

WESTERN ALASKA MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

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

	Notes	March 31, 2023	December 31, 2022
ASSETS			
Current Assets			
Cash	\$	1,755,146	\$ 3,842,748
GST receivable		45,753	40,694
Prepays and deposits		89,409	99,870
		1,890,308	3,983,312
Non-Current Assets			
Long-term deposits	3	623,413	416,810
Equipment	4	845,242	498,070
Exploration and evaluation properties	5	23,477,005	22,817,887
TOTAL ASSETS	\$	26,835,968	\$ 27,716,079
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	6, 7	\$ 241,294	\$ 654,886
Promissory note – current portion	7, 8	517,833	1,504,333
		759,127	2,159,219
Non-Current Liabilities			
Promissory note	8	2,200,000	1,200,000
TOTAL LIABILITIES		2,959,127	3,359,219
SHAREHOLDERS' EQUITY			
Share capital	9	29,615,776	29,603,584
Reserve for options	9	1,911,460	956,004
Reserve for foreign exchange		(324,963)	(323,082)
Accumulated deficit		(7,325,432)	(5,879,646)
TOTAL SHAREHOLDERS' EQUITY		23,876,841	24,356,860
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	26,835,968	\$ 27,716,079
Nature and continuance of operations	1		
Subsequent events	12		

Approved by the Board of Directors:

“Christopher (Kit) Marrs”

 Director

“Kevin Nishi”

 Director

WESTERN ALASKA MINERALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)*

	Notes	March 31, 2023	March 31, 2022
EXPENSES			
Bank charges		\$ 666	\$ 198
Consulting fees		73,904	111,023
Filing and regulatory fees		14,588	7,212
Insurance		3,984	2,921
Management fees	7	203,893	97,408
Marketing expenses		74,309	81,528
Office and sundry		50,522	16,792
Professional fees		46,510	66,637
Share-based payments	7, 9	958,648	73,249
Travel and promotion		17,622	-
		(1,444,646)	(456,968)
OTHER ITEMS			
Foreign exchange loss		(2,683)	(1,052)
Interest expense	8	(13,500)	(16,000)
Interest income		15,043	-
NET LOSS		(1,445,786)	(474,020)
OTHER COMPREHENSIVE LOSS			
Unrealized foreign exchange gain (loss) on translation of foreign operations		(1,881)	3,892
COMPREHENSIVE LOSS		\$ (1,447,667)	\$ (474,128)
LOSS PER SHARE – BASIC AND DILUTED		\$ (0.06)	\$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED			
		23,823,915	13,685,096

WESTERN ALASKA MINERALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(Unaudited, Expressed in United States Dollars)

	Notes	March 31, 2023	March 31, 2022
Cash flows used in operating activities			
Net loss for the period		\$ (1,445,786)	\$ (474,020)
Adjustments for non-cash items:			
Share-based payments	9	958,648	73,249
Interest accrued on Promissory Note	8	13,500	16,000
		(473,638)	(384,771)
Changes in non-cash working capital			
GST receivable		(5,059)	(4,148)
Prepays and deposits		10,461	(117,044)
Accounts payable and accrued liabilities	6	(413,592)	150,335
		(881,828)	(355,628)
Cash flows used in (from) investing activities			
Purchase of equipment	4	(383,069)	(94,013)
Exploration costs incurred	5	(623,247)	(367,328)
Long-term deposits	3	(206,603)	-
		(1,212,919)	(461,341)
Cash flows from (used in) financing activities			
Exercise of stock options	9	9,000	30,000
		9,000	30,000
Effect of exchange rate changes on cash		(1,854)	4,390
Net change in cash for the period		(2,085,748)	(786,969)
Cash, beginning of period		3,842,748	1,904,981
Cash, end of period		\$ 1,755,146	\$ 1,122,402
Cash flow supplemental			
Decrease in accounts payable for stock option exercise		\$ -	\$ 135,000

WESTERN ALASKA MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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

