



**AMERICAN EAGLE GOLD**

**American Eagle Gold Corp.**

Management's Discussion and Analysis  
For the three and nine months ended September 30, 2024

November 28, 2024

**(Expressed in Canadian Dollars)**

The following interim management's discussion and analysis ("Interim MD&A") of American Eagle Gold Corp. ("American Eagle", the "Corporation", or the "Company") (formerly Pacific Precious Inc.), for the three and nine months ended September 30, 2024 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion and analysis, being the management's discussion and analysis for the year ended December 31, 2023 ("Annual MD&A"). This Interim MD&A does not reflect any non-material events since the date of the Annual MD&A.

For the purposes of preparing this Interim MD&A, management, in conjunction with the board of directors of the Company (the Board), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This Interim MD&A should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2023 and 2022, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and 2023, together with the notes thereto.

Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

This Interim MD&A has been prepared with reference to the MD&A disclosure requirements established under National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) of the Canadian Securities Administrators. Additional information regarding American Eagle is available on its website at [www.americaneaglegold.ca](http://www.americaneaglegold.ca) or through the Company's SEDAR profile available at [www.sedarplus.com](http://www.sedarplus.com). However, the information on the website is not in any way incorporated in or made a part of this Interim MD&A. This Interim MD&A has been prepared as of November 28, 2024.

### **Scientific and Technical Information**

Mark Bradley, B.Sc, M.Sc., P.Geo., a Certified Professional Geologist and Qualified Persons as defined by NI 43-101, has reviewed and approved the scientific and technical content contained in this MD&A.

### **Corporate Overview and Update**

American Eagle was incorporated under the Business Corporations Act (Canada) on June 22, 2018. The Company's head office is located at Suite 1805, 55 University Avenue, Toronto, Ontario, M5J 2H7.

The Company's principal business is the acquisition and exploration of mineral properties. To date, the Company has not earned revenue as it is in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

### **Core Business Strategy**

American Eagle Gold is focused on exploring gold and copper deposits in North America. Its flagship project is the NAK copper property located in British Columbia.

The NAK Project is in the Babine copper-gold porphyry district of Central British Columbia. Historical drilling at NAK revealed a large near-surface copper-gold system measuring over 1.5 km x 1.5 km. Historical exploration was limited to shallow depths, averaging 170 m. In 2022 and 2023, American Eagle's drill

programs explored deeper and discovered significant copper-gold mineralization below, and to the east and west of historically defined mineralized zones. Very strong results from the 2023 drill program, including 500 m scale intervals of bornite-chalcopyrite-chalcocite mineralization within a distinct induced polarization ("IP") chargeability and resistivity signature, underpin the significant exploration potential that remains at NAK. In 2024, the Company plans to carry out a drill program with aims to expand upon the newly defined mineralization, and to continue to explore the remaining untested or shallowly tested ground that flanks the porphyry intrusion central to the property.

The NAK property is road accessible, and many target areas coincide with forest industry clear cuts. Drilling can be completed year-round, and no helicopter support is required. The NAK property is 85 kilometers from Smithers, BC, occurs in the Babine copper-gold porphyry district of west-central British Columbia, and is close to nearby Babine district deposits (Bell, Granisle). It is defined by a compelling geophysical signature that has similarities to classic porphyry systems (e.g. close association of airborne magnetic highs with annular IP chargeability highs).

### **Corporate Updates**

In May 2024, the Company announced a private placement offering of up to 7,884,615 charity flow-through common shares at a price of \$1.04 per share, for aggregate gross proceeds of up to \$8.2 million. These funds are earmarked for the advancement of the Company's NAK project, strategically situated in the prolific Babine Copper-Gold Porphyry district in central British Columbia.

In May 2024, the Company appointed Gordon Stothart to its board of directors following the retirement of Alexander Stewart from the board of directors. Mr. Stothart is an independent mining consultant and professional engineer whose career began as an Engineer in Training in 1987 at the Noranda (now Glencore) Bell Copper Mine in the Babine region of British Columbia, next door to American Eagle's NAK project. With over 35 years of management, operations, and technical experience in the mining industry, Gordon has managed numerous global projects from advanced exploration to production. Mr. Stothart was instrumental in constructing both the Antamina Mine in Peru and the Côté Gold mine in Ontario, Canada. Most recently, before becoming the CEO of IAMGOLD, Gordon served as the Chief Operating Officer of IAMGOLD from 2007 to 2020.

In July 2024, James Sykes was elected to the board of directors, replacing Kurt Breede who was not nominated for re-election. All other directors were re-elected.

