Alaska Energy Metals Corporation

Management Discussion & Analysis

For the Six Months Ended June 30, 2024

Introduction

This is Management's Discussion and Analysis ("MD&A") for Alaska Energy Metals Corporation ("Alaska Energy Metals" or the "Company") and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended June 30, 2024 and supporting notes on www.sedarplus.ca. These condensed interim consolidated financial statements have been prepared in accordance and compliance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

Readers should note the following:

- This MD&A has been prepared based on information known to management as of August 27, 2024.
- All currency amounts are expressed in Canadian dollars unless otherwise noted.
- Gregory A. Beischer, a Director of the Company and its President and Chief Executive Officer, is the qualified person (as defined in NI 43-101) who approved the technical information in this MD&A.

Description of Business

Alaska Energy Metals is focused on the exploration and development of the Nikolai nickel – copper – cobalt – platinum group element project. A secondary nickel project in Quebec called Angliers – Bellterre is also being advanced. Alaska Energy Metals trades on the TSX Venture Exchange under the symbol AEMC and is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nunavut. The Company also trades on the OTCQB marketplace in the United States under the symbol AKEMF.

Forward Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this document.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, mineral exploration programs, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; and other

risks of the mineral exploration and mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Going Concern

The condensed interim consolidated financial statements for the period ended June 30, 2024 on www.sedarplus.ca were prepared on the assumption that the Company will continue as a going concern, which contemplates that the Company will continue in operation for the next twelve months and that it will be able to realize its assets and meet its liabilities in the normal course of operations. Realization value may be substantially different from carrying value as shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values, classification of assets and liabilities should the Company be unable to continue as a going concern. As of June 30, 2024, the Company had not yet achieved profitable operations, and had an accumulated deficit of $62,694,421 (December 31, 2023 – $58,379,614). Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's forecast indicates the existence of a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to raise additional equity.

Additional Information

Financial statements, MD&A documents and additional information relevant to the Company and the Company's activities can be found on SEDAR+ at www.sedarplus.ca, and/or on the Company's website at www.alaskaenergymetals.com

Highlights for the period from January 1, 2024 to the date of this MD&A, detailed on on www.sedarplus.ca**:**

- **On January 4, 2024,** the Company announced assay results from rock samples collected on the Canwell block of claims during summer 2023. High grades of nickel and copper were reported.

- **On January 5, 2024,** the Company announced that further to its news release on November 20, 2023, it has filed its National Instrument 43-101 Technical Report, dated January 5, 2024, on www.sedarplus.ca for its 100% owned Eureka Property, Nikolai Nickel Project in Alaska, USA.

- **On February 8, 2024,** the Company closed a non-brokered offering of 2,500,000 special warrants at a price of $0.40 per special warrant for gross proceeds of $1,000,000, subsequently converted (detailed below).

- **On February 12, 2024,** the Company announced an updated independent mineral resource estimate in accordance with NI43-101. The updated mineral resource estimate represents a significant increase in tonnage and contained metal and a significant decrease in strip ratio as compared to the maiden resource published in 2023 (see press release dated November 20, 2023 and January 5, 2024).

- **On March 15, 2024,** the Company announced it has filed an updated NI-43-101 Technical Report on www.sedarplus.ca.

- **On April 18, 2024,** announced that it filed an amended Technical Report titled "Nikolai Mineral Resource Estimate Technical Report Amended and Updated" (the "Amended Report"), with an effective date of April 12th, 2024, for its 100% owned Eureka Property, Nikolai Nickel Project in Alaska, USA. On April 2nd, 2024, the Company filed a preliminary short-form base shelf prospectus with the securities regulatory authorities in each of the provinces of Canada, except Quebec and Nunavut. This resulted in a review of the Canadian Securities Administration National Instrument 43-101 Standards for Mineral Projects ("NI 43-101") Technical Report filed on March 14, 2024 ("Original Report"), and the review is now complete. The Amended Report contains no material differences, and the Mineral Resource Estimate remains unchanged from the Original Report. The Amended Report complies with the technical requirements of NI 43-101 and Form 43-101F1 (the "Form").

- **On April 22, 2024,** the Company obtained a receipt for its final short form base shelf prospectus (the "Shelf Prospectus") filed with the securities commissions in each of the provinces of Canada (except Quebec) and Nunavut. The filing of the Shelf Prospectus is intended to provide the Company with financing flexibility. Under the Shelf Prospectus. The Company may issue and sell up to, in the aggregate, $50,000,000 of common shares, warrants, subscription receipts, units, debt securities, or any combination thereof, from time to time over a 25-month period that the Shelf Prospectus remains effective. The specific terms of any future offering of securities (if any) will be set forth in a prospectus supplement, which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering.

- **On May 14, 2024,** the Company announced that it sold its shares in Felix Gold Ltd. for approximately $350,000 net of brokerage and currency exchange fees.

- **On May 31, 2024**, the Company entered into an option agreement to acquire a 100% interest in the Bambino Nickel – Copper Property located in the Temiscaming Region of Western Quebec. Terms listed below in the Mineral Property Section of this MD&A. The Bambino property is adjacent to the Company's Angliers – Belleterre claims and now forms part of the project. Subsequently the Company initiated a major soil sampling program covering the Angliers – Belleterre project, and contracted an airborne geophysical survey.

- **On July 11, 2024**, the Company completed a non-brokered private placement of 1,706,250 units at a price of $0.15 per unit for gross proceeds of $341,250. Each unit consists of a common share and a warrant convertible at $0.20 for a period of three years. The Company paid finder's fees of $23,887 and issued 159,250 agent warrants exercisable at $0.20 for three years.

- **On July 16, 2024**, the Company announced that it has begun a drilling program to test geological – geophysical – geochemical targets at the Canwell block of claims that form part of its Nikolai Nickel Project in Alaska. The drilling program includes plans for three holes for a total of 1,200 meters.

- **On July 18, 2024**, the Company completed a non-brokered offering of 22,255,429 special warrants issued at the price of $0.15 per special warrant for gross proceeds of $3,338,314. The special warrants were later converted into units and 5,900,764 of the resulting warrants were exercised.

- **During July and August 2024**, received $1,180,153 relating to the exercise of 5,900,764 warrants.

- **On July 19, 2024**, the Company announced that three new directors, Mario Vetro, Tyron Breytenbach and Ian Stalker had been elected to the board of directors.

- On July 29, 2024, the Company announced the reformulation of its Advisory Committee to include entrepreneur Paul Matysek, consultants Clark Penney and Daniel McGroarty, and former directors Peter Chilibeck and Larry Cooper.

Outlook

The Company has made very significant progress by establishing a large mineral resource estimate of energy-related metals. The recoverability of these metals will be very important to the economic viability of the project. The first-pass testing is under way. There is potential to grow the deposit further through an expanded drilling program and by focusing on the higher-grade core zone, grade of the mineral resource estimate may be improved. Further, at the Canwell block the potential to discover very high-grade massive sulfide mineralization has been demonstrated through modern geophysical surveys. The Company plans to test these targets in 2024.

In 2024, the Company intends to complete the following activities:

- Complete metallic mineral deportment studies and mineralogical studies on gangue minerals. Composite samples of drill core were submitted for metal deportment studies to SGS labs in Lakefield, Ontario. The purpose of the work is to 1) determine the mineral species in which the various metals in the Eureka zone are contained, and 2) to determine the nature and composition of gangue minerals, and 3) determine if there are any deleterious minerals, and or minerals that might negatively impact metal recovery rates. Deportment and mineralogy will have a strong bearing on metal recovery rates. The mineralogical and deportment work was significantly advanced during the quarter and it is anticipated results will be published in the second quarter.

