Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Alpha Lithium Corporation ("Alpha" or the "Company") interim condensed consolidated financial statements. The information provided herein should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022 and 2021 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars ("CAD"). The effective date of this report is November 14, 2023.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee reviews with management on a quarterly basis the consolidated financial statements including the MD&A as well as other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Statements" that are subject to risk factors set out in a cautionary note contained herein.

The reader is encouraged to review Company statutory filings on www.sedarplus.ca.

DESCRIPTION OF BUSINESS AND OVERVIEW

Alpha is a development stage company, focused on the acquisition and development of high-grade lithium brine deposits. Please see note 17(a) to the financial statements with respect to the change in control for the Company.

OPERATING AND FINANCIAL SUMMARY

For the three-months ended September 30, 2023:

- The Company incurred a loss of $1.3 million compared to $3.2 million for the same period in 2022.
    - There were significant foreign exchange gains in Argentina during the current period as the Argentine peso experienced volatility as the country headed into elections. This impact was compounded by increased conversion of US dollars into Pesos in the current period due to significant drilling activity in Hombre Muerto and pilot plant construction
    - Losses were also lower as the Company reduced marketing expenses in the current period due to the strategic review and the bid process with Tecpetrol.
- Cash used in operations decreased to $1.5 million from $3.4 million for the same period in 2022.
- Net cash from financing activities in the quarter was $1.8 million, primarily from the exercise of warrants and agent unit options.
- On the Tolillar property, drilling continued in the third quarter as two wells were completed and another fresh water well was in progress at quarter end.
- The Company continued drilling on lands held within the Hombre Muerto salar. By the end of the quarter, four wells were completed and two more were in progress.
- Construction of the Company's 120 tonne per annum ("tpa") pilot plant continued during the third quarter.

SUMMARY OF SELECTED RESULTS

	Three-months ended Sept 30,		Nine-months ended Sept 30,	
	2023	2022	2023	2022
Expenses	$ 406,411	$ 2,643,224	$ 4,738,414	$ 9,383,830
Net loss	1,326,563	3,212,403	6,044,032	9,804,929
Per share - basic and diluted	0.01	0.02	0.03	0.06
Cash used in operating activities	1,458,167	3,445,380	4,669,402	7,876,579
Per share - basic and diluted (1)	0.01	0.02	0.03	0.05
Cash used in investing activities	8,708,003	4,266,276	19,489,875	10,321,593
Working capital			13,796,627	27,687,782
Shareholders' equity			75,434,215	62,621,401
Total assets			84,331,292	70,576,666

(1) Based on the same weighted average number of common shares outstanding used to calculate loss per share.

EXPENSES

Cash expenses

Total cash expenses(credits) for the applicable comparative periods are as follows:

	Three-months ended Sept 30,		Nine-months ended Sept 30,	
	2023	2022	2023	2022
Total expenses (credits)	$ 406,411	$ 2,643,224	$ 4,738,414	$ 9,383,830
Less non-cash expenses (depreciation, stock based compensation)	(707,821)	(458,327)	(2,218,613)	(2,708,512)
Total cash expenses	(301,410)	2,184,897	2,519,801	6,675,318

For the three and nine-months ended September 30, 2023, as compared to the respective periods of the prior year, total cash expenses have decreased primarily due to the following significant items:

	Three-months ended Sept 30,		Nine-months ended Sept 30,	
	2023	2022	2023	2022
Consulting fees and salaries (1)	$ 1,301,924	$ 1,024,034	$ 3,001,409	$ 2,248,246
Foreign exchange loss (gain) (2)	(3,292,067)	(972,379)	(6,845,712)	(2,697,955)
Marketing and brand awareness (3)	200,531	1,032,429	2,112,263	4,566,661
Professional fees (4)	222,948	237,641	1,250,938	715,725

(1) Consulting fees and salaries have increased concurrently with the Company's exploration successes and associated growth.

(2) As a result of the Company's operations in Argentina, the Company regularly benefits from USD to Argentine peso currency exchanges at rates significantly higher than the official Argentina exchange rate. As cash used increased to support the increased activity in Argentina, this has resulted in significant gains in the current period that have offset cost increases in other areas.

(3) Marketing costs have decreased in the current period as the Company was engaged in a strategic review process regarding the sale of its Tolillar project or the entire Company.

(4) Professional fees have increased in direct correlation with increased corporate and exploration activities.

