

GREAT NORTHERN ENERGY METALS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended November 30, 2024

The following Management's Discussion and Analysis ("**MD&A**") of Great Northern Energy Metals Inc. (the "**Issuer**") has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") as of January 27, 2025 and should be read in conjunction with the condensed interim financial statements for the three months ended November 30, 2024 and the related notes contained therein which have been prepared under IFRS Accounting Standards ("**IFRS**"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

Overview

The Issuer was incorporated in the Province of British Columbia on October 5, 2022, under the name of "Great Northern Copper Inc." On March 15, 2023, it underwent a name change to "Great Northern Energy Metals Inc." The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

As at November 30, 2024 the Issuer reported a working capital deficiency of \$81,576 and may require financing from outside participation to continue exploration and subsequent development of its mining claims under the option and to be able to incur exploration expenditures required under the Kenora Option Agreement (defined herein).

As at November 30, 2024 the Issuer had not yet achieved profitable operations, has accumulated losses of \$264,166 since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer's ability to continue as a going concern. The Issuer's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

Uranium Industry Trends

Overview

The global uranium market has experienced significant fluctuations in recent years, driven by a variety of factors including geopolitical developments, changes in energy policies, and market dynamics. As a junior mining company engaged in uranium exploration, it is crucial to understand these trends to navigate the risks and capitalize on the opportunities they present.

Key Trends

1. **Rising Demand for Nuclear Energy:** There is a growing demand for nuclear energy as countries seek to reduce carbon emissions and transition to cleaner energy sources.¹ This has led to an increase in the number of nuclear reactors under construction, particularly in Asia, which is expected to boost uranium demand over the coming decades.²
2. **Supply Constraints:** Major uranium producers have curtailed production in response to prolonged low prices, resulting in a tighter supply market. Additionally, geopolitical tensions and regulatory challenges in key producing regions such as Kazakhstan, Canada, and Australia have further constrained supply.
3. **Technological Advancements:** Advances in reactor technology, including small modular reactors (SMRs) and next-generation nuclear technologies, are expected to enhance the efficiency and safety of nuclear power, potentially increasing uranium demand.³
4. **Market Sentiment and Price Volatility:** Uranium prices have historically been volatile, influenced by market sentiment and speculative trading. Recent years have seen a recovery in prices, driven by increased investor interest and strategic stockpiling by utilities and sovereign entities.⁴

Risks

1. **Regulatory and Political Risks:** Uranium mining is heavily regulated, and changes in environmental policies or political instability in key regions can significantly impact operations. The regulatory approval process for new mines can be lengthy and uncertain, posing a risk to project timelines and costs.⁵

¹ The Reference Scenario of the 2023 edition of the World Nuclear Association's Nuclear Fuel Report shows a 28% increase in uranium demand over 2023-30.

² <https://world-nuclear.org/information-library/current-and-future-generation/plans-for-new-reactors-worldwide>

³ <https://www.iaea.org/newscenter/news/what-are-small-modular-reactors-smrs>

⁴ <https://world-nuclear.org/information-library/nuclear-fuel-cycle/uranium-resources/uranium-markets>

⁵ <https://world-nuclear.org/information-library/safety-and-security/radiation-and-health/occupational-safety-in-uranium-mining>

2. **Market Volatility:** The uranium market is susceptible to price swings due to changes in supply and demand dynamics, speculative activities, and macroeconomic factors. Prolonged periods of low prices could impact the economic viability of uranium projects.⁶
3. **Operational Risks:** Uranium mining involves complex and costly extraction processes, and any operational disruptions, such as equipment failures or labor disputes, can affect production schedules and profitability.
4. **Environmental and Social Concerns:** Uranium mining faces scrutiny over its environmental impact, including radiation hazards, water usage, and waste management. Addressing these concerns requires significant investment in safety and environmental protection measures, which can impact profitability.⁷

Opportunities

1. **Increasing Nuclear Capacity:** The ongoing global shift towards low-carbon energy sources presents a substantial opportunity for uranium producers. New reactor constructions and the extension of existing reactor lifespans will drive long-term demand for uranium.
2. **Technological Innovation:** Advancements in mining technology and nuclear reactor design can lower production costs and improve safety, making uranium projects more economically viable and attractive to investors.⁸
3. **Strategic Partnerships:** Forming strategic partnerships with larger mining companies, utilities, and technology providers can provide access to capital, expertise, and markets, enhancing the prospects of successful project development.
4. **Government Support:** Some governments are recognizing the role of nuclear power in achieving energy security and climate goals, resulting in favorable policies and incentives for uranium exploration and production.

