ALPHA COPPER CORP.

FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 and 2021

Stated in Canadian Dollars

ALPHA COPPER CORP.

INDEX TO THE AUDITED FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alpha Copper Corp. (formerly Prophecy Potash Corp.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alpha Copper Corp. (formerly Prophecy Potash Corp.) (the "Company"), which comprise the statements of financial position as at September 30, 2022 and 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no source of operating revenue, and has incurred net losses since its inception. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is James D. Gray.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
January 30, 2023

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Statements of Financial Position
As at September 30,
(Stated in Canadian dollars)

		2022		2021
Assets				
Current assets:				
Cash	$	3,156,069	$	1,006,724
Goods and services taxes receivable		75,842		-
Prepaid and deposits		410,000		17,083
Total current assets		3,641,911		1,023,807
Property and equipment (Note 3)		26,042		-
Exploration and evaluation assets (Note 4)		1,868,219		269,581
Total assets	**$**	**5,536,172**	**$**	**1,293,388**
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 5)	$	190,100	$	91,080
Flow-through liability (Note 10)		168,146		-
Total liabilities		358,246		91,080
Shareholders' equity:				
Share capital (Note 6)		12,002,394		2,343,401
Reserves		1,942,635		45,301
Deficit		(8,767,103)		(1,186,394)
Total shareholders' equity		5,177,926		1,202,308
Total liabilities and shareholders' equity	**$**	**5,536,172**	**$**	**1,293,388**

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 11)

On behalf of the Board of Directors:

"Darryl Jones"	"Sean Kingsley"
Director	Director

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Statements of Loss and Comprehensive Loss
For the Years Ended September 30,
(Stated in Canadian dollars)

	2022	2021
Expenses		
Consulting fees	$ 234,453	$ 151,174
Marketing and investor relations	5,524,015	26,250
Office and administration	102,937	69,443
Professional fees	187,568	87,467
Regulatory and filing	54,762	32,933
Share-based compensation	1,589,288	-
Depreciation	1,371	-
Travel	19,825	2,502
Net loss before other items	(7,714,219)	(369,769)
Flow-through recovery (Note 10)	133,510	-
Net loss and comprehensive loss for the year	$ (7,580,709)	$ (369,769)
Weighted average numbers of shares outstanding	41,736,020	15,256,049
Loss per share	$ (0.18)	$ (0.02)

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Statements of Changes in Shareholders' Equity
(Stated in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Equity
	# of shares	$	$	$	$
Balance, September 30, 2020	10,886,700	$ 1,267,920	$ 62,000	$ (816,625)	$ 513,295
Private placement	10,000,000	1,000,000	-	-	1,000,000
Exercise of warrants	159,737	48,647	(16,699)	-	31,948
Shares issued for mineral property	126,856	40,000	-	-	40,000
Share issue costs	-	(13,166)	-	-	(13,166)
Net loss for the year	-	-	-	(369,769)	(369,769)
Balance, September 30, 2021	**21,173,293**	**$ 2,343,401**	**$ 45,301**	**$ (1,186,394)**	**$ 1,202,308**
Private placement	24,631,223	9,089,267	-	-	9,089,267
Flow-through premium	-	(301,656)	-	-	(301,656)
Share issue costs	-	(684,793)	308,046	-	(376,747)
Exercise of warrants	11,541,500	1,246,175	-	-	1,246,175
Shares issued for mineral properties	403,833	310,000	-	-	310,000
Share-based compensation	-	-	1,589,288	-	1,589,288
Net loss for the year	-	-	-	(7,580,709)	(7,580,709)
Balance, September 30, 2022	**57,749,849**	**$ 12,002,394**	**$ 1,942,635**	**$ (8,767,103)**	**$ 5,177,926**

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Statements of Cash Flows
For the Years Ended September 30,
(Stated in Canadian dollars)