- After deportment studies are complete, the samples will be subjected to bench-scale flotation testing, magnetic separation to determine recovery rates for the metals. Grindability testing will also be done. Results are expected in Q3 2024.

- We have built a strong marketing team that will work to increase market awareness of the Company around the world, so that we can maximize shareholder returns as we advance Company objectives. We intend to advertise aggressively.

- We intend to raise funds through equity financing to execute a drilling program designed to expand the Mineral Resource Inventory of the Eureka Zone and to explore for high grade nickel mineralization at the Canwell Block of the Nikolai project.

- Intends to execute , geochemical, geophysical and geological exploration programs at the Angliers-Belleterre project in Quebec.

While the Company has made great progress, it has not translated to a share price increase. This is in part due to a significant decrease in the price of nickel over the year. Projections are for the nickel price to stay subdued. Indonesia, the world's largest producer of nickel has ramped up production to increase demand. Demand for nickel is at its highest level ever and is projected to increase significantly as electric vehicles adoption proceeds. Nickel is a major component of electric vehicle batteries. The depressed nickel price and depressed share price of the Company may make it difficult for the Company to raise as much financing as it would like to have to advance its objectives. If funds are available and accepted, the financing will be dilutive to the Company's capital structure. Management will balance between raising funds to advance objectives and dilution.

United States Properties

Nikolai Nickel Project

Nikolai is the Company's flagship project, It is located 80 km south of the town of Delta Junction, on the southern flank of the Alaska Range in Interior Alaska. The claims are proximal to paved highways and a network of gravel roads and trails afford ready access to the Canwell claim block.

Two separate, adjacent claims blocks encompass the Nikolai project.

The Eureka claim block consists of 104 State of Alaska mining claims (6,734 hectares) and is 100% owned by Alaska Energy Metals. These claims were acquired by the Company by staking.

The Canwell claim block consists of 42 State of Alaska mining claims (2,720 hectares), with an option to purchase 100% interest in the claims from the underlying owner. In 2022, the Company entered into an option agreement to earn a 100% ownership in the Canwell property, subsequently amended, located in the Fairbanks Recording district, Alaska. To earn the interest, the Company must pay:

- Pay US$25,000 upon signing (paid);
- Issue 100,000 shares upon signing (issued with a fair value of $65,000);
- Pay US$25,000 by June 1, 2022 (paid);
- Pay US$75,000 by September 1, 2022 (paid);
- Issue 100,000 shares by September 1, 2022 (issued with a fair value of $40,000);
- Incur US$50,000 in exploration expenditures by September 1, 2022 (incurred);
- Pay US$100,000 by September 1, 2023 (paid);
- Issue 1,000,000 shares by September 1, 2023 (issued with a fair value of $420,000);
- Incur US$250,000 in exploration expenditures by September 1, 2023 (incurred);
- Pay US$125,000 by September 1, 2024;
- Issue 1,000,000 shares by September 1, 2024;
- Incur US$1,000,000 in exploration expenditures by September 1, 2024 (on track to meet this requirement);
- Pay US$150,000 by September 1, 2025;
- Issue 1,000,000 shares by September 1, 2025;
- Incur US$1,500,000 in exploration expenditures by September 1, 2025;
- Incur US$2,200,000 in exploration expenditures by September 1, 2026;

There is a 3% net smelter return (NSR) royalty, payable to the optionor, and the Company has the option to reduce the NSR royalty to 2% by paying US$2,000,000. The NSR royalty may be further reduced to 1% and 0% through additional cash payments of US$3,000,000 and US$4,000,000, respectively.

In total, the project covers 94.54 km2 (9,454 hectares).

Data purchase: The Company purchased an extensive data set for the Nikolai project. It included all exploration information produced by prior workers since 1995 and was well-organized, complete and in good condition. The Company estimates the cost incurred by prior workers to acquire the data exceeded US$30 million. The Company purchased the data from Alaska Critical Metals for $1,050,000 and 2 million AEMC shares. The data has proven highly valuable. All drill hole data was reviewed and passed quality assurance and quality control standards and thus can be used in mineral resource estimates. The geological, geochemical and geophysical data has proven highly valuable for targeting extensions of the Eureka deposit and for identifying target areas for higher grade mineralization. The data purchase has allowed the company to greatly accelerate the rate at which the project has advanced. Following is a description of the exploration history and contents

of the database purchase. The Nikolai project hosts Ni-Cu-Co-Cr-PGE mineralization and was first explored by major nickel producer INCO Ltd in the late 1990s. Control of the project passed to Nevada Star Resources Ltd. ("Nevada Star"), which carried out exploration with Anglo American (Canada) Ltd from 2004 to 2006. At the time, the project had been renamed the MAN project. Subsequently, Nevada Star changed its name to Pure Nickel Inc., a TSX-V listed public company ("Pure Nickel"). Further exploration was conducted by Pure Nickel in a joint venture agreement funded by Japanese company ITOCHU from 2008 to 2013. All information generated by the explorers between 1995 and 2014 was retained in a comprehensive database by Pure Nickel, which subsequently sold the data to Alaska Critical Metals and has now been purchased by the Company. During August 2023, the Company purchased the historical dataset by issuing 2,000,000 shares and paying $1,050,000.

The data, collected by various companies from 1995 to 2014, includes:

- Drill hole logs and assay information for all holes drilled by the various companies.
- Several types of airborne geophysical surveys, including:
    - o Frequency domain airborne EM
    - o VTEM airborne
    - o ZTEM airborne
    - o SPECTREM
    - o Magnetic Susceptibility
    - o LiDAR with Digital Elevation Model
- Several types of ground geophysical surveys, including:
    - o MaxMin
    - o PEM/TEM
    - o WalkMag
- Geological mapping
- Thousands of soil and rock samples with assays.

Maiden NI43-101 Mineral Resource

On November 20, 2023, the Company announced a maiden NI43-101 mineral resource estimate, exceeding 1.5 billion pounds of contained Nickel for the Nikolai Project.

Mineral Resource Estimate - Inferred Mineral Resources

Eureka Zone East:	**88.6**	**million tonnes grading 0.35% NiEq% containing:**
	471	**million pounds of nickel 165 million pounds of copper**
	34	**million pounds of cobalt**
	548,700	**ounces of platinum, palladium, and gold**
Eureka Zone West:	**182.8**	**million tonnes grading 0.28% NiEq% containing:**
	1,080	**million pounds of nickel**
	208	**million pounds of copper**
	81	**million pounds of cobalt**
	792,400	**ounces of platinum, palladium, and gold**

On March 15, 2024, the Company filed on www.sedarplus.ca, an updated NI43-101 mineral resource estimate on the Eureka zone at its Nikolai nickel project. The mineral resource estimate was made by industry-leading mining consultancy Stantec. The two separate deposits of the original mineral resource estimate were merged together within one large pit shell using a 0.2% nickel equivalent cutoff grade. The updated mineral resource estimate utilized the eight holes drilled by the Company in 2023 and the data from 35 historical holes purchased during the summer of 2023. The mineral resource estimate contains both a higher-confidence Indicated Resource and an Inferred Resource where drill

hole information is more sparse. The updated mineral resource estimate also resulted in a much-reduced strip ratio to 1.5:1 and clearly identified the presence of a higher-grade core zone that persists over the southeastern half of the deposit. In summary, the updated mineral resource estimate is stated as:

Indicated Resource - 813 million tonnes grading 0.29% NiEq:

- **3.871 billion pounds of nickel**
- **1.276 billion pounds of copper**
- **303 million pounds of cobalt**
- **4.0 million ounces of PGE (Pt & Pd), plus gold**
- **5.177 billion pounds of NiEq metal**

<u>Inferred Resource -</u> 896 million tonnes grading 0.27% NiEq:

- **4.225 billion pounds of nickel**
- **1.040 billion pounds of copper**
- **327 million pounds of cobalt**
- **3.4 million ounces of PGE (Pt & Pd), plus gold**
- **5.406 billion pounds of NiEq metal**

The following table is the official version of the mineral resource estimate. The 2024 MRE has been prepared by Derek Loveday, P. Geo. (the "QP") of Stantec Consulting Services Inc. in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with NI 43-101. The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues that could potentially affect the 2024 MRE. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any mineral resource will be converted into mineral reserve.

