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**ALPHA EXPLORATION LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 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 year ended December 31, 2023 and is dated April 25, 2024. 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 audited consolidated financial statements for the year ended December 31, 2023, 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.

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 year ended December 31, 2023, Alpha completed the following significant programs over the Kerkasha License. Alpha has completed extensive exploration work over all the license in previous years and has identified twenty different prospects to date. During 2023 Alpha’s work has been focused mostly on the Aburna Gold Prospect.

### **Aburna Gold Prospect:**

The Aburna Gold Prospect is located in the west of the Kerkasha Exploration License and covers the historic Aburna colonial gold mine.

Early reconnaissance mapping and rock chip sampling at Aburna in 2020 and soil sampling in 2021 by Alpha staff, identified a large area of gold mineralization measuring approximately 6 km by 2km, extending northeast from the colonial age, Aburna gold mine. As a follow-up on this work, Alpha staff took rock samples, channel and trench samples in 2021 across the interpreted strike of the mineralization at select areas of particular interest on the prospect. This work returned 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 five different sub-areas known as the Saddle Workings, Hill 52, Central, Northeast and Celebration. see Map 1 & 2. A summary of the best drill results from the Sub Areas in 2022 is below in Table 1. Full details of the drilling completed are available here: <https://alpha-exploration.com/wp-content/uploads/2022/11/News-Release-Alpha-Announces-Aburna-Drill-Results-November-2022.pdf>

**Table 1: Significant Intervals from ABR001-ABR038 & ABD001-005 completed in 2022**

<b>Target Sub Area</b>	<b>Total Holes</b>	<b>Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
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 3**

Using minimum 0.20 g/t to start & finish an interval and minimum length = 3m

Dilution interval ( $\leq 0.2g/t$  Au) = 2m (multiple 2m dilution intervals allowed)

Individual 1m intervals  $\geq 1g/t$  Au are also considered significant

Interval must be  $> 1.00$  Au gms x meters to be reported

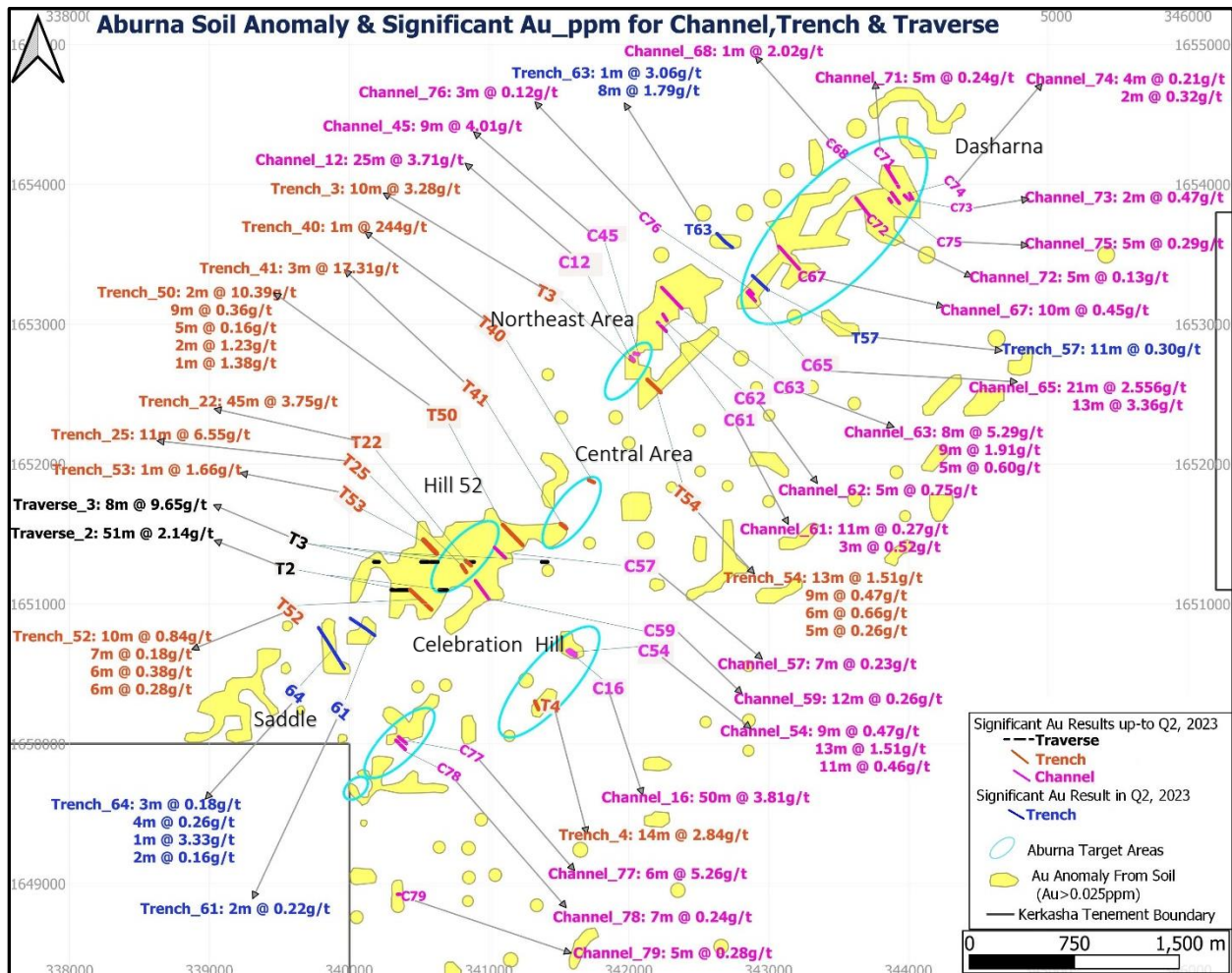
Later in 2022, Alpha carried out an extension of their original 100m x 100m soil sampling program. Results successfully extended the gold in soil anomaly at Aburna to 7.2 x 2.2 kms (see Maps 1 & 2).

