INTRODUCTION

This Management Discussion and Analysis ("MD&A") of Alex Metals Corp. ("Alex" or the "Company") has been prepared by management in accordance with the requirements of National Instrument 51-102 ("NI 51-102") and should be read in conjunction with the interim condensed consolidated financial statements of the Company for the nine months ended July 31, 2026, and related notes thereto. These interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting and IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars unless otherwise stated.

Management is responsible for the preparation and integrity of the interim condensed consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally in the MD&A is complete and reliable. Readers of the MD&A should be cautioned that information and statements derived from the Company's interim condensed consolidated financial statements do not necessarily reflect the future financial performance of the Company. Statements in the MD&A that are not historical-based facts are forward-looking statements which are made subject to cautionary language in the Forward-Looking Statements section, and involve known and unknown risks and uncertainties. Actual results could vary considerably from these statements. Readers should be cautioned not to put undue reliance on forward looking statements.

This MD&A has taken into account information available up to and including September 28, 2026.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. This MD&A includes, but is not limited to, forward-looking statements regarding the Company's upcoming exploration plans for the year and its ability to meet its working capital needs for the next fiscal year.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

DESCRIPTION OF THE BUSINESS

Alex is a metals exploration company focused on its gold-silver-zinc-copper projects in Southeast Alaska, USA. The Company has a portfolio of three projects in this region. Alex is listed on the TSX Venture Exchange (Symbol: ALX) and is a reporting issuer in British Columbia, Alberta, Ontario, Manitoba, Saskatchewan and New Brunswick. The Company's head office is located at Suite 405, 375 Water Street, Vancouver, British Columbia, V6B 5C6.

CORPORATE HIGHLIGHTS

As of date of this MD&A the Company has approximately $6.3 million cash. Its issued and outstanding number of shares is 44,995,975 common shares.

- Completed listing on TSX Venture Exchange in September 2026 by way of direct listing application.
- Completed $3.9 million private placement financing at $0.70 per share upon listing.
- $8.15 million special warrants financing at $0.70 per special warrant completed in July 2026; special warrants automatically converted on a one-to-one basis to 11,638,976 common shares on September 16, 2026, the date when the British Columbia Securities Commission issued a receipt for a final prospectus qualifying the distribution of such securities.
- First field season completed in Alaska, during which time four targets were drilled across two projects and significant geophysics, mapping and sampling programs were simultaneously completed across the Company's Alaska properties. Exploration results are pending.
- During the nine months ended July 31, 2026, the Company issued 260,000 common shares in lieu of salary pursuant to an employment agreement.
- During the nine months ended July 31, 2026 the Company issued 8,264,000 shares for gross proceeds of $2.73 million through private placements.

EXPLORATION PROPERTIES

Through a series of claim staking and mineral property options, the Company has acquired three exploration projects in Alaska, comprising a total of 282 claims. Details for each project are provided below.

KSO Property

The KSO Project is an early-stage copper, gold, zinc (Cu-Au-Zn) volcanogenic massive sulphide (VMS) exploration project approximately 45 km west of Ketchikan, on Prince of Wales Island. The property covers two small, turn-of-the-century, short-lived, producing mines: the Khayyam and Stumble-On mines. The area has seen little work since mine closure in 1907.

Alexander Metals staked the 68 unpatented claims that made up the original KSO project in 2024; in June 2025 Alex Metals acquired Alexander Metals.

The KSO claims lie within the Tongass National Forest, on grounds managed by the United States Forest Service, on multiple-use lands open to mineral development. The Project area is uninhabited but falls within traditional Tlingit and Haida territory. Prince of Wales Island hosts several nearby communities (e.g., Craig, Hydaburg, Klawock), hundreds of miles of roads, and industrial support in the nearby city of Ketchikan.

Access to the KSO Project is currently gained by helicopter. An overgrown, 7-km logging road connects the KSO claims to active road NF-2150, which follows Polk Creek to the head of Polk inlet, approximately five miles west. From there, logging roads connect to the State Byway/Hydaburg Highway (AK 913) that connects major towns on Prince of Wales Island. Deepwater barge on Polk Inlet and on adjacent Mackenzie Inlet make it possible to use boats or barges to bring project supplies to within about 10 km of the project.

VMS mineralization was discovered at Khayyam in 1899 and the mine was developed between 1902 and 1907, with approximately 385 metres of workings. Stumble On was discovered in 1901 and was developed alongside Khayyam but to a lesser extent; there are 155 metres of workings at Stumble On.

