

**WESTERN ALASKA MINERALS CORP.**  
**(FORMERLY 1246779 B.C. LTD.)**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Unaudited, Expressed in United States Dollars)*

	Notes	March 31, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 1,122,402	\$ 1,904,981
GST receivable		11,733	7,585
Prepays and deposits	3	131,101	14,057
		1,265,236	1,926,623
<b>Non-Current Assets</b>			
Equipment	4	89,332	-
Exploration and evaluation properties	5	15,355,652	14,983,643
<b>TOTAL ASSETS</b>		\$ 16,710,220	\$ 16,910,266
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	6, 7	\$ 361,603	\$ 346,268
Promissory note – current portion	7, 8	500,000	500,000
		861,603	846,268
<b>Non-Current Liabilities</b>			
Promissory note	8	2,716,000	2,700,000
<b>TOTAL LIABILITIES</b>		3,577,603	3,546,268
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	16,504,774	16,301,277
Reserve for options	9	501,936	466,686
Reserve for foreign exchange		(63,547)	(67,439)
Accumulated deficit		(3,810,546)	(3,336,526)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		13,132,617	13,363,998
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		\$ 16,710,220	\$ 16,910,266
Nature and continuance of operations	1		
Subsequent events	12		

Approved by the Board of Directors:

“Christopher (Kit) Marrs”  
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 Director

“Kevin Nishi”  
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 Director

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**  
*(Unaudited, Expressed in United States Dollars)*

	Notes	March 31, 2022	March 31, 2021
<b>EXPENSES</b>			
Bank charges and interest	8	\$ 198	\$ 36
Consulting fees	7	111,023	-
Filing and regulatory fees		7,212	-
Insurance		2,921	-
Marketing expenses		81,528	-
Office and sundry	7	114,199	4,173
Professional fees	7	66,637	18,689
Share-based payments	7, 9	73,249	173,000
Travel and promotion		-	13,711
		(456,968)	(209,609)
<b>OTHER ITEMS</b>			
Foreign exchange loss		(1,052)	
Interest expense		(16,000)	
Share of net loss of joint venture		-	(8,201)
<b>NET LOSS</b>		(474,020)	(217,810)
<b>OTHER COMPREHENSIVE LOSS</b>			
Unrealized foreign exchange loss on translation of foreign operations		3,892	-
<b>COMPREHENSIVE LOSS</b>		\$ (470,128)	\$ (217,810)
<b>LOSS PER SHARE – BASIC AND DILUTED</b>		\$ (0.03)	\$ (85.52)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED</b>			
		13,685,096	2,547

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

*(Unaudited, Expressed in United States Dollars)*

	Notes	March 31, 2022	March 31, 2021
<b>Cash flows used in operating activities</b>			
Net loss for the year		\$ (474,020)	\$ (217,810)
Adjustments for non-cash items:			
Share-based payments	9	73,249	173,000
Share of net loss of joint venture		-	8,201
Interest accrued on Promissory Note	8	16,000	-
		(384,771)	(36,609)
<b>Changes in non-cash working capital</b>			
GST receivable		(4,148)	-
Prepays and deposits		(117,044)	-
Accounts payable and accrued liabilities		150,335	(8,852)
Advances from shareholders		-	50,000
		(355,628)	4,539
<b>Cash flows used in (from) investing activities</b>			
Purchase of equipment	4	(94,013)	-
Exploration costs incurred	5	(367,328)	(11,438)
Advances to Illinois Creek joint venture	6	-	(66,893)
		(461,341)	(78,331)
<b>Cash flows from (used in) financing activities</b>			
Issuance of common shares	9	-	54,000
Exercise of stock options	9	30,000	-
		30,000	54,000
Effect of exchange rate changes on cash		4,390	-
Net change in cash for the year		(786,969)	(19,792)
Cash, beginning of year		1,904,981	52,181
Cash, end of year		\$ 1,122,402	\$ 32,389
<b>Cash flow supplemental</b>			
Decrease in accounts payable for stock option exercise		\$ 135,000	\$ -

The accompanying notes are integral to these consolidated financial statements.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
*(Unaudited, Expressed in United States Dollars, except number of shares)*

