

YUKON METALS CORP.
(formerly JKS RESOURCES INC.)
Management Discussion and Analysis
For the Nine Months Ended May 31, 2024

The following Management Discussion and Analysis (“MD&A”) of the operating results and financial position of Yukon Metals Corp. (“the Company” or “YMC”) (formerly JKS Resources Inc.) is for the nine months ended May 31, 2024 and is dated July 23, 2024. This MD&A has been prepared by management in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators and should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the three and nine months ended May 31, 2024 and the Company’s audited financial statements and related notes for the year ended August 31, 2023. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This information is not a substitute for detailed investigation or analysis on any particular issue and such information is not intended to be a comprehensive review of all matters and developments concerning the Company.

Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

Nature of Operations

The Company was incorporated under the Business Corporations Act of British Columbia on November 9, 2020. The Company is engaged in the exploration and development of mineral properties in Canada. The Company’s head office is located at 1000 - 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

On May 30, 2024, the Company acquired Lapie Mining Inc. from 18526 Yukon inc. for consideration of \$2,000,000 in cash and 25,000,000 common shares in the capital of the Company (the “Transaction”). Pursuant to the Transaction the Company acquired the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Faro North, Fox, Gem, Ketz, Nut, Pete, Risby, Talbot claims and the Venus claims and crown grants located in the Yukon for a total land package of approximately 18,000 hectares.

On May 30, 2024, the Company completed a name change from JKS Resources Inc. to Yukon Metals Corp.

On June 3, 2024, the Company resumed trading on the Canadian Securities Exchange (the “CSE”) under the symbol “YMC”.

On June 19, 2024, the Company announced that its shares have been accepted for listing on the Frankfurt Stock Exchange under the symbol “E770”.

Acquisition of the Yukon Properties

On January 12, 2024, the Company entered into a definitive purchase and sale agreement with 18526 Yukon Inc. (the “Vendor”), which was completed on May 30, 2024, pursuant to which the Company acquired all of the issued and outstanding common shares of Lapie Mining Inc. (“Lapie”), a wholly owned subsidiary of the Vendor, in exchange for exchange for \$2,000,000 cash and 25,000,000 common shares of the Company. Lapie owns the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Faro North, Fox, Gem, Ketz, Nut, Pete, Risby and Talbot claims and the Venus claims and crown grants located in the Yukon (the “Properties”). The Vendor will retain a royalty equal to 2.5% of the net smelter returns in respect

of each of the Properties, subject to a right of repurchase of 0.5% of each royalty at a cost of \$1,000,000 per royalty payable in gold or cash.

In accordance with IFRS 3, Business Combinations, the Company was identified as the accounting acquirer and Lapie as the acquiree. Lapie was not considered to meet the definition of a business under IFRS 3, and accordingly the transaction has been accounted for as an asset acquisition. The Transaction was accounted for in accordance with IFRS 2, Share-based Payments, whereby equity instruments issued were recognized at fair value and allocated to the fair value of the net assets acquired.

The consideration paid was allocated to the net assets acquired as follows:

Net assets acquired	\$
Assets acquired	
Accounts receivable	1,959
Prepaid	10,500
Exploration and evaluation assets	9,656,351
Liabilities assumed	
Accounts payable and accrued liabilities	(73,455)
Due to related parties	(95,355)
<hr/> Net assets as at May 30, 2024	<hr/> 9,500,000
 Consideration paid	
Cash	2,000,000
Fair value of 25,000,000 common shares issued	7,500,000
<hr/> Total consideration paid	<hr/> 9,500,000

Below is a summary of the changes in the exploration and evaluation assets during the nine months ended May 31, 2024:

