

Recommendation	
Speculative Buy	
Target Price	\$2.00
Risk	High
Ave. Monthly Trading Vol.	207,342
Quick Facts	
Recent Price	\$0.60
Symbol	ALQ:TSX-V
Shares O/S	22.4 million
52 Wk. Range	\$0.85-\$0.40
Fiscal Year End	Feb. 28
EPS	CFPS
2000	n.a.
2001	n.a.
2002e	n.a.
2003e	n.a.

STRENGTHS

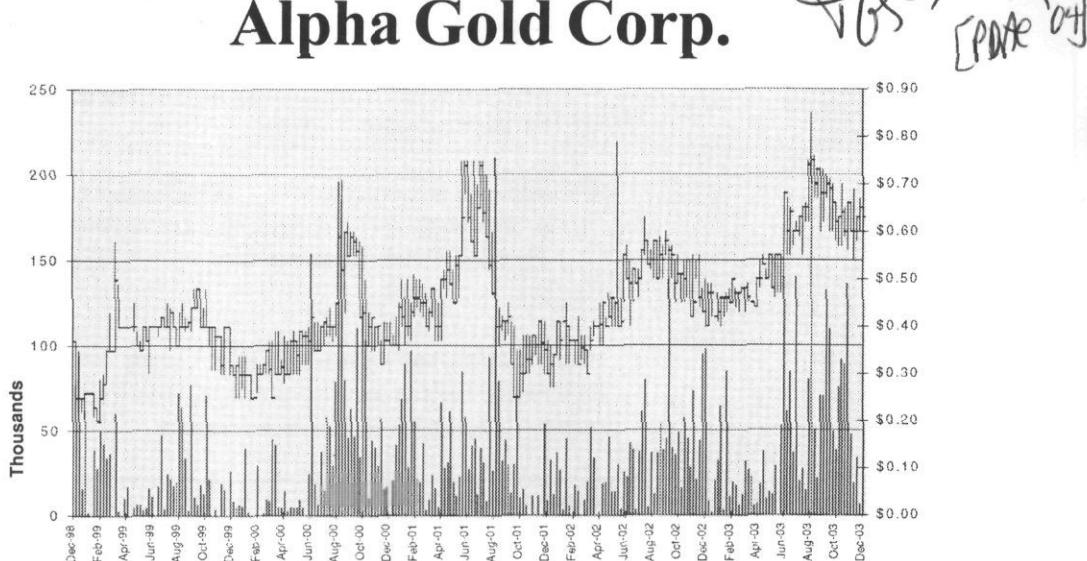
- Well financed for operations and exploration work in 2004
- Large land package with the potential to develop resources rapidly

RISKS

- Inherent risk in mineral exploration
- Commodity price risk

CONCLUSION

- Good exploration property in Lustdust
- Financed to move the project to the resource stage



Data Source: www.wallstreetcity.com

Alpha Gold continues to work on its Lustdust Property in north central BC where it is exploring a large mineralized system rich in gold, copper and zinc.

QUICKVIEW

We are continuing to recommend the shares of Alpha Gold Corp. as a Speculative Buy for market players looking for an investment with exposure to improving gold and base metal prices, with a 12-month target of C\$2.00

Alpha Gold's 2003 exploration program on the Lustdust project in B.C. continued to provide positive results from drilling and sampling with indications for further extensions of the known mineralized zones and potential additional targets. This report will cover the 2003 exploration program, its implications and the plans for 2004. For a detailed description of the project please see our initial report dated May 29, 2003.

QUARTERLY UPDATE**HIGHLIGHTS**

1. The Company recently completed its 2003 exploration campaign on the Lustdust property that included 7,908m in drilling and 695 soil samples collected with additional high grade intercepts following on 2002's success. The program also illustrated the use of soil geochemistry as a prospecting tool.
2. Finances remain strong with C\$440,428 raised from the exercise of warrants in June. Approximately C\$900,000 was spent during the 2003 exploration program from which a 15% tax rebate will raise the Company's current funds to near C\$1.7 million. Additional financings are expected in 2003 and options and warrants in the money could add to this position. The 2004 exploration program budget is estimated at C\$1 million.

