WESTERN ALASKA MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN UNITED STATES DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Western Alaska Minerals Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Western Alaska Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no source of operating revenue and has incurred losses since inception. As stated in Note 1, the Company's ability to continue as a going concern 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 matters, along with other matters as set forth in Note 1, 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.

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 period. 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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation properties.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Material estimates and assumptions, note 2 – Accounting policy Exploration and evaluation properties and Note 5 Exploration and evaluation properties	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation properties may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that 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 Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation properties balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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. 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, 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 period 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 James Roxburgh.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 11, 2024

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

	Notes		December 31, 2023		December 31, 2022
ASSETS					
Current Assets					
Cash		$	1,191,561	$	3,842,748
GST receivable			35,763		40,694
Prepaid and deposits			170,479		99,870
			1,397,803		3,983,312
Non-Current Assets					
Long term deposits	3		-		416,810
Equipment	4		1,999,413		498,070
Exploration and evaluation properties	5		28,681,363		22,817,887
TOTAL ASSETS		$	32,078,579	$	27,716,079
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	6	$	936,932	$	654,886
Promissory note – current portion	8		225,000		1,504,333
			1,161,932		2,159,219
Non-Current Liabilities					
Promissory note	8		2,594,083		1,200,000
TOTAL LIABILITIES			3,756,015		3,359,219
SHAREHOLDERS' EQUITY					
Share capital	9		35,770,106		29,603,584
Reserve for options and warrants	9		2,990,321		956,004
Reserve for foreign exchange			(197,308)		(323,082)
Accumulated deficit			(10,240,555)		(5,879,646)
TOTAL SHAREHOLDERS' EQUITY			28,322,564		24,356,860
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	32,078,579	$	27,716,079
Nature and continuance of operations	1				
Subsequent events	13				

Approved by the Board of Directors:

"Christopher (Kit) Marrs"	"Kevin Nishi"
Director	Director

The accompanying notes are integral to these consolidated financial statements.

WESTERN ALASKA MINERALS CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in United States Dollars)

	Notes		December 31, 2023		December 31, 2022
EXPENSES					
Bank charges		$	3,207	$	1,136
Consulting fees			426,575		350,806
Depreciation expense	4		-		1,199
Filing and regulatory fees			75,823		28,756
Insurance			48,635		42,927
Management fees	7		872,558		880,568
Marketing expenses			385,401		300,301
Office and sundry			129,689		64,388
Professional fees			264,055		245,504
Share-based payments	7, 9		1,990,074		579,958
Travel and promotion			58,135		33,990
			(4,254,152)		(2,529,533)
OTHER ITEMS					
Foreign exchange loss			(33,118)		(8,021)
Interest expense	8		(118,824)		(61,833)
Interest income			45,185		56,267
NET LOSS			(4,360,909)		(2,543,120)
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized foreign exchange income (loss) on translation of foreign operations			125,774		(255,643)
COMPREHENSIVE LOSS		$	(4,235,135)	$	(2,798,763)
LOSS PER SHARE – BASIC AND DILUTED		$	(0.16)	$	(0.14)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED			26,119,511		18,477,771

The accompanying notes are integral to these consolidated financial statements.

WESTERN ALASKA MINERALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in United States Dollars)

	Notes	December 31, 2023	December 31, 2022
Cash flows used in operating activities:			
Net loss for the year		$ (4,360,909)	$ (2,543,120)
Adjustments for non-cash items:			
Depreciation expense		-	1,199
Share-based payments	9	1,990,074	579,958
Interest accrued on Promissory Note	8	114,750	61,833
		(2,256,085)	(1,900,130)
Changes in non-cash working capital			
GST receivable		5,908	(33,109)
Prepaids and deposits		(68,207)	(85,813)
Accounts payable and accrued liabilities		48,813	395,433
		(2,269,571)	(1,623,619)
Cash flows (used in) from investing activities:			
Exploration costs incurred	5	(5,358,643)	(7,818,304)
Purchase of equipment	4	(1,355,563)	(550,213)
Long term deposits	3	-	(416,810)
		(6,714,206)	(8,785,327)
Cash flows from (used in) financing activities:			
Issuance of common shares, net	9	5,917,765	13,095,522
Share issuance costs	9	-	(468,007)
Exercise of stock options	9	293,000	532,300
Repayment of promissory note	8	-	(557,500)
		6,210,765	12,602,315
Effect of exchange rate changes on cash		121,825	(255,602)
Net change in cash for the year		(2,651,187)	1,937,767
Cash, beginning of year		3,842,748	1,904,981
Cash, end of year		$ 1,191,561	$ 3,842,748

• *Amortization included in exploration and evaluation assets*	$ 271,030	$ 50,903
• *Change in long-term deposits related to purchase of equipment*	416,810	-
• *Exploration and evaluation assets in accounts payable*	383,345	150,112
Interest paid in cash	$ -	$ 57,500

The accompanying notes are integral to these consolidated financial statements.

