# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated January 30, 2023 and should be read in conjunction with the audited consolidated financial statements of Alpha Copper Corp. ("Alpha" or the "Company") for the year ended September 30, 2022 and 2021. Alpha prepares its audited financial statements in accordance with International Financial Reporting Standards ("IFRS"), as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Professional Accountants.

## FORWARD-LOOKING INFORMATION

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward-looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Readers are also advised to consider such forward-looking statements in light of the risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and the Company's business may be found in the Company's other filings.

## OVERVIEW

The Company was incorporated on March 29, 2019 pursuant to the provisions of the BCBCA. The Company is a minerals exploration company involved in the exploration and development of the Indata Copper-Gold and Okeover Copper-Molybdenum Projects both located in British Columbia. At present none of the Company's mineral properties are at commercial development or production stage.

### *Indata Copper-Gold Project*

The Indata property, totaling 3,189 hectares (7,880 acres) is located 230 kilometers northwest of the City of Prince George, BC and is immediately south of the Stardust-Kwanika Project owned by Northwest Copper Corp. Two types of mineralization have historically been explored for at Indata: gold-silver veins and porphyry style copper mineralization. The property includes three porphyry copper targets with the largest, the Lake Zone, measuring 500 to 1,000 meters in width along-strike for at least 1,500 meters.

The project is situated in a complex geological setting adjacent to the Pinchi Fault, a major structure separating the oceanic derived Cache Creek Terrane to the west and volcanic island arc-derived Quesnel Terrane to the east. Previous drill intercepts in the northern portion include DDH98-4 with 0.20% copper over 148 m including 0.37% copper over 24 meters at the bottom of the hole and a trench excavated during road construction averaged 0.37% copper over 75 meters (the southern half of the target has had no drilling completed).

Gold vein drill intercepts have included 47.26 g/t gold over 4.0 meters. In 2019, a new vein measuring 5.1 meters in width was discovered 600 meters south of any previously known vein and a new area of copper gold mineralization exposed by logging road construction was discovered a further 2,900 meters south that included a select grab sample that returned 3.64% copper and 5.95 g/t gold.

Alpha Copper Corp. has an option to earn a 60% interest in the Indata Project from Eastfield Resources Ltd. by paying $400,000 (cash and/or shares) and completing $2,000,000 in exploration before June 20, 2023.

***Okeover Copper-Molybdenum Project***

The Okeover ("Ok") copper-molybdenum property encompasses 4,613 hectares (11,399 acres) located immediately north of the coastal City of Powell River, British Columbia. Since its discovery in 1965, Ok has been explored by several companies including Noranda Exploration, Asarco Exploration, Falconbridge Nickel Mines Ltd., Duval International Corporation, Lumina Copper Corp, and Eastfield Resources Ltd.

The property currently exhibits eight zones of mineralization which have so far been discovered over a north-south striking trend of approximately 5 kilometers. Of note, the North Lake Zone, received a 2006 historic resource calculation with an inferred 87 million tonnes grading 0.31% copper and 0.014% $MoS_2$, (Carter N., for Eastfield, filed on Sedar, Nov 17, 2006). Between 1966 and 2008 one hundred and sixteen drill holes (116) totaling 19,000 meters have been completed.

The exploration focuses at Okeover shifted to target generation aimed at evaluating probable continuation of mineralization north and south of the North Lake Resource Area. This work consisted of 1,923 soil samples, with 377 rock samples collected, and 28 kilometers of induced polarization surveying completed since 2010. Although no drilling has been completed since 2008, a small airborne geophysical program was completed in 2021.

The North Lake Zone resource is situated on the western side of a strong chargeable induced polarization feature and extends a further 250 meters westward beyond the edge of this response. Comparable signatures extend a further 1.4 kilometers in a northerly direction and approximately 1.0 kilometers in a southerly direction defining a target area of approximately 500 meters by 3,000 meters. Hole 72-15, with 0.29% Cu and 0.027% $MoS_2$ over 59.5 meters, is found in this target area approximately 400 meters north of the North Lake resource area while hole 66-01, with 0.34% Cu and 0.021% $MoS_2$ over 101 meters, is located 1,750 meters south of the resource area.

Located just forty-five minutes by car from Powell River, the deposits at the Okeover property share several commonalities with discoveries made by Northisle Copper & Gold Inc. at its Island Copper project located on Vancouver Island and Quartz Hill Moly located on the Alaska Pan Handle (Cominco American Inc., now Teck Resources).