Significant non-cash expenses

During the three and nine-months ended September 30, 2023, the Company incurred $633,025 and $1,987,081 (September 30, 2022 - $427,640 and $2,657,370 respectively) of non-cash stock-based compensation. The decline in expense is because most of the outstanding options had vested in prior periods.

LOSS

The loss for the applicable comparative periods are as follows:

	Three-months ended Sept 30,		Nine-months ended Sept 30,	
	2023	2022	2023	2022
Loss	$ 1,326,563	$ 3,212,403	$ 6,044,032	$ 9,804,929
Loss per share - basic and diluted	0.01	0.02	0.03	0.06

For the three and nine-months ended September 30, 2023, the Company incurred a loss of $1,326,563 ($0.01/share) and $6,044,032 ($0.03/share) compared to a loss of $3,212,403 ($0.02 per share) and $9,804,929 ($0.06 per share) for the same periods in the prior year. The reduction in the loss is primarily due to:

a) Increased foreign-exchange gains on the conversion of US dollars to Argentine pesos.
b) Less spending on marketing and brand awareness.
c) A reversal of income taxes recorded in the current period, due to certain elections under the tax laws of Argentina allowing for the deferral of taxes until such a time as the Company starts earning income from the production of resources or the subsidiary is sold.

CASH USED IN OPERATING ACTIVITIES

Cash used in operating activities for the applicable comparative periods are as follows:

	Three-months ended Sept 30,		Nine-months ended Sept 30,	
	2023	2022	2023	2022
Cash used in operating activities	$ 1,458,167	$ 3,445,380	$ 4,669,402	$ 7,876,579
Cash used in operating activities per share - basic and diluted (1)	0.01	0.02	0.03	0.05

(1) Based on the same weighted average number of common shares outstanding used to calculate loss per share.

For the three and nine-months ended September 30, 2023, cash used in operating activities was $1,458,167 ($0.01/share) and $4,669,402 ($0.03/share) respectively compared to $3,445,380 ($0.02) and $7,876,579 ($0.05 per share) respectively in the three and nine-months ended September 30, 2022. This is reflective of reduced cash expenses in the current period as discussed above in the Cash expenses section.

INVESTING EXPENDITURES

The following table summarizes capital expenditures for the applicable comparative periods as follows:

	Three-months ended Sept 30,		Nine-months ended Sept 30,	
	2023	2022	2023	2022
Exploration and evaluation assets	$ 6,386,913	$ 5,899,019	$ 16,285,193	$ 9,642,625
Property and equipment	2,059,773	376,852	2,499,103	521,822
Loan advanced	124,714	-	1,951,476	-
Total investing expenditures	8,571,400	6,275,871	20,735,772	10,164,447

During the nine-months ended September 30, 2023, the Company's primary investing activities were:

- Exploratory drilling continued on the Tolillar salar with 6 wells completed during the first nine-months of the year (3 brine and 3 water). The collection and testing of brine samples continued at different depths.
- Exploratory drilling was initiated on the Hombre Muerto salar with the Company drilling 4 wells during the nine months ended September 30, 2023 with an additional 2 wells in progress at quarter end.
- Significant progress was made on the construction of the pilot plant at Tolillar.
- At the beginning of the third quarter, the Company acquired a share of a newly constructed office building in Salta to serve as its headquarters.
- The Company granted a loan for US$1.36 million to an unrelated lithium company in the 2nd quarter. The loan is for a one-year term, secured by lithium assets in Argentina and accrues interest at 17.65% per annum. If the borrower lists on a public exchange within the term of the loan, Alpha will receive shares and warrants in the public company as additional consideration. (The number of shares to be received is 50% of the loan principal amount divided by the IPO price plus an additional amount of warrants equal to two times the number of shares granted, with an exercise price equal to the IPO price.)

Overall, capital spending has increased through 2022 and into 2023 as the Company executes on its phased exploration program. Drilling at Tolillar progressively increased over this period and the Company updated its resource estimate in July, 2023 accordingly. Construction of the pilot plant began in the second half of 2022 and has proceeded rapidly in 2023.

Drilling at Hombre Muerto was initiated in the first quarter of 2023 and has increased as the year progressed.