3. The Company increased its land position in the Lustdust area by acquiring eight additional claims on the eastern side of the current claim block. These claims are significant in that they cover the former Bralorne-Takla mercury mine site and could provide land for any future mine development on the project. They were acquired for a minimal cash amount of C\$24,000 and are now held 100% by the Company.
4. Alpha Gold purchased the outstanding net smelter return (NSR) and the net profits interest (NPI) held by Pioneer Mining covering 99% of the claim block for C\$150,000. There remains a 3% NSR on three claims that cover a portion of the No. 1 zone.

Alpha Gold's has taken significant steps over the past several months to better understand their large land position, identify targets for resources development and remove hindrances to future production.

THE COMPANY

Alpha Gold Corp. is incorporated in British Columbia and has been in the natural resource exploration business since 1990, trading on the CDN and predecessor exchanges. It now trades on the TSX Venture exchange under its symbol ALQ. The Company has two exploration properties, one in British Columbia, Lustdust, and one in Nevada, the Goldbanks property. The properties are held outright, subject to royalties on parts of the Lustdust. Management of the Company has been stable over the last few years, with the CEO having been with the Company since 1995. All of the directors have been with the Company for four years or more.

PROJECTS

Lustdust Property, British Columbia

Alpha Gold's Lustdust property is located in north central British Columbia, (Figure 1) approximately 210 km northwest of Prince George. The property is readily accessible by a combination of paved highways and 147 km of gravel forest access roads. British Columbia Railways is located 36 km to the east at the hamlet of Takla Landing.

The overall land position consists of 230 contiguous claims covering 48 square kilometers (17 square miles). Mineral rights are held through two underlying agreements that apply to 77 claims. Approximately 99% of these claims are now held outright with only a small portion subject to 2% and 3% Net Smelter Returns.

2003 Exploration Program

The Lustdust system contains gold throughout and is strongly zoned over at least 3000 m laterally and shows polyphase intrusive and mineralization characteristics typical of major Au-Cu-Zn-Pb-Ag skarn-replacement systems found throughout the northern and southern cordillera. The 2002 exploration program further defined the nature of the targets on the Lustdust property and provided the basis for the next phase of work on the property. The main targets of the 2003 exploration program included several known areas and additional work to expand the potential on the property.

Number 1 Zone

The No. 1 Mineralized Zone includes structurally controlled high sulphide veins and breccia, associated with a significant mineralized fault system and contains Silver, Lead, and Zinc Replacement Veins. This zone is the most southerly mineralized zone on the property. It was this zone that sparked the initial exploration by Takla Silver in the 1940's. Although there has been some underground exploration on these veins, they are not well explored. Compilation of all of the available data into a modern digital format clearly shows that the No. 1 zone has a near continuous strike length of 500 metres and remains open in all directions. Work on the No.1 and directly adjacent areas in 2003 included: the drill testing of structurally controlled veins and replacement bodies within the historic Takla Silver Mine area; the drill testing of the nature of mineralized zones related to the high-grade mercury occurrences in the Bralorne - Takla mercury mine; and the initiation of soil geochemical surveys in the Bralorne -Takla Mercury mine area.

