



ALASKA ENERGY METALS CORPORATION

Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Alaska Energy Metals Corporation

Opinion

We have audited the consolidated financial statements of Alaska Energy Metals Corporation (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2025. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 5 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 3 and Note 4 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2025.

Why the matter was determined to be a key audit matter

We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the judgments made by management in its assessment of indicators of impairment related to exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;
- Assessing compliance with option agreements by reviewing agreements, vouching cash payments and share issuances;
- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;
- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and
- Assessing the adequacy of the related disclosures in Note 3, Note 4 and Note 5 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including

the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
April 29, 2026**

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Consolidated Statements of Financial Position
As at December 31,
(Expressed in Canadian dollars)

	2025	2024
ASSETS		
Current assets		
Cash	\$ 687,785	\$ 1,284,445
Amounts receivable	120,063	159,503
Prepaid expenses and deposit	62,001	212,668
Total current assets	869,849	1,656,616
Non-current assets		
Exploration and evaluation assets – Note 5	26,340,540	25,854,009
Total non-current assets	26,340,540	25,854,009
TOTAL ASSETS	\$ 27,210,389	\$ 27,510,625
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 625,637	\$ 1,006,309
Due to related parties – Note 8	163,348	124,438
Flow through liability – Note 3	86,960	10,693
Total current liabilities	875,945	1,141,440
Non-current liabilities		
Deferred income tax liability – Note 11	219,000	219,000
Total non-current liabilities	219,000	219,000
Total liabilities	1,094,945	1,360,440
Shareholders' equity		
Share capital – Note 6	83,511,750	80,042,695
Reserves		
Share-based payments – Note 6	9,919,652	8,958,245
Warrants – Note 6	3,128,666	3,120,411
Accumulated other comprehensive income	460,058	1,249,662
Deficit	(70,904,682)	(67,220,828)
Total shareholders' equity	26,115,444	26,150,185
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 27,210,389	\$ 27,510,625
Going concern – Note 2		
Subsequent events – Note 12		

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 29, 2026.

“Gregory Beischer”
Director

“Mario Vetro”
Director

The accompanying notes are an integral part of these consolidated financial statements.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31,
(Expressed in Canadian dollars)

	2025	2024
General and administrative expense		
Accounting, audit and legal – Note 8	\$ 711,197	\$ 722,832
Amortization of right of use asset	-	22,505
Consulting, directors and salaries – Note 8	1,569,538	1,551,349
Foreign exchange loss (gain)	(16,019)	21,460
General exploration	14,000	139,815
Interest expense of lease liability	-	5,690
Office and miscellaneous expense	379,492	593,364
Promotion and investor relations	461,169	3,379,764
Stock-based compensation – Notes 6 and 8	961,407	2,030,638
Loss before other items	(4,080,784)	(8,467,417)
Other items		
Loss on sale of subsidiary	-	(87,892)
Flow-through penalty and taxes	(59,576)	-
Flow-through recovery – Note 3	10,693	239,307
Loss on settlement of debt – Note 6	(82,429)	-
Loss on marketable securities	-	(87,692)
Other income – Note 5	528,242	47,105
Impairment of exploration and evaluation assets – Note 5	-	(265,625)
Net loss before tax	(3,683,854)	(8,622,214)
Deferred income tax expense – Note 11	-	(219,000)
Net loss	(3,683,854)	(8,841,214)
Other comprehensive income (loss)		
Item that may be reclassified to profit or loss:		
Translation adjustment	(789,604)	1,069,005
Comprehensive loss for the year	\$ (4,473,458)	\$ (7,772,209)
Basic and diluted loss per share	\$ (0.02)	\$ (0.08)
Weighted average number of shares outstanding – basic and diluted	167,102,755	111,662,858

The accompanying notes are an integral part of these consolidated financial statements.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
For the years Ended December 31,
(Expressed in Canadian dollars)

	2025	2024
Cash provided by (used in)		
Operating activities		
Net loss	\$ (3,683,854)	\$ (8,841,214)
Items not involving cash:		
Amortization of right of use asset	-	22,505
Interest expense of lease liability	-	5,690
Stock-based compensation	961,407	2,030,638
Loss on marketable securities	-	87,692
Loss on settlement of debt	82,429	-
Impairment of exploration and evaluation assets	-	265,625
Gain on sale of properties	(504,478)	-
Flow-through recovery	(10,693)	(239,307)
Deferred income tax expense	-	219,000
	(3,155,189)	(6,449,371)
Net change in non-cash working capital items:		
Amounts receivable	39,440	(74,579)
Prepaid expenses and deposit	150,667	485,093
Accounts payable and accrued liabilities	886,900	46,758
Due to related parties	29,408	96,771
Cash used in operating activities	(2,048,774)	(5,895,328)
Cash flows from investing activities		
Proceeds from sale of marketable securities	-	352,152
Proceeds from sale of mineral properties	504,478	-
Expenditures on exploration and evaluation assets, net of recoveries	(1,435,789)	(7,215,793)
Cash used in investing activities	(931,311)	(6,863,641)
Cash flows from financing activities		
Proceeds from sale of shares	2,460,905	821,250
Special warrant financing	-	8,858,314
Special warrant issuance costs	-	(668,518)
Share issuance costs	(87,480)	(57,488)
Proceeds from warrant exercise	10,000	1,183,032
Repayment of lease liability	-	(32,503)
Cash provided by financing activities	2,383,425	10,104,087
Change in cash	(596,660)	(2,654,882)
Cash, beginning of the year	1,284,445	3,939,327
Cash, end of the year	\$ 687,785	\$ 1,284,445

