

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attachment.](#)

18 Can any resulting loss be recognized? ▶ [See Attachment.](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attachment.](#)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ /s/ Kit Marrs Date ▶ December 17, 2021

Paid Preparer Use Only	Print your name ▶ <u>Kit Marrs</u>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name	<u>/s/ John Hollinrake</u>	<u>12/17/21</u>		<u>P01568530</u>
	Firm's name ▶ <u>Dorsey & Whitney LLP</u>			Firm's EIN ▶	<u>41-0223337</u>
	Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104</u>			Phone no.	<u>(206) 903-8812</u>

Western Alaska Minerals Corp. (formerly 1246779 B.C., Ltd.)

Attachment to Form 8937-Part II

Report of Organizational Actions Affecting Basis of Securities (The Merger)

Consult your tax advisor: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Merger (as defined below) on the tax basis of shares in Western Alaska Minerals Corp. (formerly 1246779 B.C., Ltd.) (“Pubco”), in the hands of holders of shares of Pubco stock who are U.S. taxpayers and who received such shares of Pubco stock pursuant to the Merger by reason of previously being holders of shares of stock of Western Alaska Copper & Gold Company, an Alaska corporation (“WACG”) (“U.S. Shareholders”). This discussion does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither Pubco nor WACG provides tax advice to its shareholders. You are urged to consult your own tax advisors regarding the particular consequences of the Merger to you, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws.

For additional information, please read the Business Combination Agreement (the “Agreement”) dated as of August 12, 2021 and previously mailed to shareholders of WACG.

Item 14. Description of organizational action

Pursuant to the terms and conditions of the Agreement, as amended, to which Pubco, WACG Acquisition Co., a corporation wholly-owned by Pubco and incorporated under the laws of Alaska immediately prior to the effective time of the Merger with no business operations, liabilities or assets (other than a nominal amount of cash received pursuant to its formation) (“Newco”), and WACG were party, on November 9, 2021, Newco merged with and into WACG, whereupon the separate existence of Newco ceased and WACG continued as the surviving entity (the “Merger”). Pursuant to the Merger, WACG shareholders (i) that are non-U.S. residents received 10,000 Pubco common shares (the “Pubco Common Shares”) in exchange for each WACG Class A common share (the “WACG Shares”) held immediately prior to the Merger, and (ii) that are U.S. residents received, at their election, either (a) one hundred Pubco proportional voting shares (the “Pubco Proportional Shares”, and, together with the Pubco Common Shares, the “Pubco Shares”) in exchange for each WACG Share held immediately prior to the Merger, or (b) one Pubco Merger unit (each unit, consisting of 1,000 Pubco Common Shares and 90 Pubco Proportional Shares) in exchange for each WACG Share held immediately prior to the Merger. No fractional Pubco Shares were issued pursuant to the Merger, with each fractional share rounded down to the next nearest whole share.

Pubco believes that Pubco as a result of the Merger was classified, and following the Merger will be classified, as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b), but provides no assurances in this regard. The following discussion in this Attachment assumes that Pubco as a result of the Merger was classified, and

following the Merger will be classified, as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b).

U.S. Shareholders should review the Agreement and consult with their own tax advisors regarding the tax consequences of the Merger to them in light of their particular circumstances.

Part II Item 15. Description of the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer

Pubco intends that the Merger qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). Provided the Merger qualifies as a tax-deferred reorganization under Code Section 368(a), each U.S. Shareholder should have a tax basis in the Pubco Shares received pursuant to the Merger equal to such U.S. Shareholder's adjusted tax basis in his, her, or its WACG Shares surrendered in exchange therefor.

If a U.S. Shareholder held different blocks of WACG common stock (i.e., shares acquired at different times or different prices) at the time of the Merger, such shareholder should consult its own tax advisor with respect to the determination of the tax bases of particular shares of Pubco common stock received in the Merger.

Part II Item 16. Description of the calculation of the change in basis

Provided the Merger qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a), the aggregate tax basis of the Pubco Shares received in the Merger should equal the aggregate adjusted tax basis in the shares of WACG Shares surrendered in exchange therefor.

In the event the Merger is taxable for U.S. federal income tax purposes, for purposes of calculating fair market value, the fair market value of a Pubco Share on November 9, 2021 is estimated at U.S. \$0.68, which was the closing price for a Pubco Share on the TSX Venture Exchange on November 16, 2021, the first day such shares traded on the TSX Venture Exchange following completion of the Merger (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on November 9, 2021).

Each U.S. Shareholder should consult with his, her or its own tax advisors to determine whether they are required to recognize gain in connection with the Merger and what measure of fair market value is appropriate.

Part II Item 17. (list of applicable Code sections)

Pubco believes that Pubco as a result of the Merger was classified, and following the Merger will be classified, as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b), but provides no assurances in this regard. Pubco further believes that the Merger qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a).

Provided Pubco as a result of the Merger was classified, and following the Merger will be classified, as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b) and the Merger qualifies as a tax-deferred reorganization under Code Section 368(a), the U.S. federal income tax consequences for U.S. Shareholders should be determined under Code Sections 354, 358, 368, 1223 and 7874.

Part II Item 18. (recognition of loss)

Pubco believes that Pubco as a result of the Merger was classified, and following the Merger will be classified, as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b), but provides no assurances in this regard. Pubco further believes that the Merger qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a).

Provided Pubco as a result of the Merger was classified, and following the Merger will be classified, as a U.S. domestic corporation for U.S. federal income tax purposes pursuant to the application of Code Section 7874(b) and the Merger qualifies as a tax-deferred reorganization under Code Section 368(a), each U.S. Shareholder which received Pubco Shares pursuant to the Merger should not recognize any loss.

Part II Item 19. (other information)

The Merger was effective on November 9, 2021. For a U.S. Shareholder which participated in the Merger whose taxable year is a calendar year, the reportable tax year is 2021.