



AMERICAN EAGLE GOLD

American Eagle Gold Corp.

(formerly Pacific Precious Inc.)

Management Discussion and Analysis
For the three months ended March 31, 2023

May 30, 2023

(Expressed in Canadian Dollars)



The following interim management's discussion and analysis ("Interim MD&A") of American Eagle Gold Corp. ("American Eagle", the "Corporation", or the "Company") (formerly Pacific Precious Inc.), for the three months ended March 31, 2022 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion and analysis, being the management's discussion and analysis for the year ended December 31, 2022 ("Annual MD&A"). This Interim MD&A does not reflect any non-material events since the date of the Annual MD&A.

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

This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2022 and 2021, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022, together with the notes thereto.

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

This Interim MD&A has been prepared with reference to the MD&A disclosure requirements established under National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) of the Canadian Securities Administrators. Additional information regarding American Eagle is available on its website at www.americaneaglegold.ca or through the Company's SEDAR profile available at www.sedar.com. However, the information on the website is not in any way incorporated in or made a part of this Interim MD&A. This Interim MD&A has been prepared as of May 30, 2023.

Scientific and Technical Information

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

Corporate Overview and Update

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

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

Core Business Strategy

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



NAK is a classic porphyry copper-gold mineralized zone that exhibits many signs of a robust and large-scale system. Historic shallow drilling programs defined a near-surface copper-gold system with a footprint greater than 1.5km x 1.5km that was open and completely untested at depth. The current drill program on NAK was designed to test geophysical targets at a depth based on new interpretations from recent ZTEM, IP, and airborne magnetic surveys.

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

Mineral Exploration Project and Current Period Update

NAK, British Columbia

Exploration on the NAK dates back to the mid-1960s, and more than \$9 million has been spent.

Historical Exploration

- 1964-1971: Noranda Exploration completed soil and geophysical surveying and 28 BQ holes for 1837m.
- 1973: Ducanex Resources conducted geophysical and geochemical surveying and 480m in 8 holes.
- 1993-1997: Hera Resources carried out IP and magnetic surveying and drilled 71 BQ holes for 13,311m. No core retained.
- 2008: Copper Ridge completed soil, IP and magnetic surveying and 1,265m in 5 NQ holes. Core retained and stored in Smithers.
- 2010-2014: Copper Ridge and Redtail Metals completed a helicopter ZTEM and magnetic survey comprising 1,083 line-km and ground IP and magnetics.
- 2016-2019: Generation Mining re-logging B08-04 holes, preliminary metallurgy and several generations of soil sampling
- 2021: NAK Mining digitized, analyzed, reinterpreted and modelled all historical data for the first time on this property. Independent geophysical and geochemical analysis was completed for historical data. The company recently applied for a five-year, multi-hole drill permit.

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

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

Current Exploration Activities:

In the first quarter of 2023, American Eagle released the assays from its 2022 drill program. Assay results received in 2023 were released on January 25, 2023 and March 2, 2023.

Hole-by-Hole Highlights of NAK's 2022 Drill Program:

- NAK22-01 returned 851 m of 0.37% CuEq, including 126 metres of 1.05% CuEq from surface



- NAK22-02 returned 956 m of 0.37% CuEq, including 301 metres of 0.61% CuEq from surface
- NAK22-03 returned 906 m of 0.21% CuEq from surface, including 645 metres of 0.24% CuEq
- NAK22-04 returned 527 m of 0.45% CuEq from surface, including 89 metres of 0.98% CuEq
- NAK22-05 returned 804 m of 0.20% CuEq from surface
- NAK22-06 returned 900 m of 0.22% CuEq from surface, including 330 metres of 0.38% CuEq
- NAK22-07 returned 856 m of 0.30% CuEq, including 106 metres of 0.53% CuEq from surface

For further details on the assay results, refer to the press releases on November 7, 2022, December 5, 2022, January 25, 2023 and March 2, 2023.

In May 2023, the Company received its drill permit for NAK which will be in effect for five (5) years with a provisional expiry date of March 31, 2028.

The Company is currently working with the Lake Babine Nation on an exploration agreement to support the future exploration activities at Nak.

In 2023, the Company has interpreted and modeled its drill results to design an aggressive follow-up drill program. The initial plan is to step out from and infill between this year's drill collars and expand and define the zones of higher-grade mineralization intercepted in holes NAK22-01, -02 and -04. NAK22-01 showed grades near surface that were exceptional for NAK, and this is particularly encouraging given that the closest historical hole, NAK95-15, was collared nearly 100 m to the east of NAK22-01. That drill hole returned an intercept of 168.5 m @ 0.81% CuEq from surface. The next closest, NAK96-55, was drilled 105 m away to the northeast and returned 70 m @ 1.07% CuEq starting from 85 metres. Given the grades of NAK22-01 and -02, combined with the grades and distance for holes NAK95-15 and -96-55, the Company infers excellent potential for a large, near-surface zone of copper-gold mineralization exceeding the bounds of what was historically delineated. For further details, refer to the March 2, 2023 press release.

