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**ALPHA EXPLORATION LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

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## **ALPHA EXPLORATION LTD. MANAGEMENT'S DISCUSSION & ANALYSIS**

The following is Management's Discussion and Analysis ("MD&A") of Alpha Exploration Ltd. ("Alpha" or "the Company") is for the nine months ended September 30, 2023 and is dated November 24, 2023. This MD&A contains highlights of the results of operations and financial condition and provides material updates to the operations, financial condition, liquidity and capital resources of the Company.

This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2023 and the audited consolidated financial statements for the year ended December 31, 2022, with the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in United States dollars unless otherwise indicated.

### ***Description of Business***

Alpha is a publicly traded company incorporated under the *BVI Business Companies Act*, (No. 16 of 2004) (the "**BVI Act**"). The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol ALEX.

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 currently acquires its properties through negotiating with holders of concessions, claims or mineral licenses 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 has a single, large exploration license in Eritrea covering 771km<sup>2</sup> known as the Kerkasha Project. This License covers four historical colonial gold mines, six artisanal gold mining areas as well as ten new Prospects discovered by Alpha.

Alpha's current activities consist solely of mineral exploration. The Company is considered to be in the exploration stage and no revenue is currently generated from operational activities.

Alpha has one subsidiary, Alpha Exploration Eritrea Limited, an Eritrean corporation incorporated on February 5, 2018, under the laws of Eritrea ("**Alpha Eritrea**"). Alpha Eritrea currently holds the rights to the Kerkasha Project (as defined below).

Alpha's primary focus to date has been the Kerkasha project located 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 (3) 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**

During the previous nine months, Alpha completed the following significant programs and reports:

**Aburna Orogenic Gold Prospect:**

The Aburna orogenic gold Prospect is located in the west of the Kerkasha Exploration License and has the historic Aburna Colonial Gold Mine as part of it.

Early reconnaissance mapping and rock chip sampling in 2020 and soil sampling in 2021 by Alpha staff, identified a large area of gold mineralisation measuring approximately 6 km by 2km, extending northeast from the Aburna Gold Mine. As a follow-up on this work, Alpha staff took traverse, channel and trench samples in 2021 across the interpreted strike of the mineralisation at select Sub Areas in the Prospect. This work returned very significant results for gold.

During 2022, Alpha carried out two phases of drilling at Aburna comprising 38 reverse-circulation drill holes (4,315 m) and 5 diamond drill holes (881.10m). The drilling was focused on testing areas beneath the best trench, channel and traverse results for gold at the Saddle Workings, Hill 52, Central, Northeast and Celebration Hill Sub Areas. A summary of the best drill results from the Sub Areas in 2022 can be seen in Table 1.

**Table 1: Summary of Significant Intervals from ABR001-ABR038 & ABD001-005**

Target Sub Area	Total Holes	Hole	From (m)	To (m)	Interval (m)	Au (g/t)
Hill-52 Area	5 x DD Holes (881.1m)	ABD001	66	72	6.00	6.11
Hill-52 Area		ABD001	89	109	20.00	7.70
Hill-52 Area	17 x RC Holes (1,986)	ABR005	6	21	15.00	5.85
Hill-52 Area		ABR018	50	68	18.00	5.47
Northeast Area	4 x RC Holes (432m)	ABR037	14	30	16.00	14.07
Celebration Hill Area	9 x RC Holes (1,095m)	ABR008	49	59	10.00	5.24
Celebration Hill Area		ABR027	129	149	20.00	1.69
Central Area	6 x RC Holes (659m)	ABR034	101	125	24.00	1.43

Parameters for Table 1	
1	Using minimum 0.20 g/t to start & finish an interval and a minimum length = 3m
2	Maximum dilution interval ( $\leq 0.2\text{g/t Au}$ ) = 2m
3	interval of 1m $\geq 1\text{ g/t}$ is considered significant
4	Interval must be $> 1.00$ with Au gms x meters

Later in 2022, Alpha carried out an extension of their original 100m x 100m soil sampling program (202 samples) to test for northeast and southwest strike extensions to the existing 6 x 2 km long gold in soil

anomaly at Aburna. Assay results extended the Aburna gold in soil anomaly to 7.2 x 2.2 kms (see Maps 1 & 2).