In November 2024, the Company completed a strategic investment by a subsidiary of South32 Ltd., for \$29 million for 33,321,577 common shares of the Company, or approximately 19.9% of the issued and outstanding common shares of the Company, substantially increasing the available resources to the Company. The proceeds will be used to build on the successes of the 2024 drill program at NAK.

### **Current Exploration Activities:**

The 2024 drill program, which began in May 2024, was completed on October 15th, 2024, with 21 holes drilled for a total of 16,283 m. The objectives of the program were to integrate the Company's growing understanding of the relationship between the emplacement of multi-phase Eocene dikes and sills with reactive and permeable host rocks to form the extensive Nak mineralized system. The Company is continuing to develop models for geology, mineralization, alteration, and structure for the system, which form the basis for its ongoing planning. The expanded 2024 drill program, was aimed to link, better define, and expand upon the historical north and south zones, which the Company showed in its 2022 and 2023 drill programs to extend to considerable depths (close to 950 m below surface) along a strike length of 750 m and across a width of 400 m. Intercepts from 2023 include 900 m of 0.50% Copper Equivalent from surface in the north zone and 302 meters of 1.09% within 606 m of 0.74% Copper Equivalent starting from 98 meters downhole in the south Zone. Assay results from the majority of the holes are pending. Refer to *2024 Exploration Program* below for additional information.

## **Mineral Exploration Project and Current Period Update**

### **NAK, British Columbia**

#### **About NAK:**

The NAK Project is in the Babine copper-gold porphyry district of Central B.C. The poorly exposed NAK porphyry system was first recognized and initially drilled in the 1960's, and that early work revealed a large near-surface copper-gold system with dimensions exceeding 1.5 km x 1.5 km. Further historical drilling was undertaken in a number of programs in the intervening decades, but was limited to shallow depths, with the nearly 80 holes drilled prior to 2022 averaging only 170 m in depth. In 2022 and 2023, American Eagle's drill programs explored deeper along a N-S trend in the west-central part of this large system, intersecting significant copper and gold mineralization below, and marginal to, the best of the shallow historically defined mineralized zones. Very strong results from the 2023 drill program, including intervals exceeding 500m of bornite-chalcopyrite-chalcocite mineralization, have been intersected along a zone that possesses a distinct IP chargeability and resistivity signature. This zone underpins the significant exploration potential which remains at NAK, however it is just one part of a large and underexplored system that includes an undrilled geophysical trend to the east of and mirroring that which hosts the zone targeted by the Company in the past two seasons. An aggressive drill program is being planned for 2024, with the goals of expanding and connecting the zones which were the focus of work in 2022-23, enlarging near surface zones of higher-grade, and connecting the various higher grade zones intersected at depth. In addition, the Company plans to continue to explore, through focused geophysics and scout drilling, little-tested parts of this large porphyry system.

Exploration on the NAK dates back to the mid-1960s, and more than \$9 million had been spent prior to American Eagle's exploration programs.

#### **Historical Exploration**

- 1964-1971: Noranda Exploration completed soil and geophysical surveying and 28 BQ holes for 1837 m.
- 1973: Ducanex Resources conducted geophysical and geochemical surveying and 480 m in 8 holes.
- 1993-1997: Hera Resources carried out IP and magnetic surveying and drilled 71 BQ holes for 13,311 m. Core is covered and stored in the forest approximately 500 meters NNE of NAK22-05.
- 2008: Copper Ridge completed soil, IP and magnetic surveying and 1,265 m in 5 NQ holes. Core retained and stored in Smithers.
- 2010-2014: Copper Ridge and Redtail Metals completed a helicopter ZTEM and magnetic survey comprising 1,083 line-km and ground IP and magnetics.
- 2016-2019: Generation Mining re-logging B08-04 holes, preliminary metallurgy and several generations of soil sampling.
- 2021: NAK Mining digitized, analyzed, reinterpreted and modelled all historical data for the first time on this property. Independent geophysical and geochemical analysis was completed for historical data. The company was granted a five-year, multi-hole drill permit.

