



## **AMERICAN EAGLE GOLD**

**American Eagle Gold Corp.**

### **Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2024, and 2023

*(Unaudited - Expressed in Canadian Dollars)*

#### **Notice of No Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed consolidated interim financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not performed an audit or review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

**American Eagle Gold Corp.**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Unaudited – Expressed in Canadian dollars)

| As at   | Notes | September 30,<br>2024 | December 31,<br>2023 |
|---|-------|-----------------------|----------------------|
| <b>ASSETS</b>                                     |       |                       |                      |
| <b>Current</b>                                    |       |                       |                      |
| Cash  |       | <b>\$9,386,301</b>    | \$4,393,661          |
| Amounts receivable                                |       | <b>386,465</b>        | 119,901              |
| Prepaid expenses and deposits                     |       | <b>119,181</b>        | 45,239               |
| <b>Total current assets</b>                       |       | <b>9,891,947</b>      | 4,558,801            |
| Reclamation deposit                               |       | <b>55,518</b>         | 50,518               |
| Equipment   |       | <b>21,851</b>         | -                    |
| Investment  | 5     | <b>180,000</b>        | 105,000              |
| <b>TOTAL ASSETS</b>                               |       | <b>\$10,149,316</b>   | \$5,714,319          |
| <b>LIABILITIES</b>                                |       |                       |                      |
| <b>Current</b>                                    |       |                       |                      |
| Accounts payable and accrued liabilities          |       | <b>1,590,545</b>      | 311,244              |
| Due to related parties                            | 10    | <b>5,425</b>          | 833                  |
| Flow-through share premium liability              | 7     | <b>1,252,174</b>      | 879,000              |
| <b>TOTAL LIABILITIES</b>                          |       | <b>2,848,144</b>      | 1,191,077            |
| <b>SHAREHOLDERS' EQUITY</b>                       |       |                       |                      |
| Share capital                                     | 9     | <b>24,166,114</b>     | 14,990,643           |
| Share-based reserve                               | 9     | <b>2,922,601</b>      | 2,421,061            |
| Deficit   |       | <b>(19,787,543)</b>   | (13,888,462)         |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 |       | <b>7,301,172</b>      | 3,523,242            |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |       | <b>\$10,149,316</b>   | \$4,714,319          |

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Note 11)

Approved on behalf of the Directors:

*"Anthon Moreau"*

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Anthony Moreau – Director

*"Stephen" Stewart"*

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Stephen Stewart – Director

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**American Eagle Gold Corp.**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
(Unaudited – Expressed in Canadian dollars)