The 6,000 meter 2023 drill program at NAK is expected to commence in June 2023. See *2023 Exploration Plan* below.

Corporate Updates

On January 23, 2023 the Company announced that it has closed a non-brokered private placement of an aggregate 10,000,000 units of the Corporation at a price of C\$0.20 per Unit for aggregate gross proceeds of approximately \$2,000,000. The Corporation intends to use the net proceeds from the Offering to continue advancing the exploration of the NAK Project and for general corporate purposes. Each Unit comprises one common share in the capital of the Company (each a "Common Share") and one-half of one common share purchase warrant of the Corporation (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of C\$0.30 at any time on or before January 23, 2025. Accordingly, the Warrants will not be listed on any exchange.

On April 4, 2023, the Company qualified for trading on the OTCQB Venture Market in the United States under the symbol 'AMEGF'.

In April 2023, the Company extended the expiry of the 8,833,074 warrants with an exercise price of \$0.30 issued from May 3, 2023 to May 3, 2024 and added an acceleration in the event that the volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange is at least \$0.40 for a minimum of 10 consecutive trading days (whether or not trading occurs on all such days), the Company may, in its sole discretion issue a news release announcing that the exercise period has been reduced to 30 days following the date of the issuance of such news release.

In May 2023, the Company completed a \$2.96 million financing which resulted in Teck Resources Limited ("Teck") becoming a strategic shareholder, owning 14.4 million shares or approximately 15% of the