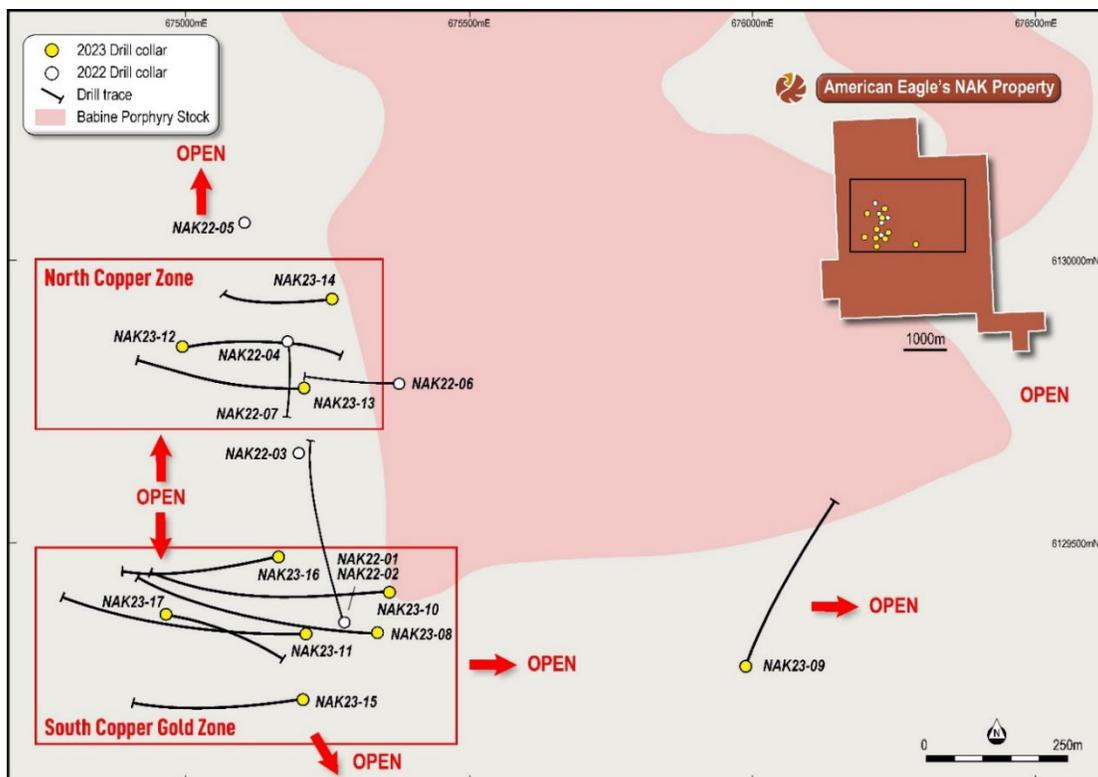
Historically, 105 diamond holes were completed for 18,475 m, averaging 175m in length and to an average vertical depth of 150 m. However, only four holes were drilled below 300m vertically and failed to test the top of the coincident magnetic and ZTEM anomaly, which starts at a depth of 500-600m.

The NAK property has excellent logistical advantages and can be accessed via well-maintained forest production roads from Topley Landing. The NAK copper-gold porphyry deposit occurs in the Stikine Island Arc Terrane, which hosts many copper porphyry deposits in British Columbia. In addition, NAK is associated with the Babine Intrusive Suite, which is of Eocene age and locally hosts the Bell, Granisle, Hearne Hill, and Dorothy/Duke copper-gold deposits.

## 2023 Exploration Program

NAK's 2023 exploration program was a planned 6,000-meter drill program that commenced in June 2023 and was subsequently expanded to a total of 7,881 meters. The objectives of the 2023 drill program were:

- Follow up on the 2022 drill program via east-west step-out drilling and begin to delineate the true size of the mineralized system
- Expand and better define the orientation and distribution of the higher-grade zones of dyke-hosted bornite mineralization
- Expand the known footprint of the high-grade at-surface south Gold Zone
- Step out and investigate the highly prospective southern margin of the main Babine Porphyry Stock



The implementation of the 2023 program deviated from the initial plan due to significantly longer and higher-grade intercepts than expected in the “southern copper gold zone.”

### Execution of the 2023 Drill Program

The 2023 drill program was highly successful. From June 15, 2023, to October 15, 2023, 7,881 meters were drilled in 10 diamond drill holes. Broad zones of copper-gold-molybdenum porphyry mineralization were encountered in every hole. Assay results were highly encouraging, with one of the best intersections to date (NAK23-12) returning 905 meters of 0.5% copper equivalent (See news release dated October 17, 2023). Mineralization was encountered at moderate depth to the west of the south Gold Zone, expanding the system's footprint. Additionally, NAK23-09, drilled approximately 650 meters to the east of the south Gold Zone, intercepted 117 meters of 0.40 % copper equivalent, with significant gold and molybdenum, starting from the surface. This newly identified southern margin zone will be an additional focus for exploration in 2024.

