ALASKA SILVER CORP.
(FORMERLY WESTERN ALASKA MINERALS CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(EXPRESSED IN UNITED STATES DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Alaska Silver Corp. (Formerly "Western Alaska Minerals Corp.")

Opinion

We have audited the accompanying consolidated financial statements of Alaska Silver Corp. (Formerly "Western Alaska Minerals Corp.") (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has no operating revenue, has incurred a net loss of $3,305,017 during the year ended December 31, 2024, and has an accumulated operating deficit of $13,545,572 as of that date. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements of Alaska Silver Corp. (Formerly "Western Alaska Minerals Corp.") for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Properties ("E&E Properties")

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company's E&E Properties was $32,824,305 as of December 31, 2024. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Properties for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Properties is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Properties, specifically relating to the properties' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these properties. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Properties.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Properties through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Properties are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zachary Faure.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 25, 2025

ALASKA SILVER CORP. (FORMERLY WESTERN ALASKA MINERALS CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in United States Dollars)

	Notes		December 31, 2024		December 31, 2023
ASSETS					
Current Assets					
Cash		$	849,572	$	1,191,561
GST receivable			33,389		35,763
Prepaid and deposits			105,347		170,479
			988,308		1,397,803
Non-Current Assets					
Equipment	3		1,558,765		1,999,413
Exploration and evaluation properties	4		32,824,305		28,681,363
TOTAL ASSETS		$	35,371,378	$	32,078,579
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	5	$	809,672	$	936,932
Promissory note – current portion	6, 7		120,000		225,000
			929,672		1,161,932
Non-Current Liabilities					
Promissory note	6, 7		2,236,065		2,594,083
TOTAL LIABILITIES			3,165,737		3,756,015
SHAREHOLDERS' EQUITY					
Share capital	8		41,515,136		35,770,106
Reserve for options, warrants and RSUs	8		4,454,546		2,990,321
Reserve for foreign exchange			(218,469)		(197,308)
Accumulated deficit			(13,545,572)		(10,240,555)
TOTAL SHAREHOLDERS' EQUITY			32,205,641		28,322,564
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	35,371,378	$	32,078,579
Nature and continuance of operations	1				
Subsequent events	13				

Approved by the Board of Directors:

"Christopher (Kit) Marrs"
Director

"Kevin Nishi"
Director

The accompanying notes are integral to these consolidated financial statements.

ALASKA SILVER CORP. (FORMERLY WESTERN ALASKA MINERALS CORP.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in United States Dollars)

	Notes		December 31, 2024		December 31, 2023
EXPENSES					
Bank charges		$	2,245	$	3,207
Consulting fees			150,546		426,575
Depreciation expense	3		61		-
Filing and regulatory fees			66,697		75,823
Insurance			49,068		48,635
Management fees			982,868		872,558
Marketing expenses			531,374		385,401
Office and sundry			129,808		129,689
Professional fees			259,140		264,055
Stock-based compensation	8		987,431		1,990,074
Travel and promotion			121,234		58,135
			(3,280,472)		(4,254,152)
OTHER ITEMS					
Foreign exchange (loss) gain			29,814		(33,118)
Interest expense	7		(120,065)		(118,824)
Interest income			65,706		45,185
NET LOSS			(3,305,017)		(4,360,909)
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized foreign exchange income (loss) on translation of foreign operations			(21,161)		125,774
COMPREHENSIVE LOSS		$	(3,326,178)	$	(4,235,135)
LOSS PER SHARE – BASIC AND DILUTED		$	(0.09)	$	(0.16)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED			37,379,799		26,119,511

The accompanying notes are integral to these consolidated financial statements.