SUMMARY OF SELECTED QUARTERLY RESULTS

The following table sets forth certain quarterly financial information of the Company's previous quarters:

$000 (except per share amounts)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net loss	1,327	2,247	2,471	5,037	3,212	2,556	4,037	3,716
per share	0.01	0.01	0.01	0.03	0.02	0.02	0.03	0.03
Cash used in operating activities	1,458	404	2,807	2,152	3,445	1,780	2,651	3,030
per share	0.01	-	0.02	0.01	0.02	0.01	0.02	0.02
Cash used in investing activities	8,708	7,274	3,507	5,237	4,266	4,567	1,487	2,022
Working capital	13,797	19,265	24,627	16,680	27,687	35,497	40,186	42,704
Total assets	84,331	83,766	81,611	67,971	70,577	66,524	65,844	67,819
Weighted average shares	186,682	178,900	170,506	162,210	160,002	157,793	154,808	130,102

During 2020, the Company acquired a 100% interest in the Tolillar property in Argentina. In 2021 and 2022, the Company also acquired a position in the Hombre Muerto salar in Argentina. In 2020 and 2021, the Company raised significant equity and positioned itself to fully explore and develop its Argentinian assets. With significant cash reserves in place, the Company has continued to expanded its' operations and execute on its exploration plan in 2022 and 2023 with increased capital expenditures and larger cash outflows.

SHARE CAPITAL

*(a) **Authorized share capital***

Unlimited number of common shares with no par value
Unlimited preferred shares

*(b) **Issued and outstanding***

Common Shares	Number of Shares		$
Balance, December 31, 2021	153,848,207	$	79,377,051
Issue of common shares pursuant to warrant exercises	5,418,799		4,037,243
Issue of common shares pursuant to option exercises	460,000		463,770
Issue of common shares for acquisition of exploration and evaluation assets	2,500,000		2,475,000
Balance, December 31, 2022	162,227,006	$	86,353,064
Issue of common shares pursuant to warrant exercises	18,470,592		19,895,297
Issue of common shares pursuant to option exercises	2,098,259		2,131,959
Issue of common shares for agent unit option exercises	1,440,750		1,316,082
Issue of common shares for resource bonus	3,626,000		3,963,200
Issue of common shares for accrued debenture interest	319,086		79,773
Balance, September 30, 2023	188,181,693	$	113,739,375

*(c) **Warrants***

	Number		$		Weighted average exercise price
Balance, December 31, 2021	55,810,831	$	17,005,624	$	1.03
Exercised [1]	(5,418,799)		(642,337)		0.63
Expired [2]	(1,284,923)		(279,240)		0.64
Balance, December 31, 2022	49,107,109	$	16,084,047	$	1.08
Issued [3]	1,039,461		124,668		1.10
Exercised [4]	(18,470,592)		(3,244,141)		0.90
Expired [5]	(18,173,414)		(5,710,880)		1.02
Balance, September 30, 2023	13,502,564		7,253,694	$	1.43

(1) During the year ended December 31, 2022, 5,418,799 warrants were exercised for cash proceeds of $3,394,906. The original value of $642,337 ascribed to these warrants when issued was transferred to share capital on exercise.

(2) During the year ended December 31, 2022, 1,284,923 warrants expired. The original value of $279,240 ascribed to these warrants when issued was transferred to contributed surplus on expiry.

(3) During the nine months ended September 30, 2023, the Company issued 720,375 warrants with an exercise price of $1.45 per share in association with the exercise of 1,440,750 agent unit options. The Company also issued 319,086 warrants with an exercise price of $0.30 in respect of its obligation to certain shareholders of 1146915 BC Ltd. with $nil value.

(4) During the nine months ended September 30, 2023, 18,470,592 warrants were exercised for cash proceeds of $16,651,156. The original value of $3,244,141 ascribed to these warrants when issued was transferred to share capital on exercise.

(5) During the nine months ended September 30, 2023, 18,173,414 warrants expired. The original value of $5,710,880 ascribed to these warrants when issued was transferred to contributed surplus on expiry.

Information about the warrants at September 30, 2023 is as follows:

Number of warrants - outstanding	Gross Exercise price	Expiry date
275,939	$ 0.30	April 23, 2024
13,226,625	$ 1.45	December 10, 2023
13,502,564	$ 1.43	

(d) ***Agent Unit Options***

	Number	Weighted average exercise price
Balance, December 31, 2021, 2022	1,440,750	$ 1.00
Exercised (1)	(1,440,750)	1.00
Balance, September 30, 2023	-	$ -

Pursuant to a bought deal financing in December 2021, the Company issued 1,440,750 agent unit options, exercisable until December 10, 2023, at a price of $1.00 per agent unit, as additional compensation to the agent with respect to the financing. Each unit consists of one common share of the Company and one half one warrant. Each full warrant entitles the holder to purchase one common share at $1.45 per share until December 10, 2023.

