WESTERN ALASKA MINERALS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(EXPRESSED IN UNITED STATES DOLLARS)

INTRODUCTION

The following Management's Disclosures and Analysis ("MD&A") is presented as at August 22, 2024, and provides an analysis of the financial results of Western Alaska Minerals Corp. ("WAM" or the "Company") for the three and six months ended June 30, 2024. It should be read in conjunction with the Company's condensed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2024, and the audited consolidated financial statements at December 31, 2023, and accompanying MD&A dated April 11, 2024. The Company's condensed interim consolidated financial statements and the financial information contained in this MD&A were prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. All amounts are expressed in U.S. dollars unless otherwise indicated (C$ - Canadian dollars). Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

The MD&A, particularly under the heading "Capital Resources", contains forward-looking statements that involve numerous risks and uncertainties. Forward-looking statements are not historical fact, but rather are based on the Company's current plans, objectives, goals, strategies, estimates, assumptions, and projections about the Company's industry, business and future financial results. The Company's actual results could differ materially from those discussed in such forward-looking statements.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

OVERALL PERFORMANCE

COMPANY OVERVIEW

Western Alaska Minerals Corp. (“WAM” or the “Company”) was incorporated in the province of British Columbia on April 8, 2020. The Company is a public company whose subordinate voting shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol “WAM”.

The head office of the Company is located at 3573 East Sunrise Drive, Suite 233, Tucson, Arizona, 85718 USA.

The Company has no substantial revenue and supports its operations through the sale of equity. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See section related to “Risk Factors” in this statement.

HIGHLIGHTS

In April and May 2024, the Company completed a brokered shelf prospectus offering and a non-brokered private placement that raised in aggregate gross proceeds of C$8.7 million by issuing 13,416,333 units at a price of C$0.65 per unit. Each unit consists of one subordinate voting share and one share purchase warrant. The proceeds are to be used to fund the Company’s 2024 exploration program and corporate overhead.

SUBORDINATE AND PROPORTIONAL VOTING SHARES

Pursuant to a 2021 reverse takeover transaction between WAM and Western Alaska Copper and Gold (“WACG”) the Company created a dual share structure with subordinate voting shares and proportional shares. The subordinate voting shares are listed for trading on the TSXV. The proportional shares are, in effect, subordinate voting shares compressed at the ratio of 100:1 which have voting and economic rights on an as-converted basis. The proportional shares are convertible to subordinate voting shares at the request of the shareholder and with the consent of the Company.

OUTLOOK

The Company is exploring to expand its mineral resources with additional drilling in 2024 by leveraging its completed geophysics study in 2023, together with the 2022 CSAMT survey and refined geologic model, which supports two major targets: The LH and Warms Springs targets, which are along the trend between the historic Illinois Creek Mine oxide Au/Ag deposit and the high-grade Waterpump Creek (“WPC”) deposit .

DISCUSSION OF OPERATIONS

The Company released its initial resource estimate of 74.9 MOZ @ 980 g/t Silver equivalent for its Waterpump Creek Zone in February 2024. And has been in preparation for its 2024 exploration drill program and focused its efforts with financing to support the drill program during its first quarter of 2024.

PROPERTY DESCRIPTIONS

Since 2010, WAM and its founders have been exploring and advancing its interests in the Illinois Creek mining district that includes gold, silver, copper, lead, and zinc exploration targets in Western Alaska east of the Yukon River.

Illinois Creek Project, Alaska: Claim Consolidation
On October 17, 2018, WACG and one of its shareholders, Joe Piekenbrock, entered into an Operating Agreement to form the Illinois Creek Joint Venture LLC (the "JV"). Pursuant to the JV Operating Agreement, WACG issued 346 WACG common shares valued at $692,000. On March 31, 2021, WACG and one of its shareholders, Joe Piekenbrock, entered into a stock purchase agreement (the "Illinois Creek Agreement"), whereby WACG acquired 100% of the issued and outstanding common shares of an Alaska private company, Piek Incorporated ("Piek"), in exchange for 120 WACG common shares (valued at $540,000) and $3,698,000 payable by the issuance of a promissory note.

Piek is the sole owner of 40 state mineral claims, known as the Illinois Creek Project, located in the Mount McKinley mining district of Alaska. Seventy (70) other Piek claims totaling approximately 11,350 acres were converted to a State of Alaska Uplands Mine Lease in July, 2024. An additional 86 claims were staked by WACG in 2021, after the acquisition of Piek, and 115 new claims were staked by WACG in 2022.