ALASKA SILVER CORP. (FORMERLY WESTERN ALASKA MINERALS CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in United States Dollars)

	Notes		December 31, 2024		December 31, 2023
Cash flows used in operating activities:					
Net loss for the year		$	(3,305,017)	$	(4,630,909)
Adjustments for non-cash items:					
Depreciation expense			61		-
Share-based payments			987,431		1,190,074
Interest accrued on Promissory Note	7		120,065		114,750
			(2,197,460)		(2,256,085)
Changes in non-cash working capital					
GST receivable			2,374		5,908
Prepaids and deposits			65,132		(68,207)
Accounts payable and accrued liabilities			(81,286)		48,813
			(2,211,240)		(2,269,571)
Cash flows (used in) from investing activities:					
Exploration costs incurred	4		(3,747,244)		(5,358,643)
Purchase of equipment	3		(1,085)		(1,355,563)
			(3,748,329)		(6,714,206)
Cash flows from (used in) financing activities:					
Issuance of common shares, net	8		5,865,837		5,917,765
Exercise of stock options	8		250,870		293,000
Exercise of warrants	8		105,117		-
Repayment of promissory note	7		(583,083)		-
			5,638,741		6,210,765
Effect of exchange rate changes on cash			(21,161)		121,825
Net change in cash for the year			(341,989)		(2,651,187)
Cash, beginning of year			1,191,561		3,842,748
Cash, end of year		$	849,572	$	1,191,561

Amortization included in exploration and evaluation assets	$	441,672	$	271,030
Change in long-term deposits related to purchase of equipment		-		416,810
Exploration and evaluation assets in accounts payable		(337,371)		383,345
Interest paid in cash	$	-	$	-

The accompanying notes are integral to these consolidated financial statements.

ALASKA SILVER CORP. (FORMERLY WESTERN ALASKA MINERALS CORP.)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in United States Dollars, except number of shares)

	Shares						
	Subordinate Voting	Proportional Voting	Amount	Option, Warrant and RSUs Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
December 31, 2022	23,810,804	224,801	$ 29,603,384	$ 956,004	$ (323,082)	$ (5,879,646)	$ 24,356,860
Private placements, net	3,804,602	-	5,917,765	-	-	-	5,917,765
Issuance of broker warrants	-	-	(110,849)	110,849	-	-	-
Exercise of stock options	505,000	-	359,606	(66,606)	-	-	293,000
Share-based payments	-	-	-	1,990,074	-	-	1,990,074
Foreign translation exchange gain	-	-	-	-	125,774	-	125,774
Loss	-	-	-	-	-	(4,360,909)	(4,360,909)
December 31, 2023	28,120,406	224,801	35,770,106	2,990,321	(197,308)	(10,240,555)	28,322,564
Private placements, net	13,416,333	-	5,320,042	545,795	-	-	5,865,837
Exercise of stock options	490,000	-	313,443	(62,573)	-	-	250,870
Exercise of warrants	163,181		111,545	(6,428)			105,117
Share-based payments	-	-	-	987,431	-	-	987,431
Foreign translation exchange loss	-	-	-	-	(21,161)	-	(21,161)
Loss	-		-	-	-	(3,305,017)	(3,305,017)
December 31, 2024	42,189,920*	224,801*	$ 41,515,136	$ 4,454,546	$ (218,469)	$ (13,545,572)	$ 32,205,641

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Alaska Silver Corp., (formerly Western Alaska Minerals Corp.), ("Alaska Silver" or the "Company"), was incorporated under the Business Corporations Act of British Columbia on April 8, 2020, as 1246779 B.C. Ltd. ("779"). On April 25, 2025, the Company changed its name from Western Alaska Minerals Corp. to Alaska Silver Corp. 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 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 of $3,305,017 and has an accumulated operating deficit of $13,545,572. 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 POLICY INFORMATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The material accounting policies applied in the preparation of these consolidated financial statements are set out below and have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were authorized for issue by the Board of Directors on April 25, 2025.

Basis of Presentation

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of Consolidation

These 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 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.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Use of Estimates and Assumptions (continued)

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.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration or development activity relates. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

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.

Financial Instruments

The Company's financial instruments consist of cash, GST receivables, accounts payable and accrued liabilities and promissory note. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI") or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all associated risks and rewards of ownership to another entity. The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of Financial Assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which applies a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows; the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

Financial Liabilities

Financial liabilities are designated as either (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and promissory notes are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different; in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of non-current assets

The Company reviews the carrying amounts of its non-financial assets every reporting period. If there is any indication that the assets or cash-generating unit ("CGU") may not be fully recoverable, the recoverable amount of the asset or CGU is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those at market. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Exploration and evaluation properties

The Company is in the exploration stage with respect to its investment in exploration and evaluation properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of its mineral claims and crediting all proceeds received against the cost of related claims. Cost includes any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of exploration and evaluation properties.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation properties (continued)
At such time as commercial production commences, these costs will be charged to operations on a unit-of production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to exploration and evaluation properties is subsequently reversed when new exploration results or actual or potential proceeds on sale result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. These amounts are reflective of costs incurred and are not intended to represent current or future values.

