

**WESTERN ALASKA MINERALS CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

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

	Notes	June 30, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$	2,914,392	\$ 3,842,748
GST receivable		63,554	40,694
Prepays and deposits		239,610	99,870
		3,217,556	3,983,312
<b>Non-Current Assets</b>			
Long-term deposits	3	769,898	416,810
Equipment	4	886,174	498,070
Exploration and evaluation properties	5	27,169,296	22,817,887
<b>TOTAL ASSETS</b>	\$	32,042,924	\$ 27,716,079
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	6, 7	\$ 1,331,348	\$ 654,886
Promissory note – current portion	7, 8	551,583	1,504,333
		1,882,931	2,159,219
<b>Non-Current Liabilities</b>			
Promissory note	7, 8	2,200,000	1,200,000
<b>TOTAL LIABILITIES</b>		4,082,931	3,359,219
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	34,250,827	29,603,584
Reserve for options	9	2,286,927	956,004
Reserve for warrants	9	110,541	-
Reserve for foreign exchange		(189,133)	(323,082)
Accumulated deficit		(8,499,169)	(5,879,646)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		27,959,993	24,356,860
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$	32,042,924	\$ 27,716,079

Nature and continuance of operations 1

Approved by the Board of Directors:

“Christopher (Kit) Marrs”  
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Director

“Kevin Nishi”  
\_\_\_\_\_  
Director

**WESTERN ALASKA MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)*

	Notes	For the three months ended		For the six months ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>EXPENSES</b>					
Bank charges		\$ 629	\$ 402	\$ 1,295	\$ 600
Consulting fees		163,259	183,219	237,163	185,019
Depreciation expense		-	413	-	413
Filing and regulatory fees		58,477	25,123	73,065	32,335
Insurance		23,651	19,971	27,635	22,892
Management fees	7	195,138	163,879	399,031	293,560
Office and sundry		129,607	3,122	180,129	14,826
Professional fees		75,925	44,052	122,435	110,689
Share-based payments	7, 9	388,444	190,644	1,347,092	263,893
Travel and promotion		91,751	92,610	183,682	174,138
		(1,126,881)	(723,435)	(2,571,527)	(1,098,365)
<b>OTHER ITEMS</b>					
Foreign exchange loss		(30,910)	(2,852)	(33,593)	(3,904)
Interest expense	8	(33,750)	(15,500)	(47,250)	(31,500)
Interest income		17,804	4,515	32,847	4,515
<b>NET LOSS</b>		<b>(1,173,737)</b>	<b>(737,272)</b>	<b>(2,619,523)</b>	<b>(1,129,254)</b>
<b>OTHER COMPREHENSIVE LOSS</b>					
Unrealized foreign exchange gain (loss) on translation of foreign operations		135,830	(48,134)	133,949	(44,242)
<b>COMPREHENSIVE LOSS</b>		<b>\$ (1,037,907)</b>	<b>\$ (785,406)</b>	<b>\$ (2,485,574)</b>	<b>(1,173,496)</b>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>					
		\$ (0.05)	\$ (0.05)	\$ (0.11)	\$ (0.08)
<b>WEIGHTED AVERAGE NUMBER OF SUBORINDATE VOTING SHARES OUTSTANDING – BASIC AND DILUTED</b>					
		25,700,604	17,193,817	24,767,333	15,449,150

The accompanying notes are integral to these consolidated financial statements.