Indicated Mineral Resource Tonnes and Grade										
Area	Mineralized Zone	NiEq Cutoff	Tonnage	Base and Battery Metals			PGM and Precious Metals			Total
				Ni	Cu	Co	Pt	Pd	Au	NiEq*
		(%)	(MT)	(%)	(%)	(%)	(g/T)	(g/T)	(g/T)	(%)
Eureka	Eureka Zone 1 (EZ1)	>= 0.200	-	-	-	-	-	-	-	-
	Eureka Zone 2 (EZ2)	>= 0.200	739	0.22	0.08	0.02	0.049	0.101	0.013	0.29
	Eureka Zone 3 (EZ3)	>= 0.200	74	0.21	0.02	0.02	0.035	0.023	0.006	0.25
Total	**EZ1 + EZ2 + EZ3**	**>= 0.200**	**813**	**0.22**	**0.07**	**0.02**	**0.048**	**0.094**	**0.012**	**0.29**

Indicated Mineral Resource Tonnes and Metal Content										
Area	Mineralized Zone	NiEq Cutoff	Tonnage	Base and Battery Metals			PGM and Precious Metals			Total
				Ni	Cu	Co	Pt	Pd	Au	NiEq*
		(%)	(MT)	(Mlbs)	(Mlbs)	(Mlbs)	(KtOz)	(KtOz)	(KtOz)	(Mlbs)
Eureka	Eureka Zone 1 (EZ1)	>= 0.200	-	-	-	-	-	-	-	-
	Eureka Zone 2 (EZ2)	>= 0.200	739	3,532	1,243	279	1,166	2,400	310	4,770
	Eureka Zone 3 (EZ3)	>= 0.200	74	345	33	25	83	54	15	407
Total	**EZ1 + EZ2 + EZ3**	**>= 0.200**	**813**	**3,877**	**1,276**	**303**	**1,249**	**2,454**	**326**	**5,177**

Inferred Mineral Resource Tonnes and Grade										
Area	Mineralized Zone	NiEq Cutoff	Tonnage	Base and Battery Metals			PGM and Precious Metals			Total
				Ni	Cu	Co	Pt	Pd	Au	NiEq*
		(%)	(MT)	(%)	(%)	(%)	(g/T)	(g/T)	(g/T)	(%)
Eureka	Eureka Zone 1 (EZ1)	>= 0.200	85	0.19	0.02	0.02	0.025	0.020	0.004	0.22
	Eureka Zone 2 (EZ2)	>= 0.200	693	0.22	0.06	0.02	0.042	0.082	0.010	0.28
	Eureka Zone 3 (EZ3)	>= 0.200	118	0.21	0.02	0.02	0.033	0.022	0.006	0.25
Total	**EZ1 + EZ2 + EZ3**	**>= 0.200**	**896**	**0.21**	**0.05**	**0.02**	**0.039**	**0.068**	**0.009**	**0.27**

Inferred Mineral Resource Tonnes and Metal Content										
Area	Mineralized Zone	NiEq Cutoff	Tonnage	Base and Battery Metals			PGM and Precious Metals			Total
				Ni	Cu	Co	Pt	Pd	Au	NiEq*
		(%)	(MT)	(Mlbs)	(Mlbs)	(Mlbs)	(KtOz)	(KtOz)	(KtOz)	(Mlbs)
Eureka	Eureka Zone 1 (EZ1)	>= 0.200	85	356	31	29	67	56	10	422
	Eureka Zone 2 (EZ2)	>= 0.200	693	3,320	957	259	939	1,831	233	4,337
	Eureka Zone 3 (EZ3)	>= 0.200	118	549	52	39	127	85	22	647
Total	**EZ1 + EZ2 + EZ3**	**>= 0.200**	**896**	**4,225**	**1,040**	**327**	**1,133**	**1,972**	**265**	**5,406**

- NiEq = nickel equivalent, MT = million tonnes, Mlb = Million pounds, KtOz = thousand troy ounces.
- Totals may vary due to rounding.
- CIM definitions are followed for classification of Mineral Resource.
- Metal pricing used to calculate NiEq is based on observation of monthly metal pricing for the past 24 months up to end-January 2024 with Ni at US$23,375/tonne (US$10.6/lb) (World Bank), Cu at US$ 8,644/tonne ($US3.92/lb) (World Bank), Co 41,050 US$/tonne (US18.62/lb) (Trading Economics), Pt at US$963/toz (World Bank), Pd at US$1,664/toz (Kitco), and Au at 1,878 (World Bank). Totals may not represent the sum of the parts due to rounding.
- Nickel equivalent grade formula is as follows:
  **NiEq = (Ni%) + (Cu% * 0.31) + (Co% * 1.46) + (Pt% * 1,103) + (Pd% * 1,907) + (Au% * 2,153)*
  Coefficients used to calculate the value of other metals to Ni equivalent include allowances for differences in assumed recoveries of other metals (50%) and nickel (60%), and are calculated as follows:
  (Metal Price)/(Ni Price) x (metal recovery/Ni recovery).
- Base case NiEq cutoff grade is 0.20% calculated from a Ni price of US$23,375/tonne (US$10.60 US$/lb), surface mining cost of US$2.50 per tonne, processing costs US$25.00 per tonne and Ni recovery of 60% and 50% for other metals (Cu, Co, Pt, Pd, and Au).
- Mineral Resource are reported from within an economic pit shell whose extent has been estimated using a Ni price of US$23,374.56/tonne (US$10.60 US$/lb) and mining cost of US$2.50 per tonne, from a Ni equivalent grade calculated from Ni, Cu, Co, Pt, Pd, and Au, and 45-degree constant slope angle.

The Mineral Resource estimate has been prepared by Derek Loveday, P. Geo. of Stantec Consulting Services Inc. in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators NI 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any mineral resource will be converted into mineral reserve.

The following figures show the conceptual pit outline (Figure 1) with lithology, two cross sections (Figure 2: A – A') and (Figure 2: B – B') through the Eureka deposit showing the higher grade core

zone which is particularly evident on section A – A' in the southeastern half of the deposit and the 45 degree dip which is favourable for open pit mining as strip ratio is minimized.