From December 2022 – February 2023, Alpha carried out further trench and channel sampling to identify the true width to some of the gold mineralization 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 recent drilling at Northeast area and west and southeast of the recent drilling at Hill 52 area. Trenching continued with trenches ABTRCH055 - 075 until the end of June 2023. Assays for trenches ABTRCH055 - 061 and 063 - 064, are summarised in Table 2 and Map 1. Full details of the drilling completed are available here: <https://alpha-exploration.com/wp-content/uploads/2023/03/Press-Release-Aburna-Trenching-Starts-Drilling-March-2023.pdf>

**Table 2: Summary of best gold intervals from trenches ABTRCH055 – 064**

<b>Trench</b>	<b>Sample</b>	<b>Sample Type</b>	<b>Easting (UTM)</b>	<b>Northing (UTM)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>
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

**Map 1: Aburna Gold Prospect. Significant Trench-Channel-Traverse results on soil geochemistry & 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 entire prospect area and identify the controlling structures, lithologies and alteration associated with gold mineralization at Aburna.

Another Reverse Circulation (RC) drilling program commenced at Aburna in late February 2023 through to July 30, 2023, with a total of 48 RC drill holes (ABR039 - 096 with hole extensions to ABR018, ABR031, ABR032 and ABR034) for 6,088 meters completed (Map 2). Alpha issued a press release on May 24, 2023, with significant assay results from the RC drilling to date (extensions to ABR018, ABR031, ABR032, ABR034 and holes ABR039 - 069). Results for a further 8 RC holes (ABR070 - 077) were subsequently received and significant results are given in Table 3. Full details of the drilling completed are available on the Company's website at [www.alpha-exploration.com](http://www.alpha-exploration.com).