(1) During the nine months ended September 30, 2023, 1,440,750 agent unit options were exercised for cash proceeds of $1,440,750. The $1,440,750 was allocated between share capital ($1,316,082) and warrants ($124,668) on a relative fair value basis.

(e) ***Stock-based compensation***

i. Stock option plan

The Company has a rolling stock option plan (the "Plan") to provide incentive for the directors, officers, employees and consultants of the Company. The maximum number of shares which may be set aside for issuance under the Plan is 10% of the issued and outstanding common shares of the Company.

The exercise price of options granted under the Plan will be fixed by the Board at the time of grant, provided that such exercise price may not be less than the discounted market price of the common shares. The options granted under the Plan will vest and be exercisable on a basis determined by the board at the time of the grant and will be exercisable for a period not exceeding ten years.

Stock option transactions are summarized as follows:

	Number	Weighted average exercise price
Balance, December 31, 2021	8,785,000	$ 0.64
Granted [(1)]	5,350,000	1.10
Exercised [(2)]	(460,000)	0.56
Cancelled	(150,000)	1.15
Expired	(25,000)	0.70
Balance, December 31, 2022	13,500,000	$ 0.83
Exercised [(3)] [(4)]	(5,300,000)	1.15
Balance, September 30, 2023	8,200,000	$ 0.83

(1) Options vest as to: one-quarter of 4,700,000 every three months from January 4, 2022; one-quarter of 100,000 every three months from February 10, 2022; one quarter of 100,000 every 3 months from October 15, 2022; one quarter of 200,000 every 6 months from October 15, 2023; one half of 200,000 six months from June 23, 2022, and 25% every 3 months thereafter; and 50,000 vested immediately on January 28, 2022. The total options granted in 2022 and this note have been restated to reflect an additional 200,000 options granted in June 2022 but were not included in previous disclosures.

(2) During the year ended December 31, 2022, 460,000 options were exercised for cash proceeds of $237,770. The related stock-based compensation of $226,000 previously recognized has been transferred to share capital from contributed surplus.

(3) During the nine months ended September 30, 2023, 100,000 options were exercised for cash proceeds of $115,000. The related stock-based compensation of $58,000 previously recognized has been transferred to share capital from contributed surplus.

(4) During the nine months ended September 30, 2023, 5,200,000 stock options held by certain officers, directors, consultants and employees of the company were exercised on a net basis whereby the number of shares issued was reduced to account for the exercise price and taxes. The number of shares issued was 1,998,259. The related stock-based compensation of $2,548,000 previously recognized, has been transferred to share capital from contributed surplus. The $589,041of taxes paid by the Company as a result of this exercise is also included in share capital.

Information about the stock options outstanding and exercisable on September 30, 2023 are as follows:

Number of options - outstanding	Number of options - exercisable	Exercise price	Expiry date
1,200,000	1,200,000	$0.390	March 11, 2025
1,900,000	1,900,000	$0.548	November 12, 2025
4,450,000	4,450,000	$1.150	January 4, 2024
50,000	50,000	$0.950	January 28, 2027
100,000	100,000	$1.130	February 10, 2024
200,000	200,000	$0.750	June 23, 2025
300,000	75,000	$0.850	October 15, 2025
8,200,000	7,975,000		

ii. On June 16, 2021, the Company approved a new omnibus equity compensation plan that includes the above stock options but also includes restricted share units ("RSU"), deferred share units ("DSU") and performance share units ("PSU").

An RSU is a unit equivalent in value to a common share which entitles the holder to receive one common share for each RSU after a specified vesting period determined by the Company. Upon settlement, RSU holders will receive (a) one fully paid and non-assessable common share in respect of each vested RSU,

(b) subject to the approval by the board of directors, a cash payment, or (c) a combination of common shares and cash. The cash payment is determined by multiplying the number of RSUs redeemed for cash by the market price on the date of settlement.

A DSU is a unit equivalent in value to a common share which entitles the holder to receive one common share for each DSU on a future date, generally upon termination of service with Alpha. Upon settlement, holders will receive (a) one fully paid and nonassessable common share in respect of each vested DSU, (b) subject to the approval of the board of directors, a cash payment, or (c) a combination of common shares and cash. The cash payment is determined with reference to the market price in the same manner as with RSUs.