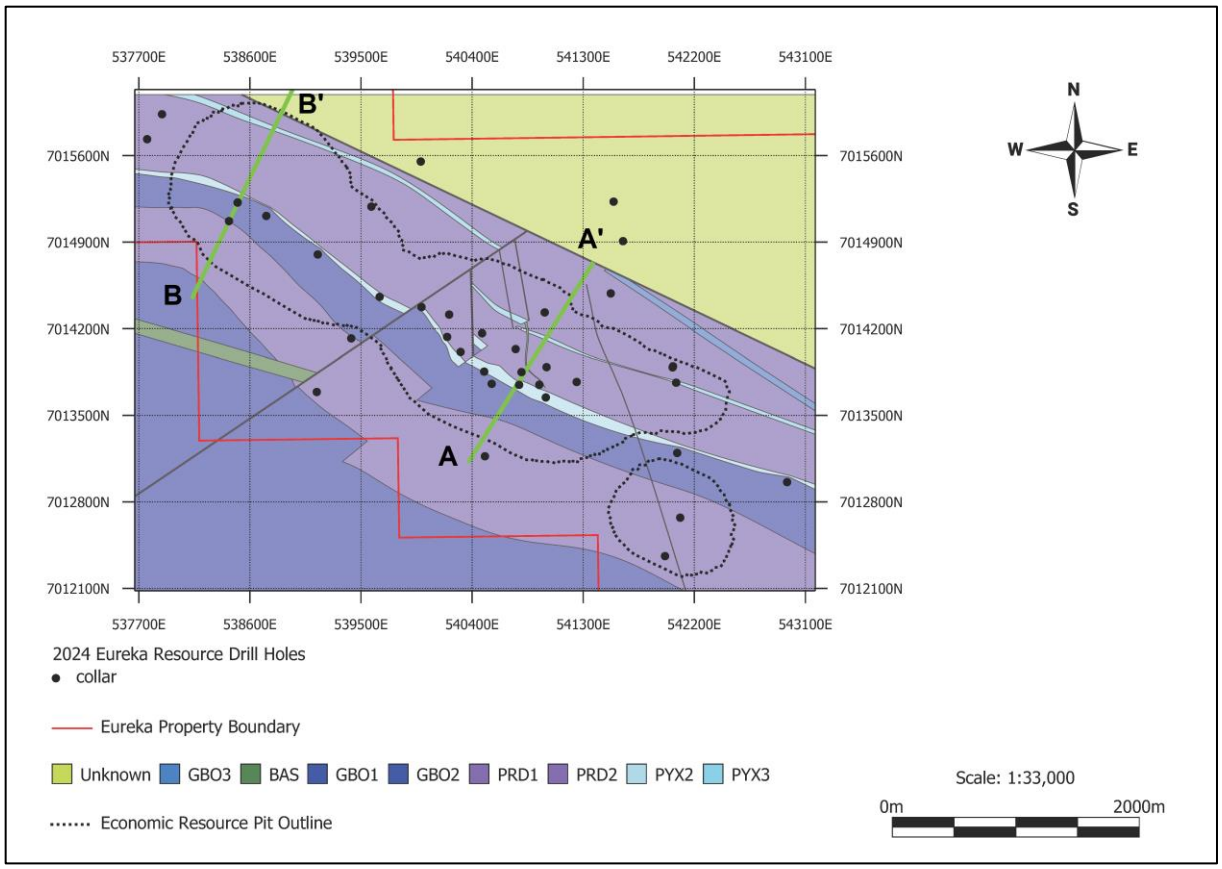


Figure 1. *Eureka Zone overview map displaying geology, the 2024 economic resource pit outline, and drill hole locations.*

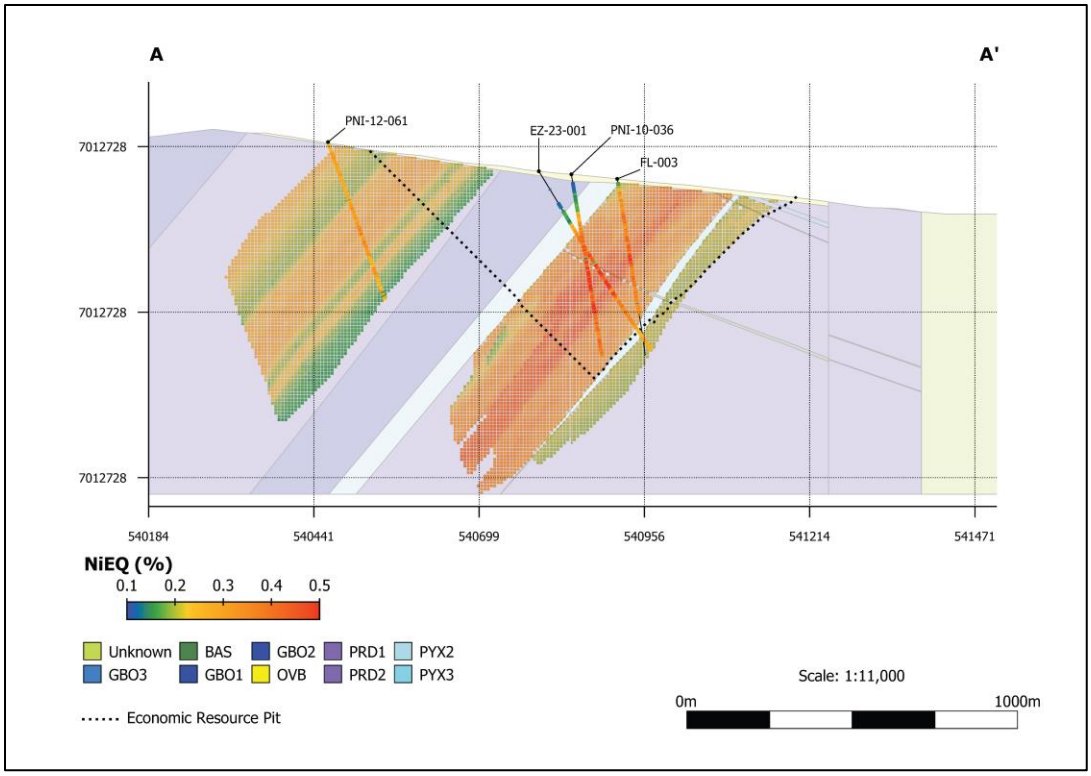
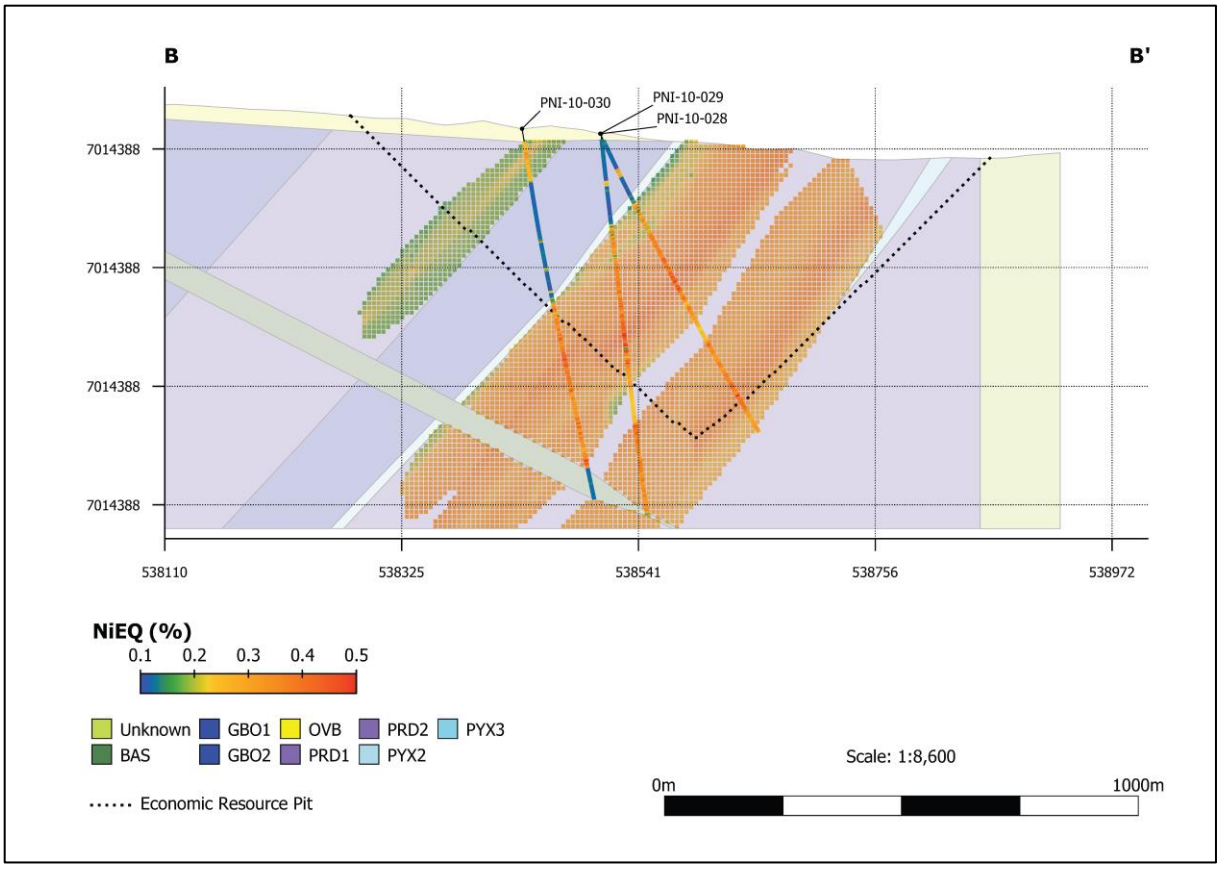