The mines produced 78,700 tonnes of mineralization with a reported average grade of 2.9% copper and 1.3 g/t gold. In 1944 and 1945 the US Bureau of Mines completed mapping, sampling, and trenching at both targets. In the 1970s Banner Mining completed a shallow drill program from which no data has been located. In the 1990s the property saw ground VLF-EM and airborne DIGHEM surveys, the latter of which highlighted strong conductors at the Khayyam and Stumble-on prospects. Between 2007 and 2014 additional geologic mapping and rock and chip sampling were completed, as well as a controlled-source audio-frequency megnetotellurics (CSAMT) survey.

Mineralization at Khayyam and Stumble-On occurs as semi-massive to massive sulphide lenses parallel to foliation and interlayered with mafic and intermediate schists and interlayered with and/or gradational along strike of siliceous schists.

Numerous massive sulphide lenses have been mapped at Khayyam. At least six of these lenses have been mined; the lenses measure up to 8 m thick in underground workings. Individual lenses have been traced for up to 70 m along strike at surface.

The Stumble-On mine is located in a heavily vegetated area with minimal outcrop. A single massive sulphide lens was mined, though nearby outcrops and creek exposure suggest potential for multiple horizons of mineralization. The Stumble-On massive sulphide lens is up to 2.5 m thick and has been tracked along strike for 170 m.

In September 2025, Alex Metals conducted nine days field work on the KSO property. A total of 51 rock samples were collected. Select sample highlights are shown in Table 1 below. These initial results validated and, in some cases, appear to exceed historical results, showing that that mineralization at both Khayyam and Stumble-On is gold- and copper-rich, and can include high zinc grades.

Table 1. Highlights from 2024 & 2025 Chip Sample Composites

Prospect	General Location	Chip length (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)
Khayyam	Test pit	1.7	2.4	33.4	5.42	3.34	0.00
	Adit No. 4	1.1	1.0	28.1	5.30	0.91	0.00
	Adit No. 5	2.0	1.5	18.0	1.87	0.14	0.00
	Adit No. 6	3.7	2.5	37.3	4.84	4.39	0.01
	including	2.2	3.7	54.9	8.11	6.45	0.00
Stumble-On	West of open cut	3.1	2.0	22.2	2.98	1.17	0.02

In October 2025 Alex Metals completed a 220 line-km SkyTEM312 time-domain electromagnetic (EM) and magnetic helicopter-borne geophysical survey. The survey was flown with 100 metre-spaced north-south lines and 500 metre-spaced tie lines. The data identified a 385-metre strongly conductive anomaly over Khayyam and a 265-metre conductive anomaly immediately east of Stumble-On, indicating high potential for continued mineralization at depth.

The data also showed a large, previously unknown 'Western' EM anomaly, with two smaller satellite anomalies. These anomalies are highly conductive and resemble those over known mineralization at Khayyam and Stumble-On. There had been no detailed mapping in the area of the Western EM anomaly and no rock, soil, or stream sediment samples were known from the area or downstream. When staking the Western Anomaly in November 2025, Alex Metals geologists observed gossanous cliffs within a steep, narrow, NNW-trending gulley through the centre of the largest anomaly.

Alex Metals' 2026 KSO exploration project got underway in May, when the Company mobilized to the project. Work completed in June and July included:

- 3,058 metres drilled on 3 targets (average drilling rate of 64 metres per day, including weather days and moves). The program comprised 9 holes at Khayyam, 4 holes at Western Anomaly, and 3 holes at Stumble On with all assays pending as at the date of this MD&A.
- Surface and downhole EM geophysical surveys across three targets: Khayyam, Stumble On, and Western Anomaly.
- UAV Drone Magnetic and Photogrammetry survey of entire claim block
- 2+ weeks of geological mapping
- Transect soil and rock sampling of key areas
- Additional claim staking to expand KSO and to add five new historical regional VMS occurrences

The goal of a first field season at a new project is not only to drill clear targets but to gather significant additional data that, once integrated, can build a geologic basis for the area and guide next steps. This is especially important in areas that have seen little historic work. On this front, geologic mapping was a first step in understanding structures, lithologies, orientations, and alteration. Key areas saw soil and rock transect sampling. The Company completed ground EM surveys at each of the three target areas and borehole EM surveys of every drill hole. A drone magnetics survey was flown that also collected photogrammetry data.

The new regional targets that were staked are part of the Cambrian-age Wales Group rocks at the southern end of Prince of Wales Island, which are to host multiple copper-gold VMS occurrences. These occurrences have seen little to no modern exploration. Alex Metals sees opportunity in assessing the VMS prospects across the region.

