

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Western Alaska Minerals Corp. (the "Company") have been prepared and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflected management's best estimates and judgment based on information currently available.

The Company's independent auditor, DeVisser Gray LLP, has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

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

	Notes	September 30, 2022	December 31, 2021
ASSETS			
Current Assets			
Cash		\$ 6,241,630	\$ 1,904,981
GST receivable		33,962	7,585
Prepaid and deposits	3	66,787	14,057
		6,342,379	1,926,623
Non-Current Assets			
Long-term deposit	4	347,898	-
Equipment	5	512,364	-
Exploration and evaluation properties	6	21,726,884	14,983,643
TOTAL ASSETS		\$ 28,929,525	\$ 16,910,266
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	7	\$ 989,537	\$ 346,268
Promissory note – current portion	9	1,900,000	500,000
		2,889,537	846,268
Non-Current Liabilities			
Promissory note	9	1,225,667	2,700,000
TOTAL LIABILITIES		4,115,204	3,546,268
SHAREHOLDERS' EQUITY			
Share capital	10	29,563,990	16,301,277
Reserve for options	10	659,118	466,686
Reserve for foreign exchange		(319,536)	(67,439)
Accumulated deficit		(5,089,251)	(3,336,526)
TOTAL SHAREHOLDERS' EQUITY		24,814,321	13,363,998
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 28,929,525	\$ 16,910,266
Nature and continuance of operations	1		
Subsequent events	13		

Approved by the Board of Directors:

“Christopher (Kit) Marrs”

 Director

“Kevin Nishi”

 Director

WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

	Notes	For the three months ended		For the nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
EXPENSES					
Bank charges		\$ 593	\$ 18,052	\$ 1,193	\$ 31,235
Consulting fees		281,826	-	466,845	400,500
Depreciation expense	5	398	-	811	-
Exploration expense	6	-	1,004	-	1,757
Filing and regulatory fees		(8,252)	-	24,083	-
Insurance		16,625	-	39,517	-
Management fees	8	139,161	-	432,721	-
Marketing		43,839	-	215,440	-
Office and sundry		32,061	22,236	46,887	126,149
Professional fees		78,226	61,986	188,915	90,116
Share-based payments	8, 10	50,992	-	314,885	236,000
Travel and promotion		1,259	8,973	3,796	29,026
		(636,728)	(112,251)	(1,735,093)	(914,783)
OTHER ITEMS					
Foreign exchange gain		6,470	-	2,566	-
Gain on forgiveness of loan		-	24,300	-	24,300
Interest expense	9	(15,500)	-	(47,000)	-
Interest income		22,287	-	26,802	-
Share of net loss of joint venture		-	-	-	(8,201)
NET LOSS		(623,471)	(87,951)	(1,752,725)	(898,684)
OTHER COMPREHENSIVE LOSS					
Unrealized foreign exchange loss on translation of foreign operations		(207,855)	-	(252,097)	-
COMPREHENSIVE LOSS		\$ (831,326)	\$ (87,951)	\$ (2,004,822)	\$ (898,684)
LOSS PER SHARE - BASIC AND DILUTED					
		\$ (0.03)	\$ (28.80)	\$ (0.10)	\$ (327.27)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED					
		20,487,428	3,054	17,147,031	2,746

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Unaudited, Expressed in United States Dollars)

