

WESTERN ALASKA MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

WESTERN ALASKA MINERALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(Unaudited, Expressed in United States Dollars)*

| | Notes | March 31, 2024 | December 31, 2023 |
|---|-------|----------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | | \$ 290,414 | \$ 1,191,561 |
| GST and other receivables | | 38,955 | 35,763 |
| Prepaid and deposits | | 73,434 | 170,479 |
| | | 402,803 | 1,397,803 |
| Non-Current Assets | | | |
| Equipment | 3 | 1,888,918 | 1,999,413 |
| Exploration and evaluation properties | 4 | 28,968,200 | 28,681,363 |
| TOTAL ASSETS | | \$ 31,259,921 | \$ 32,078,579 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current Liabilities | | | |
| Accounts payable and accrued liabilities | 5 | \$ 635,558 | \$ 936,932 |
| Promissory note – current portion | 7 | 686,153 | 225,000 |
| | | 1,321,711 | 1,161,932 |
| Non-Current Liabilities | | | |
| Promissory note | 7 | 2,166,680 | 2,594,083 |
| TOTAL LIABILITIES | | 3,488,391 | 3,756,015 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 8 | 35,770,106 | 35,770,106 |
| Reserve for options, RSUs and warrants | 8 | 3,236,127 | 2,990,321 |
| Reserve for foreign exchange | | (210,295) | (197,308) |
| Accumulated deficit | | (11,024,408) | (10,240,555) |
| TOTAL SHAREHOLDERS' EQUITY | | 27,771,530 | 28,322,564 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | \$ 31,259,921 | \$ 32,078,579 |
| Nature and continuance of operations | 1 | | |
| Subsequent events | 11 | | |

Approved by the Board of Directors:

“Christopher (Kit) Marrs”
Director

“Kevin Nishi”
Director

WESTERN ALASKA MINERALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023***(Unaudited, Expressed in United States Dollars)*

| | Notes | March 31, 2024 | March 31, 2023 |
|--|-------|------------------|--------------------|
| EXPENSES | | | |
| Bank charges | | \$ 459 | \$ 666 |
| Consulting fees | | 37,018 | 73,904 |
| Filing and regulatory fees | | 6,499 | 14,588 |
| Insurance | | 14,189 | 3,984 |
| Management fees | 6 | 248,177 | 203,893 |
| Marketing expenses | | 142,760 | 74,309 |
| Office and sundry | | 17,548 | 50,522 |
| Professional fees | | 36,673 | 46,510 |
| Share-based payments | 6, 8 | 245,806 | 958,648 |
| Travel and promotion | | 3,070 | 17,622 |
| | | (752,199) | (1,444,646) |
| OTHER ITEMS | | | |
| Foreign exchange loss | | (530) | (2,683) |
| Interest expense | 7 | (33,750) | (13,500) |
| Interest income | | 2,626 | 15,043 |
| NET LOSS | | (783,853) | (1,445,786) |
| OTHER COMPREHENSIVE LOSS | | | |
| Unrealized foreign exchange loss on translation of foreign operations | | (12,987) | (1,881) |
| COMPREHENSIVE LOSS | | (796,840) | (1,447,667) |
| LOSS PER SHARE – BASIC AND DILUTED | | \$ (0.03) | \$ (0.06) |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED | | | |
| | | 28,120,406 | 23,823,915 |