| <i>For the periods ended</i>                                 | <i>Notes</i> | <b>Three months ended<br/>September 30</b> |             | <b>Nine months ended<br/>September 30</b> |                    |
|--|--------------|--|-------------|---|--------------------|
|  |              | <b>2024</b>                                | <b>2023</b> | <b>2024</b>                               | <b>2023</b>        |
| <b>EXPENSES</b>  |              |  |             |   |                    |
| Exploration and evaluation expenses                          | <b>6,9</b>   | <b>\$4,344,541</b>                         | \$2,005,002 | <b>\$6,489,980</b>                        | \$2,960,275        |
| Consulting and management fees                               | <b>9</b>     | <b>135,927</b>                             | 101,491     | <b>397,652</b>                            | 309,344            |
| Office, general and administrative                           |              | <b>20,846</b>                              | 25,207      | <b>111,232</b>                            | 38,324             |
| Amortization   |              | <b>3,277</b>                               | -           | <b>4,370</b>                              | -                  |
| Audit, accounting and legal                                  |              | <b>31,410</b>                              | 20,604      | <b>71,824</b>                             | 81,859             |
| Transfer agent, filing fees and shareholder communications   |              | <b>49,417</b>                              | 41,164      | <b>194,286</b>                            | 168,867            |
| Share-based compensation                                     | <b>9,10</b>  | <b>608,430</b>                             | 166,213     | <b>1,004,430</b>                          | 236,743            |
| Interest (Income)  |              | <b>(132,103)</b>                           | (46,872)    | <b>(312,896)</b>                          | (87,433)           |
| Unrealized loss (gain) on investment                         | <b>5</b>     | -  | 30,000      | <b>(75,000)</b>                           | 30,000             |
| <b>TOTAL EXPENSES</b>  |              | <b>\$5,061,745</b>                         | \$2,342,809 | <b>\$7,885,878</b>                        | \$3,737,979        |
| <b>Loss from operations for the period</b>                   |              | <b>5,061,745</b>                           | 2,342,809   | <b>7,885,878</b>                          | <b>3,737,979</b>   |
| <b>Deferred income tax recovery</b>                          |              |  |             |   |                    |
| Flow-through share premium liability recovery                | <b>7</b>     | <b>(1,274,947)</b>                         | (775,000)   | <b>(1,986,797)</b>                        | <b>(935,000)</b>   |
| <b>NET LOSS FOR THE PERIOD</b>                               |              | <b>\$3,786,798</b>                         | \$1,567,809 | <b>\$5,899,081</b>                        | <b>\$2,802,979</b> |
| <b>Weighted average number of shares - basic and diluted</b> |              | <b>132,864,112</b>                         | 95,037,356  | <b>133,063,359</b>                        | <b>87,339,611</b>  |
| <b>(Loss) per share – basic and diluted</b>                  |              | <b>(0.03)</b>                              | \$(0.02)    | <b>\$(0.04)</b>                           | <b>\$(0.03)</b>    |

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**American Eagle Gold Corp.**  
**Condensed Consolidated Interim Statements of Changes in Equity**  
(Unaudited - Expressed in Canadian dollars)

|  | <b>Number<br/>of shares</b> | <b>Amount</b>        | <b>Share-based<br/>Reserve</b> | <b>Retained<br/>Earnings<br/>(Deficit)</b> | <b>Total<br/>Equity</b> |
|--|-----------------------------|----------------------|--------------------------------|--|-------------------------|
| <b>Balance at December 31, 2022</b>          | <b>70,224,291</b>           | <b>\$7,108,612</b>   | <b>\$1,699,834</b>             | <b>(8,835,530)</b>                         | <b>70,224,291</b>       |
| Loss for the period                          | -                           | -                    | -                              | (2,802,979)                                | (2,802,979)             |
| Shares issued on private placement           | 31,580,950                  | 4,977,766            | 442,627                        | -  | 5,420,393               |
| Warrant exercised                            | 399,997                     | 56,000               | -                              | -  | 56,000                  |
| Share-based payments                         | -                           | -                    | 236,743                        | -  | 236,743                 |
| <b>Balance at September 30, 2023</b>         | <b>102,205,238</b>          | <b>\$12,342,377</b>  | <b>\$2,379,204</b>             | <b>\$(11,638,509)</b>                      | <b>\$3,083,072</b>      |
| <b>Balance at December 31, 2023</b>          | <b>114,812,629</b>          | <b>\$14,990,643</b>  | <b>\$2,421,061</b>             | <b>\$(13,888,462)</b>                      | <b>\$3,523,242</b>      |
| Loss for the period                          | -                           | -                    | -                              | (5,899,081)                                | (5,899,081)             |
| Shares issued on private placement           | 7,866,571                   | 5,276,837            | 184,574                        | -  | 5,461,411               |
| Shares issued for exploration and evaluation | 330,624                     | 261,131              | -                              | -  | 261,131                 |
| Stock options exercised                      | 445,000                     | 118,887              | (40,387)                       | -  | 78,500                  |
| Warrants exercised                           | 9,608,535                   | 3,518,616            | (647,077)                      | -  | 2,871,539               |
| Share-based payments                         | -                           | -                    | 1,004,430                      | -  | 1,004,430               |
| <b>Balance at September 30, 2024</b>         | <b>133,033,359</b>          | <b>\$ 24,166,114</b> | <b>\$ 2,922,601</b>            | <b>\$(19,787,543)</b>                      | <b>\$ 7,301,172</b>     |