From December 2022 – February 2023, Alpha carried out further trench and channel sampling to identify the true width to some of the gold mineralisation at surface within the 7.2 x 2.2 kms gold in soil anomaly at Aburna and to identify further targets for drill testing. Alpha issued a press release on the March 21, 2023 announcing significant assay results from this work. The results identified areas for drill testing northeast and southeast of the current drilling at Northeast Target Sub Area and west and southeast of the current drilling at the Hill 52 Target Sub Area. Trenching continued with trenches ABTRCH055 - 075 until the end of June 2023. Assays for trenches ABTRCH055 - 061 and 063 - 064, were received by June 30, 2023 and are summarised in Table 2 and Map 1. The remaining assays are expected in Q4 2023.

**Table 2: Summary of best gold Intervals from trenches ABTRCH055 - 064**

Trench	Sample	Sample Type	Easting (UTM)	Northing (UTM)	Interval (m)	Au (g/t)
ABTRCH057	620304	Trench	342940.7618	1653294.222	11	0.30
ABTRCH063	621623	Trench	342688.6539	1653587.516	1	3.06
ABTRCH063	621644	Trench	342702.3948	1653577.337	8	1.79
ABTRCH064	621802	Trench	339825.324	1650759.732	3	0.18
ABTRCH064	621902	Trench	339874.5522	1650682.016	4	0.26
ABTRCH064	621923	Trench	339884.6072	1650665.894	1	3.33



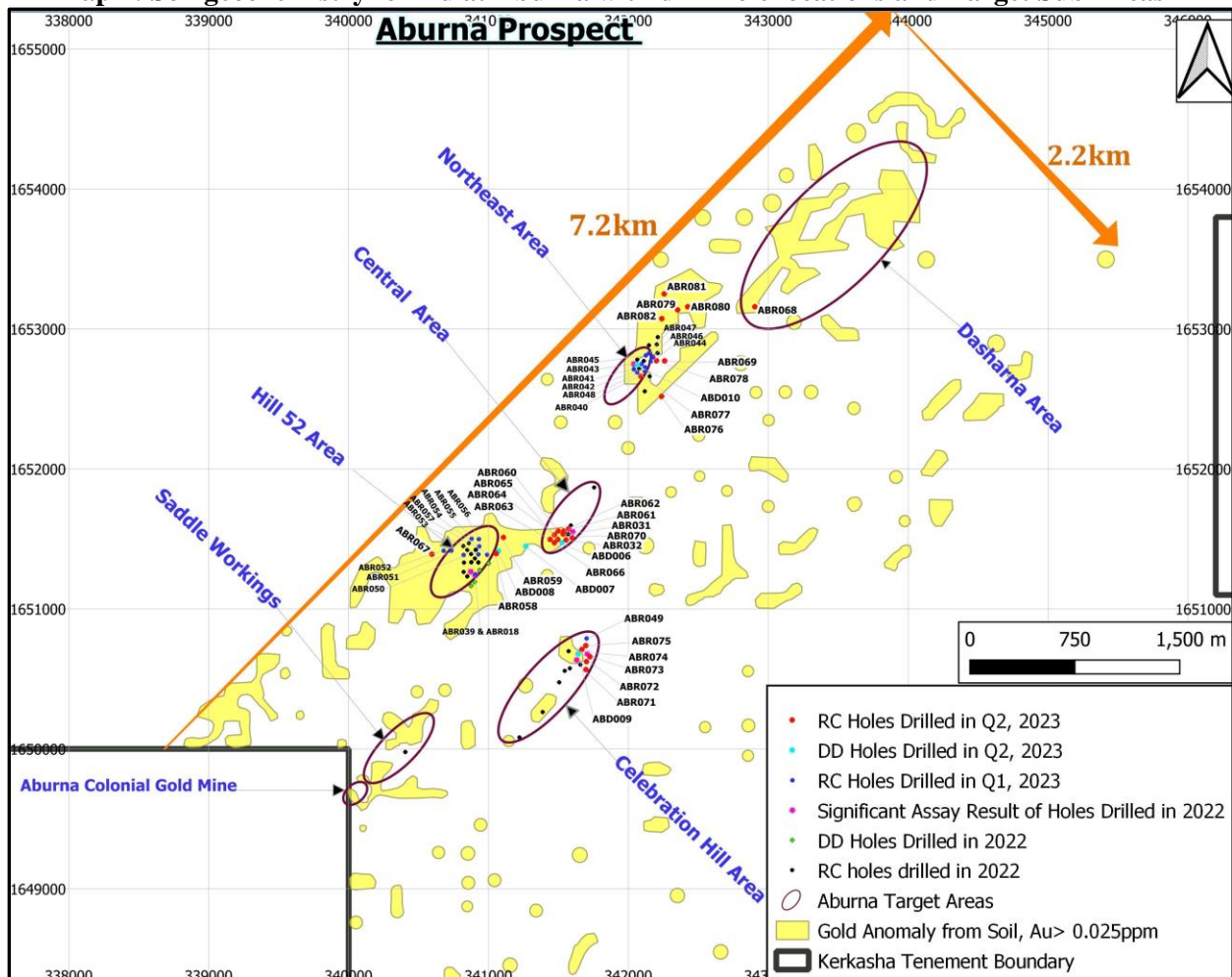
**Table 3: Summary of Significant Intervals from ABR070 -077**