In September 2023, a deep-looking reconnaissance IP survey consisting of three lines running diagonally from the southwest to the northeast, across the property's main target area, was completed. This survey identified a middling chargeability “shoulder” in between the low-chargeability Babine Porphyry stock and

the high-chargeability pyritic halo that correlates well with the strongest copper-gold grades. NAK23-17, the last hole of 2023, targeted this IP-shoulder, and returned the strongest grades on the property to date, including 302 m of 1.09% copper equivalent, within 606 m of 0.74 copper equivalent.

### **2024 Exploration Program**

Drilling for the 2024 exploration program commenced on May 27, 2024, with one drill, and a second drill was added on June 7, 2024. In the middle of June, there was field work done which included a soil sampling program undertaken across the eastern side of the Babine Porphyry stock, a geological mapping program over the bulk of the property, and an IP program over the southern margin of the Babine Porphyry stock. One of the main focuses of the 2024 program is collecting data on the cross-cutting relationships of the complex diking and mineralization for future interpretations.

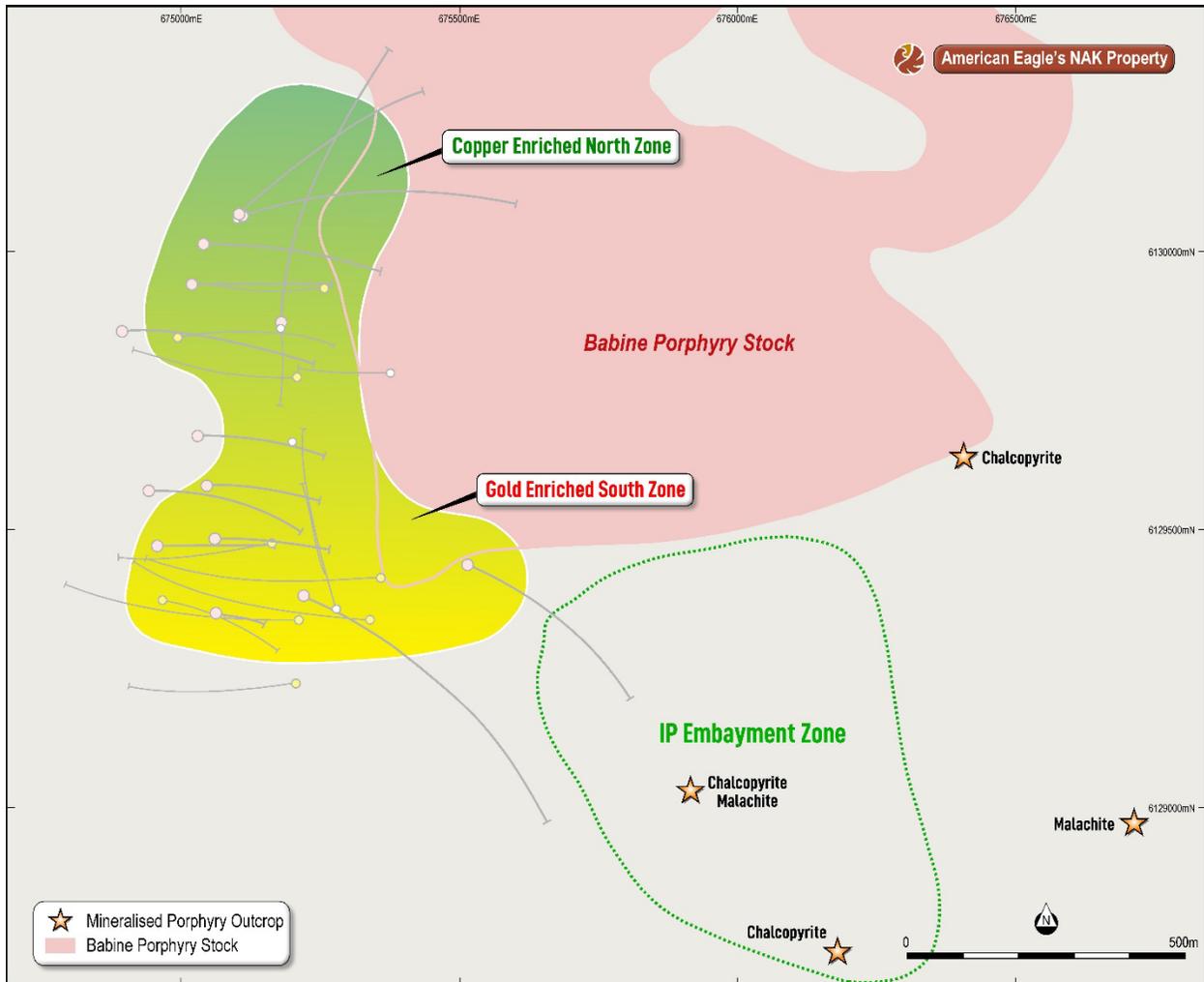
Initiated in late-June 2024, a geologic mapping program started with a focus on the center of the Babine Porphyry stock before expanding outwards into areas where little-to-no historical geologic information existed. The program discovered numerous outcrops, that were absent from historical maps, and that are expected to improve the Company's understanding of the NAK property. The results of the mapping program are currently undergoing internal review.