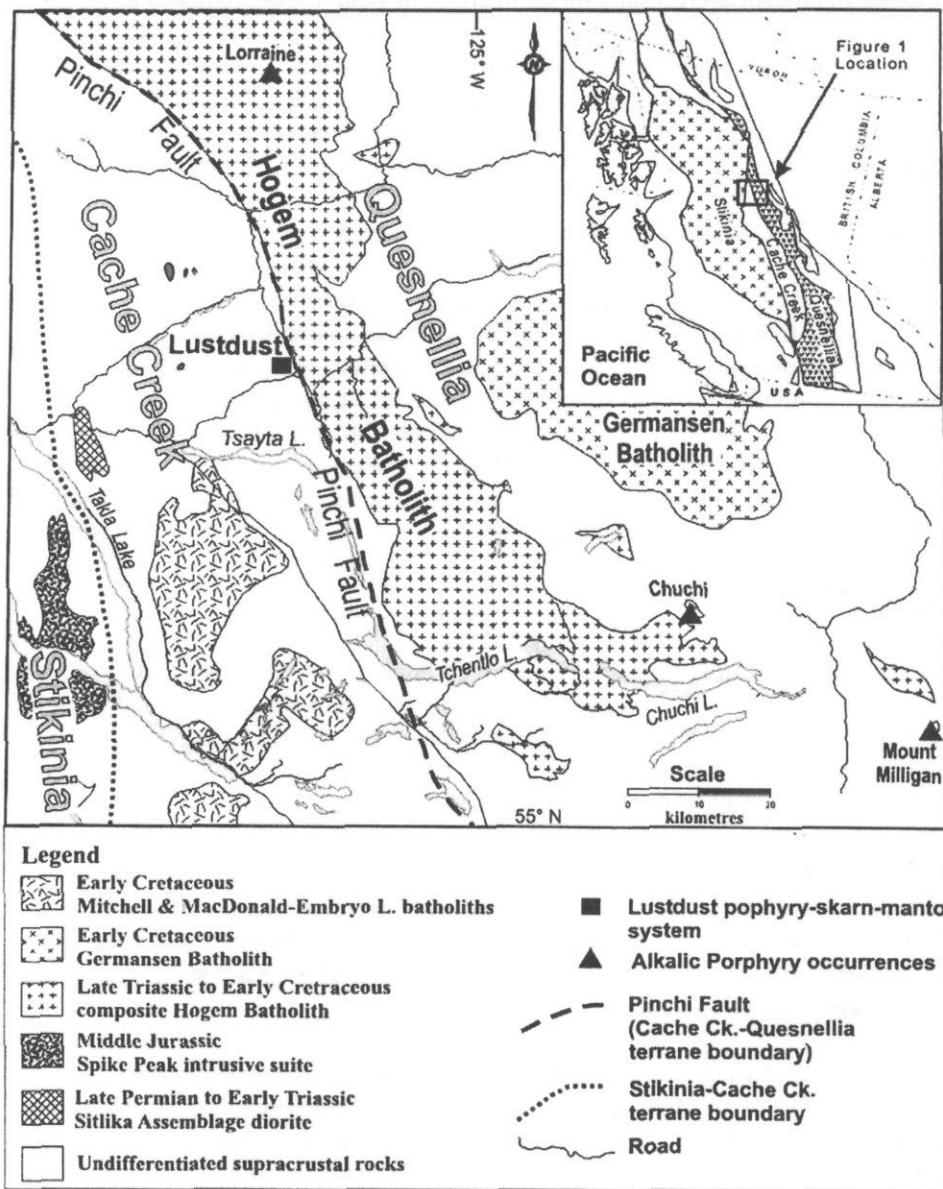
Successes in 2003 include determining that the size of the mineralized system of structurally controlled veins and replacement bodies within the No. 1 zone has been greatly expanded relative to historical data. The structural zone has been shown to be persistent over 750m from surface indications and from geological interpretation from drilling and section preparation. Significant gold-silver mineralization has been demonstrated over a strike length of 450 m. Precious metal grades may be much stronger than historical averages, with 13.3 g/t gold and 899 g/t silver cut over 5.0 m, from 135.0 - 140.0m along the hole, in DDH 3 - 09. As well, the geochemical signature of the No. 1 Zone, extends north, past the limit of the 2003 drilling. Additional good hits are given in Table 1. The 2004 exploration program will be looking for a role in the attitude of the fault where dilation should occur and thus provide a zone for increased width, grades and tonnage potential.