WESTERN ALASKA MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in United States Dollars)

| | Notes | March 31, 2024 | March 31, 2023 |
|--|-------|----------------|----------------|
| Cash flows used in operating activities: | | | |
| Net loss for the year | | \$ (783,853) | \$ (1,445,786) |
| Adjustments for non-cash items: | | | |
| Share-based payments | 8 | 245,806 | 958,648 |
| Interest accrued on Promissory Note | 7 | 33,750 | 13,500 |
| | | (504,297) | (473,638) |
| <u>Changes in non-cash working capital</u> | | | |
| GST and other receivable | | (4,047) | (5,059) |
| Prepays and deposits | | 93,252 | 10,461 |
| Accounts payable and accrued liabilities | | 81,951 | (413,592) |
| | | (333,141) | (881,828) |
| Cash flows (used in) from investing activities: | | | |
| Exploration costs incurred | 4 | (560,191) | (623,247) |
| Purchase of equipment | 3 | - | (383,069) |
| Long term deposits | | - | (206,603) |
| | | (560,191) | (1,212,919) |
| Cash flows from (used in) financing activities: | | | |
| Exercise of stock options | 8 | - | 9,000 |
| | | - | 9,000 |
| Effect of exchange rate changes on cash | | (7,815) | (1,854) |
| Net change in cash for the period | | (901,147) | (2,085,748) |
| Cash, beginning of period | | 1,191,561 | 3,842,748 |
| Cash, end of period | | \$ 290,414 | \$ 1,755,146 |
| <ul style="list-style-type: none"> • <i>Amortization included in exploration and evaluation assets</i> \$ 109,971 \$ 35,870 • <i>Change in accounts payable and accrued liabilities related to exploration and evaluation assets</i> (383,325) - | | | |

WESTERN ALASKA MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited, Expressed in United States Dollars, except number of shares)

| | Shares | | | Option, RSU and Warrant Reserve | Accumulated Other Comprehensive Loss | Accumulated Deficit | Total |
|-------------------------------------|-----------------------|------------------------|---------------|--|---|------------------------|---------------|
| | Subordinate Voting | Proportional Voting | Amount | | | | |
| December 31, 2022 | 23,810,804 | 224,801 | \$ 29,603,584 | \$ 956,004 | \$ (323,082) | \$ (5,879,646) | \$ 24,356,860 |
| Exercise of stock options | 20,000 | - | 12,192 | (3,192) | - | - | 9,000 |
| Share-based payments | - | - | - | 958,648 | - | - | 958,648 |
| Foreign translation exchange loss | - | - | - | - | (1,881) | - | (1,881) |
| Comprehensive loss | - | - | - | - | - | (1,445,786) | (1,445,786) |
| March 31, 2023 | 23,830,804 | 224,801 | 29,615,776 | 1,911,460 | (324,963) | (7,325,432) | 23,876,841 |
| Private placements, net | 3,804,602 | - | 5,806,916 | - | - | - | 5,806,916 |
| Issuance of broker warrants | - | - | - | 110,849 | - | - | 110,849 |
| Exercise of stock options | 485,000 | - | 347,414 | (63,414) | - | - | 284,000 |
| Share-based payments | - | - | - | 1,031,426 | - | - | 1,031,426 |
| Foreign translation exchange income | - | - | - | - | 127,655 | - | 127,655 |
| Comprehensive loss | - | - | - | - | - | (2,915,123) | (2,915,123) |
| December 31, 2023 | 28,120,406 | 224,801 | 35,770,106 | 2,990,321 | (197,308) | (10,240,555) | 28,322,564 |
| Share-based payments | - | - | - | 245,806 | - | - | 245,806 |
| Foreign translation exchange loss | - | - | - | - | (12,987) | - | (12,987) |
| Comprehensive loss | - | - | - | - | - | (783,853) | (783,853) |
| March 31, 2024 | 28,120,406* | 224,801* | \$ 35,770,106 | \$ 3,236,127 | \$ (210,295) | \$ (11,024,408) | \$ 27,771,530 |

* The proportional voting shares are exchangeable into a total of 22,480,100 subordinate voting shares, for no additional consideration. See Note 8.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023***(Unaudited, Expressed in United States Dollars)*

1. NATURE AND CONTINUANCE OF OPERATIONS

Western Alaska Minerals Corp. (“WAM” or the “Company”) was incorporated under the Business Corporations Act of British Columbia on April 8, 2020, as 1246779 B.C. Ltd. (“779”). The Company is a public company whose common shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol “WAM”. The Company’s registered office is PO Box 881, Talkeetna, Alaska, 99676. As discussed further below, the Company is in the mineral exploration and development business.