## OVERALL PERFORMANCE

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

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

On January 7, 2022, the Company appointed Sean Charland as a Director, Darryl Jones as Chief Executive Officer, and Daryn Gordon as Chief Financial Officer.

On January 7, 2022, Alpha announced that it has entered into an online marketing agreement (the “Agreement”) with Promethean Marketing, Inc. (the “Provider”) to provide corporate marketing and investor awareness services to Alpha (the “Services”) including, but not limited to, content creation management, author sourcing, project management and media distribution. In consideration for the Services, the Company has agreed to pay the Provider a media distribution budget minimum of US$200,000 for the first month of the Agreement, to be continued on a month-to-month basis at a monthly amount determined mutually between the Company and the Provider.

On January 7, 2022, the Company amended (the "Amendment") the terms of an aggregate of 7,808,000 warrants (each, a "Warrant") issued by the Company to certain investors on June 25, 2018, and exercisable at $0.10 per share, which expire on June 25, 2022. Pursuant to the terms of the Amendment, the terms of the Warrants have been amended in order to waive the transfer restrictions on the Warrants.

On January 13, 2022, the Company entered into an agreement with Northwest Copper Corp. (“Northwest”) and Eastfield Resources Corp., 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 (completed);
   - (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.

On January 13, 2022, the Company granted 1,900,000 stock options at an exercise price of $0.60 per share to certain directors, officers, and consultants. The options expire two years from the date of grant.

On February 25, 2022, the Company closed a non-brokered private placement of 2,011,037 flow-through units of the Company at $0.65 per flow-through unit and 12,540,186 non-flow-through units of the Company at $0.50 per NFT unit for gross proceeds of $6,270,093. Each FT unit is comprised of one common share of the Company issued on a flow-through basis and one common share purchase warrant exercisable at $1.00 per share for 24 months from the date of issuance. Each NFT unit consists of one common share and one common share purchase warrant exercisable at $1.00 per share for 24 months from the date of issuance. The Company paid finder’s fees of $356,693 and issued 397,125 broker warrants to purchase one common share at $1.00 per common share for a 24-month period.

On March 11, 2022, the Company issued 267,159 common shares with a value of $250,000 pursuant to the Okeover option agreement.

On May 17, 2022, the Company filed and has been granted a Permit Extension for the Okeover Copper-Molybdenum project. The Permit Extension allows the Company to proceed with exploration activities on the Okeover project until March 5, 2024.

On June 24, 2022, the Company granted 2,250,000 stock options to certain directors, officers and consultants of the Company with an exercise price of $0.27 and a term of two to five years.

On July 13, 2022, Alpha executed a drilling contract to undertake a 2,000 metre drill program on the Okeover property with Superior Diamond Drilling Inc.

On August 19, 2022, the Company entered into a non-binding letter of intent ("LOI") to acquire all of the issued and outstanding shares of CAVU Energy Metals Corp. ("CAVU").

Alpha proposes to issue 0.7 Alpha shares for each share of CAVU (the "Exchange Ratio"). The Consideration values CAVU at approximately $0.33 per share, representing a premium of approximately 60.67% to CAVU shareholders, based on the 20-day VWAP of each company as of the close of trading on August 17, 2022. Upon completion of the Transaction, CAVU shareholders will hold approximately 30% of Alpha shares on an outstanding basis.

In addition, it is anticipated that CAVU will appoint a nominee to Alpha's Board of Directors, and CAVU's CEO, Dr. Jaap Verbaas, and VP Exploration, Dr. Luke Bickerton, will assume operational roles with Alpha.

The LOI for the Proposed Transaction includes customary provisions, including an exclusivity period ending on October 31, 2022. The final structure of the Proposed Transaction will be determined by the parties, based upon tax, securities and corporate law considerations, and will be governed by the terms of a definitive and binding agreement governing the Proposed Transaction. Completion of the Proposed Transaction is subject to, among other conditions, satisfactory completion of due diligence, voting support of key shareholders, shareholder approval, and conditional approval by the Canadian Securities Exchange. Both Alpha and CAVU expect to work towards entering into a definitive agreement by September 30, 2022.

It is anticipated that any securities to be issued under the Arrangement will be offered and issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act of 1933 provided by Section 3(a)(10) thereof. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.