	Notes	September 30, 2022	September 30, 2021
Cash flows used in operating activities			
Net loss for the period		\$ (1,752,725)	\$ (898,684)
Adjustments for non-cash items:			
Depreciation expense	5	811	-
Share-based payments	10	314,885	236,000
Share of net loss of joint venture		-	8,201
Shares issued for consulting services		-	400,500
Gain on forgiveness of loan		-	(24,300)
Interest accrued on Promissory Note	9	25,667	17,990
		(1,411,362)	(260,293)
Changes in non-cash working capital			
GST receivable		(26,377)	-
Prepaid and deposits		(52,730)	-
Accounts payable and accrued liabilities		126,862	275,819
Advances from shareholders		-	50,000
		(1,363,607)	65,526
Cash flows used in (from) investing activities			
Long-term deposits		(347,898)	-
Purchase of equipment	5	(540,210)	-
Exploration costs incurred	6	(6,064,799)	(2,307,293)
Advances to Illinois Creek joint venture		-	(66,893)
		(6,952,907)	(2,374,186)
Cash flows from (used in) financing activities			
Issuance of common shares	10	12,606,744	2,782,743
Exercise of stock options	10	396,782	-
Repayment of Promissory Note	9	(100,000)	(100,000)
		12,903,526	2,682,743
Effect of exchange rate changes on cash		(250,363)	-
Net change in cash for the period		4,587,012	374,083
Cash, beginning of period		1,904,981	52,181
Cash, end of period		\$ 6,241,630	\$ 426,264
Cash flow supplemental:			
Decrease in accounts payable for stock option exercise		135,000	-
Exploration and evaluation assets in accounts payable		651,407	-
Depreciation in Exploration and evaluation assets		27,035	-
Interest paid in cash		21,333	-

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		Amount	Share Option Reserve	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Common	Proportional Voting					
December 31, 2020	2,544	-	\$ 9,187,590	\$ 144,270	\$ -	\$ (627,147)	\$ 8,704,713
Private placements, net	605	-	2,570,436	-	-	-	2,570,436
Exercise of stock options	42	-	213,360	(24,360)	-	-	189,000
Shares issued for consulting services	89	-	400,500	-	-	-	400,500
Shares issued per Purchase Agreement	120	-	540,000	-	-	-	540,000
Shares cancelled in wind up of JV	(346)	-	(1,557,000)	-	-	-	(1,557,000)
Share-based payments	-	-	-	236,000	-	-	236,000
Comprehensive loss	-	-	-	-	-	(898,684)	(898,684)
September 30, 2021	3,054	-	11,354,886	355,910	-	(1,525,831)	10,184,965
December 31, 2021	12,104,820	260,700	16,301,277	466,686	(67,439)	(3,336,526)	13,363,998
Decompression of proportional voting shares	2,205,700	(22,057)	-	-	-	-	-
Private placements, net	7,096,999	-	12,491,670	-	-	-	12,491,670
Issuance of finders' shares	36,585	-	115,074	-	-	-	115,074
Exercise of stock options	982,500	-	655,969	(124,187)	-	-	531,782
Share-based payments	-	-	-	316,619	-	-	316,619
Foreign translation exchange loss	-	-	-	-	(252,097)	-	(252,097)
Comprehensive loss	-	-	-	-	-	(1,752,725)	(1,752,725)
September 30, 2022	22,426,604	238,643	\$ 29,563,990	\$ 659,118	\$ (319,536)	\$ (5,089,251)	\$ 24,814,321

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

WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

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 three quarters of 2022 of \$1,752,725 and has an accumulated operating deficit of \$5,089,251. 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
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

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, except that the Company has added a significant accounting policy for equipment purchased during the quarter below.

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 and nine months ended September 30, 2022.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 18, 2022.

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.

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)

2. BASIS OF PRESENTATION (continued)

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 is the United States dollar, while the functional currency of entities operating principally in Canada is the Canadian dollar.

Equipment

i) 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.

ii) 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.

iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation 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.

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)

2. BASIS OF PRESENTATION (continued)

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.

Recent Accounting Pronouncements

Below are new standards, amendments to existing standards, and interpretations that have been issued and are not yet effective.

i. Classification of liabilities as current or non-current

In January 2020, the IASB published narrow scope amendments to IAS 1 Presentation of financial statements. The narrow scope amendment clarifies that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments are effective for annual periods beginning on or after January 1, 2023, and applied retrospectively. The Company will adopt the narrow scope amendments on the date they become effective and has determined it will not have a material impact on the Company's consolidated financial statements.

ii. Deferred tax related to assets and liabilities arising from a single transaction

In May 2021, the IASB published a narrow scope amendment to IAS 12 Income taxes. In September 2021, IAS 12 was revised to reflect this amendment. The amendment narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as deferred taxes on leases and decommissioning obligations. The amendment is effective for annual periods beginning on or after January 1, 2023, and applied retrospectively. The Company will adopt the amendment on the date it becomes effective and has determined it will not have a material impact on the Company's consolidated financial statements.

WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

3. PREPAIDS AND DEPOSITS

	September 30, 2022	December 31, 2021
Prepaid	\$ 63,083	\$ 10,113
Deposits	3,704	3,944
	\$ 66,787	\$ 14,057

4. LONG-TERM DEPOSITS

	September 30, 2022	December 31, 2021
Deposits for drilling equipment	\$ 347,898	\$ -

5. EQUIPMENT

Cost	Computer Software		Equipment		Vehicles		Total
Balance, December 31, 2021	\$	-	\$	-	\$	-	-
Additions		25,050		397,804		116,545	539,399
Balance, September 30, 2022	\$	25,050	\$	397,804	\$	116,545	\$ 539,399
Accumulated Amortization							
Balance, December 31, 2021	\$	-	\$	-	\$	-	-
Charge		16,700		6,835		3,500	27,035
Balance, September 30, 2022	\$	16,700	\$	6,835	\$	3,500	\$ 27,035
Net Book Value							
Balance, December 31, 2021	\$	-	\$	-	\$	-	-
Balance, September 30, 2022	\$	8,350	\$	390,969	\$	113,045	\$ 512,364

WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

6. EXPLORATION AND EVALUATION PROPERTIES

Schedule of cumulative exploration and evaluation properties costs:

	Round Top Property	Honker Property	Illinois Creek Property	Total
	\$	\$	\$	\$
December 31, 2020	5,008,221	266,500	-	5,274,721
Acquisition costs	-	-	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 labour/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
Access route engineering	-	-	190,042	190,042
Other field expenses	47	-	39,947	39,994
Reclassification of joint venture exploration costs	-	-	1,373,215*	1,373,215
December 31, 2021	5,094,198	603,681	9,285,764	14,983,643
Claim maintenance	-	-	37,351	37,351
DNR permit fees	-	-	1,869	1,869
Assays	-	-	172,901	172,901
Camp food, supplies & accommodations	-	-	911,843	911,843
Camp labour/payroll costs	-	-	883,187	883,187
Consultant fees	6,917	-	240,134	247,051
Depreciation of equipment (Note 5)	-	-	26,209	26,209
Drilling	-	-	2,119,049	2,119,049
Equipment	-	-	473,502	473,502
Fuel	-	-	413,115	413,115
Fixed wing & fuel	-	-	877,427	877,427
Helicopter & fuel	-	-	194,813	194,813
Travel	-	-	101,558	101,558
Access route engineering	-	-	155,028	155,028
Other field expenses	-	-	128,338	128,338
September 30, 2022	5,101,115	603,681	16,022,088	21,726,884

* 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
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

6. 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

On October 17, 2018, WACG and one of its shareholders, Joe Piekenbrock, entered into an Operating Agreement to form the Illinois Creek Joint Venture LLC (the "JV"). Pursuant to the JV Operating Agreement, WACG issued 346 WACG common shares valued at \$692,000. On March 31, 2021, WACG and Joe Piekenbrock agreed to wind up the JV and 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 (note 10) common shares (valued at \$540,000) and \$3,698,000 payable by the issuance of a promissory note. See Note 9.

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.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2022	December 31, 2021
Accounts payable	\$ 227,115	\$ 72,490
Accrued liabilities	760,132	270,999
Other payable	2,290	2,779
	<u>\$ 989,537</u>	<u>\$ 346,268</u>

8. 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 September 30, 2022, \$100,872 (December 31, 2021 - \$193,750) is included in accounts payable and accrued liabilities and \$3,125,667 (December 31, 2021 - \$3,200,000) in promissory note (Note 9) for amounts owing to related parties.

During the three and nine months ended September 30, 2022, the Company received advances of \$nil and \$nil (September 30, 2021 - \$nil and \$66,893) respectively from officers and directors of the Company, which were non-interest bearing and had no specific terms of repayment.

WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

Key Management Compensation

	For the three months ended		For the nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Management fees:				
Directors and Officers	\$ 135,473	\$ 33,750	\$ 429,034	\$ 101,250
	\$ 135,473	\$ 33,750	\$ 429,034	\$ 101,250

During the three and nine months ended September 30, 2022, the Company had share-based compensation made to directors and management of \$28,766 and \$152,540 (September 30, 2021 - \$nil and \$194,173) respectively.

9. PROMISSORY NOTE

In accordance with the Illinois Creek Agreement, WACG issued a promissory note of \$3,698,000. The promissory note accrues 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 was paid 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.

As at September 30, 2022, the balance of the promissory note was \$3,125,667 with \$25,667 being accrued interest.

10. SHARE CAPITAL

Authorized Share Capital

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

Common and Proportional 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.

WESTERN ALASKA MINERALS CORP. (FORMERLY 1246779 B.C. LTD.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited, Expressed in United States Dollars)

10. SHARE CAPITAL (continued)

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 6. 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 1), 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.

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 common shares for gross proceeds of \$165,000 on exercise of stock options. \$38,497 was reclassified from Share Option Reserve to Share Capital.

On April 13, 2022, the Company issued 20,000 common shares for gross proceeds of \$9,000 on exercise of stock options. \$3,170 was reclassified from Share Option Reserve to Share Capital.

On May 5, 2022, the Company completed a private placement and raised \$3,921,575 (CAD\$5,014,607) by issuing 4,170,000 common shares at a price of CAD\$1.20 per share. The Company also paid finder's fees of CAD\$129,765 to certain finders who assisted with the private placement.

In July 2022, the Company issued 580,000 common shares for gross proceeds of \$318,101 on exercise of stock options. \$65,420 was reclassified from Share Option Reserve to Share Capital.

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10. SHARE CAPITAL (continued)

Issued Share Capital (continued)

In August 2022, the Company issued 82,500 common shares for gross proceeds of \$39,680 on exercise of stock options. \$17,101 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 common shares at a price of CAD\$4.10 per share. The Company also paid cash finders' fees of 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 common shares at a price of CAD\$4.10 per share.

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		1.25	300,000
Exercised		0.54	(982,500)
Balance at September 30, 2022		0.62	2,822,500

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

On March 1, 2021, WACG granted 77 WACG 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 WACG 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 WACG 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.

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10. 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.

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 19, 2022 onwards. 85,000 options are vested 25% every six months starting from May 19, 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	May 19, 2022
Risk-free interest rate	0.99%	0.97%	1.00%	1.65%	2.60%
Expected stock price volatility	11.68%	20.34%	105.38%	104.61%	102.92%
Expected option life in years	5 years	5 years	5 years	5 years	5 years
Dividend rate	Nil	Nil	Nil	Nil	Nil

Stock options outstanding and exercisable on September 30, 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)
\$ 0.65	610,000	1.73	610,000	1.73
\$ 0.45	660,000	3.42	660,000	3.42
\$ 0.45	700,000	3.71	700,000	3.71
\$ 0.68	552,500	4.12	287,500	4.12
\$ 0.76	25,000	4.33	12,500	4.33
\$ 1.29	275,000	4.64	116,250	4.64
	2,822,500		2,386,250	

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11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at September 30, 2022 and December 31, 2021 are summarized as follows:

	September 30, 2022	December 31, 2021
Financial Assets		
At amortized cost		
Cash	\$ 6,241,630	\$ 1,904,981
	\$ 6,241,630	\$ 1,904,981
Financial Liabilities		
At amortized cost		
Accounts payable and accrued liabilities	\$ 989,537	\$ 346,268
Promissory note	3,125,667	3,200,000
	\$ 3,962,764	\$ 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.

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:

11. 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. As at September 30, 2022, the Company had CAD\$7,084,078 in its bank accounts.

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. The Company's promissory note has a fixed interest rate at 2% per annum and is not subject to interest rate risk.

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.

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13. SUBSEQUENT EVENTS

On November 8, 2022, the Company granted 235,000 stock options with exercise price of \$2.75 per stock option to its exploration employees.