Target Sub Area	Hole	From (m)	To (m)	Interval (m)	Au (g/t)
Central Area	ABR070	57	58	1	2.03
Central Area	ABR070	64	69	5	1.52
Central Area	ABR070	131	134	3	1.00
Central Area	ABR070	143	148	5	0.62
Northeast Area	ABR077	1	8	7	0.89

Parameters for Table 3	
1	Using minimum 0.20 g/t to start & finish an interval and minimum length = 3m
2	Dilution interval ( $\leq 0.2\text{g/t Au}$ ) = 2m (multiple 2m dilution intervals allowed)
3	Individual 1m intervals $\geq 1\text{g/t}$ are also considered significant
4	Interval must be $> 1.00\text{ Au gms x meters}$ to be reported

A total of 5 Diamond drill holes (ABD006 - 010) for 809.40m were also completed at Aburna in June 2023. Assay results for all 5 Diamond holes are pending and expected in Q4 2023.

**Map 2: Soil geochemistry for Au at Aburna with drill hole locations and Target Sub Areas**



During February-March 2023, a program of lithological and structural mapping was carried out at Aburna by an independent Consultant. The mapping was designed to cover the prospect area and identify the

controlling structures, lithologies and alteration associated with gold mineralisation at Aburna. A total of 82 rock chip samples were collected as part of the mapping program. The program was successfully completed and a final report with conclusions and recommendations was delivered to Alpha in April 2023.

During Q2 2023, Alpha used independent contractors to carry out a differential GPS survey of all drill hole collars at Aburna completed to date, in preparation for use in a future resource definition and estimation program. A report on this program was delivered to Alpha on June 29, 2023.

From March 21 – June 9, 2023, Alpha carried out a ground magnetic survey over the Aburna Prospect, in order to better understand the structural and lithological controls to mineralisation at depth. The survey was supervised by Southern Geoscience Consultants (SGC – Australia) and a report on the interpretation of the ground magnetic data with conclusions and recommendations was delivered from SGC in Q3 2023.

From June 2 – July 19, 2023, Alpha contracted TMC Géophysique (Canada) to conduct an Gradient Array Induced Polarisation (GAIP) survey over the Aburna Prospect, in order to better understand the disseminated sulphide controls of mineralisation. The survey was supervised by Southern Geoscience Consultants (SGC - Australia) and a report on the interpretation of the ground magnetic data with conclusions and recommendations was delivered from SGC in Q3 2023.