Going Concern

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenue, has incurred a current net loss for the first quarter of 2024 of \$783,852 and has an accumulated operating deficit of \$11,024,408. The Company will require further financing to operate and further develop its business. The Company’s ability to realize its assets and discharge its liabilities is dependent upon it obtaining financing as necessary and ultimately upon its ability to dispose of its mineral property interests on a profitable basis or otherwise achieve profitable operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the Company’s financial position, operational success, cash flow, and prospects. These consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICIES**Statement of Compliance**

The condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. Accordingly, these condensed interim consolidated financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company’s most recent annual consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited consolidated financial statements for the year ended December 31, 2023.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2024.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023***(Unaudited, Expressed in United States Dollars)*

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)**Basis of Presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned and controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The following subsidiaries have been consolidated from all dates presented within these financial statements:

| Subsidiary | Ownership | Location |
|--|-----------|----------|
| Western Alaska Copper & Gold Company. | 100% | USA |
| Piek Inc. | 100% | USA |

All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

These condensed interim consolidated financial statements are presented in United States dollars. The functional currency of each entity in the consolidated group is determined with reference to the currency of the primary economic environment in which that entity operates. Accordingly, the functional currency of entities operating principally in the United States will be the United States dollar, while the functional currency of entities operating principally in Canada will be the Canadian dollar.

Material Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

WESTERN ALASKA MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Unaudited, Expressed in United States Dollars)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

Material Estimates and Assumptions (continued)

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Assessment of Impairment Indicators

The Company assesses at each reporting period whether there is an indication of impairment. Material judgment is applied in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as i) a significant decline in the market value of the Company's share price; ii) changes in the quantity of the recoverable resources and reserves; and iii) changes in precious metal prices; and iv) changes in inflation, interest, and exchange rates, are evaluated in determining whether there are any indicators of impairment.

Material Judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most material judgments in applying the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to material uncertainty;
- The capitalization of expenditures with respect to exploration, evaluation, and development costs to be included in mineral rights and properties;
- The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates; and
- The fair value and classification of financial instruments.

WESTERN ALASKA MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

*(Unaudited, Expressed in United States Dollars)***3. EQUIPMENT**

| Cost | Computer Software | Equipment | Vehicles | Total |
|---------------------------------|------------------------------|------------------|-----------------|--------------|
| Balance, December 31, 2022 | \$ 25,050 | \$ 397,804 | \$ 127,359 | \$ 550,213 |
| Additions | - | 1,719,443 | 53,500 | 1,772,943 |
| Balance, December 31, 2023 | \$ 25,050 | \$ 2,117,247 | \$ 180,859 | \$ 2,323,156 |
| Additions | - | - | - | - |
| Balance, March 31, 2024 | \$ 25,050 | \$ 2,117,247 | \$ 180,859 | \$ 2,323,156 |
| Accumulated Amortization | | | | |
| Balance, December 31, 2022 | \$ 22,963 | \$ 22,092 | \$ 7,088 | \$ 52,143 |
| Charge | 2,087 | 252,056 | 17,457 | 271,600 |
| Balance, December 31, 2023 | \$ 25,050 | \$ 274,148 | \$ 24,545 | \$ 323,743 |
| Charge | - | 105,973 | 4,522 | 110,495 |
| Balance, March 31, 2024 | \$ 25,050 | \$ 380,121 | \$ 29,067 | \$ 434,238 |
| Net Book Value | | | | |
| Balance, December 31, 2023 | \$ - | \$ 1,843,099 | \$ 156,314 | \$ 1,999,413 |
| Balance, March 31, 2024 | \$ - | \$ 1,737,126 | \$ 151,792 | \$ 1,888,918 |

The Company depreciates its equipment on a straight-line basis over the estimated useful lives of the assets. Management estimated the useful lives of its computer software to be 1 year; equipment to be 5 years and vehicles to be 10 years.

