,177	584,039	131,264	121,460
Foreign exchange (gain)/loss	(33,829)	11,000	-	-
Total Assets	8,562,783	6,358,964	2,898,269	1,550,725
Total Liabilities Accounts Payables and Accrued Liabilities	1,260,616	1,364,358	279,736	216,014
Deficit	2,959,114	2,183,377	313,317	177,139
Weighted average number of shares outstanding at period end	59,799,591	49,326,199	26,662,200	10,571,100

For the year ended December 31, 2021

During the year ended December 31, 2020, Alpha focused its exploration activities on its Kerkasha Project. Alpha capitalized all of its exploration activities during this period apart from general and administrative expenses. Alpha's total exploration and evaluation expenditure in the year ended December 31, 2021 was \$7,381,258.

For the year ended December 31, 2020

During the year ended December 31, 2020, Alpha focused its exploration activities on its Kerkasha Project. Alpha capitalized all of its exploration activities during this period apart from general and administrative expenses. Alpha's total exploration and evaluation expenditure in the year ended December 31, 2020 was \$4,323,826.

For the year ended December 31, 2019

During the year ended December 31, 2019, Alpha recorded a net loss of \$136,178 compared to a net loss of \$133,623 for the year ended December 31, 2018. This increased net loss in 2019 is mainly attributable to the increase in professional fees contributed by audit fees and Hemera Cayman amounted to \$8,905 and \$3,280 respectively. These amounts are net off with the decrease in office expenses by \$3,008. Additionally, business development expenses of \$8,000 were only incurred in 2018.

During the year ended December 31, 2019, Alpha focused its exploration activities on its Kerkasha Project. Alpha capitalized all of its exploration activities during this period. Alpha's total exploration and evaluation expenditure in the year ended December 31, 2019 was \$1,462,641 compared to \$1,146,140 in same period in 2018. The increase in 2019 was as a result of increased drilling costs, other direct expenses and assays costs by \$484,535 in total. These expenses are offset with a decrease in technical services, administrative expenses and spare parts and supplies by \$159,101 in total.

For the year ended December 31, 2018

During the year ended December 31, 2018, Alpha recorded a net loss of \$133,623 compared to a net loss of \$43,516 for the year ended December 31, 2017. This increased net loss in 2018 is attributable to professional fees charged by Hemera Cayman of \$96,720 and business development expenses of \$8,000.

During the year ended December 31, 2018, Alpha focused its exploration activities on its Kerkasha Project. Alpha capitalized all of its exploration activities during this period. Alpha's total exploration and evaluation expenditure in the year ended December 31, 2018 was \$1,146,140 compared to \$nil in same period in 2017. The increase in 2018 was as a result of the commencement of exploration activities at the Kerkasha Project.

	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)	Year Ended December 31, 2019 (audited) (\$)	Year Ended December 31, 2018 (audited) (\$)
Other Income	(31,752)	-	-	-
Operating Expenses and Finance Costs	674,446	607,883	136,178	133,623

Shared Based Compensation	256,535	1,251,177	-	-
Foreign Exchange Loss	(33,829)	11,000	-	-
Total Assets	8,562,783	6,358,964	2,898,269	1,550,725
Total Liabilities	1,260,616	1,364,358	279,736	216,014
Loss per Share	0.01	0.04	0.01	0.01
Weighted average number of shares outstanding at period end	59,799,591	49,326,199	26,662,200	10,571,100

Alpha has not generated any revenue from operational activities since inception until 2019. Alpha has generated royalty option sales of \$50,000 for the year ended December 31, 2020 which has been capitalised under evaluation and evaluation assets. Its only significant source of funds since incorporation has been from the sale of shares. Other income for the year ended December 31, 2021 is mainly generated from legal dispute with Baltic.

Alpha's ability to continue as a going concern is dependent upon its ability to fund any additional losses it may incur through debt or equity financing. There is no certainty that additional financing at terms that are acceptable to Alpha will be available, and an inability to obtain financing would have a direct impact on Alpha's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on Alpha's ability to continue as a going concern. Alpha's financial statements were prepared on a going concern basis, which implies that Alpha will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if Alpha was unable to achieve and maintain profitable operations. Please see "*Risks and Uncertainties*" below and the section entitled "*Risk Factors*" in the Circular for a discussion of additional risks and uncertainties that may affect Alpha's financial performance.