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

Anagulu Gold-Copper Porphyry Prospect is in the southwest of the Kerkasha license and was discovered by Alpha geologists while completing regional soil sampling and reconnaissance prospecting in 2018-2019. The prospect is defined by a large northeast-southwest oriented gold and copper anomaly (soils and rock chips) measuring approximately 2 km in length and 0.75 km in width, where outcrops with copper oxide staining are observed.

Early reconnaissance drilling at Anagulu in 2020 revealed strong gold and copper mineralisation; the discovery diamond drill hole (AND001) in the northeast part of the prospect reported a 49m intersection averaging 2.42 g/t gold, 1.10 % copper and 6.83 g/t silver.

In early 2020, Alpha contracted TMC (Canada) to carry out an Induced Polarisation (“IP”) geophysical survey at Anagulu. The survey data was interpreted by Southern Geoscience (SGC - Australia) and identified five (5) anomalous areas that warranted follow up exploration.

During 2021, Alpha contracted TMC to carry out a close-spaced detailed Induced Polarisation (“IP”) geophysical survey at Anagulu. The survey data was interpreted by SGC and identified a deep chargeability anomaly in the southwest of the Prospect, immediately west of the 2 x 0.75km gold and copper anomaly (soils and rock chips). This led to a theory that the anomaly could represent a porphyry system at depth that was a ‘feeder’ for all the mineralisation seen at surface and in the existing drilling. As a consequence, Alpha completed a detailed soil sample survey west of the current Anagulu 2 x 0.75km gold and copper in soil anomaly, to see if there were signs of copper and gold mineralisation at surface in this area also.

In early 2022 Alpha carried out a program of remapping of the Anagulu Gold-Copper Porphyry Prospect at 1:1,000 scale, focusing on identifying the host rock described as a quartz-eye diorite. Based on the results of the remapping program, Alpha carried out a program of trench sampling from February 3 - March 6, 2023, taking 1,289 samples over areas considered prospective for mineralisation (quartz-eye diorite with elevated copper in soil sampling) in the southwest of the prospect. Assays from the trenching program confirmed there were elevated levels of copper in the southwest over approximately 1.5kms of strike that warranted follow-up exploration and drill testing in 2023.

In July 2022, Alpha drill tested the deep (~200–500m) chargeability anomaly (referred to above) in the southwest of the Anagulu Prospect with one diamond tail hole of 311.2 m), deepening existing RC hole ANR045 (which had been stopped at 240 m deep). The strong chargeability anomaly is also coincident with elevated copper, gold, and molybdenum in previous drillholes in this area. Assay results for gold, copper and molybdenum have been received from the "diamond tail" of ABRD045 and show broad zones of low-level copper mineralisation and elevated molybdenum near the end of the hole. Alpha believes that this drill hole has not (as hoped) found the source of the broad zones of copper and gold mineralisation identified at Anagulu at surface and in previous drilling and will focus the next drill program at Aburna on testing at depth the 1.5kms of anomalous copper in trenches in the southwest of the prospect.

There was no exploration carried out over the Anagulu Prospect in Q1 & Q2 2023, as Alpha focused its resources on the Aburna Prospect during this period.

### **Tolegimja Copper-Zinc-Gold Volcanogenic- Massive–Sulphide (“VMS”) Prospect:**

Tolegimja is a VMS Prospect located in the northeast of the Kerkasha license. Prominent gossan outcrops were discovered by Alpha geologists while completing regional soil sampling and reconnaissance prospecting in 2018.

The gossans at Tolegimja are spatially associated with surface geochemical (soil and rock chip) anomalies for copper and zinc as well as an IP chargeability anomaly.