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 and Warrant Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
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	3,589,900	(35,899)	-	-	-	-	-
Private placements, net	7,096,999	-	12,679,367	-	-	-	12,679,367
Issuance of finders' shares	36,585	-	-	-	-	-	-
Exercise of stock options	982,500	-	622,940	(90,640)	-	-	532,300
Share-based payments	-	-	-	579,958	-	-	579,958
Foreign translation exchange loss	-	-	-	-	(255,643)	-	(255,643)
Comprehensive loss	-	-	-	-	-	(2,543,120)	(2,543,120)
December 31, 2022	23,810,804	224,801	29,603,584	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 income	-	-	-	-	125,774	-	125,774
Comprehensive 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

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

The accompanying notes are integral to these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

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

Going Concern

These 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 $4,360,909 and has an accumulated operating deficit of $10,240,555. The Company will require further financing to operate and further develop its business. The Company's ability to realize its assets and discharge its liabilities is dependent upon it obtaining financing as necessary and ultimately upon its ability to dispose of its mineral property interests on a profitable basis or otherwise achieve profitable operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the Company's financial position, operational success, cash flow, and prospects. These consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The principal 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 11, 2024.

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 POLICIES (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 POLICIES (continued)

Material 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.

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

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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.

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

Financial Instruments (continued)

Financial Assets (continued)
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.

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.

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

Financial Instruments (continued)

Financial Liabilities (continued)
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.

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.

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.

Business Combinations
Acquisitions of businesses, or of assets when the definition of a business is not met, are accounted for using principles applicable to the acquisition method as described in IFRS 3. The consideration of each such combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquired. Acquisition-related costs are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date.

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

Business Combinations (continued)

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the consideration of the acquisition over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the fair value of the acquiree's net identifiable assets, liabilities and contingent liabilities exceeds the costs of the acquisition, the excess is recognized in profit or loss immediately. Goodwill may also arise as a result of the requirement under IFRS to record a deferred tax liability on the excess of the fair value of the acquired assets over their correspondence tax bases, with the corresponding offset recorded as goodwill.

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, bankers' acceptances and in government treasury bills 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.

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.

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

Equipment (continued)

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.

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.

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

Share-Based Payments (continued)

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.

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.

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

Current and Deferred Income Taxes (continued)

Deferred Income Tax (continued)

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.

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.

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

Foreign Currency Translation (continued)

Management has assessed the functional currency of both WACG and Piek Inc. to be USD, while the functional currency of WAM 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 WAM'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.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Recent Accounting Pronouncements

IAS 1 "Presentation of Financial Statements"

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 which were incorporated into Part 1 of the CPA Canada Handbook – Accounting by the Accounting Standards Board ("AcSB") in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by:

- Specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists;
- Clarifying that settlement of a liability refers to the transfer to the counterparty if cash, equity instruments, other assets or services;
- Clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and
- Clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, as such, did not have a significant impact on the Company's financial statements. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023, due to the impact of the COVID-19 pandemic. The AcSB endorsed the IASB's amendment to defer the effective date in October 2020.

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

Recent Accounting Pronouncements (continued)

IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgments"

In February 2021, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgments* which were incorporated into Part 1 of the CPA Canada Handbook – Accounting by the AcSB in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments shall be applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. Once an entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

In February 2021, the IASB issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which were incorporated into Part 1 of the CPA Canada Handbook – Accounting by the AcSB in June 2021. The amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023.

IAS 12 "Income Taxes"

In May 2021, the IASB issued amendments to IAS 12 "Income Taxes". The amendments to IAS 12 narrow the scope of the initial recognition exemption so that it no longer applies to transactions which give rise to equal amounts of taxable and deductible temporary differences. The Company is to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition for certain transactions, including leases and reclamation provision. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023.

The Company has adopted these amendments and has assessed that these amendments do not have a material impact to the Company.

(Expressed in United States Dollars)

3. LONG TERM DEPOSITS

	December 31, 2023	December 31, 2022
Deposits for drilling equipment	$ -	$ 416,810

4. EQUIPMENT

Cost	**Computer Software**	**Equipment**	**Vehicles**	**Total**
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	-	1,719,443	53,500	1,772,943
Balance, December 31, 2023	$ 25,050	$ 2,117,247	$ 180,859	$ 2,323,156
Accumulated Amortization				
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	252,056	17,457	271,600
Balance, December 31, 2023	$ 25,050	$ 274,148	$ 24,545	$ 323,743
Net Book Value				
Balance, December 31, 2022	$ 2,087	$ 375,712	$ 120,271	$ 498,070
Balance, December 31, 2023	$ -	$ 1,843,099	$ 156,314	$ 1,999,413

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, 2023, $271,030 (2022 - $50,903) of depreciation has been capitalized to exploration and evaluation properties (Note 5).