**Table 3: Summary of Significant Intervals from ABR034 -086**

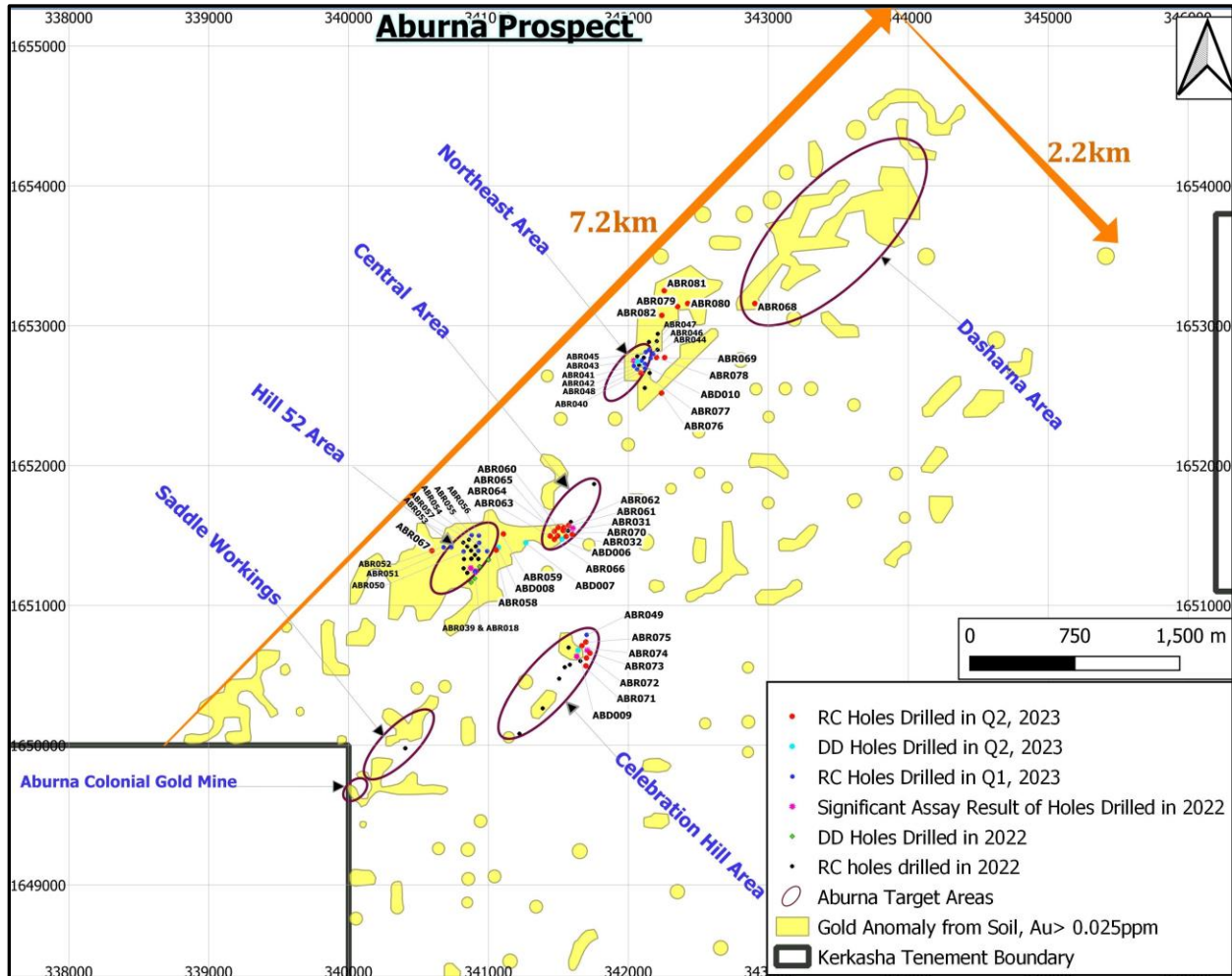
Target Area	Hole	From (m)	To (m)	Interval (m)	Average g/t Gold
Central Area	ABR034	101	131	30	1.23
Central Area	ABR034	148	156	8	3.67
Hill-52 Area	ABR039	87	92	5	6.31
Northeast Area	ABR040	104	114	10	1.37
Northeast Area	ABR041	45	57	12	1.24
Northeast Area	ABR042	100	108	8	1.5
Northeast Area	ABR043	67	78	11	3.99
Northeast Area	ABR044	120	133	13	4.24
Hill-52 Area	ABR056	55	67	12	2.12
Hill-52 Area	ABR058	84	96	12	0.92
Hill-52 Area	ABR059	34	55	21	1.04
Hill-52 Area	ABR059	0	23	23	0.58
Central Area	ABR060	42	87	45	0.6
Central Area	ABR061	69	92	23	0.7
Central Area	ABR063	39	58	19	0.6
Central Area	ABR064	38	72	34	1.5
Central Area	ABR069	90	96	6	4.97
Northeast	ABR078	156	165	9	5.99
Northeast	ABR079	108	138	30	0.48

**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  $\geq 1\text{g/t Au}$  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. 9m @ 17.9 g/t Au (including 3m @ 53.39 g/t Au) was reported from drillhole ABD008 and 2m @ 10.86 g/t Au from drillhole ABD010. No significant results were reported from drillholes ABD006, 007 and 009.