In early 2022, Alpha carried out a reverse circulation drill program at the Tolegimja. The drilling comprised 9 holes (TLR001 – 009) for a total of 1,862m and was focused on testing the geophysical and geochemical anomalies related to gossan and rhyolite outcrops which Alpha believes could represent VMS mineralisation at depth. Significant assays results are summarized in Table 5:

**Table 5: Summary of best Cu-Zn-Au Intervals from Drillholes TLR001-009**

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Copper (%)	Zinc (%)
TLR-001	16	22	6	0.18	0.16	0.01
and	56	70	14	0.50	0.35	0.01
TLR-003	0	24	24	0.01	0.14	0.18
and	30	36	6	0.01	0.28	0.18
and	41	59	18	0.16	0.34	0.99
and	71	77	6	0.32	0.77	1.04
TLR-005	18	20	2	0.01	0.11	0.30
TLR-008	9	12	3	0.00	0.04	0.47
and	17	28	11	0.00	0.01	0.42
TLR-009	62	88	26	0.11	0.38	1.67
and	91	94	3	0.10	0.44	2.00

During July 2022, Alpha completed a single diamond drill hole (TLD001) to 400m depth at Tolegimja. The hole was designed to test to depth an IP (chargeability) anomaly that was on strike approximately 550m to the southwest of the massive sulphide intervals returned from reverse-circulation drill holes TLR003 & TLR009 in the previous drill program. Assay results for TLD001 were received in August 2022 and there were no significant results.

There was no exploration carried out over the Tolegimja Prospect in Q1 & Q2 2023, as Alpha focused its resources on the Aburna Prospect during this period.



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

Kona is a Porphyry-Copper Gold Prospect in the north-central area of the Kerkasha license and was discovered by Alpha geologists while completing regional soil sampling and reconnaissance prospecting. In early 2022, Alpha carried out a reverse-circulation drill program at Kona West targeting a sub-horizontal IP (chargeability) anomaly underlying copper anomalies in both soil and rock-chip samples at surface. The drilling comprised 2 holes (KNR011 – 012) for a total of 167m. The holes were drilled vertically and failed to get to depth due to excess water flows. Assay results from the RC drilling were returned in April 2022 and there were no significant results.

During July 2022, Alpha completed a single diamond drill hole ‘tail’ (168m) to reverse-circulation drill hole KNR011 (96m), to test the sub-horizontal chargeability anomaly to depth. Assay results were received for the diamond tail in Q3 2022 and there were no significant results.

There was no exploration carried out over the Kona Prospect in Q1 & Q2 2023, as Alpha focused its resources on the Aburna Prospect during this period.

### **Other Prospects:**

Alpha Geologists have identified many other Prospects on the large Kerkasha license including 3 Colonial Gold Mines and 6 Areas of Artisanal mining. In some cases, initial sampling of some prospects has taken place (e.g. Tolefafa, Dase and Shahate) with assays expected in Q3 2023.

### **Regional exploration:**

During Q2 2023, Alpha used independent contractors to carry out a differential GPS survey of all drill hole collars at Kerkasha completed to date (Aburna, Anagulu, Tolegimja, Kona, Kosolda and Asheshi Prospects). A report on this program was delivered to Alpha on June 29, 2023.

### ***Exploration and Development Expenditures***

Mineral exploration expenditures with respect to the Kerkasha Project form a significant portion of Alpha’s expenditures the nine months ended September 30, 2023 and the year ended December 31, 2022 were as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	\$	\$
Opening balance	9,675,511	7,381,258
Exploration costs:		
Drilling	583,873	557,885
Assays	237,819	267,786
Surveys	4,000	90
Technical services	222,105	118,518
Exploration licenses and fees	16,664	12,169
Labour cost	415,328	710,029
Share-based compensation	246,519	76,223
Reversal of share-based compensation <sup>(1)</sup>	(279,075)	-
Consumable spare parts and supplies	264,329	180,520
Other direct expenses	357,469	297,510
Depreciation expenses	49,323	73,523
Sub total	2,118,354	2,294,253
Ending balance	11,793,865	9,675,511

<sup>(1)</sup> On September 27, 2023, due to Mr. Alasdair Smith's resignation, his remaining 6,278,992 performance warrants were cancelled. This resulted in a reversal of \$279,075 of previously recorded share-based compensation capitalized to exploration and evaluation assets during the years ended December 31, 2021, December 31, 2022 and nine months ended September 30, 2023.

