

---

**ALPHA EXPLORATION LIMITED.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

---

## **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 unaudited consolidated financial statements for the three months ended March 31, 2022, prepared in accordance with International Financial Reporting Standards (“IFRS”) and the audited consolidated financial statements of Alpha for the years ended December 31, 2021, December 31, 2010 and December 31, 2019, 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 6, 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.

Capitalized terms used but not defined herein shall have the respective meanings given to them in the Circular.

### ***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 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 2022 (Q1) Alpha completed the following significant programmes and reports:**

#### **Anagulu Gold-Copper-Porphyry Prospect:**

- During Q4 2021, Dr Richard Sillitoe visited Alpha in Eritrea to review core from the mineralised zones at Anagulu. He completed a report in November 2021 with the conclusion that Anagulu is a gold-copper porphyry system and gave recommendations on a programme of remapping the Prospect with a focus on the prime host for mineralisation, a quartz diorite. During Q1 2022, Alpha carried out a programme of remapping of Anagulu Prospect at 1:1,000 scale, focusing on the quartz diorite.
- During February 2022, Alpha carried a programme of 55 trenches (1,659 samples) over areas considered prospective for mineralisation in the southwest of Anagulu Prospect from the Q1 2022 mapping programme. Assays are expected in Q2 2022.
- The closer spaced Induced Polarisation survey carried out by TMC at Anagulu in Q2 2021, identified a deep chargeability anomaly in the southwest of Anagulu Prospect, directly below the discovery outcrops. As a consequence, Alpha started to develop the idea that this may be identifying a porphyry at depth that could be the ‘feeder’ for all the mineralisation seen at surface and in the existing drilling. To follow up on this idea, Alpha initiated portable XRF analysis of soils and rock chip samples of the area northwest of the current Anagulu Prospect, to see if the interpreted porphyry has also mineralised this area at surface. Assays are expected in Q2 2022. Drilling of the interpreted porphyry is expected later in 2022.

### **Aburna Gold Prospect:**

- From November - December 2020, Alpha geologists took 352 selected grab samples as part of an initial reconnaissance over approximately 8km<sup>2</sup> 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, across the strike of the earlier high-grade rock chip locations during Q3 2022. All assay results from the channel and trench sampling were received in Q1 2022.

Significant channel sample assay results for gold are as follows:

- 51m @ 2.14 g/t gold            Channel 51 - Hill 52 Area
- 8m @ 9.65 g/t gold            Channel 52 - Hill 52 Area
- 25m @ 3.71 g/t gold           Channel 12 - NE Area
- 50m @ 3.81 g/t gold           Channel 16 – Celebration Hill Area

Significant trench sample assay results for gold are as follows:

- 45m @ 3.75 g/t gold           Trench 22 – Hill 52 Area
- 11m @ 6.55 g/t gold           Trench 25 – Hill 52 Area
- 3m @ 17.31 g/t gold           Trench 41 – Aburna Central Area
- 1m @ 244.00 g/t gold          Trench 40 – Aburna Central Area

- During February 2022, Alpha carried out further trenching (6 trenches for 489 samples) at the Hill 52 Target Area to test for steep north-northwest mineralised structures discordant with the current northeast interpreted strike for mineralisation. Assays are expected in Q2 2022
- During February – March 2022, Alpha carried out a Reverse Circulation drill programme at Aburna. The drilling comprised 19 holes (ABR001 – 019) for a total of 2,000m and was focused on testing areas beneath the best trench and channel results for gold at the Hill 52, Aburna Central and Celebration Hill Target Areas. Assay results are expected in Q2 2022.

### **Tolegimja Copper-Zinc-Gold Volcanogenic-Massive-Sulphide Prospect:**

- During January - February 2022, Alpha carried out a Reverse Circulation drill programme at Tolegimja. The drilling comprised 9 holes (TLR001 – 009) for a total of 1,862m and was focused on testing a chargeability anomaly, anomalous surface geochemistry for copper and zinc and areas beneath gossan outcrops and a rhyolite. Alpha believes these anomalous areas for geophysics, geochemistry and geology could indicate the presence of bi-modal mafic volcanogenic massive sulphide (VMS) mineralisation at depth. Assay results for holes TLR001 & 002 were received in Q1 2022. The most significant intercept was 14m @ 0.5g/t Au, 0.35% Cu, 0.01% Zn from 56-70m in TLR001. Assays from the remaining holes (TLR003 - 009) are expected in Q2 2022.
- During March 2022, total of 7 rock chip samples were also collected from Tolegimja. Assay results are expected in Q2 2022.

### **Kona West Copper Volcanogenic-Massive-Sulphide Prospect:**

- An IP-Resistivity survey consisting of 14-line km covering an area of approximately 1.5km<sup>2</sup> 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 Q1 2022. 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 was received from Southern Geoscience in January 2022.