(Expressed in United States Dollars)

5. 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, 2021	**5,094,198**	**603,681**	**9,285,764**	**-**	**14,983,643**
Claim maintenance	72,600	17,800	89,346	6,368	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
December 31, 2022	**5,208,715**	**631,081**	**16,971,723**	**6,368**	**22,817,887**
Claim maintenance	72,600	19,800	63,864	5,610	161,874
DNR permit fees	150	150	150	-	450
Assays	-	-	224,525	-	224,525
Camp food, supplies & accommodations	-	-	557,884	-	557,884
Camp labour/payroll costs	-	-	1,401,858	11,200	1,413,058
Consultant fees	-	-	365,916	-	365,916
Depreciation of equipment (Note 4)	-	-	271,030	-	271,030
Drilling	-	-	1,298,278	-	1,298,278
Equipment	-	-	143,899	-	143,899
Fuel	-	-	179,793	-	179,793
Fixed wing & fuel	-	-	653,077	-	653,077
Helicopter & fuel	-	-	283,057	-	283,057
Travel	-	-	153,505	-	153,505
Access route engineering	-	-	25,791	-	25,791
Other field expenses	-	-	131,339	-	131,339
December 31, 2023	**5,281,465**	**651,031**	**22,725,689**	**23,178**	**28,681,363**

(1) Composed of Paw Print and Khotol properties

(Expressed in United States Dollars)

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.

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

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

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

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
Accounts payable	$ 465,820	$ 324,597
Accrued liabilities	466,240	327,971
Other payable	4,872	2,318
	$ 936,932	$ 654,886

(Expressed in United States Dollars)

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 December 31, 2023, $523,757 (2022 - $254,250) is included in accounts payable and accrued liabilities and $2,819,083 (2022 - $2,704,333) in promissory note (Note 8) 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, 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 Mitchell	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

Year ended – December 31, 2022	Position		Cash Compensation		Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	$	180,000	$	20,636
Nathan Brewer	Director		-		35,760
David Smallhouse	Director		-		35,760
Gregory Anderson	Senior VP/Director		75,000		26,532
Kevin Nishi	Director		-		35,760
A company controlled by Alex Tong	CFO		113,806		11,792
Joan Marrs	VP Operations		60,000		11,792
Joe Piekenbrock	Chief Exploration Officer		135,000		8,844
		$	563,806	$	186,876

During the year ended December 31, 2023, the Company incurred share-based compensation related to directors and key management of $1,159,711 (2022 - $186,876).

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

8. 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.

As at December 31, 2023, the balance of the promissory note was $2,819,083 (2022 - $2,704,333) with $119,083 (2022 - $4,333) being accrued interest.

9. SHARE CAPITAL

Authorized Share Capital

The Company is authorized to issue an unlimited number of common 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 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.

9. SHARE CAPITAL (continued)

Issued Share Capital

On February 2, 2022, 22,057 Proportionate Shares were converted on a 1:100 basis into 2,205,700 WAM common shares.

On February 4, 2022, the Company issued 300,000 subordinate voting shares for gross proceeds of $165,000 on exercise of stock options. $20,900 was reclassified from Share Option Reserve to Share Capital.

On April 13, 2022, the Company issued 20,000 subordinate voting shares for gross proceeds of $9,000 on exercise of stock options. $4,494 was reclassified from Share Option Reserve to Share Capital.

On May 5, 2022, the Company completed a private placement and raised $3,902,667 (CAD$5,004,000) by issuing 4,170,000 subordinate voting shares at a price of CAD$1.20 per share. The Company also paid finders' fees of $97,754 (CAD$125,446) to certain finders who assisted with the private placement.

In July 2022, the Company issued 580,000 subordinate voting shares for gross proceeds of $318,300 on exercise of stock options. $49,764 was reclassified from Share Option Reserve to Share Capital.

In August 2022, the Company issued 82,500 subordinate voting shares for gross proceeds of $40,000 on exercise of stock options. $15,482 was reclassified from Share Option Reserve to Share Capital.

On August 22, 2022, the Company completed the first tranche of a private placement and raised $7,480,397 (CAD$9,750,698) by issuing 2,378,219 subordinate voting shares at a price of CAD$4.10 per share. The Company also paid cash finders' fees of $270,734 (CAD$352,901) and issued 36,585 finders' shares, with a fair value of $115,074 (CAD$149,999) to certain finders who assisted with the private placement.