### **Summary of Quarterly Results**

The following is selected financial data from the Company's quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended September 30, 2023:

	<b>September 30, 2023</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Three months ended</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	-	-	-	-
Net and Comprehensive income / (loss) for the period	543,381	(1,668,795)	(270,191)	(295,738)
Net income (loss) per share (basic and diluted) <sup>(1)(2)</sup>	0.01	(0.03)	(0.00)	(0.01)

	<b>September 30, 2022</b>	<b>June 30, 2022</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
<b>Three months ended</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	-	-	-	-
Net and Comprehensive income / (loss) for the period	(16,585)	27,581	(103,463)	(422,055)
Net income (loss) per share (basic and diluted) <sup>(1)(2)</sup>	(0.00)	0.00	(0.00)	(0.01)

<sup>(1)</sup> Where presented together, the basic and diluted loss per share amounts are the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

<sup>(2)</sup> The sum of the quarterly per share amounts may not equal, in aggregate, the annual per share amount due to rounding in the calculations.

The quarter ended September 30, 2023 included professional fees of \$76,978, general and administrative expenses of \$42,214 driven by travelling and attendance of conferences, salaries of \$34,886 and a fair value adjustment gain arising from the revaluation of warrant liabilities of \$707,517.

The quarter ended June 30, 2023 included share-based compensation of \$271,460, professional fees of \$106,572, salaries of \$60,475, general and administrative expenses of \$68,415 driven by travelling and attendance of conferences and a fair value adjustment loss arising from the revaluation of warrant liabilities of \$1,172,226.

The quarter ended March 31, 2023 included salaries of \$59,513, professional fees of \$43,936, general and administrative expenses of \$75,978 driven by travelling and attendance of conferences and a fair value adjustment loss arising from the revaluation of warrant liabilities of \$91,375.

The quarter ended December 31, 2022 included professional fees of \$56,115, salaries of \$44,573, general and administrative expenses of \$37,843 driven by travelling and attendance of conferences and a fair value adjustment loss arising from the revaluation of warrant liabilities of \$150,815.

The quarter ended June 30, 2022 resulted in net income for the period of \$27,581 compared with net losses for each of the other quarters presented. This is primarily driven by a fair value adjustment gain arising from the revaluation of warrant liabilities of \$325,734, partially offset by share-based compensation of \$71,634 and salaries of \$33,728.

The quarter ended December 31, 2021 included share-based payment compensation of \$255,967, salaries of \$29,613 and higher general and administrative expenses of \$172,446. These costs were partly offset by a fair value adjustment gain arising from the revaluation of warrant liabilities of \$89,663.

### ***Results of Operations***

*For the three months September 30, 2023*

During the three months ended September 30, 2023, the Company reported net income of \$543,381 and income per share of \$0.01 (2022 – net loss of \$16,585 and a loss per share of \$0.00).

	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	\$	\$
<b>EXPENSES</b>		
Professional fees	76,978	39,912
Salaries	34,886	29,535
Director's fees	5,000	5,002
Office expenses	-	116
General and administrative expenses	42,214	38,995
Finance cost	1,884	1,974
Share-based compensation	-	(46,379)
Foreign exchange loss / (gain)	17,476	53,039
Loss / (gain) on fair value adjustment on warrant liability	(707,517)	(105,609)
Interest expense	-	-
Other income	(14,302)	-
<b>NET AND COMPREHENSIVE INCOME (LOSS)</b>	<b>543,381</b>	<b>(16,585)</b>

The net income for the three months ended September 30, 2023, increased compared with the three months ended September 30, 2022. The increase was largely attributable to an increase in the fair value adjustment gain on warrant liability of \$707,517 for the three months ended September 30, 2023 compared to a fair value adjustment gain of \$105,609 for the three months ended September 30, 2022.

Overall, results in every quarter have been affected by the non-cash items such as the share-based compensation, fair value adjustment on warrants liability and the foreign exchange.