Figure 2. *Cross section through the Eureka EZ1, EZ2, and EZ3 MRE. Note: Location of section A-A' is located on Figure 1.*



- **Figure 3.** *Cross section through the Eureka EZ1, EZ2 & EZ3 MRE. Note: Location of section B-B' is located on Figure 1.*

On January 4, 2024, the Company announced assays from surface rock sampling and geophysical survey results at the Canwell Property. The news release can be viewed at www.sedarplus.ca. The highlights were:

- Three excellent prospects for high-grade mineralization have been revealed: the Canwell, Odie and Emerick prospects.
- Surface rock sample assay results exceeding 5% nickel and 5% copper at the Canwell prospect.
- Geophysical surveys reveal strong conductive zones with magnetic highs beneath surface nickel–copper anomalies.
- High-potential drill targets have been developed to test for high-grade mineralization in summer 2024.

Finances were raised and drilling work has begun on the Canwell block of claims.

Further financing is underway, and proceeds will be used to complete work on Canwell and to drill holes to extend mineralization at the Eureka deposit.

Apex El Nido, Alaska, United States, High Grade Vein Gold:

Alaska Energy Metals made an option agreement with the underlying owner. The option is being extended on a year to year basis. Alaska Energy Metals holding cost is US$1,000 per year and is required to make annual rental payments to the federal government. There are historical

underground mine workings on the project from which approximately 25,000 ounces of gold was extracted. No drilling beneath the workings has ever been done. Quartz veins of the mesothermal variety locally contain high grade gold mineralization. The veins may extend below the workings. Alaska Energy Metals will continue to search for an earn-in partner and alternatively will expend funds to do further exploration.

Coeur funded a soil sampling and mapping program which Alaska Energy Metals executed in summer 2021. The results show that the gold-bearing structure extends at least one kilometer to the north. Despite the good results, Coeur elected to terminate its option. There are an excellent series of drill targets established on the property and Alaska Energy Metals is seeking partners for the project.

During the year ended December 31, 2023, the Company impaired the Apex property. As of the date of this MD&A, the Company still maintains the property. The Company considers this project to be a legacy project. It has no immediate plans to work on the property but is considering the possibility of selling its interest or combining it with other of its gold assets and use them together for a future transaction.

64North Gold Project, Goodpaster Mining District, Alaska, United States, Gold:

During the year ended December 31, 2023, Resolution Minerals Ltd., having met all the requirements of the option agreement, vested with a 51% joint interest. Resolution elected not to further sole-fund the project to earn a greater interest. A joint venture has been formed. Resolution has indicated it wants to sell their share of the project and has solicited offers. The Company has the right of first refusal to match any offer.

During the year ended December 31, 2023, the Company impaired the 64North property. As of the date of this MD&A, the Company still maintains its interest in the property. Resolution is the majority partner in the project and it is their responsibility to propose exploration programs and budgets, and to keep the claims in good standing.

The Company considers 64North to be a legacy project but recognizes it as an asset that could yet prove valuable. The Company does not intend to participate in any exploration program that may be proposed by Resolution, but rather will accept dilution of its interest in accordance with the formula dictated by the joint venture agreement. Various possibilities including sale of the Company's interest will be considered.

Chisna, Alaska, United States, Gold:

Alaska Energy Metals purchased claim blocks from Corvus Gold in 2015. The claim blocks came with a large database of information that cost approximately $7 million to create. Upon review of the data Alaska Energy Metals has developed some strong targets for porphyry copper-gold mineralization. In 2021 a major mining company funded exploration work on the claims. The results were evaluated during late 2022 and improved the Grubstake prospect target. Efforts to find an earn-in partner will continue. Further exploration work is planned.

During the year ended December 31, 2023, the Company impaired the Chisna property. As of the date of this MD&A, the Company still maintains the property and intends to continue to hold it. However, there are no immediate plans to work on the project. We consider this a legacy project that may become valuable in the right gold or copper market.

Fairbanks District, Alaska

In late 2020, the Company entered into an agreement whereby Felix Gold Limited ("Felix Gold") will have the right to secure a 100% ownership in the Treasure Creek, Ester Dome (which included the Grant Mine which contains a JORC-compliant gold resource) and Liberty Bell projects for 9,957,157 Felix Gold shares (received with a value of $2,246,336 in 2022), US$210,000 in cash (received in 2021), and retained royalties. Each of the three projects is subject to a production royalty in favour of Alaska Energy Metals: Treasure Creek 2.0% Net Smelter Returns ("NSR"), Ester Dome 1.5% NSR and Liberty Bell 2.0% NSR. These royalties are created only when and if Felix exercises underlying options on the projects. In the event that Felix Gold elects not to proceed with an underlying option, it must offer to return the option rights to the Company.

These Fairbanks area projects represent potential royalties. The Company intends to monitor progress of Felix Gold. If and when royalties are created the Company will evaluate whether they should be sold or retained. Royalty generation is no longer a core activity for the Company.

Additionally, Alaska Energy Metals and Felix Gold entered a strategic alliance whereby other projects outside of the Treasure Creek and Ester Dome areas would be generated with funding from Felix. Alaska Energy Metals is entitled to a 1.0% NSR royalty on any project staked, and on claims secured from third parties. Felix Gold must fund a minimum of US$250,000 each year to extend the strategic alliance. Felix Gold and Alaska Energy Metals agreed to end the strategic alliance in 2022. Both companies are free to use information generated during the alliance period for their own purposes going forward.