Illinois Creek/Waterpump Creek Property, Alaska
The Company's most advanced stage asset is the Illinois Creek oxide gold-silver project, a past-producing run of mine (ROM) heap leach mine that operated between 1997 and 2002. The Illinois Creek project includes a modern, fully operational camp and 4,400-foot airstrip. The current NI 43-101 mineral resource estimate dated February 20, 2024, for combined in-situ and leach pad mineral resources is stated at 253k oz gold + 9.6Moz silver (indicated), and 104k oz gold + 3.8Moz silver (inferred).

The Company's Waterpump Creek property is located within the Illinois Creek project. An exceptional high-grade silver-lead-zinc re-discovery was made in 2021, when the Company drill tested historically recognized sulfide CRD mineralization at depth. Drill hole WPC21-09 cut 10.5-meters (9.1 meters true thickness) of 522 g/t silver, 22.5% zinc and 14.4% lead of massive intergrown sphalerite and argentiferous galena down-dip of the historical drilling. This exceptional high-grade interval turned the focus on targeting the overall CRD (carbonate replacement deposit) potential on the property. An initial NI 43-101 resource estimate was released on February 22, 2024. The (2.4Mt) initial resource reveals an inferred 980 g/t AgEq for 74.9Moz AgEq hosting high-grade silver & zinc.

Honker Property, Alaska
The Honker Property is a gold-silver (Au-Ag) low sulfidation vein system discovered in 1981 located approximately six miles north of the Illinois Creek Mine. It consists of 24 state mineral claims, owned 100% by WACG, located in the Mount McKinley recording district of Alaska.

Round Top Property, Alaska
The Round Top property, located 15.5 miles NE of the Illinois Creek project, is a large copper-molybdenum-silver (Cu-Mo-Ag) porphyry system that includes both high grade copper surface discoveries and drill intercepts to a depth of 800 meters. Cu-Mo-Ag mineralization is associated with Cretaceous (+/- 74 Ma) age intrusive rocks. The Property consists of 92 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato recording districts of Alaska.

Khotol and Paw Print, Alaska
Khotol and Paw Print are the early exploration stage properties the Company staked in 2022. 16 claims for Khotol and 18 for Paw Print, both properties located northwest of the Illinois Creek Property.

MINERAL PROPERTY EXPLORATION

2024 EXPLORATION ACTIVITIES

The Company's Illinois Creek camp opened on May 14, 2024 and drilling commenced on June 6. The planned 4,000 meter drill program is nearly complete as of August 22. The 2024 exploration program utilized the Company's two new and wholly owned Multi-Power HD drill rigs. One full crew (day shift and night shift) moved between the two rigs that were stationed at LH and Warm Springs, respectively, to save rig move time.

Schedule of cumulative exploration and evaluation properties costs:

	Round Top Property	Honker Property	Illinois Creek Property	Paw Print Property(1)	Total
	$	$	$	$	$
December 31, 2022	**5,208,715**	**631,081**	**16,971,723**	**6,368**	**22,817,887**
Claim maintenance	72,600	19,800	63,864	5,610	161,874
DNR permit fees	150	150	150	-	450
Assays	-	-	224,525	-	224,525
Camp	-	-	557,884	-	557,884
Exploration labour/payroll costs	-	-	1,401,858	11,200	1,413,058
Consultant fees	-	-	365,916	-	365,916
Depreciation of equipment (Note 4)	-	-	271,030	-	271,030
Drilling	-	-	1,298,278	-	1,298,278
Equipment	-	-	143,899	-	143,899
Fuel	-	-	179,793	-	179,793
Fixed wing & fuel	-	-	653,077	-	653,077
Helicopter & fuel	-	-	283,057	-	283,057
Travel	-	-	153,505	-	153,505
Access route engineering	-	-	25,791	-	25,791
Other field expenses	-	-	131,339	-	131,339
December 31, 2023	5,281,465	651,031	22,725,689	23,178	28,681,363
Claim maintenance	-	-	181	-	181
DNR permit fees	-	-	7,208	-	7,208
Assays	-	-	7,460	-	7,460
Camp	-	-	70,427	-	70,427
Exploration labour/payroll costs	-	-	382,719	-	382,719
Consultant fees	-	-	58,629	-	58,629
Depreciation of equipment (Note 4)	-	-	219,942	-	219,942
Drilling	-	-	309,360	-	309,360
Equipment	-	-	24,785	-	24,785
Fuel	-	-	5,827	-	5,827
Fixed wing & fuel	-	-	103,411	-	103,411
Helicopter & fuel	-	-	46,367	-	46,367
Travel	-	-	50,673	-	50,673
Other field expenses	-	-	16,790	-	16,790
June 30, 2024	**5,281,465**	**651,031**	**24,029,468**	**23,178**	**29,985,142**

