

Baltic I Acquisition Corp. Enters into Arrangement Agreement for Qualifying Transaction with Alpha Exploration Ltd.

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VANCOUVER, Sept. 15, 2020 - Baltic I Acquisition Corp. ("Baltic") (TSXV: BLTC) and [Alpha Exploration Ltd.](#) ("Alpha") are pleased to announce that they have entered into an arrangement agreement dated September 14, 2020 (the "Arrangement Agreement"), pursuant to which the parties have agreed to complete a business combination (the "Transaction") by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") that will result in Alpha acquiring all of the issued and outstanding shares of Baltic ("Baltic Shares") in exchange for ordinary shares of Alpha ("Alpha Shares"). Concurrently with the execution of the Arrangement Agreement, each of the directors of Baltic have entered into support agreements, in which they have agreed to vote the Baltic Shares they beneficially own or control in favour of the Arrangement and related matters at the Baltic Meeting (as defined below), and to otherwise support the Transaction.

Alpha is a privately held company incorporated under the laws of the British Virgin Islands that owns mineral exploration properties in Eritrea, as more particularly described below. Baltic is a "Capital Pool Company" as defined by TSX Venture Exchange Policy 2.4 – Capital Pool Companies ("Policy 2.4"), and the Transaction is intended to constitute Baltic's "Qualifying Transaction" in accordance with Policy 2.4. Alpha will be the issuer resulting from the Transaction (the "Resulting Issuer"), owning 100% of the issued and outstanding Baltic Shares, and the Alpha Shares are intended to be listed and posted for trading on the TSX Venture Exchange ("TSXV") as a substitutional listing. Subject to TSXV approval, the Resulting Issuer will be named 'Alpha Exploration Ltd.'"

"I have known Alpha's proposed CEO, Michael Hopley for many years," commented Harry Pokrandt, a director and the CEO of Baltic. "Michael and his geological team have local knowledge, and a history of discovery and building value for shareholders which is second to none. This is already evident by the impressive results at Anagulu and Alpha's other prospects. I am particularly excited to join the Alpha team and look forward to the completion of this transaction."

In accordance with TSXV policy, the Baltic Shares have been halted from trading and are expected to remain halted until closing of the Transaction.

Summary of the Transaction

Prior to the closing of the Transaction, Alpha intends to conduct a private placement (the "Alpha Financing"), in which Alpha will issue either Alpha Shares or subscription receipts convertible into Alpha Shares immediately prior to closing of the Transaction upon satisfaction of specified release conditions. In either case, the minimum aggregate gross proceeds of the Alpha Financing will be CAD\$4,000,000, at a price per security as Alpha may determine.

The Arrangement Agreement provides that Baltic Shareholders will receive Alpha Shares in exchange for their Baltic Shares at a ratio (the "Exchange Ratio") to be determined in conjunction with the Alpha Financing. Holders of options to acquire Baltic Shares ("Baltic Options") and warrants to purchase Baltic Shares ("Baltic Warrants") will be entitled to receive Alpha Shares in lieu of the Baltic Shares otherwise issuable multiplied by the Exchange Ratio.

The completion of the Transaction is subject to the satisfaction of certain conditions being met including but not limited to: (i) completion of the Alpha Financing; (ii) approval of the Arrangement by Baltic Shareholders at a special meeting of shareholders (the "Baltic Meeting"); and (iii) receipt of all requisite third party consents, waivers, permits, orders and approvals, including, without limitation, the approval of the TSXV and of the British Columbia Supreme Court. Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above or at all.

Additional information about the Transaction will be disclosed by way of news release and included in the information circular sent to Baltic Shareholders in connection with the Baltic Meeting, including particulars of the Alpha Financing, the Exchange Ratio and holdings of shares of the Resulting Issuer after giving effect to

the Alpha Financing and following completion of the Transaction.

Subject to satisfaction or waiver of these conditions referred to above and contained in the Arrangement Agreement, Baltic and Alpha anticipate that the Transaction will be completed on or before November 30, 2020.

The Transaction will constitute an Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSXV). No person who or which is a Non-Arm's Length Party of Baltic has any direct or indirect beneficial interest in Alpha or its assets (including the Kerkasha Property) prior to giving effect to the Transaction and no such persons are also insiders of Alpha. Similarly, there is no known relationship between or among any person who or which is a Non-Arm's Length Party of Baltic and any person who or which is a Non-Arm's Length Party to Alpha.

Information about Alpha and Kerkasha Property, Eritrea

Alpha is a privately held company incorporated under the laws of the British Virgin Islands that holds, through its wholly owned Eritrean subsidiary Alpha Exploration Eritrea Limited, a 100% interest in the 1,028 Km² Kerkasha Exploration License ("Kerkasha EL") located in southwestern Eritrea.

Access to the Kerkasha EL is about a six-hour drive on paved and gravel roads from the capital city of Asmara. The property is underlain by rocks of the Arabian-Nubian shield ("ANS") and has demonstrated prospectivity for gold, copper and silver mineralization with additional potential for lead and zinc. Within the Kerkasha EL there are 4 colonial era (Italian) gold mines as well as large areas of alluvial and in-situ artisanal gold workings. The property was previously held by the AngloGold Ashanti-Thani Investments Joint Venture that spent approximately CAD\$4.6 million over a 3-year period, primarily on airborne geophysical surveys and remote-sensing interpretation with limited surface sampling and no drilling.