## OVERALL PERFORMANCE

### Key Performance Indicators

| | | 2022 | | 2021 | | 2020 |
|---|---|---|---|---|---|---|
| Revenue | $ | - | $ | - | $ | - |
| Net loss | $ | (7,580,709) | $ | (369,769) | $ | (130,321) |
| Loss per share | $ | (0.18) | $ | (0.02) | $ | (0.01) |
| Total assets | $ | 5,536,172 | $ | 1,293,388 | $ | 525,015 |
| Purchase of exploration and evaluation assets | $ | 1,530,209 | $ | 47,917 | $ | 57,949 |

The Company incurred a net loss of $7,580,709 for the year ended September 30, 2022 compared to $369,769 for the year ended September 30, 2021. The increase net loss is attributed to increase expenses incurred for consulting fees of $83,279 resulting from the change in management, marketing and investor relations of $5,497,765 resulting from marketing promotion program that was conducted in the year, office and administration increase of $33,494 resulting from entertainment expense due to marketing programs, and share-based compensation of $1,589,288 resulting from the grant of stock options during the year. The Company incurred a net loss of $369,769 for the year ended September 30, 2021 compared to $130,321 for the year ended September 30, 2020 the increase in net loss is attributed to the increase in office and administration of $50,007 mainly resulting in rent, an increase in marketing and investor relations of $26,250 from website development, increase in consulting fees of $135,245 from increase in consultants due to increased activity of the Company, increase in regulatory and filing fees of $12,758 due to higher fees paid to the transfer agent. The Company has $5,536,172 of total assets as at September 30, 2022 compared to $1,293,388 at September 30, 2021 and $525,015 at September 30, 2020. The increase in total assets is the result of the share issuances during the year offset by the operating losses for the year. In 2022, the Company purchased $1,530,209 of exploration and evaluation assets, compared to $47,917 in 2021 and $57,949 in 2020. The expenses incurred were for the acquisition of the Indata and Okeover properties and geological and drilling costs completed during the year.

**Results of Operations**

| | 2022 | 2021 |
|---|---|---|
| Consulting fees | $ 234,453 | $ 151,174 |

For the year ended September 30, 2022, the Company incurred $234,453 of consulting fees compared to $151,174, representing an increase of $83,279. The increase in the expense is the result of the change in management which occurred in January 2022.

| | 2022 | 2021 |
|---|---|---|
| Marketing and investor relations | $ 5,524,015 | $ 26,250 |

For the year ended September 30, 2022, the Company incurred $5,524,015 of marketing and investor relations expenses compared to $26,250 for the prior year ended 2021. The increase is related to the marketing programs run by the Company through various outlets to increase Company awareness.

| | 2022 | 2021 |
|---|---|---|
| Office and administration | $ 102,937 | $ 69,443 |

During the year ended September 30, 2022, the Company incurred $102,937 of office and administrative expenses compared to $69,443 for the same period ended September 30, 2021. The costs incurred relate to office rent and entertainment expenses due to marketing events.

| | 2022 | 2021 |
|---|---|---|
| Professional fees | $ 187,568 | $ 87,467 |

Professional fees increased $100,101 to $187,568 for the year ended September 30, 2022 compared to $87,467 for the year ended September 30, 2021. The increase in professional fees is related to the legal fees for general corporate items, the acquisition of the Okeover property, and the acquisition of CUVA.

| | 2022 | 2021 |
|---|---|---|
| Regulatory and filing | $ 54,762 | $ 32,933 |

For the year ended September 30, 2022, the Company incurred $54,762 of regulatory and filing expenses, an increase of $21,829 over $32,933 for the year ended September 30, 2021. These expenses relate to the fees associated with the transfer agent and the expenses associated with the share issuances during the year.

| | 2022 | 2021 |
|---|---|---|
| Share-based compensation | $ 1,589,288 | $ - |

During the year ended September 30, 2022, the Company granted 4,150,000 stock options to directors, management, and consultants. As a result, $1,589,288 of share-based compensation was recognized.

| | | 2022 | | 2021 |
|---|---|---|---|---|
| Travel expense | $ | 19,825 | $ | 2,502 |

Travel expense increased $17,323 to $19,825 for the year ended September 30, 2022 compared to $2,502 for the year ended September 30, 2021. The increase in travel is related to the expenses incurred for site visits.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

Management has determined that cash flows for operating, exploration and evaluation expenses, and general and administrative expenses will be funded by Alpha's existing cash on hand. Any expected short fall of cash required for these expenses will be funded by the issuance of common shares through private placements.