(1) Composed of Paw Print and Khotol properties

FINANCINGS

On May 14, 2024, the Company completed a non-brokered private placement, aggregate of 4,012,981 subordinate voting shares for gross proceeds of C$2.608 million, and paid cash commission of C$113,200 and issued 174,154 compensation warrants.

On April 26, 2024, the Company completed a brokered shelf prospectus offering, aggregate of 9,403,352 subordinate voting shares for gross proceeds of C$6.112 million, and paid cash commission of C$366,731 and issued 564,200 compensation warrants.

On September 1st and September 14th, 2023, the Company issued by non-brokered private placement, an aggregate of 822,553 subordinate voting shares for gross proceeds of C$1.686 million, and paid cash commission of C$2,399 and issued 1,170 finder warrants.

On May 4, 2023, the Company issued by a brokered private placement, an aggregate of 2,982,049 subordinate voting shares for gross proceeds of C$7 million, and paid cash commission of C$405,469 and issued 172,540 broker warrants.

USE OF PROCEEDS

The following table sets out the planned, actual and continued uses of proceeds of each of the above listed financings. As of the date of this MD&A, there have been no variances between the planned uses of proceeds as announced by the Company and the actual and continued planned uses of the proceeds.

Previous Financing	Proposed Use of Funds as Announced by Press Release	Actual Use of Funds	Variance
May 2023 Private Placement $7,007,815	To fund the Company's 2023 exploration program on the Property, including step-out drilling to expand the footprint of the bonanza silver-zinc-lead mineralization of the Waterpump Creek carbonate replacement deposit, explore targets identified by the 3D inversions of historical IP geophysical data and the CSAMT geophysical survey completed in 2022, and for general corporate purposes.	Exploration activities and general working capital purposes.	Nil
September 2023 Private Placement $1,686,234	To fund the Company's continuing exploration program, including drilling targets generated by the results of drill hole (LH23-05) and for general corporate purposes.	Exploration activities and general working capital purposes	Nil
April 2024 Brokered Private Placement $6,112,179	To fund the Company's 2024 exploration program and for general corporate purposes.	Exploration activities and general working capital purposes	Nil
May 2024 Private Placement $2,608,438	To fund the Company's 2024 exploration program and for general corporate purposes.	Exploration activities and general working capital purposes	Nil

EXERCISE OF STOCK OPTIONS

On June 17, 2024, the Company issued 190,000 subordinate voting shares, at an exercise price of $0.65, for gross proceeds of $123,500 on exercise of stock options.

On April 4, 2024, the Company issued 100,000 subordinate voting shares, at an exercise price of $0.65, for gross proceeds of $65,000 on exercise of stock options.

On November 30, 2023, the Company received $267,000 and issued 460,000 subordinate voting shares, at an exercise price of $0.58, in relation to stock option exercises.

On June 23, 2023, the Company received $17,000 and issued 25,000 subordinate voting shares, at an exercise price of $0.68, in relation to a stock option exercise.

On February 1, 2023, the Company received $9,000 and issued 20,000 subordinate voting shares, at an exercise price of $0.45, in relation to a stock option exercise.

EXERCISE OF WARRANTS

On July 16, 2024, the Company issued 50,000 subordinate voting shares, at an exercise price of $0.66, from gross proceeds of $32,880 on exercise of share purchase warrants.

On June 17, 2024, the Company issued 13,181 subordinate voting shares, at an exercise price of $0.47, from gross proceeds of $6,234 on exercise of share purchase warrants

On May 27, 2024, the Company issued 100,000 subordinate voting shares, at an exercise price of $0.66, from gross proceeds of $66,002 on exercise of share purchase warrants.