	Shares			Share Option Reserve	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Common	Proportional Voting	Amount				
December 31, 2020	2,544	-	9,187,590	144,270	-	(627,147)	8,704,713
Private placements	605	-	2,722,500	-	-	-	2,722,500
Exercise of stock options	42	-	213,360	(24,360)	-	-	189,000
Shares issued for consulting services	89	-	400,500	-	-	-	400,500
Shares issued per Stock Purchase Agreement	120	-	540,000	-	-	-	540,000
Shares canceled in wind up of JV operating agreement	(346)	-	(1,557,000)	-	-	-	(1,557,000)
Cancellation of WACG shares	(3,054)	-	-	-	-	-	-
Issuance of WAM common shares for RTO	4,470,000	260,700	-	-	-	-	-
Recapitalization of 1246779 BC Ltd	1,510,314	-	1,030,972	-	-	-	1,030,972
Private placements	6,124,506	-	4,180,718	-	-	-	4,180,718
Costs of share issuance	-	-	(417,363)	-	-	-	(417,363)
Share-based payments	-	-	-	346,776	-	-	346,776
Foreign translation exchange loss	-	-	-	-	(67,439)	-	(67,439)
Comprehensive loss	-	-	-	-	-	(2,709,379)	(2,709,379)
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)	-	-	-	-	-
Exercise of stock options	300,000	-	203,497	(38,497)	-	-	165,000
Share-based payments	-	-	-	73,747	-	-	73,747
Foreign translation exchange loss	-	-	-	-	3,892	-	3,892
Comprehensive loss	-	-	-	-	-	(474,020)	(474,020)
March 31, 2022	* 14,610,520	* 238,643	\$ 16,504,774	\$ 501,936	\$ (63,547)	\$ (3,810,546)	\$ 13,132,617

\* The proportional voting shares are exchangeable into a total of 23,864,300 common shares, for no additional consideration. See Note 3.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021  
*(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 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.

**Reverse Takeover**

On November 10, 2021, 779 completed the acquisition of Western Alaska Copper and Gold Company (“WACG”), a private Alaska-based company incorporated on June 15, 2010. WACG is in the business of pursuing and developing property interests that are considered to be sites of potential economic mineralization. The Company acquired all of the issued and outstanding shares of WACG under a share purchase agreement (the “Reverse Takeover Transaction”, the “Transaction” or the “RTO”). In connection to the Transaction, 779 changed its name to Western Alaska Minerals Corp., operating the primary business of WACG.

On the closing of the RTO, WACG became a wholly owned subsidiary of the Company. As WACG was deemed to be the acquirer and continuing entity for accounting purposes, its assets and liabilities and operations since incorporation on June 15, 2010 are included in the consolidated financial statements at their historical carrying values.

779’s results of operations are included from the closing date, November 10, 2021, and onwards.

**Going Concern**

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenue, has incurred a current net loss for the first quarter of 2022 of \$474,020 and has an accumulated operating deficit of \$3,810,546. 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.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**1. NATURE AND CONTINUANCE OF OPERATIONS** (continued)

**COVID-19**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

**2. BASIS OF PRESENTATION**

**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, 2021, 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, 2021.

The preparation of financial statements in conformity with IFRS also requires management to make estimates and judgments that may have a significant impact on these condensed interim consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The critical accounting judgments and estimates were presented in the Company's most recent audited consolidated financial statements for the year ended December 31, 2021, and are the same as those applied for the three months ended March 31, 2022.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 25, 2022.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation**

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

**Basis of Consolidation**

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

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

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

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

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

**3. PREPAIDS AND DEPOSITS**

	March 31, 2022	December 31, 2021
Prepays	\$ 46,035	\$ 10,113
Deposits	85,066	3,944
	\$ 131,101	\$ 14,057



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**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		8,260		60,703	94,013
Balance, March 31, 2022	\$	25,050	\$	8,260	\$	60,703	\$ 94,013
<b>Accumulated Amortization</b>							
Balance, December 31, 2021	\$	-	\$	-	\$	-	-
Charge		4,175		-		506	4,681
Balance, March 31, 2022	\$	4,175	\$	-	\$	506	\$ 4,681
<b>Net Book Value</b>							
Balance, December 31, 2021	\$	-	\$	-	\$	-	-
Balance, March 31, 2022	\$	20,875	\$	8,260	\$	60,197	\$ 89,332

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.