**WESTERN ALASKA MINERALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)*

	Notes	June 30, 2023	June 30, 2022
<b>Cash flows used in operating activities</b>			
Net loss for the period		\$ (2,619,523)	\$ (1,129,254)
Adjustments for non-cash items:			
Depreciation expense		-	413
Share-based payments	9	1,347,092	263,893
Interest accrued on Promissory Note	8	47,250	10,167
		(1,225,181)	(854,781)
<b>Changes in non-cash working capital</b>			
GST receivable		(21,927)	(13,494)
Prepays and deposits		(138,777)	(69,965)
Accounts payable and accrued liabilities	6	38,640	915,600
		(1,347,245)	(22,640)
<b>Cash flows (used in) from investing activities</b>			
Purchase of equipment	4	(449,403)	(94,013)
Exploration costs incurred	5	(3,650,649)	(2,957,149)
Long-term deposits	3	(353,088)	-
		(4,453,140)	(3,051,162)
<b>Cash flows from (used in) financing activities</b>			
Issuance of subordinate voting shares	9	4,715,615	3,823,820
Exercise of stock options	9	26,000	174,000
Repayment of Promissory Note		-	(100,000)
		4,741,615	3,897,820
Effect of exchange rate changes on cash		130,414	(44,242)
Net change in cash for the period		(928,356)	779,776
Cash, beginning of period		3,842,748	1,904,981
Cash, end of period		\$ 2,914,392	\$ 2,684,757
<b>Cash flow supplemental</b>			
Decrease in accounts payable for stock option exercise		\$ -	\$ 135,000
Exploration and evaluation assets in accounts payable		\$ 787,934	\$ 915,600
Change in accounts payable related to exploration and evaluation assets during the period		\$ 637,822	\$ 730,525
Interest paid in cash		\$ -	\$ 21,333

The accompanying notes are integral to these consolidated financial statements.

**WESTERN ALASKA MINERALS CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

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

	Shares			Option and Warrant Reserves	Reserve for Foreign Exchange	Accumulated Deficit	Total
	Subordinate Voting	Proportional Voting	Amount				
December 31, 2021	12,104,820	260,700	\$ 16,301,277	\$ 466,686	\$ (67,439)	\$ (3,336,526)	\$ 13,363,998
Decompression of proportional voting shares	2,205,700	(22,057)	-	-	-	-	-
Private placements, net	4,170,000	-	3,823,820	-	-	-	3,823,820
Exercise of stock options	320,000	-	215,667	(41,667)	-	-	174,000
Share-based payments	-	-	-	263,893	-	-	263,893
Foreign translation exchange loss	-	-	-	-	(44,242)	-	(44,242)
Comprehensive loss	-	-	-	-	-	(1,129,254)	(1,129,254)
June 30, 2022	18,800,520	238,643	20,340,764	688,912	(111,681)	(4,465,780)	16,452,215
Decompression of proportional voting shares	1,384,200	(13,842)	-	-	-	-	-
Private placements, net	2,926,999	-	8,855,547	-	-	-	8,855,547
Issuance of finders' shares	36,585	-	-	-	-	-	-
Exercise of stock options	662,500	-	407,273	(48,973)	-	-	358,300
Share-based payments	-	-	-	316,065	-	-	316,065
Foreign translation exchange loss	-	-	-	-	(211,401)	-	(211,401)
Comprehensive loss	-	-	-	-	-	(1,413,866)	(1,413,866)
December 31, 2022	23,810,804	224,801	29,603,584	956,004	(323,082)	(5,879,646)	24,356,860
Private placements, net	2,982,049	-	4,605,074	-	-	-	4,605,074
Issuance of broker warrants	-	-	-	110,541	-	-	110,541
Exercise of stock options	45,000	-	42,169	(16,169)	-	-	26,000
Share-based payments	-	-	-	1,347,092	-	-	1,347,092
Foreign translation exchange loss	-	-	-	-	133,949	-	133,949
Comprehensive loss	-	-	-	-	-	(2,619,523)	(2,619,523)
June 30, 2023	26,837,853*	224,801*	\$ 34,250,827	\$ 2,397,468	\$ (189,133)	\$ (8,499,169)	\$ 27,959,993

\* The proportional voting shares are exchangeable into a total of 22,480,100 subordinate voting shares, for no additional consideration. See Note 9.

The accompanying notes are integral to these consolidated financial statements.

**WESTERN ALASKA MINERALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)*

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**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 subordinate voting 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 period ended June 30, 2023 of \$2,619,523 and has an accumulated operating deficit of \$8,499,169. 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 financial position, results of operations, cash flows and prospects of the Company. These condensed interim 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 SIGNIFICANT ACCOUNTING POLICIES****Statement of Compliance**

The condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“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, 2022, 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 statement for the year ended December 31, 2022.