Table 1: 2003 Drilling Program Intersections

DDH No.	FROM (m)	TO (m)	WIDTH (m)	T.D. (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)
Number 1 Zone.									
DDH 3-02	94.50	95.60	1.10	151.20	1.53	144.60	1.31	0.71	-
DDH 3-04	100.70	102.30	1.60	178.00	1.76	705.70	0.22	1.70	-
DDH 3-05	68.50	70.60	2.10	148.70	0.65	179.60	1.33	0.62	-
DDH 3-05	77.00	77.90	0.90	148.70	0.80	432.00	1.58	0.42	-
DDH 3-06	77.40	78.70	1.30	121.90	4.46	1565.00	1.31	1.19	-
DDH 3-08	73.80	79.30	5.50	96.60	1.17	458.10	0.72	0.73	-
DDH 3-08	84.00	86.00	2.00	96.60	2.66	814.80	0.68	0.99	0.05
DDH 3-09	135.00	140.00	5.00	154.50	13.27	898.60	5.70	1.11	-
DDH 3-09	142.80	143.30	0.50	154.50	1.64	13.70	0.44	-	-
DDH 3-10	40.30	42.00	1.70	86.90	0.83	2.30	-	-	-
DDH 3-11	74.30	81.70	7.40	105.50	4.77	529.00	0.78	0.19	-
DDH 3-19	124.50	128.00	3.50	157.30	1.50	83.70	2.46	2.42	-
DDH 3-20	159.00	160.00	1.00	166.70	3.78	203.00	2.84	4.44	-
Number 3 Zone.									
DDH 3-27	81.90	85.30	3.40	128.00	1.16	33.60	2.33	0.40	0.10
DDH 3-27	93.50	100.10	6.60	128.00	1.32	15.67	3.54	0.15	-
DDH 3-28	62.90	70.50	7.60	142.10	0.02	14.20	6.46	0.12	-
DDH 3-28	117.00	120.20	3.20	142.10	6.66	12.64	13.71	0.31	-
DDH 3-29	55.50	57.40	1.90	200.30	2.61	-	-	-	-
DDH 3-30	97.90	103.10	5.20	151.50	20.51	96.90	2.47	6.74	
Canyon Skarn.									
DDH 3-33	350.60	351.60	1.60	377.30	0.65	559.00	-	0.20	3.83
DDH 3-35	351.00	354.70	3.70	471.20	3.63	64.09	0.13	-	5.20
DDH 3-35	409.30	411.50	2.20	471.20	1.42	32.90	-	-	1.26
DDH 3-36	259.70	260.90	1.20	422.70	1.80	19.50	-	-	0.42
DDH 3-36	356.80	360.60	3.80	422.70	0.68	20.30	-	-	0.82
DDH 3-36	364.10	366.60	2.50	422.70	0.82	28.44	-	-	0.84
DDH 3-37	420.50	426.00	4.80	489.80	0.43	21.10	-	-	0.70

Source: Company reports

Figure 1: Location and Regional Geology of the Lustdust Project



Source: Company Reports

Number 3 Zone

The No. 3 Mineralized Zone consists of Carbonate hosted, precious metals enriched mantos. The Number 3 Zone is the largest known manto on the property with a probable resource of 650,000 tonnes grading 3 g/t gold, 20 g/t silver and 5 % zinc. An important feature of this zone is that weathering has oxidized the sulphide minerals to a depth of 110m. The significance of this is that metallurgical processing of this zone would be different than that of a sulphide zone; heap leaching may be a possibility. The 2003 program provided a re-examination of the nature of gold and base metal mineralization within the gold rich mantos of the Number 3 Zone. The results of the program include the discovery of very high grade, gold mineralized zones that were intersected in oxidized massive sulphide replacement bodies forming in the mantos of

the Number 3 Zone, the best intersection being 20.5 g/t gold over 5.2m in DDH 3 - 30. Other significant assay results are summarized in Table 1. The Number 3 mineralized zone may also contain a significant zinc-lead oxide resource. DDH 3 - 28 intersected 13.7% zinc and 0.3% lead in addition to 6.7 g/t gold and 12.6 g/t silver over 3.2 m. The Number 3 Zone is open in both the north and south strike directions based on the current interpretation of the geology and drilling intersections, which also indicate that mineralization is enhanced within a large north plunging antiformal fold closure.