FINANCIAL RESULTS

OVERALL PERFORMANCE

During the three and six months ended June 30, 2024, the Company's main focus was the 2024 drilling season with planning and coordinating for site activities and human resources at the Company's Waterpump Creek property located within the Illinois Creek Project.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's most recent 8 quarterly result:

	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Expenses	$848,112	$752,199	$785,252	$897,373	$1,126,881	$1,444,646	$712,402	$636,728
Loss for the period	$853,941	783,853	819,003	922,383	1,173,737	1,445,786	708,357	623,471
Pre-RTO: Weighted Average number of subordinate voting shares outstanding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Post-RTO: Weighted Average number of subordinate voting shares outstanding	37,326,420	28,120,406	26,119,511	27,096,726	25,700,604	23,823,915	20,733,508	20,487,428
Weighted Average number of proportional shares outstanding	224,801	224,801	224,801	224,801	224,801	224,801	236,182	238,643
Loss per share	(0.02)	(0.03)	(0.03)	(0.03)	(0.04)	(0.06)	$(0.03)	$(0.04)
Exploration and evaluation assets – additions	$716,505	$560,191	$20,932	$767,248	$4,416,178	$659,118	$1,102,958	$3,774,137

Overall, during the eight recently completed quarters, the Company was in an expansion mode especially starting from the fourth quarter of 2021 whereby the Company incurred more substantial listing expenses as it was preparing to go public.

The Company's operating losses are due to Management fees, and consulting and marketing expenses for the Company's management team and its external resources to assist with the Company's engagement with its shareholders and increase in market exposure to the Capital markets. In addition, the Company issued stock options and restricted share units during the six months ended June 30, 2024 and were expensed as share-based payment.

Results of Operations for the Three Months ended June 30, 2024

The loss for the three months ended June 30, 2024 was $853,941 compared to $1,173,737 for the three months ended June 30, 2023. The decrease in the loss from 2023 to 2024 was mainly due to higher share-based payments and higher office expenses in 2023, as well as higher consulting fees in 2023.

Results of Operations for the Six Months ended June 30, 2024

The loss for the six months ended June 30, 2024 was $1,637,794 compared to $2,619,523 for the six months ended June 30, 2023. The decrease in the loss from 2023 to 2024 was primarily due to higher share-based payments and higher office expenses in 2023, as well as higher consulting fees in 2023.

Transaction with Related Parties

The Company's related parties include its subsidiaries, key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

Due to/from Related Parties

As of June 30, 2024, $693,061 (December 31, 2023 - $523,757) is included in accounts payable and accrued liabilities and $2,451,464 (December 31, 2023 - $2,819,083) in promissory note from amounts owing to related parties. Amounts owing to related parties and included in accounts payable and accrued liabilities are non-interest bearing and have no specific terms of repayment.

Key Management Personnel Compensation

Key management personnel include the Company's Board of Directors and members of senior management.

Three Months ended – June 30, 2024	Position	Cash Compensation	Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$ 48,482	$ 10,389
Nathan Brewer	Director	-	8,084
David Smallhouse	Director	-	8,084
Kevin Nishi	Director	-	8,084
Susan Mitchell	Director	9,000	15,276
A company controlled by Alex Tong	Former CFO	16,868	10,082
A company controlled by Darren Morgans	CFO	11,777	13,186
Joan Marrs	VP Operations	34,629	10,082
Joe Piekenbrock	Chief Exploration Officer	15,731	8,977
Andy West	VP Exploration	60,712	9,349
		$ 197,199	$ 101,593

Three Months ended – June 30, 2023	Position	Cash Compensation	Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$ 45,273	$ 23,039
Nathan Brewer	Director	-	18,041
David Smallhouse	Director	-	18,041
Gregory Anderson	Senior VP/Director	-	23,243
Kevin Nishi	Director	-	18,041
A company controlled by Alex Tong	Former CFO	25,598	22,733
Joan Marrs	VP Operations	32,338	22,733
Joe Piekenbrock	Chief Exploration Officer	28,555	22,630
		$ 131,764	$ 168,501

Six Months ended – June 30, 2024	Position	Cash Compensation	Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$ 120,476	$ 27,434
Nathan Brewer	Director	-	22,423
David Smallhouse	Director	-	22,423
Kevin Nishi	Director	-	22,423
Susan Mitchell	Director	18,000	21,498
A company controlled by Alex Tong	Former CFO	42,169	27,127
A company controlled by Darren Morgans	CFO	11,777	13,186
Joan Marrs	VP Operations	86,052	27,127
Joe Piekenbrock	Chief Exploration Officer	31,304	23,948
Andy West	VP Exploration	121,424	34,485
		$ 431,202	$ 242,074