Supplemental cash flow information – Note 10

The accompanying notes are an integral part of these consolidated financial statements.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

	Common Shares			Reserves				
	Shares	Amount	Special Warrants	Share-based Payment	Warrants	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
Balance, December 31, 2023	86,517,061	\$ 70,210,161	\$ -	\$ 6,927,607	\$ 2,642,355	\$ 180,657	\$ (58,379,614)	\$ 21,581,166
Shares issued for private placements	5,475,000	809,875	-	-	11,375	-	-	821,250
Share issue costs and finders fees - cash	-	(57,488)	-	-	-	-	-	(57,488)
Finders fees - agent warrants	-	(50,200)	-	-	50,200	-	-	-
Shares issued - special warrants exercised	10,283	2,879	-	-	-	-	-	2,879
Reallocate fair value of agent warrants exercised	-	1,819	-	-	(1,819)	-	-	-
Special warrant financing	-	-	8,858,314	-	-	-	-	8,858,314
Special warrant issuance costs	-	-	(1,011,818)	-	343,300	-	-	(668,518)
Shares issued - special warrants converted	54,918,759	7,771,496	(7,846,496)	-	75,000	-	-	-
Shares issued for mineral property	1,150,000	174,000	-	-	-	-	-	174,000
Shares issued for warrant exercise	5,900,764	1,180,153	-	-	-	-	-	1,180,153
Stock-based compensation	-	-	-	2,030,638	-	-	-	2,030,638
Cumulative translation adjustment	-	-	-	-	-	1,069,005	-	1,069,005
Loss for the year	-	-	-	-	-	-	(8,841,214)	(8,841,214)
Balance, December 31, 2024	153,971,867	80,042,695	-	8,958,245	3,120,411	1,249,662	(67,220,828)	26,150,185
Shares issued for private placements	16,112,705	1,500,020	-	-	-	-	-	1,500,020
Shares issued for the at-the-market offering	9,197,000	960,885	-	-	-	-	-	960,885
Flow through premium	-	(86,960)	-	-	-	-	-	(86,960)
Share issue costs and finders fees	-	(100,680)	-	-	13,200	-	-	(87,480)
Shares issued for warrant exercise	50,000	14,945	-	-	(4,945)	-	-	10,000
Shares issued for debt	8,123,587	893,595	-	-	-	-	-	893,595
Shares issued for mineral property	3,150,000	287,250	-	-	-	-	-	287,250
Stock-based compensation	-	-	-	961,407	-	-	-	961,407
Cumulative translation adjustment	-	-	-	-	-	(789,604)	-	(789,604)
Loss for the year	-	-	-	-	-	-	(3,683,854)	(3,683,854)
Balance, December 31, 2025	190,605,159	\$ 83,511,750	\$ -	\$ 9,919,652	\$ 3,128,666	\$ 460,058	\$ (70,904,682)	\$ 26,115,444

The accompanying notes are an integral part of these consolidated financial statements.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

1. Nature of Operations

Alaska Energy Metals Corporation (“Alaska Energy” or the “Company”) is a public company listed on the TSX Venture Exchange (“TSXV”) trading under the symbol “AEMC”. The registered office of the Company is located at Suite 300 - 1055 West Hastings St. Vancouver, BC V6E 2E9.

The Company’s business focuses on exploration and development of mineral resources. All of the Company’s projects are considered to be in the exploration stage and the Company has not yet determined whether these properties contain mineral resources that are economically recoverable (“ore reserves”).

2. Basis of Preparation and Going Concern

The Company prepares its consolidated financial statements in accordance and compliance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS that are effective as of December 31, 2025.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, which contemplates that the Company will continue in operation for the next twelve months and that it will be able to realize its assets and meet its liabilities in the normal course of operations. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values, classification of assets and liabilities should the Company be unable to continue as a going concern. As of December 31, 2025, the Company had not yet achieved profitable operations and had an accumulated deficit of \$70,904,682 (2024 – \$67,220,828). Management has carried out an assessment of the going concern assumption and has concluded that the Company does not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company’s forecast indicates the existence of material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to raise additional equity, continue some of its existing partnerships, partner additional exploratory prospects, and receipt of option payments.