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



Also, 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.

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 mineralization 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 a Gradient Array Induced Polarisation (GAIP) survey over the Aburna Prospect, in order to better understand the disseminated sulphide controls of mineralization. The survey was supervised by SGC - Australia and a report on the interpretation of the conclusions and recommendations was delivered from SGC in Q3 2023.

On August 28, 2023, Alpha provided an exploration update regarding exploration work on both the Aburna and Tolegimja projects ([https://alpha-exploration.com/wp-content/uploads/2023/09/Alpha\\_PR-28-August-23-Quarterly-exploration-update.pdf](https://alpha-exploration.com/wp-content/uploads/2023/09/Alpha_PR-28-August-23-Quarterly-exploration-update.pdf)). On Aburna in total, 5,565m of drilling including 4,756m by reverse-circulation (28 holes) and 809m by diamond drilling (5 holes) had been completed in total during the 2023 drill program. Separately, 3,678m of trench & channel sampling testing extensions to the 7.2km

Long gold in soil anomaly were announced. Assays from the trenching program did not report significant gold mineralization. Alpha also announced the completion of high-resolution topographic and drill hole collar survey as well as the commencement of an Environmental Baseline study and preliminary metallurgical test work on gold bearing sulphide material.

On October 2, 2023, the Company announced that following the completion of the GAIP and ground magnetic survey as well as 4,356m of trenching at the Aburna Gold Prospect, the Company has defined four primary targets covering > 5km of strike ([https://alpha-exploration.com/wp-content/uploads/2023/10/Alpha\\_Ground-Geophysics-Update-02-October-2023-1.pdf](https://alpha-exploration.com/wp-content/uploads/2023/10/Alpha_Ground-Geophysics-Update-02-October-2023-1.pdf)). Separately, the completion of 19 additional trenches by the Company since March this year had confirmed a new trend of mineralization directly north of the Northeast Area prospect which also coincides with a 1km long, linear chargeability target in the GAIP survey (“Target 3”). Significant mineralization has now been intersected in trenching over a strike of >1km on the Northeast Area prospect.

On November 14, 2023, Alpha announced further results from the 2023 drilling program at Aburna. In Northeast Area drilling included 9m @ 5.99 g/t Au (drillhole ABR078) within a 1.2km long GAIP target extending a significant “shoot” of gold mineralization to over 200m in length. Separately, drillhole ABR092 intersected 9m @ 10 g/t Au and confirmed a separate mineralized structure over 200m in strike length. [https://alpha-exploration.com/wp-content/uploads/2023/11/14NOV2023\\_PR\\_Alpha\\_Drilling-Update.pdf](https://alpha-exploration.com/wp-content/uploads/2023/11/14NOV2023_PR_Alpha_Drilling-Update.pdf).

In addition, the Company announced that 20 trenches totalling 967 metres had been dug and sampled across the three primary targets interpreted from the GAIP survey. The trenches were typically 40m to 50m long and spaced approximately 200 metres from each other, orientated NW-SE, perpendicular to the interpreted strike of mineralization. Assay results from the trenching did not identify significant gold mineralization.

On December 18, 2023 Alpha announced the start of a new drilling program at Aburna with up to 10,000 metres of drilling planned, split into two separate 5,000m programs.

Following the end of the reporting period, on January 25, 2024, the Company announced results from metallurgical test work that had been undertaken by two independent laboratories to assess the amenability of gold recovery from sulphide bearing mineralization at Aburna. Gold recoveries of 88.6–91.9% were reported from analysis completed by Maelgwyn Mineral Services, South Africa, using a 24-hour cyanide leach at 75-µm grind size on composite samples. Preliminary results highlighted the positive potential metallurgical characteristics for future process-plant design. Separately, test work of cyanide recoverable gold compared to screen fire assay was completed by ALS in Perth, Australia, and reported results consistent with those from Maelgwn, suggesting minimal variability in cyanide-recoverable gold across the Aburna project area.

The Company also announced that assay results received from a series of 20 exploratory trenches totalling 967 metres across the Dasharna, North East areas and across the south west of Aburna have been received and did not intersect significant mineralization.