Exploration Activities

Kenora Property

Pursuant to the terms and conditions of a mineral property option agreement dated May 5, 2023 (the “**Option Agreement**”) among the Issuer, Madison Metals Inc. (“**Madison**”), and 2160083 Ontario Inc. (“**Madison Subco**”), the Issuer acquired the option to acquire a 60% interest in and to the Kenora Property (the “**Kenora Property**”). The Option Agreement was amended on May 3, 2024 and the Issuer issued 25,000 common shares to Madison as consideration for amending the agreement.

⁶ <https://www.power-technology.com/news/kazatomprom-profits-up-despite-uranium-market-volatility/>

⁷ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4962241/>

⁸ https://inis.iaea.org/collection/NCLCollectionStore/_Public/48/039/48039426.pdf

Under the terms of the amended Option Agreement, the Issuer:

- paid Madison Subco \$50,000 in cash on July 12, 2023 (paid);
- is required to incur exploration expenditures of \$600,000 by May 5, 2025; and
- is required to incur exploration expenditures of \$300,000 by May 5, 2026.

The Kenora Property is located approximately 30 km east of the city of Kenora and 30 km west of the city of Dryden along Trans-Canada highway 17 in northwestern Ontario. The Kenora Property consists of 182 non-contiguous unpatented mining cell claims in the Thunder Bay Mining Division covering a total surface of 3,913.74 ha. Legal access to the Kenora Property is via provincial highways and roads. The claims occur within multiple townships, including MacNicol, Tustin, Bridges, Docker, and Langton townships. The surface rights to the claims are held by the Crown.

The Issuer commissioned Precision GeoSurveys Inc. of Langley, BC to conduct a high-resolution helicopter-borne magnetic and radiometric survey of the Kenora Property. A total of 2075 line-lm were flown over an area of 113.3km².

Results of Operations - For the three months ended November 30, 2024:

Revenues

Due to the Issuer's status as an exploration stage mineral resource Issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenue from its operations.

Expenses

During the three months ended November 30, 2024, the Issuer recorded a loss of \$60,356. Some of the significant charges to operations are as follows:

Bank charges of \$389 (2023 - \$226) were incurred in order to maintain the Issuer's primary operating bank accounts.

Consulting fees of \$10,425 (2023 - \$nil) were incurred by the CEO and CFO.

Professional fees of \$48,655 (2023 - \$5,134) consisted of accounting and legal fees incurred in order to prepare the Issuer for listing on a stock exchange.

Expenses are anticipated to vary significantly quarter to quarter, with larger expense balances being incurred in quarters with more concentrated exploration activity. Expenses from the most recent quarter should not be used to estimate future quarters. In particular, significant expenses will be incurred to comply with the Issuer's obligations under its option agreement with Madison.

Table Summary of Quarterly Results

The following table sets forth selected financial information from the Company's unaudited quarterly consolidated financial statements for the recently completed quarters with financial information available.

	Three months ended			
	November 30, 2024 \$	August 31, 2024 \$	May 31, 2024 \$	February 29, 2024 \$
Total assets	456,224	446,962	308,585	285,969
Working capital (deficiency)	(81,576)	88,173	(20,751)	155
Net loss	(60,356)	(108,700)	(58,112)	(243)
Net loss per share ⁽¹⁾	(0.00)	(0.01)	(0.00)	(0.00)

	Three months ended		
	August 31, 2023 \$	May 31, 2023 \$	February 28, 2023 \$
Total assets	244,904	175,992	Nil
Working capital (deficiency)	155,397	175,992	Nil
Net loss	(31,387)	(8)	Nil
Net loss per share ⁽¹⁾	(0.00)	(0.00)	Nil

⁽¹⁾The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants.