**WESTERN ALASKA MINERALS CORP.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)*

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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****Statement of Compliance (continued)**

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 18, 2023.

**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.

**Significant 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.

**WESTERN ALASKA MINERALS CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)*

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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Significant Estimates and Assumptions** (continued)

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

***Assessment of Impairment Indicators***

The Company assesses at each reporting period whether there is an indication of impairment. Significant 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 subordinate voting share price; ii) changes in the quantity of the recoverable resources and reserves; 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.

**Significant 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 significant judgments in applying the Company's consolidated financial statements include:

**Significant Judgments** (continued)

- 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 significant 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;
- The fair value and classification of financial instruments.

**3. LONG TERM DEPOSITS**

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	June 30, 2023		December 31, 2022
Deposits for drilling equipment	\$ 769,898	\$	416,810

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**WESTERN ALASKA MINERALS CORP.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)***4. EQUIPMENT**

<b>Cost</b>	<b>Computer Software</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
Balance, December 31, 2021	\$ -	\$ -	\$ -	-
Additions	25,050	397,804	127,359	550,213
Balance, December 31, 2022	25,050	397,804	127,359	550,213
Additions	-	382,254	67,149	449,403
Balance, June 30, 2023	\$ 25,050	\$ 780,058	\$ 194,508	\$ 999,616
<b>Accumulated Amortization</b>				
Balance, December 31, 2021	\$ -	\$ -	\$ -	-
Charge	22,963	22,092	7,088	52,143
Balance, December 31, 2022	22,963	22,092	7,088	52,143
Charge	2,087	50,685	8,527	61,299
Balance, June 30, 2023	\$ 25,050	\$ 72,777	\$ 15,615	\$ 113,442
<b>Net Book Value</b>				
Balance, December 31, 2022	\$ 2,087	\$ 375,712	\$ 120,271	\$ 498,070
Balance, June 30, 2023	\$ -	\$ 707,281	\$ 178,893	\$ 886,174

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.

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

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)***5. EXPLORATION AND EVALUATION PROPERTIES**

Schedule of cumulative exploration and evaluation properties costs:

	<b>Round Top Property</b>	<b>Honker Property</b>	<b>Illinois Creek Property</b>	<b>Total</b>
	\$	\$	\$	\$
<b>December 31, 2021</b>	<b>5,094,198</b>	<b>603,681</b>	<b>9,285,764</b>	<b>14,983,643</b>
Claim maintenance	72,600	17,800	95,714	186,114
DNR permit fees	-	-	1,869	1,869
Assays	-	-	317,092	317,092
Camp food, supplies & accommodations	-	-	974,300	974,300
Camp labour/payroll costs	35,000	9,600	1,291,226	1,335,826
Consultant fees	6,917	-	280,195	287,112
Depreciation of equipment (Note 4)	-	-	50,903	50,903
Drilling	-	-	2,226,200	2,226,200
Equipment	-	-	475,095	475,095
Fuel	-	-	437,761	437,761
Fixed wing & fuel	-	-	923,421	923,421
Helicopter & fuel	-	-	194,813	194,813
Travel	-	-	156,715	156,715
Access route engineering	-	-	163,526	163,526
Other field expenses	-	-	103,497	103,497
<b>December 31, 2022</b>	<b>5,208,715</b>	<b>631,081</b>	<b>16,978,091</b>	<b>22,817,887</b>
Claim maintenance	-	-	18,719	18,719
DNR permit fees	150	150	150	450
Assays	-	-	178,675	178,675
Camp food, supplies & accommodations	-	-	508,588	508,588
Camp labour/payroll costs	-	-	641,746	641,746
Consultant fees	-	-	151,802	151,802
Depreciation of equipment (Note 4)	-	-	61,246	61,246
Drilling	-	-	1,377,740	1,377,740
Equipment	-	-	669,871	669,871
Fuel	-	-	96,635	96,635
Fixed wing & fuel	-	-	462,288	462,288
Travel	-	-	49,943	49,943
Access route engineering	-	-	25,791	25,791
Other field expenses	-	-	107,915	107,915
<b>June 30, 2023</b>	<b>5,208,865</b>	<b>631,231</b>	<b>21,329,200</b>	<b>27,169,296</b>

**WESTERN ALASKA MINERALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)*

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**5. 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.