	Shares			Share Option Reserve	Reserve for Foreign Exchange	Accumulated Deficit	Total
	Common	Proportional Voting	Amount				
December 31, 2021	12,104,820	260,700	\$ 16,301,277	\$ 466,686	\$ (67,439)	\$ (3,336,526)	\$ 13,363,998
Decompression of proportional voting shares	2,205,700	(22,057)	-	-	-	-	-
Exercise of stock options	300,000	-	203,497	(38,497)	-	-	165,000
Share-based payments	-	-	-	73,747	-	-	73,747
Foreign translation exchange gain	-	-	-	-	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
Decompression of proportional voting shares	1,384,200	(13,842)	-	-	-	-	-
Private placements, net	7,096,999	-	12,679,367	-	-	-	12,679,367
Issuance of finders' shares	36,585	-	-	-	-	-	-
Exercise of stock options	682,500	-	419,443	(52,143)	-	-	367,300
Share-based payments	-	-	-	506,211	-	-	506,211
Foreign translation exchange loss	-	-	-	-	(259,535)	-	(259,535)
Comprehensive loss	-	-	-	-	-	(2,069,100)	(2,069,100)
December 31, 2022	23,810,804	224,801	29,603,584	956,004	(323,082)	(5,879,646)	24,356,860
Exercise of stock options	20,000	-	12,192	(3,192)	-	-	9,000
Share-based payments	-	-	-	958,648	-	-	958,648
Foreign translation exchange loss	-	-	-	-	(1,881)	-	(1,881)
Comprehensive loss	-	-	-	-	-	(1,445,786)	(1,445,786)
	*	*					
March 31, 2023	23,830,804	224,801	\$ 29,615,776	\$ 1,911,460	\$ (324,963)	\$ (7,325,432)	\$ 23,876,841

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

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

(Unaudited, Expressed in United States Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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

Going Concern

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenue, has incurred a current net loss for the first quarter of 2023 of \$1,445,786 and has an accumulated operating deficit of \$7,325,432. The Company will require further financing to operate and further develop its business. The Company’s ability to realize its assets and discharge its liabilities is dependent upon it obtaining financing as necessary and ultimately upon its ability to dispose of its mineral property interests on a profitable basis or otherwise achieve profitable operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These condensed interim consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

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

The condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting. Accordingly, these condensed interim consolidated financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company’s most recent annual consolidated financial statements for the year ended December 31, 2022, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited consolidated financial statement for the year ended December 31, 2022.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)*

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

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2023.

Basis of Presentation

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

Basis of Consolidation

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

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

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

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

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

Significant Estimates and Assumptions

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

WESTERN ALASKA MINERALS CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(Unaudited, Expressed in United States Dollars)

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

Significant Estimates and Assumptions (continued)

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

Assessment of Impairment Indicators

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

Significant Judgments

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

Significant Judgments (continued)

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

3. LONG TERM DEPOSITS

	March 31, 2023		December 31, 2022
Deposits for drilling equipment	\$ 623,413	\$	416,810

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

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

*(Unaudited, Expressed in United States Dollars)***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	-	329,571	53,498	383,069
Balance, March 31, 2023	\$ 25,050	\$ 727,375	\$ 180,857	\$ 933,282
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	29,918	3,892	35,897
Balance, March 31, 2023	\$ 25,050	\$ 52,010	\$ 10,980	\$ 88,040
Net Book Value				
Balance, December 31, 2022	\$ 2,087	\$ 375,712	\$ 120,271	\$ 498,070
Balance, March 31, 2023	\$ -	\$ 675,365	\$ 169,877	\$ 845,242

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

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

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

*(Unaudited, 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	Total
	\$	\$	\$	\$
December 31, 2021	5,094,198	603,681	9,285,764	14,983,643
Claim maintenance	72,600	17,800	95,714	186,114
DNR permit fees	-	-	1,869	1,869
Assays	-	-	317,092	317,092
Camp food, supplies & accommodations	-	-	974,300	974,300
Camp labour/payroll costs	35,000	9,600	1,291,226	1,335,826
Consultant fees	6,917	-	280,195	287,112
Depreciation of equipment (Note 4)	-	-	50,903	50,903
Drilling	-	-	2,226,200	2,226,200
Equipment	-	-	475,095	475,095
Fuel	-	-	437,761	437,761
Fixed wing & fuel	-	-	923,421	923,421
Helicopter & fuel	-	-	194,813	194,813
Travel	-	-	156,715	156,715
Access route engineering	-	-	163,526	163,526
Other field expenses	-	-	103,497	103,497
December 31, 2022	5,208,715	631,081	16,978,091	22,817,887
Claim maintenance	-	-	1,980	1,980
Assays	-	-	89,515	89,515
Camp food, supplies & accommodations	-	-	124,381	124,381
Camp labour/payroll costs	-	-	133,085	133,085
Consultant fees	-	-	38,810	38,810
Depreciation of equipment (Note 4)	-	-	35,870	35,870
Drilling	-	-	4,081	4,081
Equipment	-	-	80,479	80,479
Fuel	-	-	1,238	1,238
Fixed wing & fuel	-	-	77,217	77,217
Travel	-	-	3,172	3,172
Access route engineering	-	-	25,287	25,287
Other field expenses	-	-	44,003	44,003
March 31, 2023	5,208,715	631,081	17,637,209	23,477,005

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

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

*(Unaudited, 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.