The soil sampling program surveyed the eastern extent of the Babine Porphyry stock to expand and infill the known surface geochemistry. A total of 196 soil samples were taken on E-W lines, with 50 m station spacing and 150 m line spacing, to infill a lack of existing soil sample geochemistry on the eastern margins of the Babine Porphyry stock. Whenever an outcrop was found during this program, rock samples were also taken in collaboration with the surficial geological mapping program.

Lastly, a vein paragenesis study was conducted using the 2024 drill core that constructed a relative geologic chronology of the NAK System and has potentially identified insight into additional mineralization. The results of this study are currently undergoing internal review.

On August 20, 2024, the Company published the first set of assay results from the 2024 drill program which included results that significantly expanded the known extents of the at-surface high-grade "Gold Zone", an area previously termed the South or Stockwork zone. Refer to the August 20, 2024 news release for additional information.

The 2024 Drill program was completed on October 15th, 2024, with 21 holes drilled for a total of 16,283 m. The 2024 Program was successful in further defining the broad mineralized footprint along the south western margin of the Babine Porphyry stock, as well as discovering additional mineralization extending towards the IP embayment zone south of the Porphyry stock. To the north of the main drilling area, several 100 m+ intercepts of novel mineralized felsic dyking was encountered, hosting abundant bornite/chalcopyrite disseminations, with local zones of chalcocite rimming bornite grains.



On October 21, the second news release from the 2024 the season was published, containing results for holes NAK24-22,24,25,26, and 28. NAK24-28 included 101 m of 1.11 % CuEq from 47 m depth, pushing the extends of the high grade south gold zone further to the east. NAK24-24 Indicated strong continuity of moderate grade from the northern extend of the high-grade gold south zone, to a depth of 980 m, beneath the copper rich north zone. NAK24-26 intercepted similar grade extending to the northeast from the same collar location to a depth of 586 m. Refer to October 21 News Release for more details.

As of the date of this MD&A, results from the remaining 11 holes are pending, and work is currently underway on developing a geological model, as well as an alteration and mineralization model to guide future hole planning.

## REVIEW OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

### Three months ended September 30, 2024 and 2023

For the three months ended, September 30, 2024, the Company recognized a net loss before taxes of \$5 million compared to the prior year period net loss before taxes of \$2.3 million. The increase was due to the increase in exploration and evaluation expenditures at NAK, as 2024 comprised of evaluation and planning workflows, whereas in 2023, expenditures included the completion of assays from the 2022 drill program.

<i>Period ended</i>	<b>September 30, 2024</b>	<b>September 30, 2023</b>	<b>Change</b>
<b>EXPENSES</b>			
Exploration and evaluation expenses	<b>\$4,344,541</b>	\$2,005,002	\$ 2,339,539
Consulting and management fees	<b>135,927</b>	101,491	34,436
Office, general and administrative	<b>20,846</b>	25,207	(4,361)
Amortization	<b>3,277</b>	-	3,277
Audit, accounting and legal	<b>31,410</b>	20,604	10,806
Transfer agent, filing fees and shareholder communications	<b>49,417</b>	41,164	8,253
Share-based compensation	<b>608,430</b>	166,213	442,217
Interest Income	<b>(132,103)</b>	(46,872)	(85,231)
Unrealized loss (gain) on investment	-	30,000	(30,000)
<b>TOTAL EXPENSES</b>	<b>\$5,061,745</b>	\$2,342,809	\$2,718,936

- Exploration expenses increased by \$2.3 million due to the nature of work in the period, such that 2024 was comprised of a 2 drill program at NAK with additional ground and geophysical surveys compared to a 1 drill program in 2023. Refer to the *2024 Exploration Program* section above for additional information.
- Consulting and management fees increased due to the Company's increased activity in progressing the NAK Project.
- Audit, accounting, and legal expenses increased due to activity in the current period relating in progressing the NAK Project.
- Share-based compensation increased due to options granted during the period, the timing and quantum of options issued, and the resulting vesting period.
- Unrealized gain on investment represents the revaluation of publicly listed securities and reflects the change in the market value during the current period.
- Interest income increased as a result of more funds on hand.