- During February 2022, Alpha carried out a Reverse Circulation drill programme at Kona West. The drilling comprised 2 holes (KNR011 – 012) for a total of 168m and was focused on testing a sub-horizontal chargeability anomaly at depth that might explain the anomalous copper in soils, rock chip sampling and gossans (with oxide copper) at surface. The holes were drilled vertically and failed to get to depth due to excess water flows. Diamond drill ‘tails’ to the 2 vertical holes are planned for later in 2022. Assay results are expected in Q2 2022.

**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 were received in Q1 2022.
- During Q1 2022, soil samples were collected from Shahate Prospect (101 samples) and North Tolegimja (135 samples) in the east of Kerkasha Project. Assay results are expected in Q2 2022.

**Regional exploration:**

- After the realisation that Tolegimja Prospect may host VMS mineralisation, Alpha commenced a programme of 1:5,000 scale geological mapping in the east of Kerkasha to investigate the possibility that more VMS mineralisation may be present in a north-northeast trend through the entire eastern section of the Kerkasha Exploration License. A total of 17.5km<sup>2</sup> of geological mapping south of Tolegimja was completed during Q1 2022.

***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:

<b>Category of Expense</b>	<b>Three months ended March 31, 2022 (unaudited) (\$)</b>	<b>Three months ended March 31, 2021 (unaudited) (\$)</b>	<b>Year ended December 31, 2021 (audited) (\$)</b>	<b>Year ended December 31, 2020 (audited) (\$)</b>
Drilling	228,596	155,846	376,304	563,135
Assays	61,043	78,542	298,483	101,838
Surveys	-	1,749	19,542	121,116
Technical services	59,673	18,102	461,956	231,963
Exploration licenses & fees	185	11,487	12,267	13,803
Labour cost	195,287	191,511	792,800	299,586
Share based compensation	392,096		464,674	
Consultancy charges	-	91,580	101,843	20,067
Consumable spare parts and supplies	54,751	95,535	209,165	145,647
Other direct expenses	53,769	71,468	255,914	236,432
Depreciation expenses	19,131	12,923	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 ended March 2022 and 2021 and year ended December 31, 2021 and 2020. This information has been summarized from the interim financial statements of Alpha.

	Three months ended March 31, 2022 (unaudited) (\$)	Three months ended March 31, 2021 (unaudited) (\$)	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)
<b>Loss and Comprehensive Loss</b>	103,463	108,286	850,888	1,870,060
<b>Loss/share</b> Basic and Diluted	0.00	0.00	0.01	0.04
<b>Other Income</b>	(87,168)	-	(31,752)	-
<b>General and Administrative Expenses</b>	119,409	103,210	565,177	584,039
<b>Finance Cost</b>	2,201	4,220	12,975	23,844
<b>Shared Based Compensation</b>	71,520	-	256,535	1,251,177
<b>Foreign Exchange (Gain)/Loss</b>	(2,499)	856	(33,829)	11,000
<b>Weighted Average Number of Shares Outstanding at Period End</b>	53,927,019	65,530,088	59,776,537	49,326,199

### Results of Operations

Category of Expense	Three months ended March 31, 2022 (unaudited) (\$)	Three months ended March 31, 2021 (unaudited) (\$)	Year ended December 31, 2021 (audited) (\$)	Year ended December 31, 2020 (audited) (\$)
Other income	(87,168)	-	(31,752)	-
Professional fees	35,399	45,009	272,557	441,062
Salary	34,829	-	90,385	-
Directors fee	4,998	-	5,909	-
Office expenses	720	979	1,693	953

<b>Category of Expense</b>	<b>Three months ended March 31, 2022 (unaudited) (\$)</b>	<b>Three months ended March 31, 2021 (unaudited) (\$)</b>	<b>Year ended December 31, 2021 (audited) (\$)</b>	<b>Year ended December 31, 2020 (audited) (\$)</b>
Shared based compensation	71,520	-	256,535	1,251,177
General and administrative expenses	43,463	57,222	268,288	142,024
Finance cost	2,201	4,220	12,975	23,844
Foreign exchange (gain)/loss	(2,499)	856	(33,829)	11,000
Fair value adjustment on warrant liability	-	-	(89,663)	-
Net loss	103,463	108,286	850,888	1,870,060

*For the three months period ended March 31, 2022*

During the three months period ended March 31, 2022, the net loss was \$103,463 compared to a net loss of \$108,286 for the three month period ended March 31, 2021. This increase was largely contributed by increase in share based compensation of \$71,520.

*For the year ended December 31, 2021*

The net loss for the year ended December 31, 2021 was \$850,888 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 three months ended March 31, 2022 and 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.