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**American Eagle Gold Corp.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Expressed in Canadian dollars)

| <i>For the nine months ended</i>                | <b>September 30,<br/>2024</b> | <b>September 30,<br/>2023</b> |
|---|-------------------------------|-------------------------------|
| <b>Operating activities</b>                     |                               |                               |
| (Loss) for the period                           | <b>\$ (5,899,081)</b>         | \$(2,802,979)                 |
| Items not involving cash                        |                               |                               |
| Flow-through premium liability recovery         | <b>(1,986,797)</b>            | (935,000)                     |
| Amortization                                    | <b>4,370</b>                  | -                             |
| Share-based payments                            | <b>1,004,430</b>              | 236,743                       |
| Unrealized loss on investment                   | -                             | 30,000                        |
| Unrealized gain on investment                   | <b>(75,000)</b>               | -                             |
| Shares issued for exploration and evaluation    | <b>261,131</b>                | 200,000                       |
| Changes in non-cash working capital items       |                               |                               |
| Prepaid expenses                                | <b>(73,942)</b>               | (15,833)                      |
| Amounts receivable                              | <b>(266,564)</b>              | 131,587                       |
| Due from related party                          | <b>4,592</b>                  | 1,512                         |
| Accounts payable and accrued liabilities        | <b>1,279,301</b>              | (581,885)                     |
| Net cash used in operating activities           | <b>\$(5,747,560)</b>          | \$(3,735,855)                 |
| <b>Financing activities</b>                     |                               |                               |
| Stock options exercised                         | <b>78,500</b>                 | -                             |
| Share issued on hard-dollar private placement   | -                             | 1,926,663                     |
| Share issued on flow through private placements | <b>7,821,382</b>              | 5,583,547                     |
| Warrants exercised                              | <b>2,871,539</b>              | 56,000                        |
| Net cash provided by financing activities       | <b>\$10,771,421</b>           | \$7,566,209                   |
| <b>Investing activities</b>                     |                               |                               |
| Purchase of equipment                           | <b>(26,221)</b>               | -                             |
| Reclamation deposit                             | <b>(5,000)</b>                | (14,000)                      |
| Net cash used in investing activities           | <b>\$(31,221)</b>             | \$(14,000)                    |
| <b>Net increase in cash</b>                     | <b>4,992,640</b>              | 3,816,354                     |
| <b>Cash, beginning of period</b>                | <b>4,393,661</b>              | 706,651                       |
| <b>Cash, end of period</b>                      | <b>\$ 9,386,301</b>           | \$4,523,005                   |

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

## **American Eagle Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS**

American Eagle Gold Corp. (“American Eagle Gold” or “Company”), was incorporated under the Business Corporations Act (Canada) on June 22, 2018. 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. The head and principal office of the Company is located at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7.

These interim financial statements were authorized for issuance in accordance with a resolution by the Board of Directors on November 28, 2024.

### **2. GOING CONCERN**

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts expended on mineral properties is dependent upon future profitable production or proceeds from the disposition of properties.

The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company’s exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements and/or securing additional financing; all of which are uncertain.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company’s property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company has raised funds during the period ended September 30, 2024 and will utilize these funds for its exploration programs and working capital requirements. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at September 30, 2024, the Company had working capital of \$8,294,977, excluding the flow-through liability, (December 31, 2023 – working capital of \$3,367,724) and an accumulated deficit of \$(19,787,543) (December 31, 2023 - deficit of \$13,888,462). The Company has no proven history of performance or success.

Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve-month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements. Such adjustments could be material.

**American Eagle Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION****a) Statement of compliance and basis of measurement**

These unaudited condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part I of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). These interim financial statements should be read in conjunction with the December 31, 2023 consolidated annual financial statements.

These interim financial statements follow the same accounting principles and methods of application as disclosed in the consolidated financial statements as at and for the year ended December 31, 2023. The interim consolidated financial statements may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS.