*For the nine months September 30, 2023*

During the nine months ended September 30, 2023, the Company reported net loss of \$1,395,605 and loss per share of \$0.02 (2022 – net loss of \$92,467 and a loss per share of \$0.00).

	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	\$	\$
<b>EXPENSES</b>		
Professional fees	227,486	155,728
Salaries	154,874	98,092
Director’s fees	15,000	14,998
Office expenses	1,048	1,652
General and administrative expenses	186,607	164,479
Finance cost	6,092	6,501
Share-based compensation	284,206	96,775
Foreign exchange loss / (gain)	(14,063)	72,753
Loss / (gain) on fair value adjustment on warrant liability	556,084	(431,343)
Interest expense	7,961	-
Other income	(29,690)	(87,168)
<b>NET AND COMPREHENSIVE LOSS</b>	<b>(1,395,605)</b>	<b>(92,467)</b>

The net loss for the nine months ended September 30, 2023, increased compared with the nine months ended September 30, 2022. The increase was largely attributable to the fair value adjustment loss on warrant liability of \$556,084, an increase in share-based compensation of \$187,431, an increase in professional fees of \$71,761 and an increase in salaries of \$56,782.

Overall, results in every quarter have been affected by the non-cash items such as the share-based compensation, fair value adjustment on warrants liability and the foreign exchange.

***Cash flows:***

The following table summarizes Alpha’s cash flows for the nine months ended, and cash on hand as at, September 30, 2023 and 2022:

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	(\$)	(\$)
Cash, end of period	722,821	961,519
Cash used in operating activities	(822,297)	(482,419)
Cash used in investing activities	(1,881,211)	(1,796,729)
Cash provided by financing activities	3,325,865	2,345,859

On November 15, 2023, the Company announced a non-brokered private placement financing of units at a price of CAD\$0.70 per unit for aggregate proceeds of up to CAD\$5,000,000. As of the date of this report, CAD\$2,910,000 of the proceeds were received.

As at September 30, 2023, Alpha had a cash position of \$722,821 and net working capital of \$375,023 compared to cash position of \$100,464 and net working capital deficiency of \$209,155 as at December 31, 2022.

On January 31, 2023, the Company entered into a loan agreement with Astor Management AG, whereby the Company received CAD\$200,000. The loan bears interest at the rate of 8% per annum.

On April 6, 2023, the Company issued 4,773,214 units at CAD\$0.70 per unit for gross proceeds of CAD\$3,341,250 (\$2,479,040 USD equivalent) pursuant to the first tranche of a private placement. Each unit consists of one common share and one share purchase warrant exercisable at CAD\$1.05 per common share for a period of 24 months. In connection with the private placement, the Company paid a cash finder's fee payment equal to 6% on a proportion of the units issued. Part of the gross proceeds was paid by settling the balance of the loan with Astor Management AG along with accrued interest.

On May 4, 2023, the Company issued 1,993,075 units at CAD\$0.70 per unit for gross proceeds of CAD\$1,395,153 (\$1,028,418 USD equivalent) pursuant to the second tranche of a private placement. Each unit consists of one common share and one share purchase warrant exercisable at CAD\$1.05 per common share for a period of 24 months. In connection with the two tranches of the private placement, Alpha incurred total cash share issue costs of \$181,593.

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.

The cash of \$822,297 used in operating activities consisted of the net loss of \$1,395,605 and a net change in working capital items of \$266,982 partially offset by a net change in non-cash items of \$840,290.

The cash of \$1,881,211 used in investing activities consisted of exploration and evaluation expenditures on the Kerkasha Project properties of \$1,796,426 and purchase of equipment of \$87,360, partially offset by disposal of equipment of \$2,575.

Alpha had no contractual obligations as at September 30, 2023.

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

Alpha had no off-balance sheet arrangements as at September 30, 2023.