The following table summarizes Alpha's cash flows and cash on hand for the respective periods indicated:

	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)	Year ended December 31, 2019 (audited) (\$)	Year ended December 31, 2018 (audited) (\$)
Cash, end of period	894,808	1,891,681	169,127	284,857
Cash provided by (used in) operating activities	(948,009)	88,527	(73,089)	64,888
Cash used in investing activities	2,693,465	1,729,420	1,462,641	1,265,369
Cash received from financing activities	2,688,609	3,363,447	1,420,000	1,261,850

As at December 31, 2021, Alpha had a cash position of \$894,808 and net working capital deficit of \$167,953 compared to cash position of \$1,891,681 and net working capital of \$905,947 as at December 31, 2020.

Alpha regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. Alpha's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities as they become due.

During the year ended December 31, 2021, Alpha issued the following equity securities for cash:

Date of Issuance	Number of Securities Issued	Price Per Security	Aggregate Issue Price
January 21, 2021 ⁽¹⁾	2,007,544	CAD\$0.90	CAD\$1,806,789
June 11, 2021 ⁽²⁾	2,620,938	CAD\$0.65	CAD\$1,703,609

(1) Common shares of Alpha

(2) Subscription receipts of Alpha (see Note 7b to the unaudited condensed interim consolidated financial statements)

Contractual Obligations

Alpha had no contractual obligations as at December 31, 2021.

Off-balance sheet arrangements

Alpha had no off-balance sheet arrangements as at December 31, 2021.

Transactions with Related Parties

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange value, which is the amount of consideration established and agreed to by the related parties. Details of transactions between Alpha and other related parties, other than transactions between Alpha and its subsidiaries that are related parties of Alpha, which have been eliminated on consolidation, are disclosed below.

During the periods indicated below, Alpha entered into the following transactions with related parties:

	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)	Year ended December 31, 2019 (audited) (\$)	Year ended December 31, 2018 (audited) (\$)
Shareholder Loan Granted and Repaid	-	1,000,000	-	-
Colonnade Mining Group Eritrea Ltd, Eritrea ⁽¹⁾	376,304	542,301	379,409	97,204
Hemera Capital Management, Cayman ⁽²⁾	100,000	100,000	100,000	96,720
Colonnade Mining Group Ltd, BVI ⁽³⁾	2,958	43,472	48,900	-
Alpha Discovery Holding, BVI ⁽⁴⁾	80,265	-	-	-
Alasdair Smith, CEO of Alpha Exploration Eritrea Ltd ⁽⁵⁾	10,000	-	-	-

Frontier Suppliers DMCC, UAE	11,040	60	-	-
Hemera Management Limited, UK	-	-	39,699	30,175
Calypso, BVI	-	-	-	100,000
Salaries	284,044	156,000	156,000	145,600
Benefits in Kind	29,400	31,452	33,972	41,221
Shared based compensation	465,647	1,251,577	-	-
Nubian Royalty Corporation	-	50,000	-	-
Total	1,359,658	3,174,862	757,980	510,920

Notes:

- (1) Colonnade Mining Group Eritrea Ltd, Eritrea (“Colonnade Eritrea”) has a common owner with Alpha. The transactions incurred amounted to \$376,304 are related to drilling services charged by Colonnade Eritrea. \$121,654 is yet to be paid to Colonnade Eritrea. A loan of \$1,000 was granted during the year and was repaid in full in the year.
- (2) Hemera Capital Management, Cayman (“Hemera Cayman”) has a common owner with Alpha. The transaction incurred is related to advisory fees charged by Hemera Cayman and \$50,000 was paid in the same year.
- (3) Colonnade Mining Group Ltd, BVI (“Colonnade BVI”) has a common owner with Alpha. The transaction as at December 31, 2021 is related to payment on behalf of Alpha for purchase of consumable. There are no ongoing contractual commitments with Colonnade BVI resulting from the transactions.
- (4) Alpha Discovery Holding, BVI has a common owner with Alpha. The transaction incurred amounted to \$80,265 is a loan granted to Alpha.
- (5) Alasdair Smith is the CEO of Alpha Exploration Eritrea Ltd. Alasdair has provided a cash loan of \$10,000 to Alpha Exploration Eritrea Ltd.