A PSU is a unit equivalent in value to a common share which entitles the holder to receive one common share for each PSU on a future date, generally upon the achievement of certain performance goals within Alpha. Upon settlement, holders will receive (a) one fully paid and nonassessable common share in respect of each vested PSU, (b) subject to the approval of the board of directors, a cash payment, or (c) a combination of common shares and cash. The cash payment is determined with reference to the market price in the same manner as with RSUs.

The RSUs, DSUs and PSUs granted will vest and be exercisable on a basis determined by the board at the time of the grant and will be exercisable for a period not exceeding ten years. The total outstanding awards including options, PSUs, DSUs or RSUs, shall not exceed more than 10% of the total outstanding common shares on a non-diluted basis.

During 2022, the Company granted 650,000 PSUs to certain directors, officers, employees and consultants The PSUs were forfeited and cancelled on October 19, 2022 and no expense was recognized.

On January 13, 2023, the Company granted 2,000,000 PSUs to certain directors, officers, employees and consultants of the Company. The PSUs vest upon either the successful completion of a direct or indirect disposition, in whole or in part, of the Company or one of its assets for aggregate gross consideration of $300,000,000 or greater; or the publication of a technical report prepared in accordance with NI 43-101 – *Standards of Disclosure for Mineral Projects*, which includes a resource estimate across all resource categories in excess of 5,000,000 tonnes of lithium carbonate. Once vested, each PSU entitles the holder thereof to receive one common share of the Company.

On June 16, 2023, 1,050,000 PSUs held by certain directors serving as members of the special committee of independent directors formed in response to the unsolicited take-over bid by Tecpetrol Investments S.L. were voluntarily surrendered and cancelled.

Pursuant to a resource estimate, issued on July 17, 2023, that includes a total corporate resource estimate of greater than 5,000,000 tonnes of LCE, the remaining 950,000 PSUs fully vested, and the Company recognized additional stock-based compensation of $1,301,500 based on the fair value of shares when they vested for the nine-months ended September 30, 2023.

On April 19, 2023, 200,000 RSUs were granted to a consultant which vested fully on October 19, 2023, and this grant has not been included in previous disclosures. On July 26, 2023, certain directors were granted 1,050,000 RSUs which vest 20% every four months beginning July 26, 2023. The Company recognized additional stock-based compensation of $369,594, calculated based on the fair value of the Company's common shares when granted, for the nine-months ended September 30, 2023.

iii. Stock-based compensation expense

Compensation expense of $98,535 and $1,452,591 for the three and nine months ended September 30, 2023 respectively (September 30, 2022 - $427,640 and $2,657,370 respectively) has been recorded in the consolidated statement of loss with a corresponding increase in contributed surplus.

The 950,000 PSUs issued in January 2023 that fully vested in July 2023 (as described above) were recognized at a value of $1,301,500 with a corresponding increase to contributed surplus.

No stock options were issued for the nine months ended September 30, 2023. The weighted average fair value of each option granted during the nine months ended September 30, 2022 was estimated on the date of grant to be $0.58 per share using the Black-Scholes option pricing model with the following weighted average assumptions for grants:

	Nine-months ended September 30, 2022
Risk-free interest rate	1.0%
Expected life of option	2.0 years
Expected dividend yield	0%
Expected volatility [a]	95%
Forfeiture rate	0%
Exercise price	$1.15

[a] based on historical Company stock prices

(f) ***Securities outstanding***

As at November 14, 2023, the Company had 205,486,157 common shares and 6,598,100 warrants outstanding.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Related party transactions

i. For the three and nine-months ended September 30, 2023, the Company incurred $97,500 and $292,500 of consulting fees (September 30, 2022 - $78,000 and $234,000 respectively) in provision of CEO, engineering, and director services from a company of which the Company's CEO is the principal shareholder. These fees are included in consulting fees and salaries in the consolidated statement of loss.

ii. For the three and nine-months ended September 30, 2023, the Company incurred $112,724 and $287,822 respectively (September 30, 2022 - $74,366 and $230,934 respectively) in consideration of the provision of services by the Company's Argentina country manager. These fees are included in consulting fees and salaries in the consolidated statement of loss.