During the three months ended March 31, 2024, \$109,971 (March 31, 2023 - \$35,870) of depreciation has been capitalized to exploration and evaluation properties (Note 5).

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

*(Unaudited, Expressed in United States Dollars)***4. EXPLORATION AND EVALUATION PROPERTIES**

Schedule of cumulative exploration and evaluation properties costs:

| | Round Top Property | Honker Property | Illinois Creek Property | Paw Print Property ⁽¹⁾ | Total |
|---|-----------------------|--------------------|-------------------------------|--------------------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| December 31, 2022 | 5,208,715 | 631,081 | 16,971,723 | 6,368 | 22,817,887 |
| Claim maintenance | 72,600 | 19,800 | 63,864 | 5,610 | 161,874 |
| DNR permit fees | 150 | 150 | 150 | - | 450 |
| Assays | - | - | 224,525 | - | 224,525 |
| Camp food, supplies & accommodations | - | - | 557,884 | - | 557,884 |
| Exploration labour/payroll costs | - | - | 1,401,858 | 11,200 | 1,413,058 |
| Consultant fees | - | - | 365,916 | - | 365,916 |
| Depreciation of equipment (Note 4) | - | - | 271,030 | - | 271,030 |
| Drilling | - | - | 1,298,278 | - | 1,298,278 |
| Equipment | - | - | 143,899 | - | 143,899 |
| Fuel | - | - | 179,793 | - | 179,793 |
| Fixed wing & fuel | - | - | 653,077 | - | 653,077 |
| Helicopter & fuel | - | - | 283,057 | - | 283,057 |
| Travel | - | - | 153,505 | - | 153,505 |
| Access route engineering | - | - | 25,791 | - | 25,791 |
| Other field expenses | - | - | 131,339 | - | 131,339 |
| December 31, 2023 | 5,281,465 | 651,031 | 22,725,689 | 23,178 | 28,681,363 |
| Claim maintenance | - | - | 181 | - | 181 |
| DNR permit fees | - | - | 1,420 | - | 1,420 |
| Camp food, supplies & accommodations | - | - | 101 | - | 101 |
| Exploration labour/payroll costs | - | - | 135,479 | - | 135,479 |
| Consultant fees | - | - | 10,214 | - | 10,214 |
| Depreciation of equipment (Note 4) | - | - | 109,971 | - | 109,971 |
| Equipment | - | - | 1,724 | - | 1,724 |
| Travel | - | - | 21,508 | - | 21,508 |
| Other field expenses | - | - | 6,239 | - | 6,239 |
| March 31, 2024 | 5,281,465 | 651,031 | 23,012,526 | 23,178 | 28,968,200 |

(1) Composed of Paw Print and Khotol properties

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

*(Unaudited, Expressed in United States Dollars)***4. EXPLORATION AND EVALUATION PROPERTIES (continued)****Round Top Property, Alaska**

The Round Top Property consists of 92 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

Honker Property Alaska

The Honker Property consists of 24 state mineral claims, owned 100% by WACG, located in the Mount McKinley mining district of Alaska.

Illinois Creek Mine Project, Alaska

The Company has had an effective interest in this property since 2018. On March 31, 2021, WACG and one of its shareholders, Joe Piekenbrock, entered into a stock purchase agreement (the "Illinois Creek Agreement"), whereby WACG acquired 100% of the issued and outstanding common shares of an Alaska private company, Piek Incorporated ("Piek"), in exchange for 120 WACG common shares (valued at \$540,000) and \$3,698,000 payable by the issuance of a promissory note. See Note 8.

The Company is the sole owner of 134 state mineral claims, known as the Illinois Creek Project, located in the Mount McKinley mining district of Alaska. An additional 86 claims were staked by WACG in 2021 after the acquisition of Piek and 115 new claims were staked by WACG in 2022.