**b) Significant accounting judgments and sources of estimation uncertainty****Statement of Compliance**

These unaudited condensed interim financial statements ("interim financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on IFRS issued and effective as of September 30, 2024. These interim financial statements should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2023.

**Basis of Presentation**

The financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are measured at fair value, as explained in the accounting policies. The interim financial statements may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS.

**c) Significant accounting policies**

The Company's accounting policies applied to all periods presented in these Financial Statements are the same as those applied by the Company in its annual consolidated financial statements as at September 30, 2024 and for the year ended December 31, 2023, except as detailed in note 4.

**4. FUTURE ACCOUNTING PRONOUNCEMENTS**

At the date of authorization of these consolidated interim financial statements, the IASB has issued new and revised Standards and Interpretations which are not yet effective for the relevant reporting period. Many are not applicable or do not have a significant impact on the Company. Management is currently evaluating the impact of these pronouncements on the Company's consolidated interim financial statements.

**American Eagle Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

**5. INVESTMENT**

| Investment in Orecap Invest Corp.  | No. of<br>Shares | \$/share     | Value            |
|------------------------------------|------------------|--------------|------------------|
| Balance, January 1, 2024           | 3,000,000        | 0.035        | \$105,000        |
| Unrealized gain on fair value      | -                | -            | 75,000           |
| <b>Balance, September 30, 2024</b> | <b>3,000,000</b> | <b>0.060</b> | <b>\$180,000</b> |

During the three months and nine ended September 30, 2024, the Company recorded an unrealized loss and (gain) on investment of \$Nil and \$(75,000), respectively (three and nine months ended September 30, 2023 – \$30,000 and \$30,000, respectively).

**6. EXPLORATION AND EVALUATION EXPENSES**

The following are details of the Company's exploration and evaluation expenses for the three and nine months ended September 30:

|                                | Three months ended<br>September 30, |             | Nine months ended<br>September 30, |           | Accumulated<br>From<br>Property<br>Inception |
|--------------------------------|-------------------------------------|-------------|------------------------------------|-----------|--|
|                                | 2024                                | 2023        | 2024                               | 2023      |  |
| NAK Property, British Columbia | <b>\$4,344,541</b>                  | \$2,005,002 | <b>\$6,489,980</b>                 | 2,960,275 | <b>\$13,532,828</b>                          |

**Nakinilerak (NAK), British Columbia, Canada**

On December 10, 2021, the Company entered into an agreement to acquire a 100% interest in the NAK Property, British Columbia. The Company will assume all rights and interest of the vendor under the terms of an option agreement with the underlying claim owner executed on April 28, 2021. The total purchase price payable by the Company to the optionor for the property consisted of the issue of 2,000,000 common shares of the Company at a value of \$300,000 and the transfer of 2,000,000 shares of Orefinders held by the Company at a value of \$110,000. The valuations were determined using the quoted market price of the common shares of the Company and Orefinders respectively at the transaction date.

The vendor is currently earning a 100% interest in the property under the terms of the option agreement which calls for cash payments, in tranches, totaling of \$450,000 over three years and \$1,100,000 in work obligations over three years to earn 100%, subject to a 2% NSR royalty to the optionor which can be bought down to 1% by paying \$1,500,000. The owner has the right to receive shares of the Company in lieu of the tranches totaling \$450,000 in cash payments, provided that the value of such shares, at the respective time of issue of the tranche, cannot exceed an aggregate of \$750,000 for the initial \$300,000 in tranches, based on a ten-day volume weighted price calculation prior to issue of the tranche. The optionor retains a 1% NSR with an option by the Company to buyback 0.5% for \$1 million.

