

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
SEE 'ALPHA NEW AND BETA' ATTACHMENT

18 Can any resulting loss be recognized? ▶ SEE 'ALPHA NEW AND BETA' ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
SEE 'ALPHA NEW AND BETA' ATTACHMENT

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ July 29, 2021

Print your name ▶ BRAD NICHOL Title ▶ PRESIDENT

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

ALPHA LITHIUM CORPORATION
'ALPHA NEW AND BETA' FORM 8937 ATTACHMENT
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Disclaimer

This Form 8937 including all attachments or related documents do not constitute tax advice. None of the documents analyzes any specific shareholder's facts and circumstances. Shareholders should seek independent counsel from qualified tax advisors regarding the U.S. tax consequences of the transaction described within this statement and its impact on their U.S. taxes.

This Form 8937 does not illustrate the tax basis in a Alpha New Share resulting from its receipt in exchange for an Alpha Old Share, which is addressed in a separate Form 8937. This separate form can be found at the following link <https://alphalithium.com/investors/#spinout> described as 'Form 8937 #1'.

Form 8937, Part II, Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On July 29, 2021, Alpha Lithium Corporation ("Alpha") undertook a plan of arrangement under the laws of Canada, pursuant to which each Alpha shareholder exchanged each Alpha common share (an "Alpha Old Share") for: (i) one new Alpha common share (an "Alpha New Share"), and (ii) 0.1 of a Beta Energy Corp. ("Beta") common share (together, the "Transaction"). No Alpha shareholder received a fractional share of Beta stock, and no cash was paid in lieu thereof. Any fractions resulting were rounded to the nearest whole number, with fractions of one-half or greater being rounded to the next higher whole number and fractions of less than one-half being rounded to the next lower whole number.

Form 8937, Part II, Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

For U.S. federal income tax purposes, the receipt of Beta common shares in the Transaction is intended to be treated as a taxable distribution pursuant to section 301 of the Internal Revenue Code ("Code"). Accordingly, a shareholder's tax basis in its Alpha New Shares received in the Transaction is expected to be reduced by the fair market value of any Beta common shares received.

Form 8937, Part II, Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The adjusted tax basis of each Alpha New Share received in the Transaction should be the same as the adjusted tax basis of the Alpha Old Share exchanged therefore under section 358, and, to the extent the U.S. shareholder received one or more Beta common shares in the Transaction (a "Distributee Shareholder"), the basis in each Alpha New Share with respect to which a Beta common share was received should be reduced as described below.

Alpha has an accumulated earnings and profits deficit, and Alpha does not expect to have current year earnings and profits for the taxable year of the Transaction. Therefore, Alpha expects the distribution of the Beta common shares to result in a return of basis to recipient shareholders under section 301(c)(2)

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of the Code, such that each Alpha New Share of a Distributee Shareholder with respect to which a Beta common share was received would be reduced by its proportionate share of the fair market value of such Beta share. To the extent the amount of basis reduction exceeds the basis in the Alpha New Share, the Distributee Shareholder should recognize a gain under section 301(c)(3).

Immediately before the Transaction, Alpha valued Beta at \$6.2 million Canadian dollars. The total amount of Beta shares distributed were 11,898,319. Each Beta share was valued at \$0.52 Canadian dollars on the date of the distribution. U.S. federal tax law does not provide any guidance on the determination of fair market value.

Form 8937, Part II, Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The applicable Code section upon which the tax treatment of the distribution of Beta common shares is based is section 301.

Form 8937, Part II, Line 18: Can any resulting loss be recognized.

No loss should be recognized in connection with the Transaction.

Form 8937, Part II, Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The action occurred on July 29, 2021. The basis adjustment should be reported in the shareholder's taxable year that includes this date. For example, a shareholder who is a calendar year taxpayer, the action is reportable in the tax year ending December 31, 2021.