### Cash Flow Summary

| | | 2022 | | 2021 |
|---|---|---|---|---|
| Cash on hand, October 1 | $ | 1,006,724 | $ | 337,432 |
| Cash flow used in operations | | (6,561,728) | | (301,573) |
| Cash flow from financing activities | | 9,958,695 | | 1,018,782 |
| Cash flow used in investing activities | | (1,247,622) | | (47,917) |
| Cash on hand, September 30 | $ | 3,156,069 | $ | 1,006,724 |

Cash flow used in operations for the year ended September 30, 2022 was $6,561,728 resulting from the expenses incurred on the marketing and investor relations expenses, along with general expenses incurred for the day-to-day operations of the Company. In addition, the Company had used $438,168 of cash resulting from the change in non-cash working capital resulting from the timing of the payments of the expenses. Cash flow used in operations for the period ended September 30, 2021 was $301,573 resulting from the expenses incurred for the day-to-day management of the Company. In addition, fluctuations from non-cash working capital resulted in cash inflow of $68,196 for the period ended September 30, 2021 resulting from the timing of payment of the accounts payable, the collection of the goods and service taxes, and the receipt of services from the prepaid expenses.

Cash flows from financing was $9,958,695 for the year-ended September 30, 2022. During the year, the company completed private placements for proceeds of $9,089,267, received $1,246,175 from the exercise of warrants, and paid $376,747 of share issue costs.

Alpha had $1,108,782 of cash flows from financing for the year-ended September 31, 2021. During this period, the Company issued 10,000,000 common shares for gross proceeds of $1,000,000 and paid $13,166 in share issue costs. In addition, the company issued 159,737 common shares on the exercise of share-purchase warrants for proceeds of $48,647.

For the year ended September 30, 2022, the Company incurred $1,247,622 of cash expenses from investing activities. Of these expenses, $1,220,209 was the result of the exploration on both the Indata and the Okeover properties. In addition, the Company spent $27,413 on purchases of furniture and equipment.

During the year ended September 30, 2021, the Company had cash expenditures of $47,917 on the exploration program for the Indata property.

The following table represents the net capital of the Company:

| | | 2022 | | 2021 |
|---|---|---|---|---|
| Shareholders' equity | $ | 5,177,926 | $ | 1,202,308 |
| Net capital | $ | 5,177,926 | $ | 1,202,308 |

Alpha uses net working capital to monitor leverage. The net capital is the result of the issuance of common shares offset by the operating loss of the Company in the current period.

**Working Capital**

The Company has working capital of $3,283,665 (2021 – $932,727) as at September 30, 2022. The working capital is comprised of current assets of $3,641,911 (2021 - $1,023,807) and current liabilities of $358,246 (2021 - $91,080).

Current assets is comprised of cash of $3,156,069 (2021 - $1,006,724), goods and services tax receivable of $75,842 (2021 - nil), and prepaids and deposits of $410,000 (2021 - $17,083) resulting from the prepayment for consulting fees and a deposit with a drilling company and a prepaid marketing program.

Current liabilities is the result of accounts payable of $190,100 (2021 - $91,080) resulting from the timing of vendor payments for the operating costs and the exploration program and a flow-through liability of $168,146.

**Contractual Obligations**

There are no outstanding contractual obligations.

**Contingencies**

*Contingent liabilities*

The Company does not have any contingent liabilities.

*Contingent assets*

The Company does not have any contingent assets.

**SELECTED QUARTERLY FINANCIAL INFORMATION**

| | Sept 30, 2022 | Jun 30, 2022 | Mar 31, 2022 | Dec 31, 2021 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Net loss | (1,299,298) | (3,717,722) | (2,488,653) | (75,036) |
| Loss per share | (0.03) | (0.08) | (0.06) | (0.00) |

| | Sept 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Net loss | (102,321) | (105,548) | (60,003) | (101,897) |
| Loss per share | (0.01) | (0.00) | (0.00) | (0.01) |

During the fourth quarter ended September 30, 2022, the Company incurred a net loss of $1,299,298, resulting from marketing and investor relations of $1,207,508 due to the marketing program the Company ran during the quarter. In addition, the Company incurred professional fees of $109,154 due to general corporate matters and costs associated with the acquisition of CUVA, consulting fees of $69,047 for the day-to-day operations of the Company, and office and administration expenses of $18,091 mainly resulting from office rent.