**Nine months ended September 30, 2024 and 2023**

For the nine months ended September 30, 2024, the Company has a net loss before taxes of \$7.9 million compared to the prior year period net loss before taxes of \$3.7 million. The net loss was driven by the exploration and evaluation work during the period, being the 2024 drill program at NAK.

<i>Period ended</i>	<b>September 30, 2024</b>	<b>September 30, 2023</b>	<b>Change</b>
<b>EXPENSES</b>			
Exploration and evaluation expenses	<b>\$6,489,980</b>	\$2,960,275	3,529,705
Consulting and management fees	<b>397,652</b>	309,344	88,308
Office, general and administrative	<b>111,232</b>	38,324	72,908
Amortization	<b>4,370</b>	-	4,370
Audit, accounting and legal	<b>71,824</b>	81,859	(10,035)
Transfer agent, filing fees and shareholder communications	<b>194,286</b>	168,867	25,419
Share-based compensation	<b>1,004,430</b>	236,743	767,687
Interest Income	<b>(312,896)</b>	(87,433)	(225,463)
Unrealized loss (gain) on investment	<b>(75,000)</b>	30,000	(105,000)
<b>TOTAL EXPENSES</b>	<b>\$7,885,878</b>	<b>\$3,737,979</b>	<b>4,147,899</b>

- Exploration expenses increased by \$3.5 million due to the increased scale of the drilling campaign in 2024 with an additional drill over 2023. Refer to the *2024 Exploration Program* section above for additional information.
- Consulting and management fees increased due to the Company's increased activity in progressing the NAK Project.
- Office, rent and general increased due to increased corporate activity in progressing the NAK Project.
- Share-based compensation increased due to options granted to Directors and Employees, the timing and quantum of options issued, and the resulting vesting period.
- Unrealized gain on investment represents the revaluation of publicly listed securities and reflects the change in the market value during the current period.
- Interest income increased as a result of more funds on hand.

## Summary of Quarterly Results

The following is a summary of American Eagle's financial results on a quarterly basis for the last eight quarters:

	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Total assets	<b>\$10,149,316</b>	\$13,975,942	\$ 6,202,246	\$4,714,319
Total liabilities	<b>2,848,144</b>	3,497,403	1,123,124	1,191,077
Total shareholders' equity	<b>7,301,172</b>	10,478,539	5,079,122	3,523,242
Total revenue	-	-	-	-
Total expenses	<b>5,061,745</b>	2,353,080	471,053	2,525,753
Net loss	<b>(3,786,798)</b>	(1,717,807)	(394,476)	(2,249,953)
Basic and diluted net loss per share	<b>(0.03)</b>	(0.01)	(0.00)	\$(0.02)

	<b>September 30, 2023</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Total assets	\$4,858,911	\$4,352,565	\$1,792,244	\$1,166,142
Total liabilities	1,775,839	1,571,869	205,742	1,193,226
Total shareholders' equity	3,083,072	2,780,696	1,586,502	(27,084)
Total revenue	-	-	-	-
Total expenses	2,342,809	848,253	546,917	798,249
Net loss	(1,567,809)	(688,253)	(546,917)	(798,249)
Basic and diluted net loss per share	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)

There are no known trends in the expenditures incurred by the Company. Total assets and shareholders' equity have fluctuated based on the timing of equity financing activities, offset by the execution of exploration and evaluation programs. Total expenses have fluctuated based on the timing of exploration and evaluation programs which is dependent on the timing of permits and availability of contractors to carry out the planned work.

## Liquidity and Financial Condition

Due to the nature of the junior mineral exploration business, the Company relies upon external financing to fund its ongoing business activities. Financing options are continually being evaluated and pursued by the Company, such as the issuance of share capital and/or debt financing. The Company's ability to continue as a going concern is dependent upon financing arrangements for its business activities. As with any business in this industry, there are uncertainties associated with its ability to raise additional financing through private placements, or other sources to fund these activities. As such, the Company is subject to liquidity risks.

As at September 30, 2024, the Company had working capital of \$8.3 million compared to December 31, 2023 when it had a working capital of \$3.4 million. As at September 30, 2024, the Company had \$9.9 million in current assets, an increase of \$5.3 million from December 31, 2023 as a result of equity financings, spending in the current period and a reduction of outstanding accounts payable and accrued liabilities. As at September 30, 2024, the Company's current liabilities totaled \$2.8 million, which included \$1.25 million pertaining to -flow through share premium liability, and as at September 30, 2024, other long-term liabilities totaled \$Nil.