	2022	2021
Cash provided by (used in):		
Operating activities		
Net loss	$ (7,580,709)	$ (369,769)
Items not affecting cash:		
Depreciation	1,371	-
Share-based compensation	1,589,288	-
Flow-through recovery	(133,510)	-
Change in non-cash working capital:		
Good and services taxes receivable	(75,842)	5,919
Prepaid and deposits	(392,917)	(17,083)
Accounts payable and accrued liabilities	30,591	79,360
Net cash used in operations	**(6,561,728)**	**(301,573)**
Investing activities		
Exploration and evaluation expenditures	(1,220,209)	(47,917)
Purchase of property and equipment	(27,413)	-
Net cash from investing activities	**(1,247,622)**	**(47,917)**
Financing activities		
Issuance of common shares	10,335,442	1,031,948
Share issue costs	(376,747)	(13,166)
Net cash provided from financing activities	**9,958,695**	**1,018,782**
Net increase in cash	2,149,345	669,292
Cash, beginning of year	1,006,724	337,432
Cash, end of year	**$ 3,156,069**	**$ 1,006,724**

Non-Cash Transactions	2022	2021
Shares issued for acquisition of exploration and evaluation assets	$ 310,000	$ -

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Alpha Copper Corp. (formerly Prophecy Potash Corp.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 29, 2019. The Company is in the business mineral property exploration and was listed on the Canadian Securities Exchange ("CSE") on August 9, 2019 after completing its initial public offering pursuant to a prospectus dated May 10, 2019. The Company's stock symbol is "ALCU".

The Company has an option agreement to earn an interest in mineral properties located in British Columbia (Note 4) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

The Company's head office, principal address and registered and records office is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

The Company's ongoing operations are ultimately dependent upon the success of its business activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to continue financing operating costs through public and private financing endeavors. However, the Company has no source of operating revenue, has incurred net losses since inception and as at September 30, 2022 has an operating deficit of $8,767,103 (2021 - $1,186,394). The Company also has a significant commitment to complete exploration work prior to June 2023 (Note 4). These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. Its continued existence will be dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on January 30, 2023.

Basis of presentation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

The classification and measurement of the Company's financial instruments are set out below:

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL").

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company recognizes financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss ("FVTPL").

(i) Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company's accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at fair value through profit or loss.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring mineral concession and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss and comprehensive loss. In addition, all costs incurred until an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project are expensed. Afterwards, all costs incurred for the development of mineral properties are capitalized.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Share capital

Common shares are classified as equity and measured at the fair value of consideration received or services rendered. Cash consideration received for common shares issued to non-related parties is considered to be the most accurate reflection of fair value; concurrent issuances to related parties at lower prices would accordingly be considered to reflect a component of non-monetary compensation. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and residual proceeds is allocated to the liability. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision, although pre-existing unrecognized deferred tax assets may offset this amount.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense

Future accounting pronouncements

The Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements.

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after October 31, 2022 will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changed on the financial statements to be material, although additional disclosure may be required.

(Stated Amounts in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property plant and equipment

Equipment is recorded at cost. Amortization is recorded on a declining balance basis over the estimated useful lives of the related assets at the following annual rate:

- Office furniture and equipment 20%

3. PROPERTY AND EQUIPMENT

		Furniture and Equipment
Cost		
Balance, September 30, 2021	$	-
Additions		27,413
Balance, September 30, 2022	**$**	**27,413**
Accumulated Depreciation		
Balance, September 30, 2021	$	-
Depreciation		1,371
Balance, September 30, 2022	**$**	**1,371**
Net Book Value September 30, 2021	**$**	**-**
Net Book Value September 30, 2022	**$**	**26,042**

4. EXPLORATION AND EVALUATION ASSETS

Indata Property, British Columbia, Canada

In June 2018, the Company entered into an agreement with Eastfield Resources Ltd. ("Eastfield") whereby it obtained the option to acquire an undivided 60% interest in Eastfield's 91.2% - owned Indata copper-gold property ("Indata Property") located 120 kilometres northwest of the community of Fort St. James, British Columbia. The Indata Property comprises 16 mineral claims totaling 3,189 hectares. The residual 8.8% interest in the Indata Property is held by Imperial Metals Corporation. Eastfield and the Company have a director in common. Refer also to Note 7.

To earn the 60% interest, the Company is required to complete $2,000,000 in exploration work, make cash payments of $250,000 ($120,000 paid) and issue common shares at an aggregate value of $150,000 (313,530 shares valued at $110,000 issued) over a five -year term. An aggregate $2,000,000 exploration program is required to be completed over a five-year term and a minimum $75,000 exploration program is required to be completed in the first year (completed).