For the third quarter ended June 30, 2022, the Company incurred a net loss of $3,717,722, resulting from the increased expenses related to marketing and investor relations of $2,981,118 due to the marketing program the Company ran during the quarter. In addition, the Company incurred share-based compensation expense of $566,755 from the grant of 2,150,000 stock options. The Company also had an increase in consulting fees of $72,000 due to change in management and increased activity resulting from the exploration program.

For the second quarter ended March 31, 2022, the Company incurred a net loss of $2,488,653, resulting from the increased expenses related to marketing and investor relations of $1,324,889 due to the marketing program the Company ran during the quarter. In addition, the Company incurred share-based compensation expense of $1,022,513 from the grant of 1,900,000 stock options. The Company also had an increase in consulting fees of $31,906 due to change in management and increased activity resulting from the exploration program.

For the first quarter ended December 31, 2021, the Company incurred a net loss of $75,036, resulting from consulting fees of $31,500 due to the day-to-day management of the Company, marketing, and investor relations of $10,500 from the rebranding of the Company, and office and administration mainly due to rent of the Company office.

For the quarter ended September 30, 2021, the Company incurred a net loss of $102,321 resulting from consulting and management fees of $37,858, professional fees of $28,331 for legal and audit fees, and office and administration expenses of $18,801 mainly for rent.

For the quarter ended June 30, 2021, the Company incurred a net loss of $105,548 resulting from consulting and management fees of $48,316, professional fees of $39,239 for legal fees, and office and administration expenses of $15,268 mainly for rent.

In the quarter ended March 31, 2021, the Company incurred a net loss of $60,003 resulting from consulting and management fees of $30,000, regulatory and filing of $11,084 for fees related to share issuances, and office and administration expenses of $11,084 mainly for rent.

For the quarter ended December 31, 2020, the Company incurred a net loss of $101,897 resulting from consulting and management fees of $35,000, marketing and investor relations expenses of $25,000 for website and branding, professional fees of $17,079 for legal fees, and office and administration expenses of $19,273 mainly for rent.

## CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

*Exploration and evaluation assets*

The Company has acquired exploration and evaluation assets, which consists of mineral claims, for use in its business activities. Amortization is recognized using the unit of production basis, once available for use, based upon management's estimate of the useful life.

*Taxes*

The determination of taxes is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

*Going concern*

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company's principal source of cash is from private placements. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

*Impairment of non-current assets*

To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

*Decommissioning and restoration provision*

The decommissioning and restoration provision is based on future cost estimates using information available at the reporting date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent, and costs of required decommissioning and restoration activities. Actual costs may differ from these estimates. As at September 30, 2022 and 2021, the Company has no material decommissioning and restoration provision

## NEW ACCOUNTING PRONOUNCEMENTS

*The Company has not applied the following amendments to standards that have been issued but are not yet effective:*

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 September 30, 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.

## RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk is inherent in all business activities and cannot be eliminated. However, shareholder value can be maintained and enhanced by identifying, mitigating, and where possible, insuring against these risks. The following section addresses some, but not all, risk factors that could affect Alpha's future results, as well as activities used to mitigate such risks. These risks do not occur in isolation but must be considered in conjunction with each other.

The Board of Directors have overall responsibility for the establishment and oversight of Alpha's risk management framework. The Board is responsible for developing and monitoring Alpha's compliance with risk management policies and procedures.

Alpha's risk management policies are established to identify and analyze the risks faced by Alpha, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Alpha's activities.

**Financial risks and financial instruments**

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a cash balance of $3,156,069 (2021 - $1,006,724) to settle current liabilities of $358,246 (2021 - $91,080). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company monitors its cash position and future cash requirements and will investigate financing opportunities.

*Mark Price risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

*Interest rate risk*

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at September 30, 2022 and 2021, the Company did not have any investments in investment-grade short-term deposit certificates.

*Foreign currency risk*

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than Canadian dollars. As at September 30, 2022 and 2021, the Company does not have foreign currency risk.

*Commodity price risk*

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity prices. The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of copper. The Company has not hedged any of its future copper sales. The Company's input costs are also affected by the price of fuel. The Company closely monitors copper and fuel prices to determine the appropriate course of action to be taken from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk

## 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 the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer 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 consulting fees of nil (2021 - $10,000) to a director of the Company.