Six Months ended – June 30, 2023	Position		Cash Compensation		Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$	90,706	$	100,832
Nathan Brewer	Director		-		77,727
David Smallhouse	Director		-		77,727
Gregory Anderson	Senior VP/Director		-		101,464
Kevin Nishi	Director		-		77,727
A company controlled by Alex Tong	CFO		51,013		99,884
Joan Marrs	VP Operations		64,790		99,884
Joe Piekenbrock	Chief Exploration Officer		70,743		99,568
		$	277,252	$	734,813

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table summarizes the fully diluted number of subordinate voting shares outstanding as at June 30, 2024 and the date of this MD&A:

	June 30, 2024 Undiluted	June 30, 2024 Fully diluted subordinate voting shares
Subordinate voting shares	41,939,920	41,939,920
Proportionate shares	224,801	22,480,100
Total Subordinate voting shares		64,420,020
Options	4,802,500	4,802,500
Restricted share units	88,538	88,538
Warrants	16,117,517	16,117,417
Fully Diluted Subordinate voting shares		85,428,575

	As at date of MD&A Undiluted	As at date of MD&A Fully diluted subordinate voting shares
Subordinate voting shares	41,989,920	41,989,920
Proportionate shares	224,801	22,480,100
Total Subordinate voting shares		64,470,020
Options	4,802,500	4,802,500
Restricted share units	88,538	88,538
Warrants	16,067,517	16,067,517
Fully Diluted Subordinate voting shares		85,428,575

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements.

Working Capital

As of June 30, 2024, the Company had working capital of $2,877,671 (December 31, 2023 – $235,871).

Cash

As of June 30, 2024, the Company had cash of $4,550,796 (December 31, 2023 - $1,191,561).

Cash Used in Operating Activities

Cash used in operating activities during the six months ended June 30, 2024, was $1,052,408. Cash was mostly spent on management fees, marketing fees, professional fees and consulting fees.

Cash Used in Investing Activities

During the six months ended June 30, 2024, the Company spent $1,276,696 on mineral properties exploration and $nil on equipment purchases for the camp.

Cash Generated by Financing Activities

During the six months ended June 30, 2024, the Company received a net of $5,688,656 from private placements, exercise of stock options and share purchase warrants and repayment of promissory note compared to $4,741,615 which the Company received from private placements and exercise of stock options during the six months ended June 30, 2023.

CAPITAL RESOURCES

The Company does not have any capital resource commitment expenditures as at the six months ended June 30, 2024.

GOING CONCERN

The recoverability of amounts shown as mineral exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the mineral property interests. Realized values may be substantially different than carrying values as recorded in these financial statements.

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At June 30, 2024, the Company had not achieved profitable operations, had an accumulated deficit of $11,878,349.

Requirement of Additional Equity Financing
The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Subordinate voting shares to finance its business operations. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL INSTRUMENTS

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI") or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value in net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of Financial Assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which applies a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows; the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Financial liabilities are designated as either (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position after inception and how changes in value are recorded.

Accounts payable and loans payable are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different; in which case a new financial liability based on the modified terms is recognized at fair value.

RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

<u>Credit Risk</u>
Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and amounts receivable. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, in guaranteed investment certificates, and in government treasury bills which are available on demand by the Company for its programs.

<u>Market Risk</u>
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest Rate Risk – The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) Foreign Currency Risk – The Company has identified its functional currencies as the US dollar and the US dollar. Business is transacted in Canadian dollars and US dollars. The Company maintains US dollar bank accounts in Canada and the United States to support the cash needs of its operations.

c) Commodity Price Risk – While the value of the Company's mineral properties is related to the price of gold and silver and the outlook for these minerals, the Company does not currently have any operating mines and therefore does not have any hedging or other commodity-based risks with respect to its operating activities.

Historically, the price of gold and silver has fluctuated significantly and is affected by numerous factors outside of the Company's control including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold and silver.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring, and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund acquisitions and its other activities. The risks and uncertainties described in the Company's year ended December 31, 2023, MD&A and can be found on www.sedarplus.ca. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of mineral properties are described in Note 4 of the consolidated financial statements.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

OFF-BALANCE SHEET TRANSACTIONS

There are no off-balance sheet transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting policies is included in Note 2 of the consolidated financial statements of the Company for the three and six months ended June 30, 2024.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

<u>Changes in Internal Control over Financial Reporting ("ICFR")</u>

In connection with National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuer's Annual and Interim Filings, adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying MD&A. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

<u>Management's Responsibility over Financial Statements</u>

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been property reflected in the financial statements.