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**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, 2020</b>	<b>5,008,221</b>	<b>266,500</b>	<b>-</b>	<b>5,274,721</b>
Acquisition costs (Note 5)	-	-	4,930,000	4,930,000
Claim maintenance	72,600	14,750	40,845	128,195
DNR permit fees	2,090	3,050	6,161	11,301
Assays	-	11,958	147,857	159,815
Camp food, supplies & accommodations	-	-	96,410	96,410
Camp labor/payroll costs	-	40,825	535,254	576,079
Consultant fees	-	-	120,927	120,927
Drilling	-	176,038	798,437	974,475
Equipment	11,240	21,170	493,181	525,591
Fixed wing & fuel	-	-	387,457	387,457
Helicopter & fuel	-	69,390	80,634	150,024
Travel	-	-	45,397	45,397
River access	-	-	190,042	190,042
Other field expenses	47	-	39,947	39,994
Reclassification of joint venture exploration costs	-	-	1,373,215 *	1,373,215
<b>December 31, 2021</b>	<b>5,094,198</b>	<b>603,681</b>	<b>9,285,764</b>	<b>14,983,643</b>
DNR permit fees	-	-	1,869	1,869
Assays	-	-	29,957	29,957
Camp food, supplies & accommodations	-	-	53,429	53,429
Consultant fees	4,023	-	2,891	6,914
Depreciation of equipment (Note 4)	-	-	4,681	4,681
Equipment	-	-	149,932	149,932
Fixed wing & fuel	-	-	2,006	2,006
Travel	-	-	2,588	2,588
River access	-	-	92,182	92,182
Other field expenses	-	-	28,451	28,451
<b>March 31, 2022</b>	<b>5,098,221</b>	<b>603,681</b>	<b>9,653,750</b>	<b>15,355,652</b>

\* of which \$1,314,523 was incurred prior to 2021.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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 (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 10.

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.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2022	December 31, 2021
Accounts payable	\$ 169,055	\$ 72,490
Accrued liabilities	190,036	270,999
Other payable	2,516	2,779
	<b>\$ 361,603</b>	<b>\$ 346,268</b>

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021  
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**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, 2021, \$145,903 (December 31, 2021 - \$193,750) is included in accounts payable and accrued liabilities and \$3,200,000 (2020 - \$nil) in promissory note (Note 9) from amounts owing to related parties.

During the three months ended March 31, 2022, the Company received advances of \$nil (March 31, 2021 - \$140,685) from officers and directors of the Company, which are non-interest bearing and have no specific terms of repayment.

**Key Management Personnel Compensation**

	March 31, 2022	December 31, 2021
Consulting and professional fees:		
Directors and Officers	\$ 131,158	\$ 330,079
	\$ 131,158	\$ 330,079

During the three months ended March 31, 2022, the Company had share-based compensation made to directors and management of \$42,122 (2021 - \$134,805).

**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.

\*Original \$500,000 repayment was amended on March 31, 2022 and \$100,000 was paid on May 16, 2022.

As at March 31, 2022, the balance of the promissory note was \$3,216,000 with \$16,000 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 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 common shares (“WAM common shares” or “common 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 common shares. The Proportional Shares are, in effect, common 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 common shares at the request of the shareholder and with the consent of the Company.

### **Issued Share Capital**

On January 8, 2021, WACG issued 12 WACG common shares for gross proceeds of \$54,000 on exercise of stock options. \$6,960 was reclassified from Share Option Reserve to Share Capital.

On March 31, 2021, WACG issued 120 WACG common shares in accordance with the Illinois Creek Agreement described in Note 5. These WACG common shares were valued upon issuance at \$540,000.

Also on March 31, 2021, WACG canceled the previously issued 346 WACG common shares issued in accordance with the Operating Agreement with Joe Piekenbrock.

In April 2021, WACG issued 30 WACG common shares for gross proceeds of \$135,000 on exercise of stock options. \$17,400 was reclassified from Share Option Reserve to Share Capital.

On May 26, 2021, WACG issued, by private placement, an aggregate of 605 WACG common shares for gross proceeds of \$2,722,500, and incurred share issue costs of \$152,064.

Also on May 26, 2021, WACG issued 89 WACG common shares pursuant to an engagement agreement for consulting services. These shares have been valued upon issuance at \$400,500 and have been recognized as a consulting expense in net loss.