Piek is the sole owner of 110 state mineral claims, known as the Illinois Creek Project, located in the Mount McKinley mining district of Alaska. An additional 86 claims were staked by WACG in 2021 after the acquisition of Piek and 149 new claims were staked by WACG in 2022.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	December 31, 2022
Accounts payable	\$ 191,325	\$ 324,597
Accrued liabilities	47,649	327,971
Other payable	2,320	2,318
	\$ 241,294	\$ 654,886

7. RELATED PARTY TRANSACTIONS

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

Due to/from Related Parties

As at March 31, 2023, \$25,500 (December 31, 2022 - \$254,250) is included in accounts payable and accrued liabilities and \$2,717,833 (December 31, 2022 - \$2,704,333) in promissory note (Note 8) from amounts owing to related parties.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)***7. RELATED PARTY TRANSACTIONS** (continued)**Key Management Personnel Compensation**

	March 31, 2023	March 31, 2022
Consulting and professional fees:		
Directors and Officers	\$ 145,487	\$ 131,158

During the three months ended March 31, 2023, the Company had share-based payments made to directors and management of \$566,312 (March 31, 2022 - \$42,122).

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.

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

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

As at March 31, 2023, the balance of the promissory note was \$2,717,833 with \$17,833 being accrued interest.

WESTERN ALASKA MINERALS CORP.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

(Unaudited, Expressed in United States Dollars)

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

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. \$20,000 was reclassified from Share Option Reserve to Share Capital.

On February 1, 2023, the Company issued 20,000 common shares for gross proceeds of \$9,000 on exercise of stock options. \$3,192 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.

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)***9. SHARE CAPITAL (continued)****Stock Options (continued)**

The changes in stock options are summarized as follows:

		Weighted Average Exercise Price*	Number of WAM Common 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		2.36	1,165,000
Exercised		0.45	(20,000)
Balance at March 31, 2023		1.17	4,202,500

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

On January 27, 2022, the Company granted 25,000 options to an employee of the Company. These options may be exercised within 5 years from the date of the grant at a price of \$0.76 (CAD\$0.96) per common share and are vested 25% every six months starting from January 27, 2022, onwards.

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

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

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

WESTERN ALASKA MINERALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022***(Unaudited, Expressed in United States Dollars)***9. SHARE CAPITAL** (continued)**Stock Options** (continued)

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

	January 27, 2022	May 19, 2022	November 8, 2022	January 20, 2023
Risk-free interest rate	1.65%	2.60%	3.67%	2.88%
Expected stock price volatility	104.61%	102.92%	120.67%	101.34%
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, 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	610,000	1.23	610,000	1.23
\$ 0.45	690,000	2.92	690,000	2.92
\$ 0.45	650,000	3.21	650,000	3.21
\$ 0.68	552,500	3.62	408,750	3.62
\$ 0.76	25,000	3.83	18,750	3.83
\$ 1.29	275,000	4.14	185,000	4.14
\$ 2.05	235,000	4.61	78,333	4.61
\$ 2.36	1,165,000	4.81	384,450	4.81
	4,202,500	3.51	3,025,283	3.10

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

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

*(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 March 31, 2023 and December 31, 2022 are summarized as follows:

	March 31, 2023	December 31, 2022
Financial Assets		
At amortized cost		
Cash	\$ 1,755,146	\$ 3,842,748
	\$ 1,755,146	\$ 3,842,748
Financial Liabilities		
At amortized cost		
Accounts payable and accrued liabilities	\$ 241,294	\$ 654,886
Promissory note	2,717,833	2,704,333
	\$ 2,959,127	\$ 3,359,219

Financial Instrument Risk Exposure

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

The 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.

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:

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial Instrument Risk Exposure (continued)

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.

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11. CAPITAL MANAGEMENT

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

12. SUBSEQUENT EVENTS

On May 4, 2023, the Company closed a brokered private placement for total gross proceeds of CAD\$7,007,815 by issuing 2,982,049 units at a price of CAD\$2.35 per unit. Each unit is comprised of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of CAD\$3.15 per share for a period of 36 months. The Company paid its agents cash commission of CAD\$405,469 and issued 172,540 broker warrants. Each broker warrant entitles the holder thereof to purchase one unit at CAD\$2.35 for a period of 24 months following the closing date.