Felix Gold did not do significant work on any of the projects in 2023 and dropped the option on the Liberty Bell project. Alaska Energy Metals bought the rights to the Liberty Bell gold project. The Company intends to do the minimum amount of work to hold the claims in the coming year and is open to selling the project. This is a non-core project.

During the second quarter of 2024 the Company sold its shareholding of Felix Gold for approximately $350,000.

Canadian Properties

Angliers – Belleterre Project

The Angliers-Belleterre project is an important secondary project for the Company. During November 2023, the Company completed the purchase of an arm's-length company named 1413336 BC Ltd. ("141 BC") by issuing 31,827,720 shares and 4,105,958 warrants exercisable at $0.80. The target company assets include the Angliers-Belleterre ("Angliers") nickel-copper project in western Quebec and approximately $2.9 million in cash. The shares are subject to an escrow agreement and will be released from escrow over a three-year period.

The property is subject to a 2.5% NSR where 1% can be purchased by the Company for $1,500,000.

The Angliers property consists of 454 claims covering 24,182.64 hectares. Located in Angliers and Belleterre townships in the Temiscamingue region of western Quebec near the Ontario border. The town of Angliers lies at the northern end of the claim block, and St. Eugene de Guiges at the southern end of the claim block. Access is facilitated by paved highways and gravel roads.

Komatiitic ultramafic flow rocks and differentiated gabbro rocks form part of the Archean volcanic stratigraphy of the Baby Group, in a regional setting thought to be a mantle plume (MB 2020-12 published by the Quebec Ministry of Natural Resources and Forests geologists Richer-Lafleche, Moorhead and Goutier). Mantle plume areas are known to localize a variety of base metal deposits

from magmatic nickel–copper to polymetallic volcanogenic massive sulfide deposits. The plume area tapped mantle-derived magmas with "primitive" trace element geochemical signatures in mafic-ultramafic rocks. Primitive rock chemistry is documented in the MB2020-12 report. Komatiites (ultramafic lava flows) and magnesium-rich gabbroic rocks are important rock types for the formation of the Kambalda (Australia) district type of deposit nickel deposits. The same genetic mode may apply at the Angliers project. Kambalda is a very rich district with multiple deposits of high-grade massive sulfide deposits.

Nickel sulfides are documented in a series of prospects located one to three kilometres east of the Angliers project. Airborne magnetic surveys indicate that the stratigraphy hosting these prospects probably extends onto the Angliers property under deeper overburden cover.

In the north part of the claim block, there is a belt of highly magnetic rocks. Sampling by the Quebec government has shown that there is strongly anomalous nickel in rock samples over a six-kilometre-long trend.

Bambino Project

On May 21, 2024, the Company entered into an option agreement to acquire a 100% interest in the Bambino Nickel – Copper Property located in the Temiscaming Region of Western Quebec. To earn the interest the Company must:

- pay $5,000 on May 21, 2024 (paid);
- issue 150,000 shares (issued)
- pay $25,000 on or before May 21, 2025;
- issue 150,000 shares on or before May 21, 2025;
- complete aggregate exploration expenditures of $100,000 on or before May 21, 2025;
- pay $25,000 on or before May 21, 2025;
- issue 150,000 shares on or before May 21, 2025;
- complete aggregate exploration expenditures of $150,000 on or before May 21, 2025;
- pay $50,000 on or before May 21, 2026;
- issue 250,000 shares on or before May 21, 2026; and
- complete aggregate exploration expenditures of $250,000 on or before May 21, 2026.

Upon exercise of the option, the Vendors will retain a 2% NSR. The Company will have the right at any time to buy back half of the royalty (i.e., 1.0%) for $1,000,000 cash.

During the current quarter the Company initiated a major soil sampling program and contracted an airborne geophysical survey.

Liquidity and Capital Resources

As of June 30, 2024, the Company has accumulated a deficit of $62,694,421 and has working capital of $456,251.

During the period ended June 30, 2024, the Company:

i) issued 10,283 shares upon exercise of warrants for $2,879. The Company also reallocated $1,819 of reserves to share capital upon exercise.

ii) completed a non-brokered offering of 2,500,000 special warrants issued at the price of $0.40 per special warrant for gross proceeds of $1,000,000. Each special warrant will automatically convert into one unit of the Company on the earlier of: (i) the date that is three business days following the

date on which the Company (a) obtains a receipt from the applicable securities regulatory authorities for a final short form prospectus qualifying distribution of the units underlying the special warrants or (b) files a prospectus supplement to a short form base shelf prospectus with the Securities Commissions qualifying distribution of the units underlying the special warrants, and (ii) the date that is four months and one day after the closing of the offering. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder thereof to acquire one share at a price of $0.80 for a period of 24 months.

The Company issued 30,000 broker special warrants as finder's fee. Each broker special warrant will automatically convert under the same terms as the special warrants, for no additional consideration, into one unit.

The special warrants were converted into units during the period ended June 30, 2024.

Intended Use of Proceeds of Offering		**Actual Use of Proceeds from Offering**		**(Over)/under expenditure**
Working capital and marketing purposes	$1,000,000	Working capital and marketing purposes	$1,000,000	N/A
Total	$1,000,000	Total	$1,000,000	$ -
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones		No significant variance and no impact to the Company's business objectives.		

Public Relations, Investor Relations and Advisory Contracts

The Company has entered several agreements which were/are subject to acceptance by the TSX Venture Exchange as part of an ongoing marketing and investor awareness campaign. The reader should refer to the news releases dated July 6, 2023, August 16, 2023, November 6, 2023, November 22, 2023, December 8, 2023, January 23, 2024, January 30, 2024, February 20, 2024, July 26, 2024 on www.sedarplus.ca for details.

The Company is of the view that an aggressive marketing campaign is warranted since the Company has been rebranded this year. It is important to make the investing public aware of the Company and it has been the intention to use a strong social media marketing component to attract younger investors to the Company.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Three Months Ended			
	June 30, 2024	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**
Exploration and evaluation asset net additions	$ 848,202	$ 809,135	$ 5,978,972	$ 6,225,297
Stock-based compensation	114,694	999,767	32,110	1,542,791
Net loss before comprehensive loss	(1,019,914)	(3,294,933)	(5,547,079)	(2,565,894)
Loss per share (basic)	$ (0.01)	$ (0.04)	$ (0.07)	$ (0.07)
Loss per share (diluted)	$ (0.01)	$ (0.04)	$ (0.07)	$ (0.07)

	Three Months Ended			
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
Exploration and evaluation asset net additions	$ 1,414,719	$ (106,801)	$ (67,126)	$ 534,272
Overhead recovery fees & exploration revenue	-	-	(17,869)	82,196
Stock-based compensation	-	11,219	18,765	18,562
Net (loss) income before tax	(1,395,607)	(279,869)	(944,000)	1,210,520
Loss per share (basic)	$ (0.08)	$ (0.02)	$ (0.06)	$ 0.08
Loss per share (diluted)	$ (0.08)	$ (0.02)	$ (0.06)	$ 0.08

The net loss during the quarter ended June 30, 2024 was $1,019,914 (March 31, 2024 - $3,294,933). The difference was primarily a result of a decrease of $717,378 in promotion and investor relations costs, a decrease of $885,073 in stock-based compensation relating to the fair value of stock options, a decrease of roughly $105,000 in office an miscellaneous costs, a decrease of $303,793 in consulting fees and an increase of $177,466 in the fair value of marketable securities.

The net loss during the quarter ended March 31, 2024 was $3,294,933 (December 31, 2023 - $5,547,079). The difference was primarily a result of $2,011,023 of exploration assets impaired in the comparative quarter ended December 31, 2023 and a decrease in the change in fair value of marketable securities.