The Number 3 Zone and the Number 3 Extension zone has a surface expression of greater than 600m. In 2003 drilling tested only 50 m of strike length of this system. The Company's consulting geologist and project co-coordinator believes more extensive drill testing of this zone is warranted and should form an important component of the 2004-exploration season. As well, a better understanding of the structural style of the Number 3 Zone may benefit the interpretation and rationale for drill testing of the Number 4b Zone. The 4B zone is also a carbonate replacement deposit formed in a mantos, as is the Number 2 zone. Drilling is recommended for the 4B zone in 2004 but the No.2 zone has been downgraded as a target became the geology was complex and the mineralized zone did not hold together.

Canyon Creek Skarn

The Canyon Creek copper-gold skarns are associated with both pro and retrograde skarn assemblages forming in limestones or at the contact between mafic tuffaceous rocks and limestones. The Canyon Creek Skarn system has been subdivided into three horizons; Footwall Skarn with a strike length of 500m; the main Canyon Creek Skarn with an overall strike length (horizontal component) of over 650m without being closed off; and the Hangingwall Skarn with a strike length of 650m. Alpha Gold's 2003 exploration program was directed towards exploration of the up and down dip continuity of the strong gold-copper intersections obtained from the Canyon Creek Skarn during the 2002 exploration program. It also included the initiation of soil geochemical surveys along the northern extension of the main skarn system into the drainages of Dream Creek.

Soil geochemical anomalies suggest the Canyon Creek Skarn extends to the north for a significant distance and could provide a strong exploration target

Drilling in 2003 demonstrated the continuity of gold copper mineralization within the footwall position of the main Canyon Creek Skarn with the results obtained in several drill holes given in Table 1 above. As well the possible extension of Canyon Creek Skarn may be recognized in soil geochemical signatures continuing north of its last known position. The main skarn zone represents a continuing important target for the project in 2004. Drilling is recommended in the main Skarn and along the trend indicated by the geochemical soil anomaly.

Figures 2: Geology of the Lustdust Property

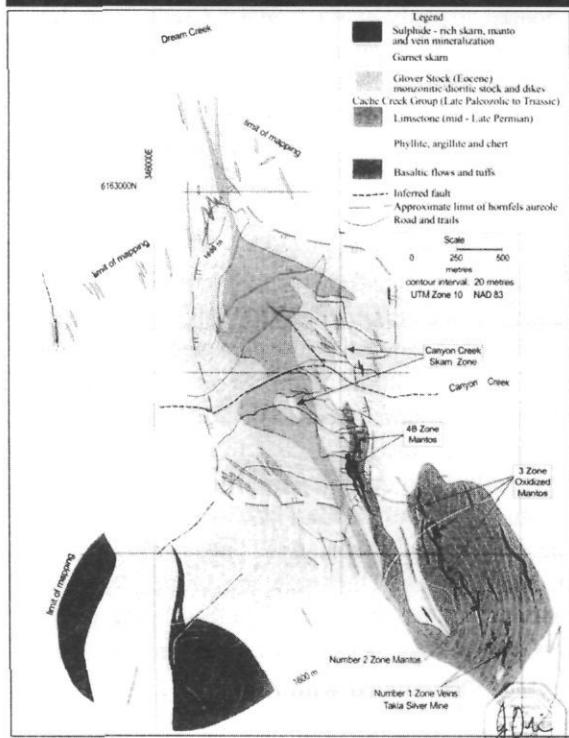
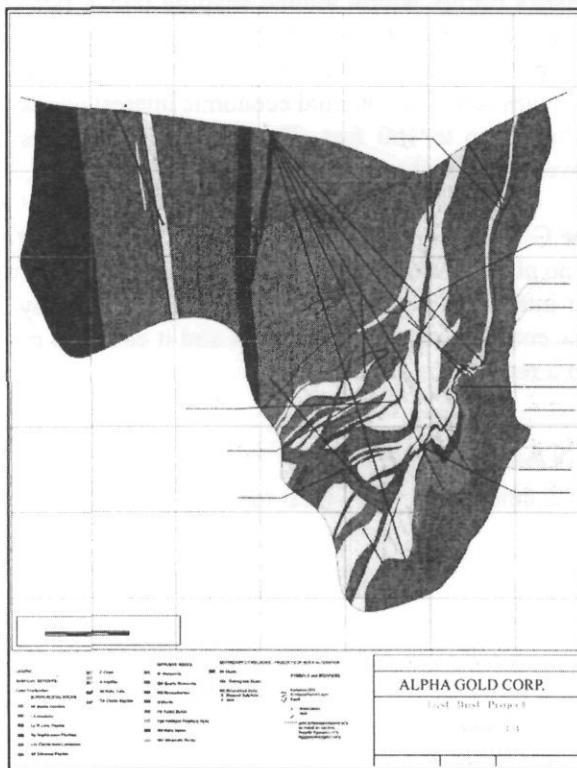