On January 30, 2024, the Company announced initial assays from the 10,000m drill program commenced in December 2023 that included 20m @ 2.82 g/t Au (Hole ABR100) and 22m @ 1.71 g/t Au (Hole ABR105) from nine drill holes completed at Central Area. At Northeast Area assays included 2m @ 13.11 g/t Au (hole ABR108) and 1m @ 14 g/t Au (ABR109) from three drill holes completed.

Further drilling results from Aburna were announced on March 1<sup>st</sup> 2024, from a further 16 holes completed over the Hill 52, Central and Northeast Area prospects on Aburna. Hole ABD012 intersected 15.33 g/t Au over 18m and was drilled as a step out along strike from existing high- grade mineralization that included holes ABD001 (20m@ 7.70 g/t Au). ABD013, a step out from ABD012, intersected 49m @ 2.75 g/t Au



and included two separate higher-grade zones of 7m @ 14.90 g/t Au and 2m @ 6.19 g/t Au at shallow depths (<70m from surface).

### **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 an easily identifiable malachite-stained (copper oxide) outcrop and more recently by a large coincident 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.

Early reconnaissance drilling at Anagulu in 2020 revealed strong gold and copper mineralization; 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 initiated an Induced Polarisation (“IP”) geophysical survey at Anagulu. In 2021 Alpha initiated another more detailed IP survey by the same contractor.

One deep diamond drill hole was drilled at Anagulu in 2022 to test a geophysical target. the drilling showed only a broad zone of elevated low-grade copper at depth and elevated molybdenum at the bottom of the hole.

Based on a detailed review of the Anagulu drill core in late 2021 by a consultant porphyry geologist, the likely host rock of the strong gold and copper mineralization was identified as a quartz-eye diorite. 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 quartz-eye diorite host rock. Using 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 mineralization (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 1.5 km of strike that warranted follow-up exploration and drill testing in 2023. No exploration drilling was carried out over Anagulu in 2023 as Alpha focused its resources on the Aburna Gold Prospect. Further details on the Anagulu prospect are available on the Company’s website at [www.alpha-exploration.com](http://www.alpha-exploration.com).

### **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 mineralization 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 showed there was no significant mineralization in this hole. 2022 and there were no significant results.

The only work completed at Tolegimja in 2023 was 1,324m of trenching through the main gossan that did not result in finding any significant mineralization., There was no exploration carried out over the Tolegimja prospect in 2023, as Alpha continued to focus its resources on the Aburna gold prospect during this period. Further details on the Tolegimja prospect are available on the Company's website at [www.alpha-exploration.com](http://www.alpha-exploration.com).

#### **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 showed 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 2023, as Alpha focused its resources on the Aburna Gold Prospect during this period. Further details on the Kona prospect are available on the Company's website at [www.alpha-exploration.com](http://www.alpha-exploration.com).

#### **Other Prospects:**

Alpha Geologists have identified many other prospects on the large Kerkasha license including 3 historic colonial gold mines and 6 areas of recent artisanal mining. In some cases, initial sampling of some prospects has taken place (e.g. Tolefafa, Dase and Shahate). Only Tolefafa returned interesting assays suggestive of VMS potential.

## Regional exploration:

During Q2 2023, Alpha used independent contractors to carry out differential GPS surveys of all drill hole collars at Kerkasha completed to date (Aburna, Anagulu, Tolegimja, Kona, Kosolda and Asheshi Prospects).

### *Exploration and Development Expenditures*

Mineral exploration expenditures with respect to the Kerkasha Project form a significant portion of Alpha's expenditures the years ended December 31, 2023 and 2022 were as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Opening balance	9,675,511	7,381,258
Exploration costs:		
Drilling	800,619	557,885
Assays	312,259	267,786
Surveys	4,000	90
Technical services	268,874	118,518
Exploration licenses and fees	17,874	12,169
Labour cost	591,910	710,029
Share-based compensation	246,519	76,223
Reversal of share-based compensation <sup>(1)</sup>	(279,075)	-
Consumable spare parts and supplies	305,716	180,520
Other direct expenses	455,066	297,510
Depreciation expenses	71,504	73,523
Sub total	2,795,266	2,294,253
Ending balance	12,470,777	9,675,511

<sup>(1)</sup> On September 29, 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, 2022 and 2023.