Alpha has held the Kerkasha EL since January 10, 2018 and since this time has spent approximately CAD\$5.2 million on property-wide soil geochemistry, reprocessing and interpretation of airborne datasets, prospect scale geological mapping, soil and rock chip sampling, various ground geophysical surveys and machine-learning to upgrade geological maps and identify prospective areas for orogenic gold and volcanogenic massive sulphide (VMS) mineralisation. Drilling of four gold and base metal prospects has also been achieved. More details can be seen in the Alpha corporate presentation which can be found at <http://www.alpha-exploration.com/>.

The most promising drill results to date are from the Anagulu gold-copper-silver prospect which is a virgin discovery by Alpha geologists in the south-west of the license area. Anagulu consists of a large coincident soil and rock chip gold and copper anomaly over 2km in length and several hundreds of meters wide, defined by a shear zone striking at 45 degrees. Gold values in many of the rock chip sampling over the 2km range from 1.06g/t up to 4.48g/t with many of the copper values ranging from 1.22% up to 9.45%. See Map 1 and Map 2 below for details.

Thirty reverse-circulation drill holes and two diamond drill holes have been drilled to date at Anagulu. A number of impressive gold and copper mineralized intersections have been returned. Table 1 below summarizes the most promising results.

Drill Hole	From (m)	To (m)	Length (m)	Au g/t	Cu %	Ag g/t
AND001	80	129	49	2.42	1.10	6.83
ANR016	151	158	7	12.39	0.05	0.51
ANR017	3	96	93	0.48	0.27	1.27
ANR029	48	100	52	0.72	0.46	2.14
ANR024	94	101	7	3.44	0.25	1.37

Note: There is insufficient evidence to estimate true thickness of the reported drill intervals.

Table 1 – Anagulu Gold/Copper Prospect – Selected Best Drill Results

As can be seen in Table 2 below, the assay results from the first diamond drill hole AND-001 at Anagulu show robust and consistent gold, copper and silver mineralization over 49 meters with this zone being less than 100 meters true vertical depth below surface. Petrographic studies of AND-001 shows gold and copper mineralization associated with the disseminated sulphide mineral chalcopyrite, within a strong silica matrix.

After the last phase of drilling at Anagulu, Alpha had TMC Geophysics (Canada) carry out an Induced

Polarisation geophysical survey over the area measuring chargeability and resistivity. Chargeability is focused on identifying disseminated sulphides (e.g. chalcopyrite) with resistivity used to identify highly resistive units (e.g. quartz veins and silica flooding). As can be seen in Map 3 below, several strong coincident chargeability and resistivity anomalies occur immediately beneath the best drill holes at Anagulu and extend for several kilometers in strike. Approximately 6,000 meters of both reverse-circulation and diamond drilling are planned for Anagulu to start in late September or early October 2020. An additional 4,000 meters of drilling is planned for other prospects on the Kerkasha EL such as Kosolda (gold), Asheshi (gold), Kona (gold-copper-lead-zinc) and the Tolegimja (copper-zinc-gold) prospects.

A technical report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the policies of the TSXV has been prepared for the Kerkasha Project and will be filed with the TSXV for its review and acceptance.

Quality Assurance and Data Verification

A Quality Assurance/Quality Control program was part of the drilling program on the Kerkasha Project. This program included chain of custody protocols as well as systematic submittals of standards, duplicates and blank samples into the flow of samples produced by the drilling. Samples were prepared at Nabro Laboratories Limited, Asmara, Eritrea and then shipped via DHL to ALS Life Sciences, Ireland for analysis. Mr. Hopley, a qualified person, has verified the data underlying the information disclosed herein, including sampling, analytical and test data, by reviewing the drill logs, geological interpretations and supporting analytical data and documentation. There were no limitations on the verification process.

Qualified Person

All scientific and technical information in this press release, including the results of the Kerkasha Project drilling program, has been prepared, or approved by Michael Hopley, the proposed President and Chief Executive Officer of Alpha Exploration Ltd. and a "qualified person" for the purposes of NI 43-101.

Information about the Resulting Issuer

The Resulting Issuer will carry on the mineral exploration business conducted by Alpha, and the shares of the Resulting Issuer are intended to be listed on the TSXV under a new trading symbol. On closing of the Transaction, it is anticipated that the Resulting Issuer will meet the TSXV's initial listing requirements for a Tier 2 mining issuer. Concurrent with the completion of the Transaction, Jay Sujir and Luke Alexander, current directors of Baltic, will resign in favour of nominees of Alpha, which are currently anticipated to be Michael Hopley, who will also be appointed as President and Chief Executive Officer of the Resulting Issuer, Alasdair Smith and Christopher van der Westhuyzen. Harry Pokrandt, a current director of Baltic, will remain as a director of the Resulting Issuer. Alasdair Smith will also be appointed as the Technical Director of the Resulting Issuer and Christopher van der Westhuyzen will be appointed as Chief Financial Officer. Additional information on the proposed directors of the Resulting Issuer is included below.