## Summary of Option Stages

| Option Stage | Payment  | Exploration Expenditure | Timeline       |
|--------------|--|-------------------------|----------------|
| Stage 1      | \$75,000 or 1,000,000 shares <sup>1</sup> (Paid) | \$100,000 (Complete)    | April 30, 2022 |
| Stage 2      | \$75,000 or 1,000,000 shares <sup>1</sup> (Paid) | \$100,000 (Complete)    | April 30, 2023 |
| Stage 3      | \$75,000 or 1,000,000                            | \$900,000               | April 30, 2024 |

**American Eagle Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

|         | shares <sup>2</sup> (Shares issued May 2024)           | (Complete)             |  |
|---------|--|------------------------|--|
| Stage 4 | \$75,000 or 1,000,000 shares (Shares issued Jan. 2023) |                        | Earlier of July 31, 2025 and completing 2,500 meters of drilling   |
| Stage 5 | \$150,000 or 1,000,000 shares                          |                        | 30 days following public disclosure of inferred or greater resources with a minimum of 1,000,000 ounces of gold or gold equivalent |
| Total   | \$450,000 or 5,000,000 shares <sup>1,2</sup>           | \$1,100,000 (Complete) |  |

In May 2024, the Company issued 343,594 shares to satisfy the Stage 3 of the option agreement.

1. Maximum value of shares for each tranche will not exceed \$150,000 based on 10-day volume weighted average price on day payment comes due.
2. Maximum value of shares for each tranche will not exceed \$225,000 based on 10-day volume weighted average price on day payment comes due.

In 2022, Orecap Invest Corp. (“Orecap”) earned a 20% interest in the NAK project in return for an aggregate of \$1 million in exploration work obligations. American Eagle had an option to repurchase the 20% interest at a price of \$1.5 million anytime before April 30, 2024, which is subject to regulatory approvals. The \$1.5 million payment for the repurchase may be paid in cash or common shares of the Company, at the sole option of the Company. The Company and Orecap have certain directors and officers in common. In November 2023, the Company reacquired the 20% interest in the NAK project. The Company elected to settle the \$1.5 million repurchase through the issuance of 6,976,744 common shares of the Company which were valued based on the market price on the settlement date for \$1,225,814. See Note 11.

The optionor retains a 1% NSR with an option by the Company to buyback 0.5% for \$1 million.

**7. FLOW-THROUGH SHARE LIABILITY**

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures. Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of the common shares. The incremental proceeds, or “premium”, are recorded as a flow-through liability. As of September 30, 2024, the flow-through liability was \$1,252,174 (December 31, 2023 - \$879,000). During the three and nine months ended September 30, 2024, the Company recognized a flow-through share premium recovery of \$1,274,947 and \$1,986,797, respectively (three and nine months ended September 30, 2023 - \$775,000 and \$935,000, respectively) in the statement of loss.

**8. 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.

**American Eagle Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in Canadian dollars)

**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,<br>2024 | December 31, 2023  |
|---|-----------------------|--------------------|
| <b>Financial assets at amortized costs:</b> |                       |                    |
| Cash  | \$9,386,301           | \$4,393,661        |
| Amounts receivable                          | 386,465               | 119,901            |
| <b>Financial assets at FVPL:</b>            |                       |                    |
| Investment in Orecap Invest Corp.           | 180,000               | 105,000            |
|   | <b>\$9,952,766</b>    | <b>\$4,618,562</b> |

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

## American Eagle Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

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### 9. SHARE CAPITAL

#### *Authorized share capital*

a) On January 23, 2023, the Company completed a private placement consisting of 10,050,000 units at a price of \$0.20 per unit for gross proceeds of \$2,010,000, where each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.30 until January 23, 2025. The valuation of the warrants was estimated in the amount of \$436,679 using the Black-Scholes option pricing model. In connection with the financing, the Company has issued 405,450 finders' warrants. Each finders' warrant entitles the holder, on exercise thereof, to purchase one common share at a price of \$0.20 until January 23, 2025. The valuation of the finders' warrants was estimated in the amount of \$42,000 using the Black-Scholes option pricing model. In connection with financing the Company incurred cash finder's fees and other financing costs totaling \$73,271. An officer and director of the Company acquired 50,000 shares for gross proceeds of \$10,000.

The following assumptions were used in the Black-Scholes option pricing model calculations: expected dividend yield rate of 0%, expected volatility of 100% based on historical volatility, risk free interest rate of 3.66%, share price of \$0.16 and an expected life of 2 years.