Wodski Property

The Wodski Project comprises 162 claims covering much of the west side of Woewodski Island, which sits approximately 10km south of Petersburg in Southeast Alaska.

The Wodski Project covers Triassic-age rocks of the Alexander Group. Hecla Mining's (NYSE: HL) Greens Creek mine 170 km to the north, a precious metal-rich VMS with among the highest metal grades of VMS deposits globally, is also in the Triassic Alexender Group. Northwest of Greens Creek along the Alexander Triassic Belt are the Palmer VMS deposit, which is being advanced by Vizsla Copper (TSXV: VCU), and Windy Craggy, which at 297 million tonnes is among the largest VMS deposits discovered globally.

VMS potential was first noted on Woewodski Island in the late 1970s based on wide-spaced soil sampling that happened in Southeast Alaska after the discovery of Greens Creek. Intermittent work over the next 20 years included prospecting, soil sampling, geophysics including ground VLF-EM, magnetics, induced polarization, and gravity, and 88 drill holes totaling 8,000 metres. Drilling delineated a zone of silver-zinc-rich VMS mineralization called Lost Lake near the north end of the island.

In 2003 Bravo Ventures optioned the Wodski Project. Bravo drill tested the Mad Dog VMS occurrence that sits on the rocky coast of a heavily treed island. Five of Bravo's 7 holes returned semi-massive to massive sulphide mineralization; intercepts ranged from 1.7 to 17.7 metres with grades ranging from 112 to 565 g/t silver, 8 to 22% zinc, and 0.5 to 5% lead, representing several of the highest-grade intervals drilled at the Wodski Project. Sampling of the Mad Dog outcrop by Alex Metals, returned similar silver, zinc, and lead grades plus gold values ranging from 1.7 to 10.5 g/t gold. Bravo Ventures did not do any further work on the Mad Dog target and in 2009 terminated their

option. The underlying mineral claims eventually lapsed, leading to Alexander Metals Inc. staking the Wodski Project in September 2024. Alex Metals Corp. subsequently acquired Alexander Metals Inc. in June 2025.

The 2026 field program started in August. Drilling totaling just over 3,000 metres was completed by mid-September. Prospecting, core logging, and geophysics remain underway as of the date of this filing.

Alex's drilling focused on the Mad Dog target. Fourteen holes tested the historical mineralization intercepted in 2004, including step-outs laterally and down dip, and tested under an exhalative/chert horizon to the southwest. The last hole of the program stepped across from Mad Dog Island to Woewodski Island as a first step in applying the fingerprint of mineralization at Mad Dog to the multi-kilometre prospective horizon that runs southeast across the south end of the larger island. A similar trend runs across the north end of the island, from the known Lost Lake VMS zone east to other noted VMS occurrences. All assays remain pending as of the date of this MD&A

As at KSO, the goal at Wodski in 2026 was to test a clear target while gathering significant additional data to guide next steps for targeting the two multi-kilometre trends on Woewodski Island that show potential to host similar mineralization. On this front, geologic mapping helped build an understanding of structures, lithologies, orientations, and alteration. Geologists visited, sampled, and mapped all known VMS occurrences on the Project. A drone magnetics survey was flown that also collected photogrammetry data.

Frenchie Property

In August 2025, the Company entered into a three-year option agreement to acquire 54 mineral claims known as the Frenchie Property on Zarembo Island, roughly 8 km south of Woewodski Island. Alexander Belt Triassic rocks run through the middle of Zarembo Island. Within this trend of VMS-prospective rocks, a zinc-gold-rich lens of semi-massive to massive sulphide 3 to 5 metres thick is exposed for 180 metres along a creek.

The creek-exposed lens of VMS was first discovered in 1978, when EM surveys were completed and stream sediment and soil samples taken at the project. Three drill holes in 1984 and 5 drill holes in 1996 reportedly confirmed VMS mineralization, though the data from those holes is lost. Limited and intermittent mapping and sampling took place over the same time frame. A DIGHEM survey was also completed in 1996.

In 2006 a local group staked the Frenchie project. Over the next 18 years they completed a soil sampling grid that outlined a strong copper-zinc-lead soil anomaly, drilled 10 holes using a Winkie drill, and reprocessed the DIGHEM data.

Alex Metals optioned the project in August 2025; the 2026 field season was the company's first opportunity to do notable work. A field program designed to advance the project to a drilling decision was completed that included detailed mapping, sampling, a LIDAR survey, a tightly-spaced ground gravity survey, and a small IP test grid.