The Company had a cash balance of \$9.4 million as at September 30, 2024, an increase of \$5 million from \$4.4 million as at December 31, 2023. In the period ended 2024, cash used in operating activities was \$5.7 million compared to \$3.7 million in the prior year period. Cash provided by financing totalled \$10.8 million

due to completed exercised warrants and options, compared to \$7.6 million from proceeds from the issuance of units in the last period.

In November 2024, the Company completed a strategic investment by a subsidiary of South32 Ltd., for \$29 million, substantially increasing the available resources to the Company. The proceeds will be used to build on the successes of the 2024 drill program at NAK.

### **Key management personnel compensation**

Key management includes the Company's directors, officers, and employees, with the authority and responsibility for either directly or indirectly planning, directing, and controlling the activities of the Company. Compensation awarded to key management during the three and nine months ended September 30, 2024 and 2023 include:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Management and consulting fees	<b>\$103,203</b>	\$74,944	<b>\$306,159</b>	\$235,111
Share-based payments	<b>385,202</b>	117,008	<b>671,202</b>	162,464
	<b>\$488,405</b>	\$191,953	<b>\$977,361</b>	\$397,575

Standard Ore is controlled by a director of the Company. Standard Ore provides corporate and administrative services to the Company, including office space. For the three and nine months ended September 30, 2024, Standard Ore charged the Company \$30,000 and \$90,000, respectively (three and nine months September 30, 2023 – \$30,000 and \$90,000, respectively) in management fees, which is included in the amounts in the above chart.

The following is the balance due to related parties as at:

	September 30, 2024	December 31, 2023
Due to Standard Ore Corporation	\$ 833	\$ 833
Due to QC Copper and Gold Inc.	4,592	-
	<b>\$5,425</b>	\$833

All of the amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Refer to Note 6 of the Financial Statements for details of the option agreement with Orecap on the NAK Property.

As at September 30, 2024, the Company held 3,000,000 common shares of Orecap at a fair value of \$180,000 (December 31, 2023 – 3,000,000 common shares -\$120,000) based on the quoted market price of the Orecap shares. The Company has directors who are in common with Orecap.

For the three and nine months ended September 30, 2024, a person related to a director of the Company provided services to the Company for \$2,900 and \$8,700, respectively. (three and nine months ended September 30, 2023 - \$2,600 and \$7,800, respectively).

## **FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### ***Fair value of financial instruments***

The fair value of financial instruments approximates their carrying value due to the short-term maturity of these instruments. As at September 30, 2024 and December 31, 2023, the Company's investment is classified as Level 1 in the fair value hierarchy.

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Amounts receivable are due from the Government and the Company believes the risk of loss related to these is remote. The Company's exposure to credit risk is on its cash held in bank accounts. Cash is held with major banks in Canada. Management assesses the credit risk of cash and related party receivable as remote.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

### ***Currency and interest rate risk***

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currency giving rise to this risk is the US dollar.

### ***Market price risk***

The Company was exposed to market risk relating to its investment and unfavourable market conditions could result in dispositions of its investment at less than favourable prices. The Company's investment is comprised of a publicly-traded corporation. The Company's investment is subject to fair value fluctuations. As at September 30, 2024, if the fair value of the investments fluctuated by 10% all other factors held constant, consolidated net loss would change by approximately \$8,000 (2023 - \$10,500).

### **Classification of financial instruments**

Financial assets included in the statement of financial position are as follows:

	September 30, 2024	December 31, 2023
<b>Financial assets at amortized cost:</b>		
Cash	\$9,386,301	\$4,393,661
Amounts receivable	386,465	123,378
<b>Financial assets at FVPL:</b>		
Investment in Orecap	180,000	105,000
	<b>\$9,952,766</b>	<b>\$4,618,562</b>

	September 30, 2024	December 31, 2023
<b>Financial liabilities at amortized cost:</b>		
Accounts payable and accrued liabilities	\$1,590,545	\$311,244
Due to related party	5,425	833
	<b>\$1,595,970</b>	<b>\$312,077</b>

### **Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns to shareholders and benefits to other stakeholders. The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management in the period.

### **Equity Securities Issued and Outstanding**

As at November 28, 2024:

167,445,111 common shares issued and outstanding  
 16,305,000 incentive stock options outstanding  
 3,151,994 warrants outstanding

### **Corporate Governance Matters**

The Company has an independent audit committee and a compensation committee that meets periodically as required to review and approve financial statements and to approve management compensation.