(b) On May 25, 2023, the Company completed a flow through private placement consisting of 14,400,000 shares at a price of \$0.205 per unit for gross proceeds of \$2,952,000. The Company recognized a flow through liability of \$1,080,000 in connection with the financing. In connection with financing the Company incurred cash finder's fees and other financing costs totaling \$23,705.

(c) On September 7, 2023, the Company completed a flow through private placement consisting of 5,940,000 shares at a price of \$0.450 per unit for gross proceeds of \$2,674,782. The Company recognized a flow through liability of \$1,009,800 in connection with the financing. In connection with financing the Company incurred cash finder's fees and other financing costs totaling \$17,765.

(d) On November 20, 2023, the Company completed a private placement consisting of 3,187,790 shares at a price of \$0.215 per unit for gross proceeds of \$685,375. In connection with financing the Company incurred financing costs totaling \$21,704.

(e) On November 9, 2023, the Company reacquired the 20% interest in the NAK project. The Company elected to settle the \$1.5 million repurchase through the issuance of 6,976,744 common shares of the Company which were valued based on the market price of the settlement date for \$1,225,814. See Note 6.

(f) On May 17, 2024, the Company completed a private placement consisting of 7,866,571 charity flow-through units at a price of \$1.04 per unit for gross proceeds of \$8,181,243. In connection with the financing, the Company has issued 468,994 finders' warrants. Each finders' warrant entitles the holder, on exercise thereof, to purchase one common share at a price of \$1.04 until May 17, 2026. The finders' warrants' valuation was estimated at \$184,574 using the Black-Scholes option pricing model. In connection with the financing, the Company incurred cash finder's fees and other financing costs totaling \$359,852.

(e) In May 2024, the Company issued 343,594 shares in consideration of an option payment for NAK. The shares were valued at \$0.76 based on the date of issuance for a total of \$261,131.

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**Warrants**

A summary of the changes in the Company's warrants is set out below:

| <i>For the period ended</i>      | <b>September 30, 2024</b> |  |                                      | <b>September 30, 2023</b> |  |                                      |
|----------------------------------|---------------------------|--|--------------------------------------|---------------------------|--|--------------------------------------|
|                                  | <b>Number of warrants</b> | <b>Weighted average exercise price</b> | <b>Weighted average life (years)</b> | <b>Number of warrants</b> | <b>Weighted average exercise price</b> | <b>Weighted average life (years)</b> |
| Outstanding, beginning of period | <b>14,358,999</b>         | <b>\$0.30</b>                          | <b>0.37</b>                          | <b>14,300,000</b>         | <b>\$0.20</b>                          | <b>3.65</b>                          |
| Issued – hard-dollar financing   | -                         | -                                      | -                                    | <b>14,300,000</b>         | <b>\$0.20</b>                          | <b>3.65</b>                          |
| Brokers' warrants issued         | <b>468,994</b>            | <b>1.04</b>                            | <b>1.63</b>                          | <b>6,575,000</b>          | <b>\$0.20</b>                          | <b>2.77</b>                          |
| Exercised                        | <b>(9,608,535)</b>        | <b>0.30</b>                            | <b>0.72</b>                          | -                         | -                                      | -                                    |
| Expired                          | <b>(1,007,289)</b>        | <b>0.30</b>                            | -                                    | <b>(583,754)</b>          | <b>0.25</b>                            | -                                    |
| Outstanding, end of the period   | <b>4,212,169</b>          | <b>\$0.38</b>                          | <b>0.46</b>                          | <b>20,455,508</b>         | <b>\$0.28</b>                          | <b>0.69</b>                          |

As at September 30, 2024, the following warrants were outstanding:

| <b>Number of warrants outstanding</b> | <b>Exercise Price</b> | <b>Expiry Date</b> |
|---------------------------------------|-----------------------|--------------------|
| 95,475                                | 0.20                  | January 23, 2025*  |
| 321,450                               | 0.20                  | January 23, 2025*  |
| 3,326,250                             | 0.30                  | January 23, 2025*  |
| 468,994                               | 1.04                  | May 17, 2026       |
| <b>4,212,169</b>                      | <b>\$ 0.38</b>        |                    |

\*Subsequent to September 30, 2024, 1,060,175 warrants were exercised for proceeds of approximately \$299,000.

