ALASKA HYDRO CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2024 AND 2023

As at November 29, 2024

The following management's discussion and analysis is for the nine months ended September 30, 2024. This MD&A is as of November 29, 2024.

INTRODUCTION

The discussion and analysis of the operating results and financial position of Alaska Hydro Corporation ("the Company") should be read in conjunction with the audited December 31, 2023 Financial Statements and related Notes (the "Financial Statements"), these financial statements have been prepared by management in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. Accordingly, we are reporting on this basis in these financial statements. This discussion and analysis may contain forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and at www.alaskahydro.com.

DESCRIPTION OF BUSINESS

The Company was incorporated on October 16, 2006 (as Project Finance Corp.) under the British Columbia Business Corporations Act. Effective September 3, 2010, Project Finance Corp. changed its name to "Alaska Hydro Corporation". The Company commenced trading on the TSX Venture Exchange (the "TSX-V") as a Tier 2 Issuer on September 8, 2010 under its new name and trading symbol "AKH". On January 21, 2019, the Company was assigned trading on the Exchange as a NEX issuer.

On August 18, 2014 the Company submitted an application for a water license permit to generate electricity from a proposed hydroelectric project in northwest British Columbia (the "Project"). The proposed project would potentially consist of three turbine generators with a capacity of approximately 75 MW, and a concrete arch dam with a storage capacity of approximately 870 million cubic feet of water. The project is well located with respect to the growing demand for power by LNG plants and proposed mines in northwest BC. It is located 11 kilometres from the BC Hydro Northwest Transmission line substation at Bob Quinn Lake on Highway 37. The Company has commenced a number of initiatives to advance the More Creek Project. The Company engaged an engineering consultant to prepare a preliminary feasibility study. The study included construction, operating costs, power generation and project economics. The forecast power generation was to produce 346 GWH of electricity on average annually.

As at December 31, 2015, the Company has accepted applications on More Creek for the Water License and Crown Land Tenure at a cost of $10,500. In addition, the Company obtained approval for an Investigative Use License application on February 4, 2015 in respect of a potential diversion of a portion of flows in Forrest Kerr Creek into the More Creek watershed.

The Company has advised the BC Environmental Assessment Office ("EAO") of a provincial government Order in Council ("OIC") restricting use of areas within the proposed More Creek project reservoir.

The More Creek project is in the Environmental Assessment and Review process, engaging consultants to conduct studies on Archaeology, and First Nations Use and Occupancy. The Company received from the Canadian Environmental Assessment Agency ("CEAA") a Notice of the Commencement of the Environmental Process and Guidelines for the Preparation of an Environmental Impact Statement. The Federal government has promulgated new EA legislation in the form of a new Impact Assessment Act which came into force August 28, 2019. The Act contains transition provisions which allow projects to transition under the new Act. The Provincial government has also promulgated new environmental legislation and the Company is in discussions with the EAO as to the procedure for continuing the project's Environmental Assessment commenced under the prior legislation pursuant to which it had received both Section 10 and 11 orders.

The Company engaged Golder Associates to prepare a prefeasibility level review of the storage dam. The report has been received and is posted on the Company website. The Company is also seeking to arrange power purchase agreements and to develop industry related partnerships on ownership and construction. The Company has initiated contact, but has not started formal discussions with Tahltan Nations. Efforts to engage with the Tahltan Nations have been on going.

The Company is in discussions with the EAO to transition the project

The Company has drafted an Aboriginal Consultation Plan which is in final review with the EAO and will be delivered to the Tahltan Nations when it has been agreed with the EAO. The Company has routinely filed copies of correspondence with CEAA and the EAO with the Tahltan Nation so that it can maintain an ongoing awareness of the Company's permitting activities.

On March 16, 2017, FrontCounter (BC) accepted the Company's applications for an Investigative Licence - Waterpower and a Water Licence on Forrest Kerr Creek in northwestern BC for the diversion of Forrest Kerr Creek into the More Creek watershed. The purpose of the application is to obtain a water licence and land tenure to construct a diversion dam on Forrest Kerr Creek and redirect water from Forrest Kerr Creek through a 220 metre long, 5.5 metre diameter, water tunnel and a 700 metre long and 7 metre wide, water channel into the More Creek watershed. It is proposed that the water diverted will be added to the More Creek discharge resulting in an increase in storage regulation and energy produced by the More Creek hydroelectric generators. The increase in generation is expected to result in an annual average of 448 GWH. An updated investigative Crown Land Tenure Application was accepted in support of a renewal of the Land Tenure Application.

The Forrest Kerr dam will be an earth fill dam approximately 37 metres in height and 200 metres wide. It will divert all flows in excess of 3.77 cu m/sec of the 25 cu m/sec mean annual flow into the More Creek watershed. The project is estimated to cost $35 million and is anticipated to increase the energy produced by 104 GWH on average annually and is estimated to add approximately $10 million in additional annual revenue to the More Creek Project. This project is not incorporated into the More Creek Project currently being permitted in order to maintain project momentum.

The Company completed an Archaeological Overview Assessment (AOA) of the More Creek project. The report was prepared by AMEC Foster Wheeler and concluded that an Archaeological Impact Assessment should be completed before construction begins.