Cash
Cash is comprised of cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash is held with major financial institutions in business accounts, which are available on demand by the Company for its programs and are not invested in any asset backed deposits/investments.

Equipment
Recognition and measurement
Items of equipment are measured initially at cost, unless they are acquired as part of a business combination in which case they are initially measured at fair value. Thereafter, equipment is recorded net of accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, estimated decommissioning provisions and borrowing costs on qualifying assets.

Cost may also include any gain or loss realized on foreign currency transactions directly attributable to the purchase or construction of equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of equipment have different useful lives, they are accounted for as separate components of equipment. The gain or loss on disposal of an item of equipment is determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized within other expense or income in earnings.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equipment (continued)

Subsequent costs
The cost of replacing a part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized and recorded as depreciation expense. The cost of maintenance and repair expenses of the equipment are recognized in earnings as incurred.

Depreciation
Depreciation is based on the cost of an asset less its residual value. Depreciation of exploration related assets are capitalized to Exploration and evaluation properties; depreciation of non-exploration related activities is recognized in earnings on a straight line or declining balance basis, which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation methods, useful lives, economic lives and residual values are reviewed annually and adjusted if appropriate.

Decommissioning Liabilities
Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site, are recognized and recorded as a liability at fair value at the time when they are incurred or when the event giving rise to such an obligation occurs. The liability is increased (accreted) over time through periodic charges to earnings. The corresponding asset retirement cost is capitalized as part of the asset's carrying value and is amortized over the asset's estimated useful life. The amount of the liability will be subject to re-measurement at each reporting period.

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its exploration and evaluation activities in compliance with applicable environment protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share Capital

Subordinate voting shares and proportional shares are classified as equity. Incremental costs directly attributable to the issue of subordinate voting shares and share options are recognized as a deduction from equity, net of any tax effects. Subordinate voting shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. Equity financing transactions may involve the issuance of units. The Company has adopted the residual value method with respect to the measure of shares and warrants issued as units. The residual value method first allocates value to the more easily measurable component based on fair value, if any, to the less easily measurable component. The fair value of the subordinate voting shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing trade price on the announcement date. The residual balance, if any, is allocated to attached warrants. Any fair value attributed to the warrants is recorded in warrant reserve.

Share-Based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options granted to employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options vests. When stock options are exercised, share capital is increased by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves.

Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors:

- Exercise price
- Expected life
- Expected volatility
- Current market price of underlying shares
- Forfeiture rate
- Risk-free interest rate
- Dividend yield

Reserves

Reserves record items recognized as share-based compensation until such time that the options or compensatory warrants are exercised, at which time the corresponding amount is reallocated to share capital.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Current and Deferred Income Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options are used to repurchase common shares at the average market price during the period.

Foreign Currency Translation

The functional currency of each entity in the consolidated group is the currency of the primary economic environment in which that entity operates. The foreign currency transactions of each entity are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise.

Management has assessed the functional currency of both WACG and Piek Inc. to be the USD, while the functional currency of Alaska Silver is the CAD. The Company's consolidated reporting currency, which is determined on a discretionary basis, is USD. Exchange differences arising on the translation of Alaska Silver's accounts to USD for reporting purposes, including the translation of non-monetary items using period end rates, are reported in Other Comprehensive Income and are maintained on a carry-forward basis within a separate component of equity.

Recent Accounting Pronouncements

In October 2022, IASB issued amendments to IAS 1, *Presentation of Financial Statements*. The amendments aim to clarify the criteria for classifying liabilities with covenants as current or non-current. Liabilities are required to be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments were adopted by the Company as of January 1, 2024.