Under the terms of the agreement, the Company must issue the following common shares to complete the exercise of the option:

150,000 shares upon public listing (Issued)
150,000 shares upon first anniversary of listing
200,000 shares upon second anniversary of listing
250,000 shares upon third anniversary of listing
750,000 shares Total

Under the terms of the option agreement, the Company also agreed to pay a cash amount of $50,000 within 30 days after the public listing date and a second cash payment of $50,000 on the first anniversary of the public listing date.

Under the terms of the option agreement, for a period of 10 years from the date of closing of the option agreement, if a mineral resource estimate exceeding 5,000,000 metric tonnes in the (combined) Measured and Indicated categories is defined on the property, as reported in a National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") technical report (or other jurisdictional equivalent) then the Company (or any successor in interest) will make a one-time aggregate bonus payment of $1,000,000 (the "Bonus Payment") to the optionor.

During the option period the Company must complete exploration work on the property and incur a total of $750,000 in exploration expenditures by the third anniversary of the public listing date (no minimum annual exploration expenditure).

SELECTED FINANCIAL INFORMATION

	For the nine months ended July 31, 2026 $	For the period from February 10, 2025 (date of incorporation) October 31, 2025 $
Net comprehensive loss	(5,283,698)	(570,908)
Basic and diluted loss per share	(0.23)	(0.13)
Total assets	7,165,536	978,625
Total liabilities	1,088,332	52,533
Total shareholders' equity	6,077,203	926,092

RESULTS OF OPERATIONS

Quarter Ended July 31, 2026

The Company's comprehensive loss for the quarter ended July 31, 2026 was $4,713,925. Significant expenses include:

- Exploration and evaluation expenditures of $4,391,412 were incurred on the Company's Alaska properties. (see breakdown of exploration expenditures below)
- Payroll expenses of $110,196.
- Office expense of $83,925 for general corporate matters.
- Professional fees of $35,452 primarily related to accounting and audit expenses incurred for accounting services.

Nine months July 31, 2026

The Company's comprehensive loss for the nine months ended July31, 2026 was $5,283,698 Significant expenses include:

- Exploration and evaluation expenditures of $4,764,451 were incurred on the Company's Alaska properties. (see breakdown of exploration expenditures above)
- Payroll expenses of $177,060.
- Office expense of $172,468 for general corporate matters.
- Advertising and promotion of $55,050 primarily related to advertising campaigns and participation in mining investment conferences.

Exploration expenditures

The following table shows the total expenditures on the Company's mineral properties during the period from February 10, 2025 (the date of incorporation) to October 31, 2025 and during the nine months ended July 31, 2026.

	KSO	Wodski	Frenchie	Total
	$	$	$	$
Acquisition – staking	9,065	14,116	-	23,181
Acquisition – shares	40,000	40,000	-	80,000
Property maintenance	-	57,767	15,044	72,811
Geological exploration	304,414	37,498	17,300	359,212
Exploration expenses from February 10, 2025 to October 31, 2025	**353,479**	**149,381**	**32,344**	**535,204**
Acquisition – staking	12,379	-	-	12,379
Property maintenance	13,174	2,186	2,082	17,442
Geological exploration	2,976,280	305,588	33,570	3,315,438
Drilling	1,342,269	76,923	-	1,419,192
Total for the nine-months ended July 31, 2026	**4,344,102**	**384,697**	**35,652**	**4,764,451**
Total exploration expenses	**4,697,581**	**534,078**	**67,996**	**5,299,655**

SUMMARY OF QUARTERLY RESULTS

The Company has not previously prepared quarterly financial information.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2026, the Company had current assets of $7,067,858, including cash of $6,916,037 and $1,088,332 in current liabilities.

During the nine months ended July 31, 2026, the Company used $4,362,389 in cash for operating activities, which includes cash spent on exploration and evaluation expenditures.

During the nine months ended July 31, 2026, the Company issued 8,264,000 shares for gross proceeds of $2.73 million through private placements and issued 11,638,976 special warrants at $0.70 per special warrant for net proceeds of $8.15 million.

The Company's interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

Subsequent to July 31, 2026:

- Company became a reporting issuer and completed a public listing on the TSX Venture Exchange.
- 11,638,976 special warrants were exercised and converted into 11,638,976 common shares of the Company.
- Company completed private placement consisting of 5,526,999 common shares at a price of $0.70 per share, for gross proceeds of $3,868,999.
- Company issued 150,000 common shares at a deemed price of $0.70 per share in connection with initial option payment due on Frenchie property in Alaska.
- Company issued 3,350,000 incentive stock options to officers, directors, employees, and consultants of the Company at an exercise price of $0.70 per share.