Other Exploration Target Projects, AlaskaPaw Print Property

The Paw Print Property consists of 18 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

Khotol Property

The Khotol Property consists of 16 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | | March 31, 2024 | | December 31, 2023 |
|---------------------|----|----------------|----|-------------------|
| Accounts payable | \$ | 35,267 | \$ | 465,820 |
| Accrued liabilities | | 594,196 | | 466,240 |
| Other payable | | 6,095 | | 4,872 |
| | \$ | 635,558 | \$ | 936,932 |

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023***(Unaudited, Expressed in United States Dollars)***6. RELATED PARTY TRANSACTIONS**

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common.

Due to/from Related Parties

As at March 31, 2024, \$594,193 (December 31, 2023 - \$523,757) is included in accounts payable and accrued liabilities and \$2,852,833 (December 31, 2023 - \$2,819,083) in promissory note (Note 7) for amounts owing to related parties.

Amounts owing to related parties and included in accounts payable and accrued liabilities are of non-interest bearing and have no specific terms of repayment.

Key Management Personnel Compensation

Key management personnel include the Company's Board of Directors and members of senior management.

| Three Months ended – March 31, 2024 | Position | Cash Compensation | Share-based Compensation |
|--|---------------------------|----------------------|-----------------------------|
| Christopher (Kit) Marrs | CEO/Director | \$ 72,186 | \$ 17,045 |
| Nathan Brewer | Director | - | 14,339 |
| David Smallhouse | Director | - | 14,339 |
| Gregory Anderson | Senior VP/Director | - | 10,823 |
| Kevin Nishi | Director | - | 14,339 |
| Susan Mitchell | Director | 9,000 | 6,222 |
| A company controlled by Alex Tong | CFO | 25,489 | 17,045 |
| Joan Marrs | VP Operations | 51,560 | 17,045 |
| Joe Piekenbrock | Chief Exploration Officer | 15,615 | 14,971 |
| Andy West | VP Exploration | 60,712 | 25,136 |
| | | \$ 234,562 | \$ 151,304 |

| Three Months ended – March 31, 2023 | Position | Cash Compensation | Share-based Compensation |
|--|---------------------------|----------------------|-----------------------------|
| Christopher (Kit) Marrs | CEO/Director | \$ 45,433 | \$ 77,793 |
| Nathan Brewer | Director | - | 59,686 |
| David Smallhouse | Director | - | 59,686 |
| Gregory Anderson | Senior VP/Director | - | 78,221 |
| Kevin Nishi | Director | - | 59,686 |
| A company controlled by Alex Tong | CFO | 25,415 | 77,151 |
| Joan Marrs | VP Operations | 32,452 | 77,151 |
| Joe Piekenbrock | Chief Exploration Officer | 42,188 | 76,938 |
| | | \$ 145,488 | \$ 566,312 |

WESTERN ALASKA MINERALS CORP.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

(Unaudited, Expressed in United States Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

7. PROMISSORY NOTE

On March 31, 2021, and in accordance with the Illinois Creek Agreement, WACG issued a promissory note of \$3,698,000. The promissory note accrued interest at 2.0% per annum.

Under the terms of the promissory note, WACG made payments as follows:

- (i) \$498,000, together with the accrued interest was paid during the year ended December 31, 2021;
- (ii) \$500,000 was paid during the year ended December 31, 2022.

Effective April 1, 2023, the promissory note was amended by both parties to increase the interest rate to 5.0% per annum from the previous rate of 2.0% per annum.

On September 30, 2023, the promissory note was further amended by both parties as follows:

- (i) The Company will commence monthly principal repayments of \$25,000 at the later of March 31, 2024 or at the closing of the Company's next financings;
- (ii) The Company will make additional principal reduction payments equal to 6% of all future equity financings;
- (iii) A principal reduction payment of \$750,000 will be due on May 1, 2025; and
- (iv) A principal reduction payment of the remaining balance and all accrued interest will be due on December 31, 2025.