PROPERTY	Opening Balance	Acquisition Costs	Impairment Expense	Ending Balance
	\$	\$	\$	\$
Sowchea	234,140	-	(234,140)	-
AZ	-	1,504,118	-	1,504,118
Barite Mountain	-	96,564	-	96,564
Birch	-	772,508	-	772,508
Carter Gulch	-	289,691	-	289,691
Clea	-	168,986	-	168,986
Eva	-	168,986	-	168,986
Expo	-	2,000,000	-	2,000,000
Faro North	-	96,564	-	96,564
Fox	-	168,986	-	168,986
Gem	-	96,564	-	96,564
Ketza (“Star-River” property)	-	2,000,000	-	2,000,000
Nut	-	772,508	-	772,508
Pete	-	289,691	-	289,691
Risby	-	168,986	-	168,986
Talbot	-	772,508	-	772,508
Venus	-	289,691	-	289,691
TOTAL	234,140	9,656,351	(234,140)	9,656,351

Sowchea Property

The Company entered into the Option Agreement dated January 8, 2021, as amended on February 5, 2021 and on November 9, 2021, whereby the Company has the exclusive option to acquire a 100% interest in the Sowchea Property, subject to a 1% GORR interest payable and deliverable to the optionor by the Company.

The option is exercisable by the Company issuing to the optionor a total of 1,450,000 Common Shares, making aggregate cash payments of \$75,000 and incurring 650,000 of exploration expenditures, as follows:

- Pay \$25,000 in cash within five business days of the execution of the Option Agreement (paid in January 2021);
- Pay \$25,000 and issue 200,000 common shares within five business days of the listing date, November 29, 2022 (paid and issued shares in December 2022 valued at \$27,000);
- Pay \$25,000, issue 500,000 common shares and incur exploration expenditures of \$150,000 on or before May 29, 2024; and
- Issue 750,000 common shares and incur exploration expenditures of \$500,000 on or before May 29, 2025.

During the nine months ended May 31, 2024, the Company determined not to proceed with the Sowchea Property and accordingly, recorded an impairment expense of \$234,140.

Exploration Outlook

On May 29, 2024, Lapie filed a technical report prepared in accordance with the disclosure standards of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) on the Expo Property dated May 13, 2024. The Technical Report was prepared by Carl Schulze, BSc, P.Geo., who is a qualified person under NI 43-101.

On July 17, 2024, the Company announced that it has begun reconnaissance field work at the Star River Project located 50 kilometres due south of Ross River, Yukon. The Company owns 100% of the 716-hectare, Star River base and precious metals project accessible by road from the Robert Campbell Highway and former Ketz Mine Road. The project is host to multiple showings of polymetallic carbonate replacement mineralization and quartz-sulphide veins first discovered in the 1950s. Remnants of underground and surface workings using historical exploration techniques are visible around much of the property and tied together with a network of roads and trails surrounding the Ketz Mine.

Initial fieldwork by the Company located new mineralized outcropping that was not previously mapped in the vicinity of several of the historic workings. Further geochemical sampling and mapping programs this season will help to delineate these new areas of mineralization.

Vision Quest, a Yukon First Nations-owned exploration contractor working has commenced ground preparation in advance of an upcoming surface geophysical program. A detailed drone LiDAR topographic survey on the project has already been completed and interpretation is underway.

The Company will explore this area using a gravity geophysics survey as well as an electromagnetic survey to prospect for coincident conductive horizons. Detailed geologic mapping and geochemical soil sampling will occur concurrently.

Qualified Person

Helena Kuikka, P.Geo., VP Exploration for the Company and a Qualified Person within the meaning of National Instrument 43-101, has reviewed the technical information in this MD&A.

Results of Operations

For the three months ended May 31, 2024

The net loss for the three months ended May 31, 2024 was \$869,722 (2023 - \$46,893). The majority of the increase in net loss year-over-year is a result of the increased professional fees, property investigation expenses and marketing fees due to the acquisition of the Yukon properties. Additionally, the Company recorded an impairment loss of \$234,140 during the three months ended May 31, 2024 (2023 - \$Nil).

The most significant expenses for the three months ended May 31, 2024 were professional fees of \$282,231 (2023 - \$8,198), property investigation expenses of \$246,820 (2023 - \$Nil), consulting fees of \$76,500 (2023 - \$10,500) and transfer agent, filing and listing fees of \$46,882 (2023 - \$2,762). The Company also recorded an impairment loss of \$234,140 during the three months ended May 31, 2024 (2023 - \$Nil). These expenses were offset by interest income of \$38,969 in 2024 compared to \$Nil in 2023.