b) Key management compensation

The remuneration of directors and management of the Company is set out below:

	Three-months ended September 30, 2023	Three-months ended September 30, 2022	Nine-months ended September 30, 2023	Nine-months ended September 30, 2022
Officer salaries, consulting fees & benefits	$ 316,070	$ 228,000	$ 907,249	$ 674,000
Director fees, salaries & benefits	255,474	67,000	370,325	202,000
Stock-based compensation	369,594	381,000	1,643,694	2,413,000
Total	$ 941,138	$ 676,000	$ 2,921,268	$ 3,289,000

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to certain financial risks, including credit risk, liquidity risk, and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for managing risk.

a. Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk relates to its cash and cash equivalent balances held with a major financial institution and taxes recoverable.

The Company's historical expected credit loss is $Nil. At September 30, 2023, the Company's maximum credit exposure amount is the carrying value of its cash and cash equivalents and accounts receivable (current and long-term).

To manage credit risk, the Company holds cash balances and term deposits with financial institutions with a high credit rating.

The Canadian taxes recoverable and interest are current as they are less than 90 days old. The Argentinian taxes recoverable are claimable from the Argentinian government when the Company has applicable revenues in Argentina. Since the Company's accounts receivable related to recoverable taxes paid, and interest receivable, are due from a government body and a major financial institution, respectively, the Company expects these amounts will be collected.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at September 30, 2023:

		Within one year		Between one and five years		Total
Accounts payable and accrued liabilities	$	5,268,527	$	-	$	5,268,527
Income tax payable	$	1,600,000	$	-	$	1,600,000
Asset retirement obligation	$	-	$	729,388	$	729,388
Lease obligation	$	78,685	$	-	$	78,685

c. Market risk

i. Foreign currency risk and sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash balances, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, property obligations, and asset retirement obligation that are denominated in US dollars. As at September 30, 2023, net financial assets (liabilities) totaling $2,721,084 (December 31, 2022 – ($1,496,029) were denominated in USD. The Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Based on the above net exposure as at September 30, 2023 and assuming all other variables remain constant, a 2% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase or decrease of approximately $54,422 in the Company's consolidated statement of loss.

The Company is exposed to foreign currency risk on fluctuations related to cash balances, accounts receivable and accounts payable and accrued liabilities that are denominated in Argentinian pesos. As at September 30, 2023, net financial assets (liabilities) totaling $2,817,224 (December 31, 2022 – $912,405) were denominated in Argentinian pesos. The Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Based on the above net exposure as at September 30, 2023 and assuming all other variables remain constant, a 2% depreciation or appreciation of the Argentinian peso against the Canadian dollar would result in an increase or decrease of approximately $56,344 in the Company's consolidated statement of loss.

ii. Commodity price risk

The nature of the Company's operations may expose the Company to commodity price risks when the Company begins production.

As at September 30, 2023 and December 31, 2022, the Company had no derivative financial instruments. In the future, the Company may enter into derivative financial instruments to manage price risk, and it will only enter into derivative financial instruments with highly rated investment grade counterparties.

iii. Interest rate risk

Interest rate risk is the risk the future cash flows will fluctuate as a result of changes in market interest rate. The Company is not exposed to interest rate risk as the Company had no variable interest rate bearing debt as September 30, 2023.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following is an analysis of the contractual maturities of the Company's financial liabilities as at September 30, 2023:

	Within one year	Between one and five years	Total
Accounts payable and accrued liabilities	$ 5,268,527	$ -	$ 5,268,527
Income tax payable	$ 1,600,000	$ -	$ 1,600,000
Asset retirement obligation	$ -	$ 729,388	$ 729,388
Lease obligation	$ 78,685	$ -	$ 78,685

Tollilar project commitments and property obligations

The property is subject to a net smelter royalty to certain parties on the property ranging from 0.11% to 1% of future production. Under certain conditions, the Company can elect to settle the royalty with a one-time payment of up to $5,000,000USD.

Hombre Muerto project commitments and property obligations

In August 2021, the Company completed an option agreement to acquire a 100% interest in 985 hectares of certain mineral claims. The Company has made all required payments (totaling US$1,100,000) and is required to make a final payment of US$200,000 before July 23, 2025.