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 a company controlled by a director of the Company. See Note 4.

During the year ended June 30, 2022, a Company director participated in the subscription of 80,000 flow-through common shares.

As at September 30, 2022 and 2021, $85,185 and nil were owed to related parties.

During the year ended September 30, 2022, the Company recorded share based compensation of $1,374,858 (2021 – nil) to certain directors of the Company.

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

## SUBSEQUENT EVENTS

On December 15, 2022, pursuant to the acquisition, each holder of CAVU Shares (a "CAVU Shareholder" and, collectively, the "CAVU Shareholders") received 0.7 of a common share of Alpha (each whole common share an "Alpha Share") for each CAVU Share held (the "Consideration"). As a result of the Transaction, Alpha issued an aggregate of 25,485,016 Alpha Shares, resulting in the existing Alpha and former CAVU shareholders owning approximately 69.5% and 30.5%, respectively, of the Alpha Shares outstanding, on a non-diluted basis. As part of the Transaction, all outstanding options of CAVU will 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. As a result of the Transaction, Alpha acquired CAVU's interest in the Hopper Copper-Gold Project in the Yukon and the Star Copper-Gold Porphyry Project in British Columbia.

## OTHER INFORMATION

Outstanding share data:

| | |
|---|---|
| Issued and outstanding shares at September 30, 2022 | 57,749,849 |
| Issued and outstanding options at September 30, 2022 | 4,430,000 |
| Issued and outstanding warrants at September 30, 2022 | 31,294,848 |
| Issued and outstanding shares at January 28, 2023 | 93,474,697 |

## INDUSTRY RISKS

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, including the risks described in the "Risk Factors" section of the Company's MD&A for the year ended September 30, 2022 and 2021, prior to making any investment in the Company's common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

*Mineral property exploration and mining risk*

Mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons.

The Company's ability to identify Mineral Resources in sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial mining operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing and smelting capacity, the availability of storage capacity, the supply of and demand for silver and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral properties which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

*Key management*

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

*Limited operating history*

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering the early stage of operations.

*Ability to continue as a going concern*

The Company's auditors' opinion on its September 30, 2022 financial statements includes an explanatory paragraph in respect of there being substantial doubt about its ability to continue as a going concern.

*Financing and share price fluctuation risk*

The Company has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its mineral properties. Future exploration and development of the Company's mineral properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development of on any or all of its mineral properties which could result in the loss of its property, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

*Commodity prices risk*

The Company, along with all mineral exploration and development companies, is exposed to commodity price risk. A decline in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

*Title risk*

Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties

*Insured and uninsurable risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

*Competition risk*

Significant and increasing competition exists in the mining and mineral exploration industry. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, minerals. Many of these companies are larger, more established, and have greater financial resources, operational experience and technical capabilities than the Company and make it difficult to compete for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to acquire additional attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operation, financial conditions and prospects could be adversely affected

*Government regulations*

Exploration and evaluation companies operate in a high-risk regulatory environment. The mining activities is governed by numerous statutes and regulations in the United States, Canada, and other countries where Alpha intends to market its products. The subject matter of such legislation includes approval of mining facilities and environmental regulations.

The process of completing exploration and evaluation activities and obtaining required approvals is likely to take several years and require the expenditure of substantial resources. Furthermore, there can be no assurance that the regulators will not require modification to any submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of Alpha to utilize its assets, thereby adversely affecting operations. Further, there can be no assurance that Alpha's properties will achieve levels of sensitivity and specificity sufficient for regulatory approval or market acceptance. There is no assurance that Alpha will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements. Foreign markets, other than the United States and Canada, generally impose similar restrictions.

*Conflicts of interest risk*

Certain of the Company's directors and officers do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the Business Corporations Act (British Columbia) to disclose their interest.

*Environmental risk*

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, mitigation of impact of activities to wildlife and plant life, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental-related permits and/or environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to impact the timing of execution of work pans and reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

*Community relations risk*

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for

individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

*Litigation risk*

All industries, including the mining industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

*Climate change risk*

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration programs in the United States may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

*No Anticipated Dividends*

The Company does not intend to pay dividends on any investment in the shares of stock of the Company. The Company has never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that the Company requires additional funding currently not provided for in its financing plan, its funding sources may prohibit the payment of a dividend. Because the Company does not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the stock's price. This may never happen, and investors may lose all their investment in the Company.