Figure 4. Generalized Compilation Geology of the Lustdust Property (from Ray et al., 2002).

Source: Company Reports

Figure 3: Section Through the Canyon Creek Skarn



Source: Company Reports

A preliminary scoping study of the mineral resources on the Lustdust property is recommended

Overall the 2003 drill program has been successful in demonstrating that gold, silver and base metal mineralized zones are hosted not only by the Canyon Creek Skarn but also within the gold rich mantos of the Number 3 Zone and by structurally controlled veins and breccias within the Number 1 Zone. We see these as positive changes in the technical database at Lustdust as does the consulting geologist who believes they warrant significant follow-up exploration in 2004. A C\$1million program is outlined for the project to follow up on the past success and identify new targets.

One item that is recommended by the consulting geologist that we too believe is important to the advancement of the project from a both a technical view point and for increased market interest, is the advancement of defining resources on the property. A preliminary scoping study of the mineral resources within the Canyon Creek Skarn, and the Number 1, 3 and 4b Mineralized Zones is recommended. Unfortunately due to the lack of survey control data associated with any drill holes collared prior to 2002, this scoping study can only be qualitative in nature. However, there is a need to develop realistic criteria for the quality and quantity of mineralization currently known within the main mineralized zones on this property. This study could provide an idea of the potential for each of the targets and an indication where additional information is needed to advance any resource estimate. This program can be conducted over the winter with the information ready for the 2004 exploration campaign at which point the Company can then follow up on its recommendations. We would then expect a resource estimate sometime later in 2004 for at least one of the major mineralized zones.

Goldbanks Property, Nevada

The Goldbanks property is located 35 miles south of Winnemucca, Nevada in Pershing County. The property consists of 25 lode (mining) claims at the former Goldbanks town site. Mineralization at Goldbanks occurs within altered rhyolite (silica rich) volcanic rocks over an area 5,000 feet long with a width of 300-500 feet. Within this area there are two parallel gold bearing quartz vein zones and stockworks that host the gold mineralization. The East vein has zones of potential economic interest over a 2,000 foot strike length with widths of up to 100 feet. The West vein zone has potentially economic gold grades over 1,000 strike length and widths up to 30 feet.

The Company now believes that the Goldbanks property does not fit into its current exploration program and they have no plans to work on the property in the near-term. Other explorers have expressed an interest in the property and the Company may vend it. Kinross Gold holds an adjacent property and Goldbanks and it could be of interest to them if they can develop a resource in the region.

With the improving metal prices the Goldbanks project could be sold in the near future

Management remains stable

DIRECTORS AND MANAGEMENT

There have been no changes to management since our initial report.