The company received a 5-year renewal of its Investigative Licence covering almost 7,789 hectares of Crown land in the vicinity of Forrest Kerr Creek for the More Creek Hydroelectric reservoir, storage dam and generator. The term of this Licence is five years commencing February 22, 2023.

Notwithstanding that the COVID-19 pandemic has increased difficulties in raising capital and made field work impossible due to the request of the Tahltan Nation to not visit their territory, the Company continues to seek financing or joint venture partners to move the More Creek project forward.

The Company submitted a preliminary application to BC Hydro with respect their recent Call for Power for an interconnection. This was the first step in meeting BC Hydro's eligibility requirement. The next step in the process was a formal application for an interconnection on April 19, 2024. The Company decided not to continue with the application based on other eligibility requirements, the most important was the equity requirement for at least 25% indigenous participation. The Company attempted and was unable to engage local First Nations for discussions regarding the opportunity to participate. As a result, the Company did not proceed with the 2024 Call for Power.

BC Hydro intimated that there would be future Calls beginning 2026 and succeeding Calls every two years. Meanwhile there is unsatisfied demand for electricity in Northwest BC and the Company will continue to solicit interest from private customers.

(In Canadian Funds, unless otherwise indicated)

OVERALL PERFORMANCE

On December 31, 2020, the Company signed a promissory note with C. Grandison for $100,000 which matures on January 15, 2026 and accrues interest of 2.0% per annum. The Note is convertible at the option of the lender into common shares of the Company at a price of $0.065 per common share if exercised prior to December 31, 2021 and at a price of $0.10 per common share after December 31, 2021. If the share price of the Company on the Exchange exceeds $0.14 every day over a 30 day period, the Company has the option to convert the Note at the same terms as the lender.

SELECTED ANNUAL INFORMATION

The table below presents selected financial data for the Company's three most recently completed years.

	Years ended December 31,		
	2023 $	2022 $	2021 $
Net income (loss)	(70,449)	(63,021)	18,851
Comprehensive income (loss)	(70,449)	(63,021)	18,851
Basic and diluted income (loss per share)	$0.00	$0.00	$0.00
Hydro project expenditures - cumulative	244,367	240,272	319,022
Total assets	14,753	12,392	40,576
Total long-term financial liabilities	80,887	86,697	85,093
Cash dividends declared per share	$0.00	$0.00	$0.00

RESULTS OF OPERATIONS

	For the three months ended September 30,		For the nine months ended September 30,	
	2024 **$**	2023 $	**2024** **$**	2023 $
General and administrative				
Project costs	**-**	2,195	**675**	2,695
Professional fees	**19,461**	17,503	**23,990**	44,021
Transfer agent, filing and sustaining fees	**8,988**	2,820	**14,183**	9,507
Office and administration	**(363)**	68	**262**	429
Interest on convertible promissory note	**5,885**	3,576	**13,081**	10,613
Investor relations	**-**	-	**320**	320
	(33,971)	(26,162)	**(52,511)**	(67,585)
Gain on revaluation of convertible promissory note debenture	**-**	4,000	**-**	10,000
Net loss and comprehensive loss	**(33,971)**	(22,162)	**(52,511)**	(57,585)

(In Canadian Funds, unless otherwise indicated)

The Company's operations for the three months ended September 30, 2024 produced a loss of $33,971 compared to a loss of $22,162 in the same quarter in the previous year. The increase in loss of $11,809 is mostly made up of increases in professional fees, transfer agent, filing and sustaining fees, interest on convertible promissory note of $1,958, $6,168, $2,309 respectively offset by a decrease in the gain on revaluation of convertible promissory note debenture of $4,000.

The Company's operations for the nine months ended September 30, 2024 produced a loss of $52,511 compared to a loss of $57,585 in the same period in the previous year. The decrease in loss of $5,074 is mostly made up of decreases in professional fees, Office and administration of $20,031, and $167 respectively, and a decrease in gain on revaluation of convertible promissory note debenture of $10,000 offset by increases in professional fees, transfer agent, filing and sustaining fees and interest on convertible promissory note of $20,031, $4,676, and $2,468 respectively.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters:

	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22
	$	$	$	$	$	$	$	$
Cash and cash equivalents	(8,459)	10,128	(2,621)	(3,587)	(3,256)	477	3,109	(2,064)
Total assets	16,135	22,321	15,078	14,754	14,196	14,009	15,749	12,392
Shareholder's deficiency	(270,229)	(263,306)	(222,448)	(217,718)	(204,854)	(183,709)	(152,118)	(147,269)
Net income/(loss)	(33,971)	(9,730)	(8,810)	(11,847)	(22,162)	(34,330)	(2,110)	37,166
Basic and diluted loss per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

LIQUIDITY AND SOLVENCY

As at September 30, 2024, the Company had a working capital deficiency of $186,761 (December 31, 2023 – deficiency of $147,331). The Company does not generate cash flows from operations and accordingly the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company had raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations. The current cash resources are not adequate to pay our accounts payable and to meet our minimum commitments at the date of this MD&A. The Company is in the development stage and its ability to continue as a going concern is dependent upon its ability to attract and develop projects, to raise sufficient financing and to obtain the required licenses for any project and to ultimately generate income and cash flows from operations of the project. The outcome of these matters cannot be predicted at this time and in the event they do not occur, the carrying value of the Company's assets may be adversely affected.