For the nine months ended May 31, 2024

The net loss for the nine months ended May 31, 2024 was \$1,089,876 (2023 - \$147,196). The majority of the increase in net loss year-over-year is a result of the increased professional fees, property investigation expenses, consulting and marketing fees.

The most significant expenses for the nine months ended May 31, 2024 were professional fees of \$392,515 (2023 - \$46,320), property investigation expenses of \$246,820 (2023 - \$Nil), marketing fees of \$69,761 (2023 - \$36,233), consulting fees of \$97,500 (2023 - \$22,020) and impairment of mineral properties of \$234,140 (2023 - \$Nil). These expenses were offset by interest income of \$38,969 in 2024 compared to \$Nil in 2023.

Cash Flows

Cash increased by \$12,659,339 during the nine months ended May 31, 2024 from \$214,375 at August 31, 2023 to \$12,873,714 at May 31, 2024. The increase in cash and cash equivalents was primarily a result of cash provided by financing activities of \$14,769,250, reduced by cash used in operating activities of \$109,911, and cash used in investing activities of \$2,000,000 in connection with Lapie acquisition.

The cash of \$2,000,000 used in investing activities related to acquisition of Lapie and the Yukon properties.

The cash of \$14,769,250 provided by financing activities consisted of proceeds from private placement of \$15,199,357 less share issuance costs of \$500,107, and proceeds from the exercise of options and warrants of \$55,000 and \$15,000, respectively.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the most recent eight quarterly periods:

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Net Loss for the period	(869,722)	(131,320)	(88,834)	(93,279)
Basic and Diluted loss per share	(0.04)	(0.01)	(0.00)	(0.01)
	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net Loss for the period	(46,893)	(66,849)	(33,454)	(72,481)
Basic and Diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

Over the last eight quarters, the Company's net loss ranged from \$33,454 in Q1 2023 to \$869,722 in Q3 2024.

The higher losses in Q3 2024 and Q2 2024 are due to higher professional, marketing and consulting fees incurred in connection with the Lapie transaction as well as property investigation expenses incurred in Q3 2024.

Financing Activities

On November 30, 2022, the Company successfully completed its initial public offering (the "IPO") of 6,500,000 common shares (the "Shares") at a price of \$0.10 per Share for total gross proceeds of \$650,000 (the "Proceeds"). In connection with the IPO, the Company agreed to pay the agent a cash commission equal to 10% of the proceeds and granted the agent an option to acquire 650,000 common shares of the Company at a price of \$0.10 per share until November 30, 2024. The agent's options were valued at \$27,526 using the Black-Scholes pricing model, with the following assumptions: risk-free rate of 3.86%, expected life of 2 years, expected volatility of 74.20% and expected dividends of \$nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period. The Company paid \$36,750 to the IPO agent as a corporate finance fee (the "Agent Finance Fee"). Including the Agent Finance Fee, the Company incurred total share issuance cost of \$200,574.

On May 30, 2024, the Company completed a non-brokered private placement by issuing 24,032,417 Subscription Receipts at a price of \$0.30 per Subscription Receipt for gross proceeds of \$7,209,725. Each Subscription Receipt was automatically exercised into one common share of the Company upon completion of the Company acquiring all of the issued and outstanding shares of Lapie, which holds certain mineral claims in the Yukon.

On May 30, 2024, the Company completed a non-brokered private placement by issuing 17,754,738 subscription receipts at a price of \$0.45 per subscription receipt for gross proceeds of \$7,989,632. Each unit Subscription Receipt was automatically exercised into one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.60 up to May 3, 2027. The Company used the residual method and measured the fair value of the common shares first and allocated the residual value to the warrants. The fair value of a share was determined to be \$0.30 and accordingly, \$2,663,211 was allocated to the warrants. In connection with

the private placements, the Company incurred finders fees of \$334,028 and other share issuance costs including legal fees and filing fees of \$166,079.