As at March 31, 2024, the balance of the promissory note was \$2,852,833 (December 31, 2023 - \$2,819,083) with \$152,833 (December 31, 2023 - \$119,083) being accrued interest.

8. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023***(Unaudited, Expressed in United States Dollars)*

8. SHARE CAPITAL (continued)**Common and Proportionate Shares**

Pursuant to the reverse take-over (“RTO”) transaction in 2021, each WACG common share held by a U.S. resident shareholder was exchanged for either (i) a “Merger Unit”, comprised of 1,000 WAM subordinate voting shares (“WAM subordinate voting shares” or “subordinate voting shares”) and 90 Proportional Shares (“WAM proportional shares” or “proportional shares”); or (ii) 100 Proportional Shares and each WACG common share held by a non-U.S. resident shareholder was exchanged for 10,000 WAM subordinate voting shares. The Proportional Shares are, in effect, subordinate voting shares compressed at the ratio of 100:1 which have voting and economic rights on an as-converted basis. The Proportional Shares are convertible to subordinate voting shares at the request of the shareholder and with the consent of the Company.

Issued Share Capital

On February 1, 2023, the Company issued 20,000 subordinate voting shares for gross proceeds of \$9,000 on exercise of stock options. \$3,192 was reclassified from Share Option Reserve to Share Capital.

On May 4, 2023, the Company issued 2,982,049 units in a private placement for CAD\$2.35 per unit. Each unit consists of one subordinate voting share and one-half warrant with an exercise price of CAD\$3.15 per share for a period of 36 months. The fair value of the warrants is \$nil, valued using the residual method. In addition, the Company paid cash commission of \$298,886 (CAD\$405,469) and issued 172,540 Broker Warrants to the agents. Each Broker Warrant entitles the holder to purchase one unit of the private placement for a period of 24 months following the closing of the private placement. The fair value of the Broker Warrants is \$110,541 (CAD\$149,960) and is allocated to share issuance costs.

On June 23, 2023, the Company issued 25,000 subordinate voting shares for gross proceeds of \$17,000 on exercise of stock options. \$12,977 was reclassified from Share Option Reserve to Share Capital.

On September 1, 2023, the Company issued 756,382 units in the first tranche of a private placement for CAD\$2.05 per unit, and on September 14, 2023, the Company issued 66,171 units in the final tranche. Each unit consists of one subordinate voting share of the Company and one-half warrant with an exercise price of CAD\$3.15 per share for a period of 36 months. The fair value of the warrants is \$nil, using the residual method.

In addition, the Company paid cash commission of \$1,766 (CAD\$2,399) and issued 1,170 Finder Warrants to the agents. Each Finder Warrant entitles the holder to purchase one subordinate voting share of the Company for a period of 36 months following the closing of the private placement. The fair value of Finder Warrants is \$308 (CAD\$417) and is allocated to share issuance costs.

On November 30, 2023, the Company issued 460,000 subordinate voting shares for gross proceeds of \$267,000 on exercise of stock options. \$50,437 was reclassified from Share Option Reserve to Share Capital.

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*(Unaudited, Expressed in United States Dollars)***8. SHARE CAPITAL** (continued)**Stock Options**

The Company has a stock option plan under which the Board of Directors may grant options to acquire common shares to the Company to qualified directors, officers, employees, and other service providers. The stock option vests according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum of 10 years until expiry. The plan allows for the issuance up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

The changes in stock options are summarized as follows:

| | | Weighted Average Exercise Price* | Number of Shares Issued or Issuable on Exercise* |
|------------------------------|----|--|---|
| Balance at December 31, 2022 | \$ | 0.73* | 3,057,500 |
| Granted | | 2.33 | 1,265,000 |
| Exercised | | 0.58 | (505,000) |
| Balance at December 31, 2023 | | 1.28 | 3,817,500 |
| Granted | | 0.36 | 1,000,000 |
| Forfeited | | 1.44 | (140,000) |
| Balance at March 31, 2024 | | 1.08 | 4,677,500 |

* The weighted average exercise price and number of common shares issued or issuable on exercise have been adjusted for 1:10,000 split.