During 2022, the Company acquired additional mining properties, totaling 3,800 hectares, in the Hombre Muerto salar in Argentina. The Company agreed to assume the obligation to make future payments totaling US$225,000. The first US$25,000 payment will be due upon approval of the environmental impact report in connection with the Company's proposed exploration of the new property, and the remaining US$200,000 is payable six months thereafter. The Company has the option to pay up to 50% of the second payment in common shares, which will be valued based on the Company's share value on the date of the election.

In addition to the above, the Company successfully bid on the right to exclusively negotiate with REMSa in respect of additional properties in the Hombre Muerto salar, on terms which must be substantially in accordance with the Company's proposed bid terms. In order to secure the exclusivity right, the Company was required to provide REMSa with a bond in the form of a promissory note in the amount of US$2,000,000, which will become payable by the Company in the event an agreement is not reached with REMSa in respect of the additional properties by November 25, 2023.

LIQUIDITY AND CAPITAL RESOURCES

See note 17(a) to financial statements for change in control disclosures.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the change is identified, and prospectively in future periods.

a) Significant judgements

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in preparing the Company's consolidated financial statements include:

- In the preparation of these consolidated financial statements, management is required to identify when events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the balance sheet date. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt. Management uses judgement to assess the Company's ability to continue as a going concern and the conditions that cast doubt upon the use of the going concern assumption. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

- The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation properties. Judgment is required to determine if the exploration for and evaluation of mineral resources in specific areas will lead to commercially viable quantities of mineral resources. Judgment is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

- Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

b) Key sources of estimation uncertainty

The Company estimates the decommissioning obligations for its wells and their associated production facilities, if applicable. In most instances, removal of assets and remediation occurs many years into the future. Amounts recorded for the decommissioning obligations and related accretion expense (if any) require assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, inflation estimates, and the estimate of the specific discount rates for these liabilities in order to determine the present value of these obligation settlements.

SUBSEQUENT EVENTS

(a) Corporate Change in Control & Proposed Second-Step Business Combination

Corporate Change in Control

On September 28, 2023, the Company announced that its board of directors (the "Board"), based on the unanimous recommendation of the special committee of independent directors of the Company, had recommended that the Company's shareholders (the "shareholders") accept the revised offer (the "Revised Offer") of Techenergy Lithium Canada Inc. ("Tecpetrol Canada"), a subsidiary of Tecpetrol, to acquire all of the issued and outstanding common shares of the Company at a price of $1.48 per common share.

On October 3, 2023, Tecpetrol announced that it had extended the expiry time of its Revised Offer to 5:00 p.m. on October 20, 2023.

On October 17, 2023, the Company reminded shareholders to tender their common shares in advance of the Revised Offer deadline of 5:00 p.m. on October 20, 2023. Furthermore, the Company announced that each of the directors and officers of the Company had indicated an intention to tender their common shares to the Revised Offer.

On October 20, 2023, Tecpetrol announced that Tecpetrol Canada had taken-up and acquired 102,692,615 common shares pursuant to the Revised Offer, representing approximately 54% of the issued and outstanding common shares. Tecpetrol further announced that all of the conditions to the Revised Offer had been satisfied or waived (including the statutory minimum tender condition), the tendered shares would be paid for within three business days, and the expiry time of the Revised Offer had been extended by a mandatory period of 10 days to 5:00 p.m. on October 31, 2023 in order to allow the remaining minority shareholders to tender their common shares to the Revised Offer.

On November 1, 2023, the Company and Tecpetrol announced that the Revised Offer had successfully expired. Since October 20, 2023, the date that all of the conditions to the Revised Offer were satisfied or waived (including the statutory minimum tender condition), Tecpetrol Canada took-up and acquired an additional 35,873,662 common shares during the mandatory extension period. Together with the common shares acquired on October 20, 2023, Tecpetrol Canada acquired 138,566,277 common shares pursuant to the Revised Offer, representing approximately 67.4% of the issued and outstanding common shares as at November 1, 2023.

Proposed Second-Step Business Combination

On November 1, 2023, the Company and Tecpetrol Canada entered into an acquisition agreement (the "Acquisition Agreement") pursuant to which, among other things, (a) the Company and a wholly-owned subsidiary of Tecpetrol Canada will amalgamate under the provisions of the *Business Corporations Act* (British Columbia) (the "Amalgamation") and continue as an amalgamated company to be known as "Alpha Lithium Corporation", and (b) the shareholders (other than Tecpetrol Canada) will be entitled to receive $1.48 in cash for each common share, in each case, on the terms and subject to the conditions set forth in the Acquisition Agreement (the "Subsequent Acquisition Transaction"). Following completion of the Subsequent Acquisition Transaction, Tecpetrol Canada will own 100% of the common shares and the Company will be a wholly-owned subsidiary of Tecpetrol Canada.