Piek is the sole owner of 110 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 149 new claims were staked by WACG in 2022.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

		June 30, 2023		December 31, 2022
Accounts payable	\$	454,826	\$	324,597
Accrued liabilities		874,151		327,971
Other payable		2,371		2,318
	\$	1,331,348	\$	654,886

**7. 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 June 30, 2023, \$3,000 (December 31, 2022 - \$254,250) is included in accounts payable and accrued liabilities and \$2,751,583 (December 31, 2022 - \$2,704,333) in promissory note (Note 8) from amounts owing to related parties.

**WESTERN ALASKA MINERALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)***7. RELATED PARTY TRANSACTIONS (continued)****Key Management Personnel Compensation**

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Consulting and professional fees:				
Directors and Officers	\$ 131,764	\$ 162,403	\$ 277,252	\$ 293,561

During the three and six months ended June 30, 2023, the Company had share-based payments made to directors and management of \$168,502 and \$734,814 (June 30, 2022 - \$81,653 and \$123,776) respectively.

**8. PROMISSORY NOTE**

In accordance with the Illinois Creek Agreement, WACG issued a promissory note of \$3,698,000. The promissory note will accrue interest at 2.0% per annum.

WACG will make payments under the promissory note as follows:

- (i) \$498,000, together with the accrued interest were paid during the year ended December 31, 2021;
- (ii) \$100,000 is due on May 16, 2022\*, \$400,000 is due December 1, 2022\* and \$1,500,000 is due May 31, 2023; and
- (iii) The outstanding principal balance, together with accrued interest, on March 31, 2024.

\*Paid in 2022.

On March 31, 2023, the promissory note was amended by both parties to the following:

- (i) The interest rate, effective April 1, 2023, was amended to 5.0% per annum from the previous 2.0% per annum;
- (ii) The \$1,500,000 payment that was previous due on May 31, 2023 is now due on February 1, 2024 with accrued interest;
- (iii) In the event that the Company closes a second financing round in calendar 2023 then it would be obligated to make a principal reduction payment of \$500,000 with related accrued interest;
- (iv) Commencing March 1, 2024 and on the first day of each month thereafter, the Company shall make interest payments accrued on the principal balance;
- (v) The outstanding principal balance with accrued interest is due on February 1, 2025.

As at June 30, 2023, the balance of the promissory note was \$2,751,583 with \$51,583 being accrued interest.

## **WESTERN ALASKA MINERALS CORP.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**

*(Unaudited, Expressed in United States Dollars)*

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## **9. 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 RTO transaction, 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 2, 2022, the Company's proportionate shareholders elected to convert 22,057 proportionate shares on a 1:100 conversion basis into 2,205,700 WAM subordinate voting shares.

On February 4, 2022, the Company issued 300,000 subordinate voting shares for gross proceeds of \$165,000 on exercise of stock options. \$20,000 was reclassified from Share Option Reserve to 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 consist of one common 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 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 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.

### **Stock Options**

The Company has a stock option plan under which the Board of Directors may grant options to acquire subordinate voting 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 10 years. The plan allows for the issuance up to 10% of the number of issued and outstanding subordinate voting shares of the Company at any time on a non-diluted basis.

**WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022*(Unaudited, Expressed in United States Dollars)***9. SHARE CAPITAL (continued)****Stock Options (continued)**

The changes in stock options are summarized as follows:

	Weighted Average Exercise Price*	Number of WAM Subordinate voting shares Issued or Issuable on Exercise*
Balance at December 31, 2021	\$ 0.55*	3,505,000
Granted	1.60	535,000
Exercised	0.54	(982,500)
Balance at December 31, 2022	0.73	3,057,500
Granted	2.33	1,265,000
Exercised	0.58	(45,000)
Balance at June 30, 2023	1.19	4,277,500

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

On January 27, 2022, the Company granted 25,000 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 \$0.76 (CAD\$0.96) per common share and are vested 25% every six months starting from January 27, 2022, onwards.

On May 19, 2022, the Company granted 275,000 options to directors and consultants of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$1.29 (CAD\$1.65) per common share. 190,000 options are vested 50% on grant date and 25% every six months starting from November 13, 2022 onwards. 85,000 options are vested 25% every six months starting from May 19, 2022, onwards.

On November 8, 2022, the Company granted 235,000 options to employees of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$2.05 (CAD\$2.75) per common share and are vested 1/3 every year starting from November 8, 2022, onwards.

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 common 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 common share and are vested 1/3 every year starting from April 6, 2023, onwards.

**WESTERN ALASKA MINERALS CORP.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)***9. SHARE CAPITAL** (continued)**Stock Options** (continued)

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

	January 27, 2022	May 19, 2022	November 8, 2022	January 20, 2023	April 6, 2023
Risk-free interest rate	1.65%	2.60%	3.67%	2.88%	2.98%
Expected stock price volatility	104.61%	102.92%	120.67%	101.34%	100.86%
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 June 30, 2023, are summarized as follows:

Exercise Price (USD)	Outstanding		Exercisable	
	Number of Subordinate voting shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Number of Subordinate voting shares Issuable on Exercise	Weighted Average Remaining Life (Years)
\$ 0.65	610,000	0.98	610,000	0.98
\$ 0.45	690,000	2.67	690,000	2.67
\$ 0.45	650,000	2.96	650,000	2.96
\$ 0.68	527,500	3.37	527,500	3.37
\$ 0.76	25,000	3.58	18,750	3.58
\$ 1.29	275,000	3.89	253,750	3.89
\$ 2.05	235,000	4.36	78,333	4.36
\$ 2.36	1,165,000	4.56	384,450	4.56
\$ 2.00	100,000	4.77	33,333	4.77
	4,277,500	3.30	3,246,116	2.91

**Warrants**

The continuity of the Company's warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price (USD)
Outstanding at December 31, 2022	-	-
Issued as part of private placement units	1,491,024	2.32
Issued Broker warrants	172,540	1.73
Outstanding at June 30, 2023	1,663,564	2.26

**WESTERN ALASKA MINERALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)***9. SHARE CAPITAL (continued)****Warrants (continued)**

The following table summarizes information about warrants outstanding as at June 30, 2023:

Date Issued	Expiry Date	Exercise Price (USD)	Number of Warrants Outstanding
May 4, 2023	May 4, 2025	1.73	172,540
May 4, 2023	May 4, 2026	2.32	1,491,024
			1,663,564

The weighted average exercise price and weighted average life are USD\$2.26 and 2.74 years, respectively.

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

Information regarding the Company's financial assets and liabilities as at June 30, 2023 and December 31, 2022 are summarized as follows:

	June 30, 2023	December 31, 2022
<b>Financial Assets</b>		
At amortized cost		
Cash	\$ 2,914,392	\$ 3,842,748
	\$ 2,914,392	\$ 3,842,748
<b>Financial Liabilities</b>		
At amortized cost		
Accounts payable and accrued liabilities	\$ 1,331,348	\$ 654,886
Promissory note	2,751,583	2,704,333
	\$ 4,082,931	\$ 3,359,219

**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 carrying balance of financial assets and liabilities approximate their fair value due to their short-term nature.



**WESTERN ALASKA MINERALS CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)*

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**10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT** (continued)

**Financial Instrument Risk Exposure** (continued)

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.

***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.

**WESTERN ALASKA MINERALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**

*(Unaudited, Expressed in United States Dollars)*

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**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.