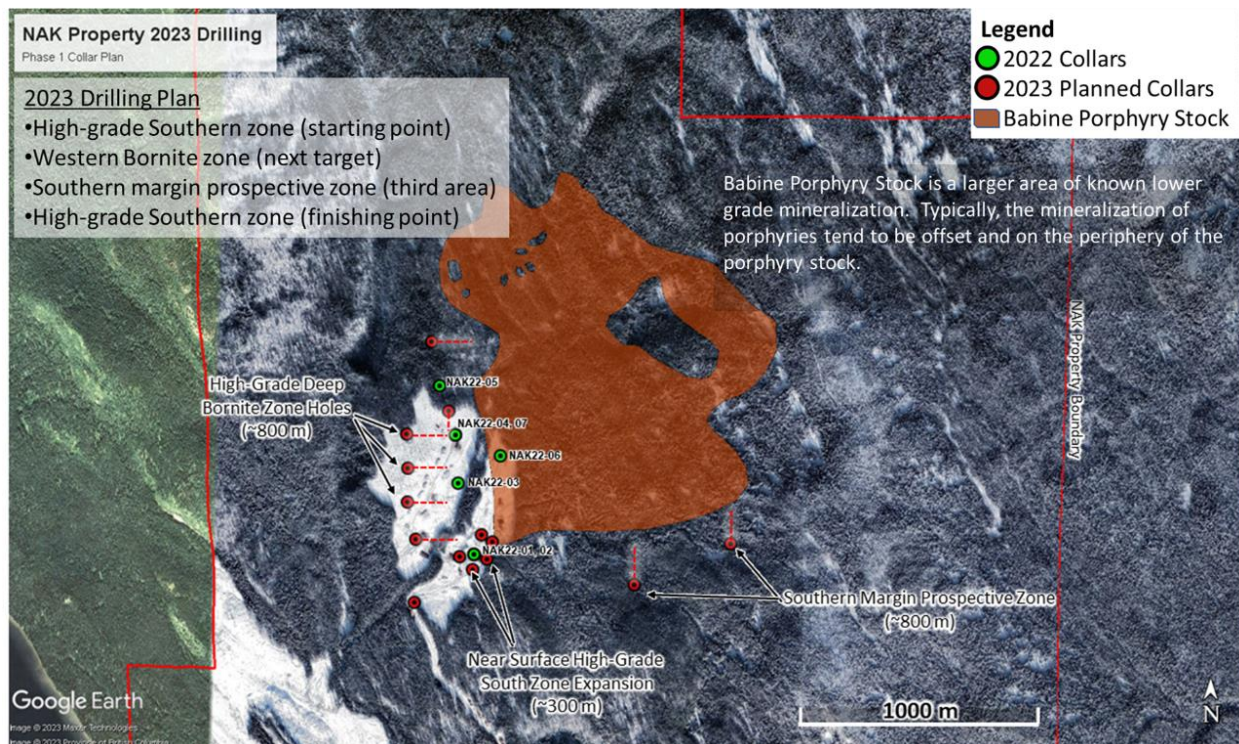


Company on a non-diluted basis. Teck's strategic investment was made through a structured charity flow-through financing on a private placement basis. This investment fully funds the 2023 drill program. An amount equal to the gross proceeds of the financing will be used to incur eligible Canadian exploration expenditures. No warrants or finders fees were issued in connection with the transaction. In connection with the investment by Teck, so long as Teck's ownership in American Eagle remains greater than 5.0% of American Eagle's issued and outstanding common shares on a non-diluted basis, American Eagle has agreed to grant Teck certain investor rights, being an equity participation right to maintain its pro-rata ownership in the Company, and certain information rights relating to the NAK project.

2023 Exploration Plan

NAK's 2023 exploration plan consist of a planned 6,000-metre drill program is expected to commence in the coming weeks. The main focus of the 2023 drill program will revolve around achieving the following primary objectives:

- Follow up the 2022 drill program via east-west step-out drilling and begin to delineate the true size of this potential deposit
- Expand and better define the orientation and distribution of the higher-grade zones of dyke-hosted bornite mineralization
- Expand the known footprint of the high-grade at-surface south gold zone
- Step out and investigate the highly prospective southern margin of the main Babine stock porphyry





Review of Operations for the Quarter Ended March 31, 2023

For the three months ended March 31, 2023, the Company has a net loss before taxes of \$514,351 compared to the prior year period net loss before taxes of \$1,038,873, a decrease of \$498,551. The decrease was due to decreased exploration and evaluation expenditures as the Company completed post 2022 drill program analysis and planning for the 2023 exploration at NAK, where as in the prior year period, the Company was carrying out exploration drilling in Nevada.

<i>For the period ended</i>	March 31, 2023	March 31, 2022	Change
EXPENSES			
Exploration and evaluation expenses	\$346,859	\$819,515	(472,656)
Consulting and management fees	97,574	78,651	18,923
Office, general and administrative	(1,287)	10,125	(11,412)
Amortization	-	5,227	(5,227)
Audit, accounting and legal	11,596	31,722	(20,126)
Transfer agent, filing fees and shareholder communications	70,814	35,224	35,590
Share-based compensation	36,361	2,438	33,923
Unrealized (gain) loss on investment	(15,000)	30,000	(45,000)
TOTAL EXPENSES	\$546,917	\$1,038,873	\$(465,985)

- Exploration expenses decreased \$0.5 million to \$0.35 million which consisted largely of geological consulting (\$0.1 million) and options payments for NAK of \$0.2 million paid in shares.
- Share-based compensation increased due to the vesting period, quantum and value of options issued. The expense in the current period relates to the amortization of option issued in 2022.
- Unrealized gain on investment represents the revaluation of publicly listed securities and reflects the change in the market value during the current period, compared with a loss in the prior year period.

Summary of Quarterly Results

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

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total assets	\$1,792,244	\$1,166,142	\$1,431,424	\$1,870,418
Total liabilities	205,742	1,193,226	811,621	167,224
Total shareholders' equity	1,586,502	(27,084)	619,803	1,703,194
Total revenue	-	-	-	-
Total expenses	546,917	798,249	1,085,496	377,778
Net loss	(546,917)	(798,249)	(1,085,496)	(377,778)
Basic and diluted net loss per share	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.01)



Management Discussion and Analysis for the three months ended March 31, 2023

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total assets	\$2,297,139	\$3,665,757	\$2,556,037	\$3,086,994
Total liabilities	191,724	520,958	28,713	11,693
Total shareholders' equity	2,058,449	3,094,884	2,527,324	3,075,301
Total revenue	-	-	-	-
Total expenses	1,038,873	1,257,126	581,977	1,317,851
Net loss	(1,038,873)	(1,257,126)	(581,977)	(1,317,851)
Basic and diluted net loss per share	\$(0.01)	\$(0.02)	\$(0.01)	\$(0.03)

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

Liquidity and Financial Condition

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

As at March 31, 2022, the Company had working capital of \$1,414,984 compared to December 31, 2022 when it had a working capital deficiency of \$(183,602). As at March 31, 2023, the Company had \$1,620,726 in current assets, being a decrease of \$1,009,624 from December 31, 2022 as a result of spending in the current period and a reduction of outstanding accounts payable and accrued liabilities. As at March 31, 2023, the Company's current liabilities totaled \$205,742 and as at March 31, 2023 other long-term liabilities totaled \$Nil.