### Selected Annual Information

The following table sets forth summary financial information of Alpha for the years ended December 31, 2023, 2022 and 2021. 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, 2023 (\$)	Year ended December 31, 2022 (\$)	Year ended December 31, 2021 (\$)
<b>Revenue</b>	-	-	-
<b>Loss and Comprehensive Loss</b>	(758,904)	(388,205)	(775,737)
<b>Loss/share</b> Basic and Diluted	(0.01)	(0.01)	(0.01)
<b>Exploration and Evaluation Assets</b>	12,470,777	9,675,511	7,381,258
<b>General and Administrative Expenses</b>	237,869	(202,322)	(268,288)
<b>Foreign exchange gain/(loss)</b>	84,918	(57,285)	33,829
<b>Total Assets</b>	15,914,846	9,991,402	8,562,783
<b>Total Liabilities</b> Accounts Payables and Accrued Liabilities	1,145,467	780,018	1,260,616
<b>Deficit</b>	(4,106,223)	(3,347,319)	(2,959,114)
<b>Weighted average number of shares outstanding at period end</b>	65,842,145	56,052,644	59,799,591

### 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 December 31, 2023:

	December 31, 2023 \$	September 30, 2023 \$	June 30, 2023 \$	March 31, 2023 \$
<b>Three months ended</b>				
Revenues	-	-	-	-
Net and Comprehensive income / (loss) for the period	636,701	543,381	(1,668,795)	(270,191)
Net income (loss) per share (basic and diluted) <sup>(1)(2)</sup>	0.01	0.01	(0.03)	-

	December 31, 2022 \$	September 30, 2022 \$	June 30, 2022 \$	March 31, 2022 \$
<b>Three months ended</b>				
Revenues	-	-	-	-
Net and Comprehensive income / (loss) for the period	(295,738)	(16,585)	27,581	(103,463)
Net income (loss) per share (basic and diluted) <sup>(1)(2)</sup>	(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 December 31, 2023 included professional fees of \$132,087, general and administrative expenses of \$51,262 driven by travelling and attendance of conferences and a fair value adjustment gain arising from the revaluation of warrant liabilities of \$574,527.

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 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 most of the other quarters presented. This was 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.

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

During the year ended December 31, 2023, the Company reported net loss of \$758,904 and loss per share of \$0.01 (2022 – net loss of \$388,205 and a loss per share of \$0.01).

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>EXPENSES</b>		
Professional fees	359,573	211,843
Salaries	104,056	142,665
Director's fees	20,000	19,998
Office expenses	2,652	1,652
General and administrative expenses	237,869	202,322
Finance cost	8,123	9,579
Share-based compensation	153,203	110,557
Foreign exchange loss / (gain)	(84,918)	57,285
Gain on fair value adjustment on warrant liability	(18,443)	(280,528)
Interest expense	7,961	-
Other income	(31,172)	(87,168)
<b>NET AND COMPREHENSIVE LOSS</b>	<b>(758,904)</b>	<b>(388,205)</b>

The net loss for the year ended December 31, 2023, increased compared with the year ended December 31, 2022. The increase was largely attributable to an increase in professional fees and share-based compensation and a smaller fair value adjustment gain on warrant liability of \$18,443, compared to a fair value adjustment gain on warrant liability of \$280,528 during the year ended Decemebr 31, 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.

#### ***Fourth Quarter***

The Company had a net gain of \$636,701 in Q4, 2023 which comprised of expenses of \$10,163 offset by fair value adjustment gain on warranty liability of \$574,527 and foreign exchange gain of \$70,855. The most significant expenses in Q4 2023 were professional fees and general and administrative expenses.

#### ***Cash flows:***

The following table summarizes Alpha's cash flows for the years ended, and cash on hand as at, December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
	(\$)	(\$)
Cash, end of period	3,233,573	100,464
Cash used in operating activities	(461,025)	(1,062,223)
Cash used in investing activities	(2,647,519)	(2,066,419)
Cash provided by financing activities	6,241,653	2,334,298

As at December 31, 2023, Alpha had a cash position of \$3,233,573 and net working capital of \$2,648,718 compared to cash position of \$100,464 and net working capital deficiency of \$267,752 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 was bearing interest at the rate of 8% per annum. Part of the gross proceeds of the April 6, 2023 private placement, was paid by settling the balance of the loan with Astor Management AG along with accrued interest.

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.