Prior to November 10, 2021, 779 consolidated its common shares on a basis of one post-consolidation share for each 2.036 pre-consolidation shares. Prior to the completion of the Transaction, 779 had 1,510,314 post-consolidation common shares outstanding, and the WAM common shares issued in connection with the Transaction were on post-consolidation basis.

On November 10, 2021, pursuant to the Agreement (see Note 3), 4,470,000 common shares and 260,700 proportional voting shares were issued to WACG shareholders, and 6,124,506 common shares were issued to WAM subscription receipts holders on completion of the RTO.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
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**9. SHARE CAPITAL** (continued)

**Issued Share Capital** (continued)

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 common shares.

On February 4, 2022, the Company issued 300,000 common shares for gross proceeds of \$165,000 on exercise of stock options. \$38,497 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 10 years. 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 WAM Common Shares Issued or Issuable on Exercise*
Balance at December 31, 2020	\$	0.56	1,880,000
Granted		0.51	2,045,000
Exercised		0.45	(420,000)
Balance at December 31, 2021		0.55	3,505,000
Granted		0.76	25,000
Exercised		0.55	(300,000)
Balance at March 31, 2022		0.55	3,230,000

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

On March 1, 2021, WACG granted 77 options to directors, officers and employees of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$0.45 per common share.

On June 15, 2021, WACG granted 70 options to directors, officers and employees of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$0.45 per common share.

Prior to the completion of the Transaction, those stock options originally granted by WACG were split on a 1:10,000 basis whereby WAM assumes the post-split terms of the stock options upon the completion of the RTO, granting the holder the option to acquire WAM common shares.

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
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**9. SHARE CAPITAL (continued)**

**Stock Options (continued)**

On November 13, 2021, the Company granted 575,000 options to directors, officers and employees of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$0.68 (CAD\$0.85) per common share and are vested 25% every six months starting from November 13, 2021, onwards.

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.

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

	March 1, 2021	June 15, 2021	November 13, 2021	January 27, 2022
Risk-free interest rate	0.99%	0.97%	1.00%	1.65%
Expected stock price volatility	11.68%	20.34%	105.38%	104.61%
Expected option life in years	5 years	5 years	5 years	5 years
Dividend rate	Nil	Nil	Nil	Nil

Stock options outstanding and exercisable on March 31, 2022, are summarized as follows:

Exercise Price (USD)	Outstanding		Exercisable	
	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)
\$ 0.55	550,000	0.33	550,000	0.33
\$ 0.65	610,000	2.21	610,000	2.21
\$ 0.45	770,000	3.92	770,000	3.92
\$ 0.45	700,000	4.21	700,000	4.21
\$ 0.68	575,000	4.62	143,750	4.62
\$ 0.76	25,000	4.83	6,250	4.83
	<b>3,230,000</b>		<b>2,780,000</b>	

**WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)**  
 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021  
 (Unaudited, Expressed in United States Dollars)

**10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**Financial Assets and Liabilities**

Information regarding the Company's financial assets and liabilities as at December 31, 2022, and 2021 are summarized as follows:

	March 31, 2022	December 31, 2021
Financial Assets		
At amortized cost		
Cash	\$ 1,122,402	\$ 1,904,981
	\$ 1,122,102	\$ 1,904,981
Financial Liabilities		
At amortized cost		
Accounts payable and accrued liabilities	\$ 361,603	\$ 346,268
Promissory note	3,216,000	3,200,000
	\$ 3,577,603	\$ 3,546,268

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

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

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



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

### **Financial Instrument Risk Exposure**

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

### ***Currency Risk***

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

### ***Commodity Price Risk***

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

### ***Interest Rate Risk***

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

### ***Market Risk***

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

### ***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.

## **11. CAPITAL MANAGEMENT**

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

## **12. SUBSEQUENT EVENTS**

Subsequent to the three months ended March 31, 2022, the Company completed a non-brokered private placement and has issued 4,170,000 common shares at a price of CAD\$1.20 per share for gross proceeds of CAD\$5,004,000. The Company also paid finder's fees in the total amount of \$129,765 to certain finders who assisted with the private placement. All shares issued in connection with the private placement will have a statutory hold period expiring on September 6, 2022.

On May 19, 2022, the Company granted 275,000 stock options at \$1.65 exercise price.