#### ***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.

At September 30, 2023 and December 31, 2022, the related party balances were as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	\$	\$
Hemera Capital Management, Cayman – common owner	6,000	6,000
Colonnade Mining Group Eritrea Ltd, Eritrea – common owner	(1,779)	780
Frontier Equipment Supplies DMCC, UAE – common owner	-	14,375
Michael Hopley - CEO	3,082	23,815
Anna Nydegger - Director	10,000	5,000
Alpha Discovery Holding, BVI – common owner	-	80,265
Alasdair Smith - CEO of Alpha Exploration Eritrea Ltd.	-	59,486
<b>Total</b>	<b>17,303</b>	<b>189,721</b>

On October 7, 2021, a shareholder, Alpha Discovery Holdings Limited provided an unsecured loan to the Company in the principal amount of CAD\$100,000 (the “Loan”). The Loan was for an 18-month term ending on April 7, 2023 and was repaid on May 1, 2023. The proceeds from the Loan were used by the Company for working capital purposes. The Loan was bearing interest rate of 5% per annum and was unsecured.

During the three and nine months ended September 30, 2023 and 2022, the related party transactions were as follows:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$	\$	\$	\$
Colonnade Mining Group Eritrea Ltd, Eritrea – drilling services	364,930	159,762	620,619	388,358
Hemera Capital Management, Cayman – advisory fees	6,000	6,000	18,000	18,000
Frontier Equipment Supplies DMCC, UAE - purchase	852	-	156,644	30,441

## Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer. The aggregate compensation paid, or payable, to key management personnel during the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries	66,346	75,525	211,281	231,455
Benefits	8,600	8,600	20,800	20,800
Directors' fees	5,000	5,002	15,000	14,998
Accounting fees	7,978	-	28,615	-
Advisory fees	6,000	6,000	18,000	18,000
Shared-based compensation	(248,745)	(112,098)	229,450	485,883
	<b>(154,821)</b>	<b>(16,971)</b>	<b>523,146</b>	<b>771,136</b>

Note: Salaries and benefits of Mr. Alasdair Smith, which form part of salaries and benefits noted above, are capitalized to the exploration and evaluation assets in Alpha Eritrea Ltd. Accounting fees are for the current CFO. Share-based compensation for the nine months ended September 30, 2023 of \$246,519 (2022 - \$427,985) was capitalized to exploration and evaluation assets and \$279,075 (2022 - \$nil) was reversed for previously recorded share-based compensation capitalized to exploration and evaluation assets during the years ended December 31, 2021, December 31, 2022 and nine months ended September 30, 2023.

On July 28, 2022, the Company appointed Francisco Del Castillo, CPA, CA, as Chief Financial Officer of the Company. Mr. Del Castillo assumed responsibility from Chris van der Westhuyzen with immediate effect. Mr. van der Westhuyzen will remain a director of Alpha.

On November 18, 2022, the Company appointed Denitsa Doncheva, CPA, as Chief Financial Officer of the Company. Ms. Doncheva assumed responsibility from Francisco Del Castillo with immediate effect.

### ***Critical Accounting Estimates***

Precious and other metals exploration require 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. 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.

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. There have been no changes in critical accounting estimates during the nine months ended September 30, 2023.

### ***Changes in Accounting Policies***

There have been no changes in accounting policies during the nine months ended September 30, 2023.

### ***Financial Instruments and Financial Risk***

The Company's financial instruments include cash, other receivables, accounts payable, warrant liability and loans and are recorded at fair value. The carrying value of these financial instruments approximates their fair values due to the relatively short periods of maturity of these instruments, with accounts payable being due on normal commercial terms.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2022.

### ***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***

On November 14, 2023, a total of 15,286,159 preferred shares were converted to ordinary common shares.

As of the date of this 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	80,874,473
Share Warrants with a weighted average exercise price of CAD\$0.95	9,209,731
Share Options with a weighted average exercise price of CAD\$0.67	1,000,000
<b>Total</b>	<b>91,084,204</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 and Internal Controls Over Financial Reporting***

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. 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 condensed interim consolidated financial statements for the nine months ended September 30, 2023, and this accompanying MD&A (together, the “Interim 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).

### ***Forward Looking Information***

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.

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