Michael Hopley – President, Chief Executive Officer and Director

Mr. Hopley has more than 35 years of international experience in the mineral exploration business. He has BSc (Geology) from London University and is a Member of American Institute of Professional Geologists. He has held executive and board positions with companies such as Gold Fields Mining, [Bema Gold Corp.](#) Arizona Star, Tournigan Gold Corp. European Uranium, [Sun Peak Metals](#) and [Azarga Metals Corp.](#)

Between 2004 and 2016 Michael was President and CEO of Sunridge Gold Corp. (TSX listed) that owned the Asmara Project in Eritrea. During this time, Sunridge raised and spent over \$80 million exploring and discovering many deposits including the 80 million tonne Embo Derho copper-zinc-gold VMS deposit. Sunridge completed a bankable feasibility study on four of the deposits in 2014 and sold the project to a large Chinese company in 2016.

Alasdair Smith – Technical Director and Director

Mr. Smith has more than 30 years' experience as a geologist working in Australia and Africa and has worked and lived in Eritrea for most of the past 20 years. He has been instrumental in discoveries and developments that went on to producing mines on both continents.

Discoveries: Australia (Junee NW & Main Zone Au deposits Enterprise ISCG deposit); Guinea (Boukaria Au deposit); Eritrea (Zara Au deposit).

Developments: Australia (Banderol, Highway, Butcherbird, Kingfisher, Mystery, Culculli Au deposits & Junee Au Mine); Guinea (Siguiri Au Mine); Tanzania (Buzwagi Au-Cu Mine & Nyamulilima Hill & Nyanzaga

Au deposits); Eritrea (Zara Au Mine, Debarwa & Adi Nefas VMS deposits & Gupo Au deposit).

Harry Pokrandt – Director

Mr. Pokrandt is a current Director of Kore Mining Ltd and Blockhead Technologies. Previously he was Managing Director of Macquarie Capital Markets Canada Ltd. (formerly, Orion Securities Inc.) from 1985 to 2015 and former CEO of Hive Blockchain Technologies Ltd. He was a director of Sandspring Resources Ltd. (now GLD-X Mining), a director of Lithium X Energy Corp. prior to its sale, and Fiore Exploration Ltd., and BQ Metals Corp.

Christopher van der Westhuyzen – Director

Chris van der Westhuyzen is a founding member and COO of Hemera Capital Management LLP ("Hemera") and has over 22 years of experience in financial markets. As COO, over the last 11 years he has managed various contracting businesses in the mining sector.

Prior to joining Hemera, Chris spent 11 years with Morgan Stanley and Goldman Sachs working across a broad range of product lines including equities, fixed income and structured finance operations before taking on the management of European OTC clearing services in Morgan Stanley's Prime Brokerage division. Chris has a Bachelors of Commerce degree in Economics and Marketing from Canterbury University, New Zealand.

Sponsorship

Sponsorship of a Qualifying Transaction of a capital pool company is required by the TSXV unless exempt therefrom in accordance with the TSXV's policies or a waiver is obtained. In the absence of an available exemption from the sponsorship requirements, Baltic and Alpha intend to make an application to the TSXV for a waiver from sponsorship requirements. There is no assurance that if applied for, a waiver will be granted.

Baltic I Acquisition Corp.

Signed: "Harry Pokrandt"
Harry Pokrandt, CEO, CFO, Corporate Secretary and Director

Cautionary Note

Neither the TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and majority of the minority shareholder approval, if required. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

Forward Looking Information

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to: the business plans of Baltic, Alpha and the Resulting Issuer; the terms and conditions of the Alpha Financing; and the terms and conditions of the Transaction, including receipt of TSXV and Baltic Shareholder approval; the timing of the Transaction, the board of directors and management of the Resulting Issuer, and the closing of the Transaction. Often, but not always, forward-looking statements or information can be identified by the use of words such as "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information.

With respect to forward-looking statements and information contained herein, Baltic and Alpha have made

numerous assumptions including among other things, assumptions about general business and economic conditions, the prices of gold and other minerals, and anticipated costs and expenditures of the Transaction. The foregoing list of assumptions is not exhaustive.

Although management of Baltic and Alpha believe that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to: risks relating to the Alpha Financing and the availability of financing for the Resulting Issuer; risks relating to the receipt of all requisite approvals for the Transaction, including the approval of Baltic Shareholders and the TSXV; risks associated with the business of Alpha given its limited operating history; business and economic conditions in the mining industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to inaccurate geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of reserves and resources); risks relating to unanticipated operational difficulties (including failure of equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; changes in laws (including regulations respecting mining concessions); risks related to the direct and indirect impact of COVID-19 including, but not limited to, its impact on general economic conditions, the ability to obtain financing as required, and causing potential delays to exploration activities; and other risk factors as detailed from time to time. Baltic and Alpha do not undertake to update any forward-looking information, except in accordance with applicable securities laws.

SOURCE Baltic I Acquisition Corp.

For further information: please contact Alpha Exploration Ltd. at info@alpha-exploration.com

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