In April 2024, IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* to replace IAS 1, Presentation of Financial Statements. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective for the Company as of January 1, 2027. The Company is assessing the impact of this standard on the consolidated financial statements.

(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		-		1,085		-		1,085
Balance, December 31, 2024	$	25,050	$	2,118,332	$	180,859	$	2,324,241
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		-		423,647		18,086		441,733
Balance, December 31, 2024	$	25,050	$	697,795	$	42,631	$	765,476
Net Book Value								
Balance, December 31, 2023	$	-	$	1,843,099	$	156,314	$	1,999,413
Balance, December 31, 2024	$	-	$	1,420,537	$	138,228	$	1,558,765

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 year ended December 31, 2024, $441,672 (2023 - $271,030) of depreciation has been capitalized to exploration and evaluation properties (Note 4).

(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	-	-	557,884	-	557,884
Exploration labour	-	-	1,401,858	11,200	1,413,058
Consultant fees	-	-	365,916	-	365,916
Depreciation of equipment (Note 3)	-	-	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	72,600	19,800	81,881	743	175,024
DNR permit fees	150	150	6,683	-	6,983
Assays	-	-	278,797	-	278,797
Camp	-	-	281,091	-	281,091
Exploration labour	-	-	884,933	-	884,933
Consultant fees	-	-	249,670	-	249,670
Depreciation of equipment (Note 3)	-	-	441,672	-	441,672
Drilling	-	-	913,158	-	913,158
Equipment	-	-	52,487	-	52,487
Fuel	-	-	135,050	-	135,050
Fixed wing & fuel	-	-	267,067	-	267,067
Helicopter & fuel	-	-	270,344	-	270,344
Travel	-	-	114,996	-	114,996
Access route engineering	-	-	9,924	-	9,924
Other field expenses	-	-	61,746	-	61,746
December 31, 2024	**5,354,215**	**670,981**	**26,775,188**	**23,921**	**32,824,305**

(1) Composed of Paw Print and Khotol properties

(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 7.

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, Alaska

<u>Paw Print Property</u>

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.

<u>Khotol Property</u>

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

In 2024, the Company staked 3 new claims in the Khotol property for a cost of $743.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2024		December 31, 2023
Accounts payable	$	126,067	$	465,820
Accrued liabilities		670,177		466,240
Other payable		13,428		4,872
	$	809,672	$	936,932

(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 December 31, 2024, $722,987 (2023 - $523,757) is included in accounts payable and accrued liabilities and $2,356,065 (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 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.

Year ended – December 31, 2024	Position		Cash Compensation		Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$	257,111	$	131,688
Nathan Brewer	Director		-		98,519
David Smallhouse	Director		-		98,519
Kevin Nishi	Director		-		98,519
Susan Mitchell	Director		36,000		39,268
A company controlled by Alex Tong	Former CFO		42,357		94,850
Darren Morgans	CFO		65,835		39,676
Joan Marrs	VP Operations		182,992		116,953
Joe Piekenbrock	Chief Exploration Officer		49,346		104,318
Andy West	VP Exploration		216,828		104,063
		$	850,469	$	926,373

Year ended – December 31, 2023	Position		Cash Compensation		Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$	288,746	$	145,970
Nathan Brewer	Director		-		108,766
David Smallhouse	Director		-		108,766
Gregory Anderson	Senior VP/Director		-		146,602
Kevin Nishi	Director		-		108,766
Susan Mitchelll	Director		6,000		-
A company controlled by Alex Tong	CFO		102,027		145,022
Joan Marrs	VP Operations		206,240		145,022
Joe Piekenbrock	Chief Exploration Officer		167,582		144,706
Andy West	VP Exploration		162,187		106,091
		$	932,782	$	1,159,711

6. RELATED PARTY TRANSACTIONS (continued)

During the year ended December 31, 2024, the Company incurred share-based compensation related to directors and key management of $926,373 (2023 - $1,159,711).

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;
(iv) A principal reduction payment of the remaining balance and all accrued interest will be due on December 31, 2025.