Subsequent Events

On March 8, 2022, the Company issued 100,000 five year options to a Director with an exercise price of CAD\$0.66.

On April 13, 2022, the Company issued 1,868,500 units at CAD\$0.75 per unit for gross proceeds of CAD\$1,401,375 pursuant to private placement. Each unit consists of one common share and one half of one share purchase warrant exercisable at \$1.125 per common share for a period of 18 months. In connection with the private placement, Alpha paid a cash finder’s fee payment equal to 6% on a proportion of the units issued.

Critical Accounting Estimates

Precious and other metals exploration requires management to make certain estimates, judgements and assumptions that affect the reported amount of assets and liabilities, and the reported amounts of expenses. Actual outcomes could differ from these estimates. This MD&A and Alpha’s financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout this MD&A and Alpha’s consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based

on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As further described in Note 3 to Alpha's audited annual financial statements for the year-ended December 31, 2021, significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting dates, that could result in a material adjustment to the carrying amount of assets and liabilities, in the events that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
- the measurement of deferred income tax assets and liabilities; and
- the inputs used in accounting for share-based payments.

Significant accounting judgments

- the determination of categories of financial assets and financial liabilities; and
- the evaluation of Alpha's ability to continue as a going concern.

Functional Currency

Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. The functional currency of Alpha and its Eritrean subsidiary is the US dollar.

Recoverability of Exploration and Evaluation Assets

Management is required to assess exploration and evaluation assets for impairment. As part of this assessment, management has carried out an assessment whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance. The recoverability of exploration and evaluation assets is dependent on a number of factors common to the natural resource sector. These include the extent to which Alpha can continue to renew its exploration and future development licenses with local authorities, establish economically recoverable reserves on its properties, the availability of Alpha to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. Alpha will use the evaluation work of professional geologists, geophysicists and engineers for estimates in determining whether to commence or continue mining and processing. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization.

Key Sources of Estimation Uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Changes in Accounting Policies

There have been no changes in accounting policies during the year ended December 31, 2021 and 2020 except for the mandatory adoption of new IFRS standards effective January 1, 2019.

Alpha adopted the following IFRS standards effective January 1, 2019.

IFRS 16 – Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, eliminating the dual accounting model for lessees, which distinguished between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

Alpha applies IFRS 16 to its leases. Alpha assesses whether a contract is or contains a lease at inception of a contract. Alpha recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, Alpha recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

Alpha has assessed all contracts greater than 12 months of duration and concluded that none of its contracts meet the definition of a lease in the context of IFRS 16.

Outlook

Alpha is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility. There is no assurance that Alpha's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on the Kerkasha Project. Please refer to the "Risks and Uncertainties" section of this MD&A and the section entitled "Risk Factors" in the Circular for a more fulsome discussion of the factors that could cause Alpha's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements.

Outstanding Share Data

As of the date of the Management Discussion and Discussion Report Alpha's issued common shares, preferred shares, and stock options and warrants that are convertible into common shares are shown below:

	Number
Issued and outstanding common shares	53,927,019
Issued and outstanding preferred shares	15,286,159
Share Warrants with a weighted average exercise price of CAD\$1.35	2,846,593
Performance warrants with a weighted average exercise price of CAD\$0.032	6,862,056
Share Options with a weighted average exercise price of CAD\$0.75	650,000
Total	79,571,825

Risks and Uncertainties

Alpha is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.
- b) The most likely source of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.
- d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.
- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.

- f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward-looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

For further discussion related to risks and uncertainties, please refer to the section entitled "*Risk Factors*" in the Company's Final Prospectus available on SEDAR at www.sedar.com.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the three and nine months ended December 31, 2021 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate 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. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.