(Stated Amounts in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Okeover Property, British Columbia, Canada

In January 2022, the Company entered into an agreement with Eastfield Resources Ltd. ("Eastfield") and Northwest Copper Corp. ("Northwest") the property titleholder, whereby it was assigned Northwest's option to acquire a 100% interest in the Okeover Copper-Molybdenum Project (the "Okeover Project") located in British Columbia. The Okeover Project comprises 12 mineral claims totaling 4,614 hectares. To earn the 100% interest, the Company is required:

(a) to issue common shares to Northwest as follows:

- (i) common shares with a value of $250,000 on the closing date (paid);
- (ii) additional common shares with a value of $500,000 on or before the first anniversary of the closing date;
- (iii) additional common shares with a value of $750,000 on or before the second anniversary of the closing date; and
- (iv) additional common shares such that Northwest holds 10% of the Company's issued and outstanding common shares on the date prior to such issuance on or before the third anniversary of the closing date.

(b) to incur expenditures of not less than $5,000,000 as follows:

- (i) $500,000 on or before the first anniversary of the closing date;
- (ii) an additional $1,500,000 on or before the second anniversary of the closing date; and
- (iii) an additional $3,000,000 on or before the third anniversary of the closing date.

Northwest retains a 2% net smelter return ("NSR") royalty, half of which may be bought back by the Company at any time prior to commencing commercial production for $1,000,000.

	Indata Property	Okeover Property	Total
	$	$	$
Balance at September 30, 2020	**181,664**	**-**	**181,664**
Acquisition costs	65,000	-	65,000
Geological	22,917	-	22,917
Balance at September 30, 2021	**269,581**	**-**	**269,581**
Acquisition costs	115,000	250,000	365,000
Permitting	-	1,681	1,681
Transportation costs	6,762	7,448	14,210
Drilling costs	420,238	-	420,238
Geological and consulting	673,227	124,282	797,509
Balance at September 30, 2022	**1,484,808**	**383,411**	**1,868,219**

(Stated Amounts in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

		2022		2021
Trade accounts payable	$	163,100	$	71,080
Accrued accounts payable		27,000		20,000
	$	**190,100**	**$**	**91,080**

6. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value.

Issued Shares- Fiscal 2022

On December 7, 2021, the Company completed a non-brokered private placement of 4,205,000 flow-through units at a price of $0.15 per unit for gross proceeds of $630,750. Each unit consists of one flow-through common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $0.25 per share for a period of 24 months.

On December 7, 2021, the Company completed a non-brokered private placement of 5,875,000 units at a price of $0.15 per unit for gross proceeds of $881,250. Each unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $0.25 per share for a period of 24 months.

The Company paid $20,054 of share issue costs related to the December 7, 2021, share issuances.

On February 23, 2022, the Company completed a non-brokered private placement of 2,011,037 flow-through units at a price of $0.65 per unit for gross proceeds of $1,307,174. Each unit consists of one flow-through common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $1.00 per share for a period of 24 months.

On February 23, 2022, the Company completed a non-brokered private placement of 12,540,186 units at a price of $0.50 per unit for gross proceeds of $6,270,093. Each unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $1.00 per share for a period of 24 months.

The Company paid cash share issuance costs of $356,693 related to the February 23, 2022, share issuances. In addition, the Company granted 397,125 broker warrants, exercisable at $1.00 for a two-year period. These warrants have a fair value of $308,046 using the Black-Scholes pricing model with the following inputs: i) exercise price: $1.00; ii) share price: $0.86; iii) term: 2 years: iv) volatility: 241%; v) discount rate: 1.45%.

During the year ended September 30, 2022, 11,541,500 warrants were exercised for gross proceeds of $1,246,175.

During the year ended September 30, 2022, 403,833 common shares were issued with a fair value of $310,000 for the acquisition of the Indata and the Okeover properties.

6. SHARE CAPITAL *(continued)*

Issued Shares- Fiscal 2021

On April 29, 2021, the Company completed a non-brokered private placement of 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consists of one common share of the Company and one common share purchase warrant enabling the holder to acquire one common share at $0.12 per share for a period of 24 months. The Company paid $13,166 in share issue costs in connection with this private placement.