The Company had a cash balance of \$1,509,385 as at March 31, 2023, an increase of 802,734 from \$706,651 as at December 31, 2022. In the first quarter of 2023, cash used in operating activities was \$1.1 million compared to \$1 million in the prior year period. Cash provided by financing of \$1.9 million was a result of the private placement completed compared with cash used in financing relating to payments on equipment loan in the prior year period.



Related Party Transactions

Key management personnel compensation

Key management includes directors and executive officers. The remuneration of the key management of the Company during the three months ended March 31, 2023 and 2022 were as follows:

	March 31, 2023	March 31, 2022
Geological consulting included in exploration expenses	\$-	\$33,857
Management and consulting fees	81,165	77,793
Share-based payments	23,780	2,438
	\$104,945	\$114,088

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 months ended March 31, 2023, Standard Ore charged the Company \$30,000 in management fees, which is included in the amounts in the above chart.

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

	March 31, 2023	December 31, 2022
Due from Standard Ore Corporation	\$ 4,216	\$ -
Due to Baselode Energy Copr.	(3,425)	-
Due to Orefinders Resources	(230)	-
	\$561	-

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

Refer to Note 7 for details of the Cerros Rojos assignment agreement with Standard Ore and the option agreement with Orefinders on the NAK Property.

As at March 31, 2023, the Company held 3,000,000 common shares of Orefinders at a fair value of \$135,000 (December 31, 2022 – 3,000,000 common shares -\$120,000) based on the quoted market price of the Orefinders' shares. The Company has directors in common with Orefinders.

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 March 31, 2023 and December 31, 2022, the Company's investment was carried at fair value. It was classified at Level 1 in the fair value hierarchy.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. 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 credit risk of cash 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 March 31, 2023, if the fair value of the investments fluctuated by 10% all other factors held constant, consolidated net loss would change by approximately \$12,000 (2022 - 16,500).

Classification of financial instruments

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

	March 31, 2023	December 31, 2022
Financial assets at amortized costs:		
Cash	\$1,509,385	\$706,651
Due from related party	4,216	-
Financial assets at FVPL:		
Investment in Orefinders	135,000	120,000
	\$1,648,601	\$826,651
	March 31, 2023	December 31, 2022
Financial liabilities at amortized costs:		
Accounts payable and accrued liabilities	\$202,087	\$1,193,226
Due to related party	3,655	-
	\$205,742	\$1,193,226

Capital Management

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



In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

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

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

Equity Securities Issued and Outstanding

As at May 30, 2023:

95,865,241 common shares issued and outstanding
10,700,000 incentive stock options outstanding
21,039,262 warrants outstanding

Corporate Governance Matters

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

Commitments and Contingencies

(a) The Company's exploration activities are subject to various federal and state 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 in the future, expenditures to comply with such laws and regulations.

(b) 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. 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 current and previous 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 commitment.

(c) The Company is party to certain management agreements. These agreements contain minimum commitments of approximately \$20,000 per month.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Risks and Uncertainties

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



Capital Requirements

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

Dependence on Mineral Exploration Projects

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

Metal Prices

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

Government Regulation, Permits and Licenses

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

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



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

Competition

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

Exploration, Development and Operational Risk

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

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

Reliance on Management and Key Employees

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

No Assurance of Titles, Boundaries or Approvals

Titles to American Eagle's projects may be challenged or impugned, and title insurance is generally not available. American Eagle's mineral projects may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, American Eagle



may be unable to operate its projects as permitted or to enforce its rights with respect to its projects. American Eagle cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect American Eagle's operations.

Environmental Risks and Hazards

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

Uninsured Risks

American Eagle's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral projects or production facilities, personal injury or death, environmental damage to American Eagle's projects or the projects of others, delays in development or mining, monetary losses and possible legal liability. Although American Eagle maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. American Eagle may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to American Eagle on affordable and acceptable terms. American Eagle might also become subject to liability for pollution or other hazards which may not be insured against or which American Eagle may elect not to insure against because of premium costs or other reasons. Losses from these events may cause American Eagle to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

COVID-19

The COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material.



Evaluation of Disclosure Controls and Procedures

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

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

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

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information". These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its projects and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:



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- uncertainties relating to receiving exploration permits;
 - the impact of increasing competition;
 - unpredictable changes to the market prices for minerals;
 - exploration and developments costs for its projects;
 - availability of additional financing and opportunities for acquisitions or joint-venture partners;
 - anticipated results of exploration and development activities; and
 - the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A and Financial Statements and Notes to the Financial Statements as at March 31, 2023 and the Annual MD&A and Financial Statements and Notes to the Financial Statements as at December 31, 2022, uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral and oil and gas operations; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and farm-in or joint venture partners and unpredictable weather conditions. Although the Company has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

"Stephen Stewart"

On behalf of American Eagle's Board of Directors