On September 6, 2022, the Company completed the final tranche of a private placement and raised $1,712,458 (CAD$2,249,998) by issuing 548,780 subordinate voting shares at a price of CAD$4.10 per share.

On December 15, 2022, 13,842 Proportionate Shares were converted on a 1:100 basis into 1,384,200 WAM subordinate voting shares.

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

On May 4, 2023, the Company issued 2,982,049 units in a private placement for CAD$2.35 per unit. Each unit consists of one subordinate voting share and one-half warrant with an exercise price of CAD$3.15 per share for a period of 36 months. The fair value of the warrants is $nil, valued using the residual method. In addition, the Company paid cash commission of $298,886 (CAD$405,469) and issued 172,540 Broker Warrants to the agents. Each Broker Warrant entitles the holder to purchase one unit of the private placement for a period of 24 months following the closing of the private placement. The fair value of the Broker Warrants is $110,541 (CAD$1498,960) and is allocated to share issuance costs.

(Expressed in United States Dollars)

9. 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 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.

Stock Options

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

The changes in stock options are summarized as follows:

		Weighted Average Exercise Price*	Number of Shares Issued or Issuable on Exercise*
Balance at December 31, 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	(505,000)
Balance at December 31, 2023		1.28	3,817,500

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

(Expressed in United States Dollars)

9. SHARE CAPITAL (continued)

Stock Options (continued)

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 subordinate voting 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 subordinate voting 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 subordinate voting 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 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.

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

(Expressed in United States Dollars)

9. SHARE CAPITAL (continued)

Stock Options (continued)

Stock options outstanding and exercisable on December 31, 2023, are summarized as follows:

	Outstanding		Exercisable	
Exercise Price (USD)	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)
$ 0.65	310,000	0.48	310,000	0.48
$ 0.45	530,000	2.17	530,000	2.17
$ 0.45	650,000	2.46	650,000	2.46
$ 0.68	527,500	2.87	527,750	2.87
$ 0.76	25,000	3.08	25,000	3.08
$ 1.29	275,000	3.39	275,000	3.39
$ 2.05	235,000	3.86	156,666	3.86
$ 2.36	1,165,000	4.06	384,450	4.06
$ 2.00	100,000	4.27	33,333	4.27
	3,817,500	3.01	2,891,949	2.67

Warrants

The following table summarizes information about warrants outstanding as at December 31, 2023:

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

*The weighted average exercise price and weighted average life was USD$2.27 and 2.33 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)

10. INCOME TAXES

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

		December 31, 2023		December 31, 2022
Net loss before tax	$	(4,360,909)	$	(2,543,120)
Statutory tax rate		27%		27%
Expected income tax recovery		(1,177,445)		(686,642)
Effect of current items		406,243		13,264
True-up of prior year amounts		15,877		(244,891)
Tax assets not recognized		755,325		918,269
Income tax recovery	$	-	$	-

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

		December 31, 2023		December 31, 2022
Share issuance costs	$	238,300	$	186,209
Non-capital losses available for future period (USA)		1,888,920		1,656,720
Non-capital losses available for future period (Canada)		1,051,380		580,500
Exploration and evaluation assets		(86,922)		(13,744)
Equipment		87,411		14,079
Total deferred tax pools, net		3,179,089		2,423,764
Valuation allowance		(3,179,089)		(2,423,764)
	$	-	$	-

The Company has approximately $3,894,000 of non-capital losses in Canada which expire between 2041 and 2043 and approximately $6,996,000 of non-capital losses in the US. Tax attributes are subject to review and potential adjustment by tax authorities.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Assets and Liabilities

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

		December 31, 2023		December 31, 2022
Financial Assets				
At amortized cost				
Cash	$	1,191,561	$	3,842,748
	$	1,191,561	$	3,842,748
Financial Liabilities				
At amortized cost				
Accounts payable and accrued liabilities	$	936,932	$	654,886
Promissory note		2,819,083		2,704,333
	$	3,756,015	$	3,359,219

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial Instrument Risk Exposure

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

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

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

Financial Instrument Risk Exposure

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

Currency Risk

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

Commodity Price Risk

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

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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.

12. 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.

13. SUBSEQUENT EVENTS

On March 1, 2024, the Company issued 1,000,000 stock options to directors, officers and employees. The options vests over 2 years and are exercisable to purchase one subordinate voting share at an exercise price of $0.49 for a period of 5 years. The Company also issued 88,538 restricted share units that vest in a year to certain employees of the Company.

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