During the year ended September 30, 2021, 159,737 broker warrants priced at $0.20 were exercised for total gross proceeds of $31,948.

During the year ended September 30, 2021, 126,856 common shares with a fair value of $40,000 were issued to Eastfield in connection with the Indata Property (see Note 3).

Escrowed Shares

Upon listing on the CSE, an escrow agreement (the “Escrow Agreement”) between the Company and certain shareholders of the Company was entered into resulting in 3,760,000 common shares (the “Escrowed Shares”) being deposited into escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares were released upon listing on the CSE (the “Initial Release”) and an additional 15% will be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. These Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

As at September 30, 2022, no common shares remained in escrow (2021 – 563,999).

Stock Option Plan

The Company has adopted an incentive stock option plan (the “Plan”). The essential elements of the Plan provide that the aggregate number of shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the Company’s issued and outstanding shares at the date of grant of the options. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the Company’s shares on the CSE on (a) the date on which the Board of Directors grants and announces options (the “Award Date”) and (b) the day prior to the Award Date. The Board of Directors may at any time and from time to time, fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option held by him/her.

On January 13, 2022, the Company granted 1,900,000 stock options to directors and officers. These options have a fair value of $1,022,513 using the Black Scholes model with the following inputs: i) exercise price: $0.60; ii) share price: $0.59; iii) term: 2 years; iv) volatility: 246%; v) discount rate: 1.08%.

On June 24, 2022, the Company granted 1,850,000 stock options to directors and officers. These options have a fair value of $486,676 using the Black Scholes model with the following inputs: i) exercise price: $0.27; ii) share price: $0.27; iii) term: 5 years; iv) volatility: 238%; v) discount rate: 3.19%.

On June 24, 2022, the Company granted 400,000 stock options to certain consultants of the Company. These options have a fair value of $80,099 using the Black Scholes model with the following inputs: i) exercise price: $0.27; ii) share price: $0.27; iii) term: 2 years; iv) volatility: 163%; v) discount rate: 3.12%.

(Stated Amounts in Canadian dollars)

6. SHARE CAPITAL *(continued)*

The continuity of stock options for the period ended June 30, 2022, is as follows:

	Number	Weighted Average Exercise Price
		$
Balance, September 30, 2021 and 2020	280,000	0.28
Granted	4,150,000	0.42
Balance, September 30, 2022	4,430,000	0.41

The following stock options were outstanding as at June 31, 2022:

Expiry date	Number of options	Exercise price	Remaining life (years)
August 7, 2024	280,000	$0.28	1.86
January 13, 2024	1,900,000	$0.60	1.29
June 24, 2024	400,000	$0.27	1.74
June 24, 2027	1,850,000	$0.27	4.74
Balance, September 30, 2022	4,430,000	$0.41	2.80

Warrants

The continuity of share purchase warrants for the period ended September 30, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, September 30, 2020	8,028,000	0.05
Issued	10,000,000	0.12
Exercised	(159,737)	0.20
Expired	(60,263)	0.20
Balance, September 30, 2021	17,808,000	0.11
Issued	25,028,348	0.70
Exercised	(11,541,500)	0.11
Balance, September 30, 2022	**31,294,848**	**0.58**

The following share purchase warrants were outstanding as at September 30, 2022:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
		$	
April 30, 2023	6,400,000	0.12	0.58
December 6, 2023	9,946,500	0.25	1.18
February 22, 2024	14,551,223	1.00	1.40
February 22, 2024	397,125	1.00	1.40
	31,294,848	**0.58**	**1.16**

7. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key personnel to be the officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officers and directors.

- During the year ended September 30, 2022, the Company paid a privately-held company owned by the Chief Executive Officer $150,750 (2021 – $57,750) for consulting services. These amounts are included in consulting fees.
- During the year ended September 30, 2022, the Company paid a privately-held company owned by the Chief Financial Officer $22,205 (2021 – nil) for consulting services. These amounts are included in professional fees.
- During the year ended September 30, 2022, the Company paid a privately-held company owned by one of the Company directors $673,227 (2021 – $22,917) for geological consulting services. These amounts are included in exploration and evaluation assets.
- During the year ended September 30, 2022, the Company paid $55,000 (2021 - $25,000) and issued 136,674 shares (2021 – 126,856 shares) with a fair value of $60,000 (2021 - $40,000) to the same company controlled by a director of the Company in connection with mineral property option agreements. Refer also to Note 4.
- During the year ended September 30, 2022, the Company paid consulting fees of nil (2021 - $10,000) to a director of the Company.
- During the year ended September 30, 2022, a Company director participated in the subscription of 80,000 flow-through units at $0.15 per unit.
- As at September 30, 2022, an aggregate of $85,185 (2021- Nil) was owed to related parties and included within accounts payable and accrued liabilities for the unpaid portions of the above amounts.
- During the year ended September 30, 2022, the Company recorded aggregate share-based compensation of $1,374,858 (2021 – nil) to certain directors of the Company in connection with the issuance of stock options.