SHARE CAPITAL

As at July 31, 2026, the Company has the following:

- 27,680,000 shares outstanding
- 11,638,976 special warrants (convertible into 11,638,976 common shares)

As at the date of this MD&A, the Company has the following:

- 44,995,975 shares outstanding
- 3,350,000 stock options, exercisable at $0.70 each

FUTURE CASH REQUIREMENTS

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

TRANSACTIONS WITH RELATED PARTIES

Key management includes directors and other key personnel, including the Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

During the nine months ended July 31, 2026, the Company paid salaries, wages and benefits included in payroll expenses of $28,454 (2025 - $Nil) to Mr. Aris Morfopoulos, Chief Financial Officer of the Company.

During the nine months ended July 31, 2026, the Company paid salaries, wages and benefits included in payroll expenses of $122,121 (2025 - $Nil) to Ms. Gwen Preston, director of the Company.

During the nine months ended July 31, 2026, the Company paid salaries, wages and benefits included in administrative expenses of $3,567 (2025 - $Nil), and paid salaries, wages and benefits included in exploration and evaluation expenditures of $154,656 (2025 - $Nil) to Mr. Nathan Steeves, the Vice-President Exploration of the Company.

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties.

In December 2025, pursuant to the terms of its employment agreement with Mr. Nathan Steeves, the Vice-President Exploration, the Company also paid $32,500 of accrued wages by the issuance of 260,000 shares at a deemed price of $0.125 per share.

ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

There were no material changes to the Company's accounting policies during the nine months ended July 31, 2026.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statements of loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statements of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and the related notes.

IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and the related notes.

FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments are described below.

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

Credit risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash. The Company reduces its credit risk by maintaining its cash with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in capital market conditions generally or as a result of conditions specific to the Company. As at July 31, 2026, the Company has sufficient cash to settle liabilities of $1,088,332.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and price risk.

(a) Interest rate risk
The Company has cash balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance with its cash management policy. Management believes interest rate risk to be minimal.

(b) Foreign currency risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

(c) Price risk
The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

Classification of Financial Instruments

Financial Instruments	Classification
Cash	Amortized cost
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

The fair value of the Company's cash, accounts payable and accrued liabilities approximates the carrying amount due to the short-term nature of these instruments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these interim condensed consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The interim condensed consolidated financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the interim condensed consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

PROPOSED TRANSACTIONS

The Company is not contemplating any other transactions which have not already been disclosed.

CONTINGENCIES

From time to time, the Company may be involved in claims and litigations as part of its normal course of business. Accruals are made in instances where it is probable that liabilities have been incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, based on the information currently available, the Company does not believe that any additional provisions are required to be recognized.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

RISKS AND UNCERTAINTIES

Environmental risk

Exploration and development projects are subject to federal, state and provincial environmental laws and regulations. As such laws are subject to change, the Company monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

Operational risk

Exploration development projects require third party contractors for the execution of certain activities. The availability and cost of third-party contractors is subject to a competitive environment for their use, which is beyond the control of the Company.

Cyber security risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other

information security breaches, however there can be no assurance that it will not incur such losses in the future.

Uninsured risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company's officers.

Negative operating cash flows

As the Company is at the early start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Risks related as a going concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time. However, management believes that the Company has sufficient resources on hand to fund its planned operations for the next 12 months and meet its obligations as they fall due.

Reliance on key personnel and advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose such confidential information.

Operating history and expected losses

The Company expects to make significant investments in the near future on its acquired assets. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Growth of management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Industry risks

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company monitors its risk-based activities and periodically employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Political risk

The resource properties on which the Company is actively pursuing its exploration and development activities are located in the Alaska, United States. While the political climate in United States is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. The Company does not presently maintain political risk insurance for its exploration projects.

Metal price risk

The principal activity of the Company is the exploration and development of precious metal and base metal resource properties. The feasible development of such properties is highly dependent upon the price of gold, silver, copper, lead and zinc. A sustained and substantial decline in precious metal and base metal commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect precious metal and base metal commodity prices in order to assess the feasibility of its resource projects.

Regulatory risks

The Company is subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

Price volatility

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's securities will be subject to market-to-market trends generally and the value of the Company's securities may be affected by such volatility.

Economic conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of interest

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies

may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.