7. PROMISSORY NOTE (continued)

On December 31, 2023, the promissory note was once again amended by both parties as follows:

(i) The Company will commence monthly principal repayments of $10,000 until the closing of the next financing, at which time the monthly principal payments will increase to $25,000;

(ii) The Company will make additional principal reduction payments equal to 6% of all equity financings, plus accrued interest on the outstanding principal balance, due and payable upon closing of each round;

(iii) A principal reduction payment of $750,000 will be due on June 1, 2026;

(iv) A principal reduction payment of the remaining balance and all accrued interest will be due on December 1, 2026.

As at December 31, 2024, the balance of the promissory note was $2,356,065 (2023 - $2,819,083) with $239,148 (2023 - $119,083) being accrued interest.

8. SHARE CAPITAL

Authorized Share Capital

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

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 Alaska Silver subordinate voting shares ("Alaska Silver subordinate voting shares" or "subordinate voting shares") and 90 Proportional Shares ("Alaska Silver 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 Alaska Silver 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 for gross proceeds $5,018,862 (CAD$7,007,815). Each unit consists of one subordinate voting share and one-half warrant with an exercise price of CAD$3.15 for a period of 36 months. The fair value of the warrants is $nil, valued using the residual method. In addition, the Company paid a 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.

8. SHARE CAPITAL (continued)

Issued Share Capital (continued)

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 a 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.

On April 4, 2024, the Company issued 100,000 Subordinate Voting Shares to option holders who exercised their options in return for gross proceeds of $65,000. $8,967 was reclassified from Share Option Reserve to Share Capital.

On April 26, 2024, the Company issued 9,403,352 units in a brokered shelf prospectus offering for CAD$0.65 per unit for gross proceeds of $4,466,627 (CAD$6,112,179). Each unit consists of one Subordinate Voting Share and one warrant with an exercise price of $0.66 (CAD$0.90) for a period of 36 months. The fair value of the warrants is $275,192 (CAD$376,134), valued using the residual amount method. In addition, the Company paid a cash commission $268,313 (CAD$366,731) and issued 564,200 agent warrants to the agents. Each agent warrant entitles the holder to purchase one Subordinate Voting Share at $0.48 (CAD$0.65) for a period of 36 months from issuance date. The fair value of agent warrants is $111,554 (CAD$152,473) and is allocated to share issuance costs. The agent warrants are valued using the Black-Scholes Option Pricing Model with the following assumptions: annualized volatility of 64.85%, risk-free interest rate of 4.18%, expected life of 3 years and a dividend rate of Nil. The Company also incurred professional fees of $7,323 related to this financing.

On May 8, 2024, the Company issued 3,812,981 units in the first tranche of a non-brokered private placement for CAD$0.65 per unit, and on May 14, 2024, the Company issued 200,000 units in the final tranche, for total gross proceeds of $1,897,758 (CAD$2,608,438). Each unit consists of one Subordinate Voting Share and one warrant with an exercise price of $0.66 (CAD$0.90) for a period of 36 months. The fair value of the warrants is $144,675 (CAD$198,649), valued using the residual method. In addition, the Company paid a cash commission of $82,423 (CAD$113,200) and issued 92,923 finders warrants to the finders. Each finders warrant entitles the holder to purchase one Subordinate Voting Share at $0.66 (CAD$0.90) for a period of 36 months from issuance date. The fair value of finders warrants is $26,938 (CAD$36,996) and is allocated to share issuance costs. The agent warrants are valued using the Black-Scholes Option Pricing Model with the following assumptions: annualized volatility of 64.55%, risk-free interest rate of 4.06%, expected life of 3 years and a dividend rate of Nil. The Company also incurred professional fees of $152,646 related to this financing.

8. SHARE CAPITAL (continued)

Issued Share Capital (continued)

On May 27, 2024, the Company issued 100,000 Subordinate Voting Shares to warrant holders who exercised their warrants in return for gross proceeds of $66,002. $2,927 was reclassified from Warrant Reserve to Share Capital.

On June 17, 2024, the Company issued 190,000 Subordinate Voting Shares to option holders who exercised their options in return for gross proceeds of $123,500. $17,037 was reclassified from Share Option Reserve to Share Capital.