All related party amounts were incurred in the normal course of operations, and all balances bear no interest and have no fixed terms of repayment.

8. RISK AND CAPITAL MANAGEMENT

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

8. RISK AND CAPITAL MANAGEMENT *(continued)*

- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

	Level	2022	2021
		$	$
Cash	1	3,156,069	1,006,724

The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

(Stated Amounts in Canadian dollars)

9. INCOME TAXES

The Company's income tax provision differs from that which would be expected from applying the combined effective federal and provincial tax rate of 27% to the net loss before income taxes as follows:

	2022	2021
	$	$
Loss before income taxes	(7,580,700)	(369,800)
Total expected income tax recovery at statutory rates	(2,046,800)	(99,800)
Net effect of non-deductible amounts	297,100	(2,900)
Effect of flow-through amounts	326,500	-
Unrecognized benefit of income tax losses	1,423,200	102,700
Actual income tax recovery	-	-

As at September 30, 2022 and 2021 the amounts of deductible temporary differences for which no deferred tax assets were recognized, were as follows:

	2022	2021
	$	$
Non-capital loss carry-forward	6,924,800	725,600
Share issue costs	322,800	41,600
Mineral properties	(1,267,800)	(58,500)
	5,979,800	708,700

This potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these financial statements. The non-capital loss carry-forwards expire according to the following schedule:

	Non-capital Losses
	$
2038	51,000
2039	143,400
2040	145,900
2041	388,000
2042	6,196,600
	6,924,900

The deferred tax assets have not been recognized because at this stage of the Company's development it is not determinable that future taxable profit will be available against which the Company cannot utilize such deferred tax assets.

10. COMMITMENT RELATING TO FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined in the *Income Tax Act* [Canada].

During the year ended September 30, 2022, the Company issued an aggregate of 6,216,037 units on a flow-through basis for gross proceeds of $1,937,924, and recognized an initial flow-through premium liability of $301,656 in connection with the estimated premium obtained for the flow-through units relative to the current market value of the shares. This liability is non-cash and is recoverable through operations. See also Note 6.

As at September 30, 2022, the Company had spent $1,209,292 of the flow-through funds and recognized a recovery of the estimated flow-through premium liability of $133,510.

The Company must incur a further amount of approximately $729,000 in qualifying flow-through expenditures prior to December 31, 2023 pursuant to its anticipated 2022 renunciation to investors.

11. CAPITAL DISCLOSURES AND MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its projects. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, enter into joint venture arrangements, borrow, acquire or dispose of assets.

12. SUBSEQUENT EVENT

Acquisition of CAVU Energy Metals Corp. ('CAVU')

On December 15, 2022, the Company acquired all of the common shares of CAVU, the principal assets of which are Hopper Copper-Gold Project in the Yukon and the Star Copper-Gold Porphyry Project in British Columbia. As consideration, the shareholders of CAVU received 0.7 of a common share of Alpha for each common share held. As a result of this transaction, Alpha issued an aggregate of 25,485,016 common shares, resulting in the existing Alpha and former CAVU shareholders owning approximately 69.5% and 30.5%, respectively, of the Alpha Shares subsequently outstanding on a non-diluted basis. All outstanding options of CAVU will also vest immediately and be exchanged for the number of options to purchase Alpha Shares based on the exchange ratio and holders of CAVU warrants will be entitled, in accordance with the terms of such warrants, to receive Alpha Shares on the exercise of such warrants.

On October 17, 2022, 200,000 warrants were exercised resulting in the issuance of 200,000 common shares for gross proceeds of $24,000.