The Company has not prepared quarterly results for the quarter ending November 30, 2023, as the Company was not a reporting issuer at that time and therefore was not required to do so.

Liquidity and Capital Resources

As at November 30, 2024 the Issuer had a working capital deficiency of \$81,576 and an accumulated deficit of \$264,166. The financial statements have been prepared in accordance with IFRS on an ongoing basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Issuer is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Issuer believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

Cash Flow Analysis

Operating Activities

During the three months ended November 30, 2024, cash used in operating activities was \$17,421.

Investing Activities

During the three months ended November 30, 2024, cash used in investing activities was \$33,855. The Issuer spent \$33,855 on exploration and evaluation assets.

Financing Activities

During the three months ended November 30, 2024, cash generated by financing activities was \$nil.

Discussion of Operations

The Issuer is primarily focused on the exploration of the Kenora Property. Over the coming months, it anticipates spending significantly to meet the \$600,000 minimum threshold as required under its contract with Madison. This will involve drilling on the property, and the assaying of drill cores to determine mineral content. The Issuer has already spent \$281,520 on these exploration activities, resulting in a new NI-43-101.

The viability of the Issuer is largely dependent on the results of those activities. This represents both the core opportunity and the single largest risk factor in the business.

The value of this project is directly impacted by global uranium prices and demand. Recent increases in the price of uranium are positive, but any decline in price would negatively impact the Kenora Project and the Issuer more broadly. Significant uranium price declines could even make the potential future economics of the project unviable.

On November 21, 2024, the Company filed a prospectus related to its initial public offering of 8,000,000 common shares of the Company at a price of \$0.10 per share for aggregate gross proceeds of \$800,000 (the "Offering"). On January 23, 2025, the Company completed and closed the Offering. The Offering was made pursuant to the terms of an agency agreement between the Company and Haywood Securities Inc. (the "Agent"). The Company paid the Agent a cash commission equal to 10% of the gross proceeds of the Offering. The Company also paid the Agent a cash corporate finance fee of \$50,000, and the reasonable costs and expenses of the Agent related to the Offering.

The Company applied to the Canadian Securities Exchange ("CSE") for approval to list the Company's common shares. On January 21, 2025, the CSE issued a bulletin approving the listing

of the common shares of the company under the symbol GNEM. The shares began to trade under the symbol GNEM on January 24, 2025.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Issuer as a whole. The Issuer has determined that key management personnel consist of members of the Issuer's Board of Directors and corporate officers. The Company incurred charges from directors and officers, or to companies controlled by these individuals during the three months ended November 30, 2024 and 2023 as follows:

	2024	2023
	\$	\$
Consulting fees	10,425	-
	<u>10,425</u>	<u>-</u>

During the three months ended November 30, 2024, the Company incurred consulting fees to the CEO and CFO.

On January 1, 2023, the Company received an advance of USD\$10,000 from Conor Lynch, a director of the Company. The loan is non-interest bearing, unsecured and has a maturity date January 1, 2025. During the year ended August 31, 2024, the loan has been fully repaid.

Risks and Uncertainties

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer's financial

statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations.

With respect to the Issuer's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

Capital risk management

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated

investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at November 30, 2024, the Issuer had a working capital deficiency of \$81,576.

The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity.

Fair value estimates are based on quoted market values and other valuation methods. The carrying values of cash, loan payable and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

Outstanding Shares, Stock Options and Warrants

As at the date of this MD&A, the Issuer had 20,825,000 common shares issued and outstanding and 600,000 options outstanding with an exercise price of \$0.125 per share expiring on May 2, 2029.

Off-Balance Sheet Arrangements

The Issuer has no off-balance sheet arrangements.

Proposed Transactions

The Issuer has no proposed transactions.

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management’s Responsibility for Financial Statements

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.