### **Commitments and Contingencies**

(i) Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. As at September 30, 2024, the Company is committed to spend a further \$4.4 million by December 31, 2024, to utilize funds raised from the issuance of flow-through shares. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation.

The Company has indemnified the subscribers of the flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

(ii) The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made and expects to make expenditures in the future to comply with such laws and regulations.

#### **Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Risks and Uncertainties**

American Eagle's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

#### **Capital Requirements**

The Company will require significant capital in order to fund its operating costs and to explore and develop any project. American Eagle has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. American Eagle will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to American Eagle or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of American Eagle, the interests of shareholders in the net assets of American Eagle may be diluted. Any failure of American Eagle to obtain financing on acceptable terms could have a material adverse effect on American Eagle's financial condition, prospects, results of operations and liquidity and require American Eagle to cancel or postpone planned capital investments.

#### **Dependence on Mineral Exploration Projects**

Any adverse development affecting the progress of Company's exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company and its business or prospects.

#### **Metal Prices**

The development and success of any project of the Company will be primarily dependent on the future spot prices of copper and gold (and other metals). The copper and gold spot prices, like any other commodity, is subject to significant fluctuation and is affected by a number of factors, which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. Future serious gold price declines could cause any future development of and commercial production from the Company's projects to be impracticable.

### **Government Regulation, Permits and Licenses**

The Company's mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral projects.

Where required, obtaining necessary permits and licenses can be a complex, time-consuming process and the Company cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral projects may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties.

imposed for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing projects or require abandonment or delays in development of new mining projects.

### **Competition**

The mining industry is competitive in all its phases. The Company faces strong competition from other exploration and mining companies in connection with the acquisition of projects producing or capable of producing precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than American Eagle. As a result of this competition, American Eagle may be unable to maintain or acquire attractive mining projects on terms it considers acceptable or at all. Consequently, the financial condition and any future revenues and operations of American Eagle could be materially adversely affected.

### **Exploration, Development and Operational Risk**

The exploration for, and development of, mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few projects, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on several factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in American Eagle not receiving

an adequate return on invested capital.

The Company does not currently operate a mine on any of its projects. There is no certainty that the expenditures made by American Eagle towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore. Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or project, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

### **Reliance on Management and Key Employees**

The success of the operations and activities of American Eagle is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. American Eagle does not have in place formal programs for succession of management and training of management, nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect American Eagle's operations and financial performance.

### **No Assurance of Titles, Boundaries or Approvals**

Titles to American Eagle's projects may be challenged or impugned, and title insurance is generally not available. American Eagle's mineral projects may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, American Eagle may be unable to operate its projects as permitted or to enforce its rights with respect to its projects. American Eagle cannot assure that it will receive the necessary approval or permits to exploit any or all its mineral projects in the future. The failure to obtain such permits could adversely affect American Eagle's operations.

### **Environmental Risks and Hazards**

All phases of American Eagle's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect American Eagle's operations. Environmental hazards may exist on the projects in which American Eagle holds interests which are unknown to American Eagle at present and which have been caused by previous or existing owners or operators of the projects.

### **Uninsured Risks**

American Eagle's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral projects or production facilities, personal injury or death, environmental damage to American Eagle's projects or the projects of others, delays in development or mining, monetary losses and possible legal liability. Although American Eagle maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. American Eagle may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution

or other hazards as a result of exploration is not generally available to American Eagle on affordable and acceptable terms. American Eagle might also become subject to liability for pollution or other hazards which may not be insured against or which American Eagle may elect not to insure against because of premium costs or other reasons. Losses from these events may cause American Eagle to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

### **Evaluation of Disclosure Controls and Procedures**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited interim condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim condensed consolidated financial statements; and (ii) the unaudited interim condensed consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited interim condensed consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Cautionary Note Regarding Forward-Looking Statements**

Certain of the statements made and information contained herein is "forward-looking information". 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. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "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 connotation thereof. 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 and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its projects and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- uncertainties relating to receiving exploration permits;
- the impact of increasing competition;
- unpredictable changes to the market prices for minerals;
- exploration and developments costs for its projects;
- availability of additional financing and opportunities for acquisitions or joint-venture partners;
- anticipated results of exploration and development 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 below and elsewhere in this MD&A and Financial Statements and Notes to the Financial Statements as at September 30, 2024 and the Annual MD&A and Financial Statements and Notes to the Financial Statements as at December 31, 2023, uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral and oil and gas operations; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and farm-in or joint venture partners and unpredictable weather conditions. Although the Company has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

***"Stephen Stewart"***  
*On behalf of American Eagle's Board of Directors*