FINANCIAL FORECAST AND VALUATION

Alpha Gold currently has 22.4 million shares outstanding, of which management holds slightly more than 8%. These values rise to 27.1 million and close to 13% on a fully diluted basis. Working capital is currently C\$1.5 million dollars with a tax rebate from 2003 exploration expenditures expected to bring the total to C\$1.7 million by year-end. This amount has been raised entirely through un-brokered private placements that management has raised through personal contacts. The Company would like to start 2004 with over C\$2 million in the till and is expected to complete another financing later this year.

The 2003 exploration program incurred close to C\$900,000 in costs slightly over its original budget of C\$800,000 as it added to the program with early success. This expense was partially offset by the exercise of warrants raising over C\$440,000 in June. The 2004 program is budgeted at C\$1 million, well within the Company's current financings. Should the program need to be expanded or development work implemented there is sufficient cash currently to cover this. As well, close to C\$630,000 in options and C\$1.6 million in warrants are currently in the money. An improvement in the share price could see portions of this available cash come in.

The Company has also used its cash wisely in the purchase of the additional eight claims that covered the Bralorne-Takla mine site for C\$24,000 and the re-purchase of the outstanding NSR on much of the claim block for C\$150,000. The claims provide a site for future mine development adjacent to the road and NSR's can add up to much more than the purchase price very quickly with any metal production.

At the current share price of \$0.60 (52 week high is \$0.85 and the low is \$0.40) the overall market capitalization is \$14.6 million. While this market capitalization is within the peer group of junior exploration companies, it is less than other companies that are developing resources or are beyond the initial discovery stage. Based on the stage of development of the property a market capitalization two to three times this amount could be easily achieved.

Company is well financed for 2004 with exploration expected to restart in March

CONCLUSION

Alpha Gold has been working on an under-appreciated property that has potential to develop into a significant sized deposit. The converse risk side of this is that there are few direct copper gold skarns of the Lustdust type in British Columbia. Skarn / Carbonate Replacement Deposits are attractive targets for their overall size, the suite of base and precious metals that they typically host, their amenability to modern mining and metallurgical techniques as well as their generally benign environmental impact. At this point Alpha Gold has clearly identified a large skarn system within which there are several exciting high-grade drill intersections.

There is considerable exploration potential on several targets on the property that continue to be assessed by the Company's exploration programs. The 2003 program provided additional high-grade mineralized intercepts in many of the main mineralized zones. These results are presented in its 2003 exploration report. Both drilling and geochemical sampling indicate the continuity of this large mineralized system. We believe this project can best be advanced with a preliminary scoping study of the mineral resources within the Canyon Creek Skarn, and Number 1, 3 and 4b Mineralized

**Advancing this project
to the resource stage is
key for garnering
interest in the market
and with other
explorers and producers**

Zones. This study could then provide the direction needed to advance the development of resources on the property. This study should also confirm that the Lustdust property is an excellent exploration project with the potential to develop economic resources. We believe the market is looking for this project to advance to the resource stage and will increase its value in kind. There are also excellent exploration targets to provide continuing positive news to draw attention to this Canadian story.

We continue to recommend this stock as a Speculative Buy for risk tolerant investors with a 12- month target price of C\$2.00.

NOTES

eResearch Recommendation System

- Buy:** Expected total return within the next 12 months is at least 20%
- Speculative Buy:** Expected total return within the next 12 months is at least 40%. Risk is High (see below)
- Hold:** Expected total return within the next 12 months is between 20% and the T-Bill rate
- Sell:** Expected total return within the next 12 months is less than the T-Bill rate

eResearch Risk Rating System

A company may have some but not necessarily all of the following characteristics of a specific risk rating to qualify for that rating:

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Operational - Weak competitive market position, high cost structure, industry consolidating, business model/technology unproven or out-of-date.
- Medium Risk:** Financial - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.
Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry
- Low Risk:** Financial - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.
Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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