The net loss during the three-month period ended December 31, 2023 was $5,547,079 (three month period ended September 30, 2023 – $2,565,894). The increase quarter over quarter was primarily a result of the Company impairing exploration and evaluation assets of $2,011,023 relating to 64 North, Chisna and Apex. The Company did not have immediate plans for exploration and IFRS accounting standards indicated that the Company should impair for accounting purposes. The Company still holds the properties.

i) a $377,778 increase in promotion and investor relations fees quarter after quarter. The Company entered into several contracts which are detailed in news releases on www.sedarplus.ca, the dates of the news releases are noted later in this MD&A.
ii) a $391,277 net increase in unrealized/realized loss on the fair value of publicly traded stock that the Company holds as marketable securities.
iii) increase in exploration and evaluation assets was mainly related to the acquisition of 1413336 BC Ltd.

The net loss during the three-month period ended September 30, 2023 was $2,565,894 (three month period ended June 30, 2023 – $1,395,607). The increase quarter over quarter was primarily a result of:

i) an increase in stock-based compensation of $1,542,791 relating to the fair value of incentive stock options issued to employees, officers, directors and consultants.
ii) a $289,627 increase in promotion and investor relations fees quarter after quarter. The Company entered into several contracts which are detailed in news releases on www.sedarplus.ca, the dates of the news releases are noted later in this MD&A.
iii) a $722,452 net increase in unrealized/realized gain on the fair value of publicly traded stock that the Company holds as marketable securities.
iv) a $4,810,578 increase in exploration and evaluation assets primarily relating to drilling activities on the Nikolai property in Alaska.

The net loss during the three-month period ended June 30, 2023 was $1,395,607 (three month period ended March 31, 2023 – $279,869). The increase quarter over quarter was primarily a result of:

i) an increase in accounting, audit and legal of $109,860 relating to the increase in activity (marketing agreements and private placement costs that don't qualify as stock issuance costs.

ii) a $153,151 increase in promotion and investor relations fees quarter after quarter. The Company entered into several contracts which are detailed in news releases on www.sedarplus.ca, the dates of the news releases are noted later in this MD&A.
iii) a $832,139 net increase in unrealized/realized loss on the fair value of publicly traded stock that the Company holds as marketable securities.

The net loss during the three-month period ended March 31, 2023 was $279,869 (three month period ended December 31, 2022 – $944,000). The decrease in loss quarter over quarter was primarily a result of:
i) impairment of prepaid expenses in the comparative period of $139,745.
ii) a $408,434 net increase in unrealized/realized gain on the fair value of publicly traded stock that the Company holds as marketable securities.

The net loss during the three-month period ended December 31, 2022 was $944,000 (three month period ended September 30, 2022 – net income of $1,210,520). The increase in loss quarter over quarter was primarily a result of:
i) a gain on sale of royalties of $1,200,000 in the comparative period.
ii) impairment of prepaid expenses in the current period of $139,745.
iii) a $66,131 decrease in other income quarter after quarter relating to forgiveness of debt.
iv) a $751,993 net increase in unrealized/realized loss on the fair value of publicly traded stock that the Company holds as marketable securities.

The net income during the three-month period ended September 30, 2022 was $1,210,520 (three month period ended June 30, 2022 – net loss of $2,075,750). The decrease in loss quarter over quarter was primarily a result of:
i) a gain on sale of royalties of $1,200,000 in the current period.
ii) a $1,977,903 net increase in unrealized/realized gain on the fair value of publicly traded stock that the Company holds as marketable securities.

Six-month period ended June 30, 2024 Compared to the six month period ended June 30, 2023

The Company's net loss before other comprehensive loss for the six month period ended June 30, 2024 was $4,314,807 (2023 – $1,675,476). Significant fluctuations from the prior period comparative consisted of:

- Accounting, audit and legal expenses of $376,632 (2023 - $219,616). The increase was relating to the increase in activity (marketing agreements, special warrants, preliminary prospectus updates).
- Consulting, directors and salaries of $231,913 (2023 - $325,865). The decrease was due to a decrease in general business activities in the current period.
- Promotion and investor relations expense of $2,209,132 (2023 - $240,869). The Company entered into several contracts which are detailed in news releases on www.sedarplus.ca, the dates of the news releases are noted earlier in this MD&A.
- Stock based compensation expense of $1,114,461 (2023 - $11,219). The increase was a result of increase in stock-options granted to employees, consultants, directors and consultants during the current period.
- Loss on marketable securities of $87,692 (2023 – $553,167) due to the fluctuation in the fair value of various publicly traded shares during the comparative period.

Three-month period ended June 30, 2024 Compared to the three month period ended June 30, 2023

The Company's net loss before other comprehensive loss for the three-month period ended June 30, 2024 was $1,019,914 (2023 – $1,395,607). Significant fluctuations from the prior period comparative consisted of:

- Consulting, directors and salaries recovery of $35,940 (2023 – expense of $156,918). The decrease was due to the reallocation of certain consulting fees to exploration and evaluation assets during the current quarter.

- Promotion and investor relations expense of $745,877 (2023 - $197,010). The Company entered into several contracts which are detailed in news releases on www.sedarplus.ca, the dates of the news releases are noted earlier in this MD&A.
- Stock based compensation expense of $114,694 (2023 - $Nil). The increase was a result of increase in stock-options granted to employees, consultants, directors and consultants during the current period.
- Gain on marketable securities of $44,867 (2023 – loss of $692,653) due to the fluctuation in the fair value of various publicly traded shares during the comparative period.

Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

The Company incurred charges with key management personnel and companies with directors and officers in common as follows:

	Fees and Salary	Stock-Based Compensation	Period ended June 30, 2024
Director fees – Larry Cooper (former Director)	$ 4,195	$ -	$ 4,195
Director fees – Peter Chilibeck (former Director)	3,370	-	3,370
Director fees – Corri Feige	5,335	-	5,335
Director fees – Mark Begich	3,589	-	3,589
Salary – Greg Beischer, CEO	135,805	-	135,805
Accounting fees – Dave Cross, CFO	43,000	-	43,000
Consulting fees – Corri Feige	24,445	-	24,445
Consulting fees – Janice Davies, Corporate Secretary	22,200	-	22,200
Stock-based compensation– Larry Cooper (former Director)	-	51,751	51,751
Stock-based compensation– Mark Begich	-	69,002	69,002
Stock-based compensation– Peter Chilibeck (former Director)	-	51,751	51,751
Stock-based compensation – Corri Feige	-	51,751	51,751
Stock-based compensation – Greg Beischer, CEO	-	103,502	103,502
Stock-based compensation– Dave Cross, CFO	-	34,501	34,501
Stock-based compensation – Janice Davies, Corporate Secretary	-	25,876	25,876
	$ 241,939	$ 388,134	$ 630,073

During the period ended June 30, 2024, 1,125,000 stock options (Period ended June 30, 2023 – Nil) were issued to officers and directors with an estimated fair value of $388,134 (Period ended June 30, 2023 - $Nil) and recorded stock-based compensation of $388,134 (Period ended June 30, 2023 - $Nil) relating to the portion vested throughout the period.

These charges were in the normal course of operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

As of June 30, 2024, there was $82,744 (December 31, 2023 – $27,667) due to related parties for accrued directors' fees, deferred salary expenses and accounting fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

Contingency

On June 3, 2021, a former property partner (the "Complainant") filed a Third-Party Complaint against the Company to enforce certain royalty interest in mining claims on a legacy project, not related to Nikolai, purportedly held by the Complainant. The hearing date for this case was recently re-set to the week of February 18, 2025.