On June 17, 2024, the Company issued 13,181 Subordinate Voting Shares to warrant holders who exercised their warrants in return for gross proceeds of $6,234. $2,039 was reclassified from Warrant Reserve to Share Capital.

On July 16, 2024, the Company issued 50,000 Subordinate Voting Shares to warrant holders who exercised their warrants in return for gross proceeds of $32,881. $1,462 was reclassified from Warrant Reserve to Share Capital.

On December 31, 2024, the Company issued 200,000 Subordinate Voting Shares to option holders who exercised their options in return for gross proceeds of $62,370. $36,569 was reclassified from Share Option Reserve to Share Capital.

Stock Options

The Company has a stock option plan under which the Board of Directors may grant options to acquire common shares of 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.

(Expressed in United States Dollars)

8. SHARE CAPITAL (continued)

Stock Options (continued)

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	$	0.93*	3,057,500
Granted		3.12	1,265,000
Exercised		0.72	(505,000)
Balance at December 31, 2023		1.69	3,817,500
Granted		0.54	2,545,000
Exercised		0.66	(490,000)
Expired		0.81	(20,000)
Cancelled		1.67	(225,000)
Balance at December 31, 2024		1.54	5,627,500

* 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 form 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.

On June 14, 2024, the Company granted 450,000 options to directors, officers and consultants of the Company. These options may be exercised within 5 years from the date of grant at a price of $0.62 (CAD$0.85) per Subordinate Voting Share. For options granted to directors and officers, the options are vested 1/3 every year starting from June 14, 2024, onwards. For options granted to consultants, the options are vested ¼ every three months starting from September 12, 2024, onwards.

On December 27,2024, the Company granted 1,095,000 options to directors and officers of the Company. These options may be exercised within 5 years from the date of grant at a price of $0.31 (CAD$0.45) per Subordinate Voting Share and were vested immediately on grant date.

During the year ended December 31, 2024, the Company recognized $952,177 (2023 - $1990,074) in stock-based compensation expenses for options.

(Expressed in United States Dollars)

8. SHARE CAPITAL (continued)

Stock Options (continued)

The following assumptions were used for the Black-Scholes pricing model calculations:

	January 20, 2023	April 6, 2023	March 1, 2024	June 14, 2024	December 27, 2024
Risk-free interest rate	2.88%	2.98%	3.50%	3.51%	3.05%
Expected stock price volatility	101.34%	100.86%	72.61%	67.89%	67.89%
Expected option life in years	5 years	5 years	5 years	5 years	5 years
Dividend rate	Nil	Nil	Nil	Nil	Nil

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

	Outstanding		Exercisable	
Exercise Price (CAD)	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)
$ 0.56	490,000	1.17	490,000	1.17
$ 0.56	630,000	1.46	630,000	1.46
$ 0.85	462,500	1.87	462,500	1.87
$ 0.96	25,000	2.08	25,000	2.08
$ 1.65	275,000	2.39	275,000	2.39
$ 2.75	175,000	2.86	175,000	2.86
$ 3.16	1,125,000	3.06	728,900	3.06
$ 2.70	100,000	3.27	66,000	3.27
$ 0.49	1,000,000	4.17	330,000	4.17
$ 0.85	450,000	4.46	191,667	4.46
$ 0.45	895,000	4.99	895,000	4.99
	5,627,500	3.20	4,269,067	2.98

(Expressed in United States Dollars)

8. SHARE CAPITAL (continued)

Warrants

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

	Date Issued	Expiry Date	Exercise Price (CAD)	Number of Warrants Outstanding
Outstanding at December 31, 2022				-
Broker warrants	May 4, 2023	May 4, 2025	2.35	172,540
Private placement warrants	May 4, 2023	May 4, 2026	3.15	1,491,024
Private placement warrants	September 1, 2023	September 1, 2026	3.15	378,191
Finders warrants	September 1, 2023	September 1, 2025	3.15	1,170
Private placement warrants	September 14, 2023	September 14, 2026	3.15	33,086
Outstanding at December 31, 2023			3.08	2,076,011
Private placement warrants	April 26, 2024	April 26, 2027	0.90	9,403,352
Agents warrants	April 26, 2024	April 26, 2027	0.90	564,200
Private placement warrants	May 8, 2024	May 8, 2027	0.90	3,812,981
Finders warrants	May 8, 2024	May 8, 2027	0.90	92,923
Private placement warrants	May 14, 2024	May 14, 2027	0.90	200,000
Exercise	April 26, 2024	April 26, 2027	0.90	(150,000)
Exercise	April 25, 2024	April 25, 2027	0.65	(13,181)
Outstanding at December 31, 2024			1.17*	15,986,286

*The weighted average exercise price and weighted average life was CAD$1.17 and 2.23 years, respectively.