CAPITAL RESOURCES

During 2018, the Company issued 2,050,000 common shares for proceeds of $102,500. There has been no new issue of shares since then. The Company still has 5,868,603 of the surrendered shares that it can sell, issue or cancel.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company did not adopt any new accounting standards during the year that had a material impact on its results and financial position.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CONTINGENT LIABILITIES

The Company has no contingent liabilities.

RELATED PARTY TRANSACTIONS AND BALANCES

At September 30, 2024, $62,918 (December 31, 2023 - $60,818) was due to a private company controlled by R. Anderson, CFO of the Company.

During the nine months ended September 30, 2024, the Company incurred $9,000 (September 30, 2023 - $9,250) to a private company controlled by R. Anderson, CFO of the Company for providing accounting services.

At September 30, 2024, $4,840 (December 31, 2023 - $6,870) was due to M. Hoole, Director of the Company.

During the nine months ended September 30, 2024, the Company incurred $4,900 (September 30, 2023 - $4,630) to M. Hoole, Director of the Company for providing management services.

During the nine months ended September 30, 2024, the Company received an advance of $37,000 from C. Grandison, the CEO, President and a Director of the Company. The amount payable to C. Grandison is $112,000 as of September 30, 2024, and is non-interest bearing with no fixed terms of repayment.

These transactions are in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties.

Convertible Promissory Note

In the years ended December 31, 2020 and 2019, the CEO, President and a Director of the Company, C. Grandison, advanced an aggregate of $100,000 to the Company.

On December 31, 2020, the Company converted these advances into a convertible promissory note with a principal balance of $100,000 (the "Note"). The Note bears interest at 2.0% per annum and matures on January 15, 2026. The Note was convertible at the option of the lender into common shares of the Company at a price of $0.065 per common share if exercised prior to December 31, 2021 and at a price of $0.10 per common share after December 31, 2021. If the share price of the Company on the Exchange exceeds $0.14 every day over a 30-day period, the Company has the option to convert the Note at the same terms as the lender.

As the Note has a variable conversion price, it has been accounted for as a financial liability (debt host) with an embedded derivative (variable conversion feature).

(In Canadian Funds, unless otherwise indicated)

The carrying values of the Note at September 30, 2024 and December 31, 2023 are as follows:

		Debt		Embedded Derivative		Total
Balance, December 31, 2022	**$**	**56,697**	**$**	**30,000**	**$**	**86,697**
Interest on Note		14,190		-		14,190
Gain on revaluation of derivative		-		- (20,000)		(20,000)
Balance, December 31, 2023	**$**	**70,887**	**$**	**10,000**	**$**	**80,887**
Interest on Note		13,081		-		13,081
Balance, September 30, 2024	**$**	**83,968**	**$**	**10,000**	**$**	**93,968**

SHARE CAPITAL

Issued and Outstanding:

At September 30 2024, the Company has issued 44,238,353 (December 31, 2023 - 44,238,353) shares, of which 5,868,603 (December 31, 2023 – 5,868,603) shares have been surrendered to the Company and are held by the Company without cancellation and 38,369,750 (December 31, 2023 - 38,369,750) are held by other shareholders.

Warrants:

As of the date of this MD&A, there are no warrants outstanding.

Options:

The Company grants stock options to directors, officers, and consultants as compensation for services, pursuant to its incentive Share Option Plan (the "Plan") options issued must have an exercise price greater than or equal to the "Discounted Market Price" of the Company's shares on the grant date. Options have a maximum expiry period of up to five years from the grant date and vest at such time as may be determined by the Board of Directors at the date of the grant. Options granted to consultants performing investor relations activities shall vest in stages over a 12-month period with a maximum of one-quarter of the options vesting in any six-month period. The number of options that may be issued under the Plan is limited to 8,214,179, 20% of the Company's issued and outstanding shares at the date the Plan was amended.

During the nine months ended September 30, 2024 and the year ended December 31, 2023, no stock options were issued.

The weighted average remaining contractual lives of the outstanding options are:

Expiration Date	Outstanding	Weighted Average Exercise Price	Remaining Contractual Life
November 20, 2024	735,000	0.05	0.14 years
June 29, 2027	3,780,000	0.03	2.75 years

RISKS AND UNCERTAINTIES

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking, which statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements.

The current cash resources are not adequate to pay our accounts payable and to meet our minimum commitments at the date of this MD&A, including planned corporate and administrative expenses. The Company is in the development stage and its ability to continue as a going concern is dependent upon its ability to attract and develop projects, to raise sufficient financing and to obtain the required licenses for any project and to ultimately generate income and cash flows from operations of the project. The outcome of these matters cannot be predicted at this time and in the event they do not occur, the carrying value of the Company's assets may be adversely affected.

The Company does not generate cash flows from operations and accordingly the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.