	<b>Three months ended March 31, 2022 (unaudited) (\$)</b>	<b>Year ended December 31, 2021 (audited) (\$)</b>	<b>Year ended December 31, 2020 (audited) (\$)</b>	<b>Year Ended December 31, 2019 (audited) (\$)</b>	<b>Year Ended December 31, 2018 (audited) (\$)</b>
<b>Loss and Comprehensive Loss</b>	103,463	850,888	1,870,060	136,178	133,623
<b>Loss/share</b> Basic and Diluted	0.00	0.01	0.04	0.01	0.01
<b>Exploration and Evaluation Assets</b>	8,445,789	7,220,240	4,323,826	2,608,781	1,146,140
<b>Expensed Research and Development Costs</b>	-	-	-	-	8,000
<b>General and Administrative Expenses</b>	119,409	565,177	584,039	131,264	121,460
<b>Foreign exchange (gain)/loss</b>	2,499	(33,829)	11,000	-	-
<b>Total Assets</b>	9,140,657	8,393,638	6,358,964	2,898,269	1,550,725
<b>Liabilities</b> Accounts Payables and Accrued Liabilities and Warrant Liability	1,478,337	1,260,616	995,467	279,736	216,014
<b>Deficit</b>	3,062,577	3,034,265	2,183,377	313,317	177,139
<b>Weighted average number of shares outstanding at period end</b>	53,927,019	59,776,537	49,326,199	26,662,200	10,571,100

*For the three months ended March 31, 2022*

During the three months ended March 31, 2022, 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 three months ended March 31, 2022 was \$8,445,789.

*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 \$7,220,240.

*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.

	<b>Three months ended March 31, 2022 (unaudited) (\$)</b>	<b>Year ended December 31, 2021 (audited) (\$)</b>	<b>Year ended December 31, 2020 (audited) (\$)</b>	<b>Year Ended December 31, 2019 (audited) (\$)</b>
<b>Other Income</b>	(87,168)	(31,752)	-	-
<b>Operating Expenses and Finance Costs</b>	121,610	674,446	607,883	136,178
<b>Shared Based Compensation</b>	71,520	256,535	1,251,177	-
<b>Foreign Exchange (Gain)/Loss</b>	2,499	(33,829)	11,000	-
<b>Total Assets</b>	9,140,657	8,393,638	6,358,964	2,898,269
<b>Total Liabilities</b>	1,478,337	1,260,616	995,467	279,736
<b>Loss per Share</b>	0.00	0.01	0.04	0.01
<b>Weighted average number of shares outstanding at period end</b>	53,927,019	59,776,537	49,326,199	26,662,200

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.

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:

	<b>Three months ended March 31, 2022 (unaudited) (\$)</b>	<b>Year ended December 31, 2021 (audited) (\$)</b>	<b>Year ended December 31, 2020 (audited) (\$)</b>	<b>Year ended December 31, 2019 (audited) (\$)</b>
Cash, end of period	454,540	894,808	1,891,681	169,127
Cash provided by (used in) operating activities	307,112	(948,009)	88,527	(73,089)
Cash used in investing activities	747,380	2,693,465	1,729,420	1,462,641
Cash received from financing activities	-	2,688,609	3,363,447	1,420,000

As at March 31, 2022, Alpha had a cash position of \$454,540 and net working capital deficit of \$521,707 compared to cash position of \$894,808 and net working capital surplus of \$167,953 as at December 31, 2021.

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.

#### ***Contractual Obligations***

Alpha had no contractual obligations as at March 31, 2022.

#### ***Off-balance sheet arrangements***

Alpha had no off-balance sheet arrangements as at March 31, 2022.

#### ***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:

	<b>Three months ended March 31, 2022 (unaudited) (\$)</b>	<b>Year ended December 31, 2021 (audited) (\$)</b>	<b>Year ended December 31, 2020 (audited) (\$)</b>	<b>Year ended December 31, 2019 (audited) (\$)</b>
Shareholder Loan Granted and Repaid	-	-	1,000,000	-
Colonnade Mining Group Eritrea Ltd, Eritrea	228,596	376,304	542,301	379,409
Hemera Capital Management, Cayman <sup>(1)</sup>	6,000	100,000	100,000	100,000
Colonnade Mining Group Ltd, BVI	-	2,958	43,472	48,900
Alpha Discovery Holding, BVI	-	80,265		
Alasdair Smith, CEO of Alpha Exploration Eritrea Ltd	-	10,000		
Frontier Suppliers DMCC, UAE	-	11,040	60	-
Hemera Management Limited, UK	-	-	-	39,699
Salaries	68,456	284,044	156,000	156,000
Benefits in Kind	18,600	29,400	31,452	33,972
Shared based compensation	-	465,647	1,251,577	-
Nubian Royalty Corporation	-	-	50,000	-
<b>Total</b>	<b>321,652</b>	<b>1,359,658</b>	<b>3,174,862</b>	<b>757,980</b>

**Notes:**

- (1) 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 the amount is yet to be repaid.

***Subsequent Events***

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% of the units on a portion of the funds raised.

***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 three months ended March 31, 2022 and 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:

	<b>Number</b>
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\$0.74	750,000
<b>Total</b>	<b>79,671,825</b>

### ***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](http://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](http://www.sedar.com).

#### ***Additional Information***

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).