On January 20, 2023, the Company granted 1,165,000 options to directors and officers of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$2.36 (CAD\$3.16) per subordinate voting share and are vested 1/3 every year starting from January 20, 2023, onwards.

On April 6, 2023, the Company granted 100,000 options to an employee of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$2.00 (CAD\$2.70) per subordinate voting share and are vested 1/3 every year starting from April 6, 2023, onwards.

On March 1, 2024, the Company granted 1,000,000 options to directors, officers, employees and consultants of the Company. These options may be exercised within 5 years from the date of grant at a price of \$0.36 (CAD\$0.49) per subordinate voting share and are vested 1/3 every year starting from March 1, 2024, onwards.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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The following assumptions were used for the Black-Scholes pricing model calculations:

| | January 20, 2023 | April 6, 2023 | March 1, 2024 |
|---------------------------------|---------------------|------------------|------------------|
| Risk-free interest rate | 2.88% | 2.98% | 3.50% |
| Expected stock price volatility | 101.34% | 100.86% | 72.61% |
| Expected option life in years | 5 years | 5 years | 5 years |
| Dividend rate | Nil | Nil | Nil |

Stock options outstanding and exercisable on March 31, 2024, are summarized as follows:

| Exercise Price (USD) | Outstanding | | Weighted Average Remaining Life (Years) | Exercisable | |
|----------------------|---|--|---|--|---|
| | Number of Subordinate Shares Issuable on Exercise | Number of Subordinate Voting Shares Issuable on Exercise | | Number of Subordinate Voting Shares Issuable on Exercise | Weighted Average Remaining Life (Years) |
| \$ 0.65 | 310,000 | | 0.23 | 310,000 | 0.23 |
| \$ 0.45 | 490,000 | | 1.92 | 490,000 | 1.92 |
| \$ 0.45 | 650,000 | | 2.21 | 650,000 | 2.21 |
| \$ 0.68 | 502,500 | | 2.62 | 502,500 | 2.62 |
| \$ 0.76 | 25,000 | | 2.83 | 25,000 | 2.83 |
| \$ 1.29 | 275,000 | | 3.14 | 275,000 | 3.14 |
| \$ 2.05 | 200,000 | | 3.61 | 121,666 | 3.61 |
| \$ 2.36 | 1,125,000 | | 3.81 | 728,900 | 3.81 |
| \$ 2.00 | 100,000 | | 4.02 | 33,333 | 4.02 |
| \$ 0.36 | 1,000,000 | | 4.92 | 330,000 | 4.92 |
| | 4,677,500 | | 3.21 | 3,466,399 | 2.79 |

Warrants

The following table summarizes information about warrants outstanding as at March 31, 2024:

| | Date Issued | Expiry Date | Exercise Price (USD) | Number of Warrants Outstanding |
|---|--------------------|--------------------|----------------------|--------------------------------|
| Outstanding at December 31, 2022 | | | | - |
| Broker warrants | May 4, 2023 | May 4, 2025 | 1.73 | 172,540 |
| Private placement warrants | May 4, 2023 | May 4, 2026 | 2.32 | 1,491,024 |
| Private placement warrants | September 1, 2023 | September 1, 2026 | 2.32 | 378,191 |
| Finders warrants | September 1, 2023 | September 1, 2025 | 2.32 | 1,170 |
| Private placement warrants | September 14, 2023 | September 14, 2026 | 2.33 | 33,086 |
| Outstanding at December 31, 2023 and March 31, 2024 | | | 2.27* | 2,076,011 |

*The weighted average exercise price and weighted average life was USD\$2.27 and 2.08 years, respectively.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023***(Unaudited, Expressed in United States Dollars)***8. SHARE CAPITAL (continued)****Warrants (continued)**

The Company's Private placement warrants and Finder warrants are warrants that when exercised by the holder, the Company will issue one subordinate voting share for each warrant exercise. For the Broker warrants, the holder receives one subordinate voting share and one Private placement warrant for each Broker warrant exercise.