On May 30, 2024, the Company issued 25,000,000 common shares at the fair value of \$7,500,000 to acquire Lapie. The fair value of the shares was determined by reference to the concurrent non-brokered private placement.

The Company issued 550,000 common shares pursuant to the exercise of 550,000 options with an exercise price of \$0.10 per share for total gross proceeds of \$55,000. The share price on the date of exercise was \$0.35.

The Company issued 150,000 common shares pursuant to the exercise of 150,000 warrants with an exercise price of \$0.10 per warrant for total proceeds of \$15,000.

Liquidity and Capital Resources

In management's view, given the nature of the operations, which currently consists of its interest in the 16 Yukon properties acquired on May 30, 2024, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource property contains reserves, which are economically recoverable.

As at May 31, 2024 the Company had current assets totalling \$13,236,534, composed of cash, accounts receivable and prepaid. As at May 31, 2024, the Company had working capital of \$11,965,239.

As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded operations through the issuance of equity securities on a private placement basis. Management believes that the Company currently has sufficient capital resources to carry out the intended exploration on the Yukon properties for the immediate next 12 months. The Company does not have any other commitments for material capital expenditures over the near and long term other than as disclosed in this MD&A plus normal operating expenses.

Contractual Obligations

The Company entered into a twelve-month consulting agreement with an arm's length party, effective January 1, 2023 for \$2,500 plus GST per month for business advisory and corporate development services and has been extended on a month-to-month basis.

During the year ended August 31, 2023, the Company entered into a twelve-month investor relations agreement with Maynard Communication Inc., an arm's length party, to provide public relations, marketing and corporate and communication services for total fees of \$150,000. As at May 31, 2024, the full payment has been drawn down.

During the three months ended May 31, 2024 the Company entered into a six-month marketing agreement with Market IQ Media Group starting June 1, 2024 for content creation for \$300,000.

Related Party Transactions

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and nine months ended May 31, 2024 and 2023 as follows:

	Three months ended May 31,		Nine months ended May 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accounting fees	16,468	2,999	24,467	12,150
Consulting fees	3,000	3,000	9,000	9,520
Share-based compensation	2,862	-	2,862	-
	22,330	5,999	36,329	21,670

Key management of the Company includes the chief executive officer, the CFO and the directors. During the three and nine months ended May 31, 2024 and 2023, compensation paid to key management consists of consulting fees charged by to a company owned by a director, and accounting fees charged by the CFO which have been presented in the table above.

Accounts payable and accrued liabilities at May 31, 2024 includes \$107,103 (August 31, 2023 - \$781) due to related parties. The balances owing are non-interest bearing and due on demand. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Off Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, that have, or are reasonably likely to have, an impact on the current or future results of operations or the financial condition of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance 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 reports could differ from management's estimates. Details of the critical accounting estimates and judgments can be found in Note 2 of the audited financial statements for the year ended August 31, 2023.

Accounting Policies

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amount of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently

uncertain. Details of the significant accounting policies can be found in Note 2 of the audited financial statements for the year ended August 31, 2023.

Financial Instruments

Details of the Company's financial instruments can be found in Note 7 of the Company's audited financial statements for the year ended August 31, 2023.

Disclosure of Outstanding Share Data

As of the date of this report, there were 89,107,155 common shares, 13,377,369 share purchase warrants, with exercise prices ranging from \$0.10 to \$0.60, and 4,800,000 stock options, with exercise process ranging from \$0.10 to \$0.45, outstanding.

Internal Controls over Financial Reporting

In connection with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Management's Responsibility of Financial Statements

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of these 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.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company provides disclosure related to capitalized exploration and acquisition costs in the notes to the financial statements and disclosure related to general and administration expenses in the statements of operations and comprehensive loss.

Risk Factors

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, a number of risk factors should be considered. Refer to the Listing Statement filed on sedarplus.ca on May 30, 2024 for a detailed description of the Risk Factors.

Forward Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements" concerning the future performance of the Company's business, its operations, its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the

current opinions and expectations of management. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that may cause actual results to vary from forward looking statements include, but are not limited to, the Company's ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, as described in more detail in this document under "Risk Factors". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.