**Stock option plan**

The Company has adopted a 20% fixed stock option plan which permits the Company to grant non-transferable options to purchase common shares.

A summary of the changes in the Company's stock options is set out below:

| <i>For the period ended</i>        | <b>September 30, 2024</b> |  |                                      | <b>September 30, 2023</b> |  |                                      |
|------------------------------------|---------------------------|--|--------------------------------------|---------------------------|--|--------------------------------------|
|                                    | <b>Number of options</b>  | <b>Weighted average exercise price</b> | <b>Weighted average life (years)</b> | <b>Number of options</b>  | <b>Weighted average exercise price</b> | <b>Weighted average life (years)</b> |
| Outstanding, beginning of period   | <b>12,825,000</b>         | <b>0.19</b>                            | <b>3.5</b>                           | <b>10,700,000</b>         | <b>\$0.16</b>                          | <b>3.8</b>                           |
| Granted                            | <b>3,975,000</b>          | <b>0.70</b>                            | <b>5.0</b>                           | <b>3,600,000</b>          | <b>0.30</b>                            | <b>4.8</b>                           |
| Exercised                          | <b>(445,000)</b>          | <b>0.15</b>                            | -                                    | -                         | -                                      | -                                    |
| Forfeited                          | <b>(50,000)</b>           | <b>0.30</b>                            | -                                    | -                         | -                                      | -                                    |
| Options outstanding, end of period | <b>16,305,000</b>         | <b>\$0.32</b>                          | <b>3.3</b>                           | <b>14,300,000</b>         | <b>\$0.20</b>                          | <b>3.7</b>                           |
| Options exercisable, end of period | <b>12,330,000</b>         | <b>\$0.19</b>                          | <b>2.8</b>                           | <b>6,575,000</b>          | <b>\$0.20</b>                          | <b>2.8</b>                           |

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The following incentive stock options were outstanding and exercisable at September 30, 2024:

| <b>Number of options outstanding</b> | <b>Number of options exercisable</b> | <b>Exercise Price</b> | <b>Expiry Date</b> |
|--------------------------------------|--------------------------------------|-----------------------|--------------------|
| 3,650,000                            | 3,650,000                            | \$0.20                | May 3, 2026        |
| 825,000                              | 825,000                              | \$0.20                | December 20, 2026  |
| 400,000                              | 400,000                              | \$0.13                | April 1, 2027      |
| 3,905,000                            | 3,915,000                            | \$0.10                | October 17, 2027   |
| 3,550,000                            | 3,550,000                            | \$0.30                | August 2, 2028     |
| 3,975,000                            | -                                    | \$0.70                | July 14, 2029      |
| <b>16,305,000</b>                    | <b>12,330,000</b>                    | <b>\$0.32</b>         |                    |

**10. RELATED PARTY TRANSACTIONS*****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:

|                                | <b>Three months ended September 30</b> |             | <b>Nine months ended September 30</b> |             |
|--------------------------------|--|-------------|---------------------------------------|-------------|
|                                | <b>2024</b>                            | <b>2023</b> | <b>2024</b>                           | <b>2023</b> |
| 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:

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

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

Refer to Note 6 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).

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**11. 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.

**11. SUBSEQUENT EVENT**

On November 26, 2024, the Company closed a non-brokered private placement with a wholly owned subsidiary of South32 Ltd. ("South32"). Under the agreement, South32 invested approximately \$29.16 million for 33,321,577 common shares at a price of C\$0.875 per share. No broker fees, finder fees or warrants were issued in association with the private placement.

Upon closing, South32 holds approximately 19.9% of the Company's issued and outstanding common shares on a non-diluted basis. The Company has also entered into an investor rights agreement with South32, providing South32 with participation and top-up rights to maintain its ownership percentage, subject to certain conditions.