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.

(Expressed in United States Dollars)

8. SHARE CAPITAL (continued)

Restricted Share Units

On March 1, 2024, the Company issued 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 $26,727 have been recorded as a share-based payment during the year ended December 31, 2024.

On October 17, 2024, the Company issued 114,588 RSUs to three directors with a vesting date being one year form 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 $51,666, of which $10,617 have been recorded as a share-based payment during the year ended December 31, 2024.

On December 27, 2024, the Company issued 75,000 RSUs to two employees and an officer 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 $5,644, of which $257 have been recorded as a share-based payment during the year ended December 31, 2024

The following table summarizes information about RSUs outstanding as at December 31, 2024:

	Date Issued	Vesting Date	No. of RSUs
Grant	March 1, 2024	March 1, 2025	88,538
Grant	October 17, 2024	October 17, 2025	114,588
Grant	December 27, 2024	December 27, 2025	75,000
Outstanding at December 31, 2024			278,126

9. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		December 31, 2024		December 31, 2023
Net loss before tax	$	(3,305,017)	$	(4,360,909)
Statutory tax rate		27%		27%
Expected income tax recovery		(892,355)		(1,177,445)
Effect of current items		130,899		406,243
True-up of prior year amounts		(98,600)		15,877
Tax assets not recognized		860,056		755,325
Income tax recovery	$	-	$	-

(Expressed in United States Dollars)

9. INCOME TAXES (continued)

The significant components of deferred tax assets that have not been included on the statements of financial position are as follows:

		December 31, 2024		December 31, 2023
Share issuance costs	$	268,150	$	238,300
Non-capital losses available for future period (USA)		2,381,162		1,888,920
Non-capital losses available for future period (Canada)		1,389,328		1,051,380
Exploration and evaluation assets		(206,173)		(86,922)
Equipment		206,678		87,411
Total deferred tax pools, net		4,039,145		3,179,089
Valuation allowance		(4,039,145)		(3,179,089)
	$	-	$	-

The Company has approximately $5,146,000 of non-capital losses in Canada which expire between 2041 and 2044 and approximately $8,819,000 of non-capital losses in the US. Tax attributes are subject to review and potential adjustment by tax authorities.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Assets and Liabilities

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

		December 31, 2024		December 31, 2023
Financial Assets				
At amortized cost				
Cash	$	849,572	$	1,191,561
	$	849,572	$	1,191,561
Financial Liabilities				
At amortized cost				
Accounts payable and accrued liabilities	$	809,672	$	936,932
Promissory note		2,356,065		2,819,083
	$	3,165,737	$	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.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial Instrument Risk Exposure (continued)

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.

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.

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.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial Instrument Risk Exposure (continued)

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.

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.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place in which it anticipates and determined the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by its operations. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through future equity and debt financing.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 12. As at December 31, 2024, the financial liabilities with the exception of the promissory note (Note 7) are due on demand or within 12 months following the year-end date.

11. 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.

12. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of resource properties (Note 4).

13. SUBSEQUENT EVENTS

On March 12, 2025, the Company completed an unsecured loan transaction with certain lenders (the "Lenders") to the Company, pursuant to which the Company has issued promissory notes in the aggregate principal amount of $1,200,000. The Loan will mature after 36 months and bear interest at rate of 10% per annum. The Loan will be payable by the Company after 12 months. In addition, the Company has also issued to the Lenders an aggregate of 2,697,600 bonus warrants (the "Warrants"). Each Warrant entitles the holder to purchase one subordinate voting share of the Company at an exercise price of CAD$0.64 for a period of 36 months from the date of issuance.