Restricted Share Units

On March 1, 2024, the Company issued a total of 88,538 restricted share units ("RSU") to two employees with a vesting date being one year from the grant date. Each RSU entitles the holder to be issued one subordinate voting share of the Company on vesting. These RSUs are valued at the date of grant at \$43,384, of which, \$2,629 has been recorded as a share-based payment during the three months ended March 31, 2024.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**Financial Assets and Liabilities**

Information regarding the Company's financial assets and liabilities as at March 31, 2024 and December 31, 2023 are summarized as follows:

| | March 31, 2024 | December 31, 2023 |
|--|----------------|-------------------|
| Financial Assets | | |
| At amortized cost | | |
| Cash | \$ 290,414 | \$ 1,191,561 |
| Financial Liabilities | | |
| At amortized cost | | |
| Accounts payable and accrued liabilities | \$ 635,558 | \$ 936,932 |
| Promissory note | 2,852,833 | 2,819,083 |
| | \$ 3,488,391 | \$ 3,756,015 |

Financial Instrument Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

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(Unaudited, Expressed in United States Dollars)

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entry can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to currency risk is limited as the majority of its expenditures are denominated in the same currency as its functional currency.

Commodity Price Risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time. However, the Company is exposed to commodity price risk as it impacts the Company's access to capital and funding.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and term deposits is limited because of their short-term investment nature. A variable rate of interest is earned on cash and term deposits, changes in market interest rates at the year-end would not have a material impact on the Company's financial statements.

Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

WESTERN ALASKA MINERALS CORP.

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9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Environmental Risk

The Company is engaged in resource exploration and development and is accordingly exposed to environmental risks associated with such activity. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements; however, there is no certainty that all environmental exposure has been addressed.

10. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds for the development and exploration of its mineral properties. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility, making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

11. SUBSEQUENT EVENTS

On April 4, 2024, the Company issued 100,000 subordinate voting shares for gross proceeds of \$65,000 on exercise of stock options.

On April 26, 2024, the Company closed a brokered financing for aggregate gross proceeds of CAD\$6,112,179 by issuing 9,403,352 units at a price of CAD\$0.65 per unit. Each unit consists of one subordinate voting share and one share purchase warrant. Each warrant entitles the holder to purchase one share at an exercise price of CAD\$0.90 for a period of 36 months from the issue date. The net proceeds of this financing will be used to fund the Company's 2024 exploration program. In connection to the financing, the Company paid a cash commission of CAD\$366,731 and issued 564,200 share purchase warrants ("Agent Warrants") to agents. Each Agent Warrant entitles the holder to purchase one share at CAD\$0.90 per share for a period of 36 months from the issue date. Related parties of the Company purchased a total of 311,138 units in this financing.

On May 14, 2024, the Company completed a non-brokered private placement for aggregate gross proceeds of CAD\$2,608,438 by issuing 4,012,981 units at a price of CAD\$0.65 per unit. Each unit consists of one subordinate voting share and one share purchase warrant. Each warrant entitles the holder to purchase one share at an exercise price of CAD\$0.90 for a period of 36 months from the issue date. The net proceeds of this financing will be used to fund the Company's 2024 exploration program. In connection with the financing, the Company paid cash commissions of \$60,400 and issued 92,923 share purchase warrants ("Finder's Warrants") to finders. Each Finder's Warrant entitles the holder to purchase one share at CAD\$0.90 per share for a period of 36 months from the issue date.

On May 30, 2024, the Company issued 100,000 subordinate voting shares from gross proceeds of CAD\$90,000 on exercise of share purchase warrants.