On November 14, 2023, a total of 15,286,159 non-voting preferred shares were converted to ordinary common shares. As a result of the transaction, \$669,505 was transferred to contributed surplus representing the difference in the current fair value of the shares compared to the fair value assigned upon the original conversion from ordinary common shares to preferred shares during the year ended December 31, 2021.

On December 7, 2023, the Company issued 5,971,430 units at CAD\$0.70 per unit for gross proceeds of CAD\$4,180,001 (\$3,074,208 USD equivalent) pursuant to the second tranche of a private placement. Each unit consists of one common share and one-half share purchase warrant exercisable at CAD\$1.05 per

common share for a period of 24 months. In connection with the private placement, Alpha incurred total cash share issue costs of \$50,111.

Subsequent to December 31, 2023, the Company issued 3,814,415 units at CAD\$0.70 per unit for gross proceeds of CAD\$2,670,091 pursuant to a private placement. Each unit consists of one common share and one-half of purchase warrant exercisable at CAD\$1.05 per common share for a period of 24 months.

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 \$461,025 used in operating activities consisted of the net loss of \$758,904 partially offset by a net change in working capital items of \$133,985 and a net change in non-cash items of \$163,894.

The cash of \$2,647,519 used in investing activities consisted of exploration and evaluation expenditures on the Kerkasha Project properties of \$2,555,207 and purchase of equipment of \$94,887, partially offset by disposal of equipment of \$2,575.

### ***Contractual Obligations***

Alpha had no contractual obligations as at December 31, 2023.

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

Alpha had no off-balance sheet arrangements as at December 31, 2023.

### ***Proposed Transactions***

Alpha had no proposed transactions as at December 31, 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 December 31, 2023 and 2022, the related party balances were as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Hemera Capital Management, Cayman – common owner	-	6,000
Colonnade Mining Group Eritrea Ltd, Eritrea – common owner	176,360	780
Frontier Equipment Supplies DMCC, UAE – common owner	-	14,375
Michael Hopley - CEO	730	23,815
Anna Nydegger - Director	-	5,000
Alpha Discovery Holding, BVI – common owner	-	80,265
Alasdair Smith – former CEO of Alpha Exploration Eritrea Ltd.	-	59,486
<b>Total</b>	<b>177,090</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 Loan was bearing interest rate of 5% per annum and was unsecured.

During the years ended December 31, 2023 and 2022, the related party transactions were as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Colonnade Mining Group Eritrea Ltd, Eritrea – drilling services	800,619	557,660
Hemera Capital Management, Cayman – advisory fees	24,000	24,000
Frontier Equipment Supplies DMCC, UAE - purchase	156,644	33,776

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 years ended December 31, 2023 and 2022 were as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Salaries	208,434	305,158
Benefits	20,800	29,400
Directors' fees	20,000	19,998
Accounting fees	36,187	16,819
Advisory fees	24,000	24,000
Shared-based compensation	98,447	132,325
	<b>407,868</b>	<b>527,700</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 year ended December 31, 2023 of \$246,519 (2022 - \$76,223) 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, 2022 and 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 year ended December 31, 2023.

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

There have been no changes in accounting policies during the year ended December 31, 2023.

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

IFRS 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### **Fair Value of Financial Instruments**

The Company's financial instruments include cash, other receivables, accounts payable and warrant liability 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.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Level 3 - Financial Liabilities - Warrant Liability*	560,275	425,008

\*The change in fair value of the Company's warrant liabilities (classified as Level 3) is disclosed in Note 7 of the Company's consolidated financial statements. The liabilities are remeasured at year-end using the Black-Scholes option-pricing model.

#### Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how the Company mitigates these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (i) Currency risk

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is gold and other mineral exploration whose costs are primarily incurred in US dollars.

The Company's expenses are primarily denominated in US dollars. The Company's corporate office is based in British Virgin Islands and current exposure to exchange rate fluctuations is minimal.

##### (ii) Interest rate risk

Interest risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations. Management believes that the Company is not exposed a significant amount of interest rate risk.

##### (iii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution, accordingly, the credit risk is considered by Management to be negligible.

##### (iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its financial liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities, loan repayments and related party balance obligations. In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

## ***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	90,660,318
Share Warrants with a weighted average exercise price of CAD\$1.05	14,102,651
Share Options with a weighted average exercise price of CAD\$0.67	1,000,000
<b>Total</b>	<b>105,762,969</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 year ended December 31, 2023, and this accompanying MD&A (together, the "Annual 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.