Subject to the terms of the Acquisition Agreement, the shareholders (other than Tecpetrol Canada) will receive $1.48 in cash per common share, such consideration being identical to the consideration offered and paid by Tecpetrol Canada pursuant to the Revised Offer.

The Amalgamation is subject to the approval of a special resolution of the shareholders at a special meeting of the shareholders (the "Meeting") that must be passed by (i) at least two-thirds of the votes cast by the shareholders present at the Meeting, in person or by proxy; and (ii) a simple majority of the votes cast by the shareholders present at the Meeting, in person or by proxy, excluding the votes required to be excluded by Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions*. All of the common shares acquired by Tecpetrol Canada pursuant to the Revised Offer will be counted for both votes and, as a result, Tecpetrol Canada is in a position to cause the Amalgamation to be approved.

Following the execution of the Acquisition Agreement, the Board was reconstituted to include Tecpetrol representatives, Jorge Dimópulos, Juan Jose Mata and Francisco Grosse. Immediately following such reconstitution, the Board was comprised of the following five directors : Jorge Dimópulos (Chair), Juan Jose Mata, Francisco Grosse, Chris Cooper and Darryl Jones. Brad Nichol, the President & Chief Executive Officer of the Company, and Nathan Steinke, the Chief Financial Officer of the Company, agreed to remain with the Company in their capacities as officers for certain respective interim periods.

Additional information regarding the terms of the Subsequent Acquisition Transaction, the Acquisition Agreement and the Amalgamation will be contained in the management information circular for the Meeting that will be mailed to the shareholders and filed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca. The Meeting is scheduled to be held on December 14, 2023. A copy of the Acquisition Agreement, including the form of amalgamation agreement, is available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

The Subsequent Acquisition Transaction is expected to close prior to December 31, 2023, subject to satisfaction or waiver of the conditions under the Acquisition Agreement. Following completion of the Subsequent Acquisition Transaction, it is expected that the Company will be de-listed from Cboe Canada (formerly the NEO Exchange) and the Company will make an application to cease to be a reporting issuer under Canadian securities laws. Upon the Company ceasing to be a reporting issuer, the Company will no longer be subject to the ongoing continuous disclosure and reporting obligations currently imposed on the Company as a reporting issuer, and will be a private company that is wholly-owned by Tecpetrol Canada.

(b) Due to the above noted change in control, all unvested stock options vested and subsequent to September 30, 2023, all remaining 8,200,000 outstanding stock options were exercised for cash proceeds of $7,192,200.

(c) Subsequent to September 30, 2023, 6,904,464 warrants were exercised for cash proceeds of $9,694,143.

(d) Due to the above noted change in control, all unvested RSUs vested, and the Company issued 1,250,000 common shares related to these RSUs.

(e) Issuance of 950,000 common shares related to vested PSUs.

(f) Subsequent to September 30, 2023, the Company incurred certain closing costs for severances, bonuses, commissions, and professional fees of approximately $26 million.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

EVALUATION OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

Alpha's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"). They have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Alpha's officers used to design the Company's ICFR is the Internal Control – Integrated Framework ("COSO Framework") published in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management of Alpha, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's ICFR as at December 31, 2022. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the ICFR are effective as of the end of the year, in all material respects.

Alpha's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the ICFR that occurred during our most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. No material changes in the ICFR were identified during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our ICFR.

It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that the Company's design of DC&P and ICFR provide a reasonable level of assurance that they are effective, they do not expect that the control system will prevent all errors and fraud. A control system, no matter how well conceived or operated, does not provide absolute, but rather is designed to provide reasonable assurance that the objective of the control system is met. The Company's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

RISKS AND UNCERTAINTIES

The Company's principal activity is the acquisition and development of high-grade lithium brine deposits. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating lithium 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.

The risks and uncertainties are considered by management to be the most important in the context of the Company's business. The risks and uncertainties are not limited to but include risks associated with the Company's dependence on the exploration and evaluation assets in Argentina are: geological exploration and development; changes in law; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of lithium properties, lithium industry conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

OTHER INFORMATION

Additional information on factors that may affect the business and financial results of the Company can be found on www.sedarplus.ca.