The Company has made an assessment on the validity of the claims and, at this time, the probability and amounts of any potential loss resulting from such claims is not determinable and no amounts have been accrued for any potential liability resulting from this in these condensed interim consolidated financial statements.

The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The Company assesses our potential liability by analyzing our litigation and regulatory matters using available information. The Company develops our views on estimated losses in consultation with outside counsel handling our defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

Financial Instruments

a) Fair Value of Financial Instruments

The Company's financial instruments that are measured at fair market value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them are presented in the table below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

b) Equity Price Risk

The Company's marketable securities, which include investments in public entities, are susceptible to market price risk arising from uncertainties about future values of the investment securities. Company's senior management reviews marketable securities on a regular basis. The Company's Board of Directors reviews and approves all equity transaction decisions.

c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with large financial institutions.

d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable

settlement of transactions on the due date. Accounts payable and accrued liabilities, lease liability current portion and due to related parties are expected to be settled within 12 months of June 30, 2024.

e) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and other working capital items of $20,216 (December 31, 2023 – $532,274) denominated in US dollars. A ten percent change in the exchange rate would result in a $2,022 (December 31, 2023 – $53,227) impact to the Company's net loss and comprehensive loss. The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities.

f) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

g) Capital Management Risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners.

The Company is not currently subject to any external restrictions. As at June 30, 2024, there is no change in the management's approach of capital management from prior year.

Other Risks and Uncertainties

i) Exploration and Development Risk

The Company's properties are in early exploration stages and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting mineral exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that an ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit such as size, grade and proximity to infrastructure, commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors cannot be predicted and are beyond the control of the Company.

Beyond exploration and development risk, management is faced with a number of other risk factors. The more significant ones include:

ii) Financial Markets

Presently, the Company has been dependent on equity markets as its main source of operating working capital and funding for any advanced exploration and development activities that may be needed on its projects. The Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or if available, that it can be obtained on terms satisfactory to the Company.

iii) Metal Prices

The price of metals is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of nickel has been volatile over short periods of time due to speculative activities. The prevailing price of metals and speculation on future price of metals by the investing public can have strong impacts on the share prices of exploration companies like Alaska Energy Metals.

iv) Cash Flows

The Company currently has no revenue from its exploration operations. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are the sale of its marketable securities, equity capital or the offering of an interest in its projects to another party.

v) Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock.

vi) Trading Volume

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares. Trading volumes fluctuate with market conditions and seasons.

vii) Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

viii) Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

ix) Dependence on Management

The Company depends heavily on the business expertise of its management. There is risk to the Company's ability to execute its business plans if some or all of the current management team were to suddenly leave

the Company or become incapable of performing their individual and collective responsibilities. The Company has mitigated the risk of its managers leaving for other companies through competitive compensation, cash bonuses and by providing options to purchase Alaska Energy Metals stock. Despite mitigation measures the Company still depends heavily on its current management.

x) Title Risk

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

xi) Environmental

The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

xii) Laws and Regulations

The Company's exploration activities are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Newly Adopted Accounting Policies and Accounting Policy Pronouncements

Please refer to the condensed interim consolidated financial statements for the period ended June 30, 2024 on www.sedarplus.ca for newly adopted accounting policies and accounting policy pronouncements.

Advisory Committee

On July 29, 2024, the Company announced the reformulation of its Advisory Committee:

Paul Matysek: Mr. Matysek is a 30-year veteran of the mineral resource public markets. Paul is well-known as a strategic mineral resource developer and prolific deal maker. He is the Executive Chairman for a number of companies including Nano One Materials Corp (TSE: NANO) and LithiumBank Resources Corp. (TSX-V: LBNK).

Clark Penney: Mr. Penney is co-founder and Partner of Cypress Wealth Services, an Alaska and California-based wealth management firm with over $1 billion in assets under management. He serves as President of Penney Capital Inc., a consultancy that focuses on economic and business development for both the public and private sector.

Dan McGroarty: Mr. McGroarty advises companies in the resource sector, with a focus on strategic and critical materials and supply chains. A recognized subject-matter expert, Mr. McGroarty has provided testimony to the U.S. Senate and House of Representatives. Mr. McGroarty has served on the U.S. Department of Energy's Critical Materials Institute's Independent Advisory Board, held a presidential appointment at the Department of Defense, and served at the White House as Special Assistant to the President.

Peter Chilibeck: Mr. Chilibeck is an attorney that served for Falconbridge Limited, Northern Telecom Limited, and IMAX Corporation. As Managing Director and Senior Vice President & General Counsel of Llewellin Capital, Inc. he has practiced securities law, and played a key role in numerous financings, mergers and acquisitions.

Larry Cooper: Larry Cooper is a finance executive with deep roots and experience in commercial banking with the National Bank of Alaska and Wells Fargo and has held key corporate finance roles, particularly with Alaska Native Corporations.

Larry Hulbert: Dr. Hulbert is an internationally recognized expert in the metallogeny of mafic-ultramafic rocks and the platinum-group element and nickel-copper sulfide deposits that occur in them. Previously, he was Senior Research Scientist with the Geological Survey of Canada and has extensive industry experience, including working directly on the Company's Nikolai project for over 10 years.

Alex Steiner: Dr. Steiner has more than ten years of industry and academic experience exploring magmatic nickel-copper-platinum deposits and studying the petrology of large mafic magmatic systems. He is currently a Senior Geologist with Big Rock Exploration in Minnesota.

Disclosure of Outstanding Share Data

As at August 27, 2024, the Company had 119,638,537 common shares outstanding.

As at August 27, 2024, the Company has outstanding and exercisable share purchase options as follows:

Expiry Date	Number of Options Outstanding	Number of Options Exercisable		Exercise Price
September 30, 2024	130,500	130,500	$	0.90
February 28, 2025	148,000	148,000	$	1.35
November 23, 2025	124,000	124,000	$	1.05
February 24, 2027	245,000	245,000	$	0.65
July 7, 2028	1,600,000	1,600,000	$	0.52
August 17, 2028	2,200,000	2,150,000	$	0.46
January 30, 2029	3,175,000	2,925,000	$	0.405
April 19, 2029	275,000	218,750	$	0.195
	7,897,500	7,541,250		

As at August 27, 2024, the Company has outstanding and exercisable share purchase warrants as follows:

Expiry Date	Number of Warrants Outstanding		Exercise Price
May 30, 2024	199,017	$	0.28
July 27, 2025	8,056,250	$	0.80
July 27, 2025	1,007,750	$	0.60
August 4, 2025	3,818,750	$	0.80
August 4, 2025	158,100	$	0.60
August 23, 2025	192,100	$	0.80
November 24, 2025	3,913,858	$	0.80
December 28, 2025	140,000	$	0.39
May 3, 2026	1,265,000	$	0.80
July 11, 2027	2,434,250	$	0.20
July 18, 2027	17,563,074	$	0.20
	38,748,149		

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Director

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Director

Corri Feige
Director & Chairwoman, Corporate Governance Committee

Mark Begich
Director

Dave Cross, CPA
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

TSX Venture Exchange: **AEMC**
OTC Markets Group (OTCQB): **AKEMF**

CAPITALIZATION

(as at August 27, 2024)

Shares Authorized: Unlimited
Shares Issued: 119,638,537

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