2.1 Changes in Accounting Policies and Disclosures

There were no accounting standards adopted effective January 1, 2025 that had material impact on the consolidated financial statements.

2.2 Upcoming Changes in Accounting Standards

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies’ financial performance for better investment decisions. This new standard will be effective for annual reporting periods beginning on or after January 1, 2027. The Company will be assessing the impact of adoption on its consolidated financial statements.

IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments

Amendments have been issued to IFRS 9 and IFRS 7 to clarify the date of recognition and derecognition of some financial assets and liabilities, add new disclosure requirements for certain instruments and update disclosure requirements for equity instruments designated at fair value through other comprehensive income. The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. The Company will be evaluating the impact that these amendments will have on its consolidated financial statements.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

3. Material Accounting Policies

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Company and its subsidiaries.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as December 31, 2025. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The consolidated financial statements of the Company include the following significant subsidiaries:

Name of Subsidiary	Place of Domicile	Percentage Ownership December 31, 2025	Percentage Ownership December 31, 2024
Alaska Energy Metals Development Corp.	USA	100%	100%
Alaska Energy Metals Holdings LLC	USA	100%	100%
Millrock Mexico Holdings Corp.	Canada	100%	100%
1413336 BC Ltd. ("141 BC")	Canada	100%	100%
MROCK	Mexico	100%	100%

The Company consolidates all of its subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies. All intercompany transactions and balances are eliminated on consolidation.

Foreign Currency Translation

i) Functional and Presentation Currency

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Canadian dollars (the "presentation currency"). The Canadian dollar is the functional currency of Alaska Energy Metals Corporation, 141 BC and Millrock Mexico Holdings Corp. The US dollar is the functional currency of the Company's United States subsidiaries. The Mexican peso is the functional currency of the Company's Mexican subsidiary.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities not denominated in the functional currency are recognized in profit or loss except for monetary items that are designated as part of the Company's net investment of a foreign operation.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

3. Material Accounting Policies (cont'd)

Foreign Currency Translation (cont'd)

ii) Transactions and Balances (cont'd)

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated to Canadian dollars at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the other comprehensive loss reserve in shareholders' equity. Additionally, foreign exchange gains and losses, related to certain intercompany loans that are permanent in nature, are included in accumulated other comprehensive loss reserve.

The foreign exchange gains and losses from translating foreign operations are recognized in other comprehensive income or loss until the foreign subsidiary is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and follows the practice of capitalizing all costs relating to the acquisition of, exploration for, and development of mineral properties to which the Company has rights. Exploration expenditures typically include costs associated with acquisition of rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition. Costs incurred prior to the acquisition of a mineral property are charged to profit or loss as incurred under the heading of General Exploration. Evaluation expenditures include the cost of:

- i) Establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities to classify deposits as either a mineral resource or a proven and probable reserve;
- ii) Determining the optimal methods of extraction and metallurgical and treatment processes;
- iii) Studies related to surveying, transportation and infrastructure requirements;
- iv) Permitting activities; and
- v) Economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as acquisition cost additions or recoveries when the payments are made or received. The Company maintains ownership and control of the property until the earn-in partner fulfills contractual obligations and the costs incurred over that period are capitalized. When the obligations are positively fulfilled the earn-in partner is afforded a predetermined interest in the project, which may result in a change of control, but not joint control.

From time to time the Company may issue shares for option-in agreements in respect of acquisition of mineral interests. These equity-settled share-based payment transactions are measured by reference to the fair value of the equity instruments granted with the corresponding increase in equity.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

3. Material Accounting Policies (cont'd)

Exploration and Evaluation Assets (cont'd)

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when (a) the right to explore in a specific area has expired or will expire in the near future without expectation to renew, (b) exploration or evaluation expenditures of any significance are not planned or budgeted, (c) no mineral resources in a specific area have been discovered which have the potential for commercial viability and the Company has decided to halt further activities in the area, or (d) sufficient indications exist that the minerals in a specific area can be developed, however the asset is unlikely to recover in full the carrying cost.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Financial Instruments

Financial instruments are initially recognized at their fair value, and subsequently measured at fair value if classified at fair value through profit or loss or measured using the effective interest method if classified as subsequently measured at amortized cost.

The Company's financial assets at fair value through profit or loss include cash.

The Company's financial assets as subsequently measured at amortized costs include amounts receivable.

The Company has classified its accounts payable and accrued liabilities and due to related parties as subsequently measured at amortized cost.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. Equity financing transactions may involve the issuance of units. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing trade price on the announcement date. The residual balance, if any, is allocated to attached warrants. Any fair value attributed to the warrants is recorded in warrants reserve.

Current and Deferred Income Tax

Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive loss or directly in equity, in which case it is recognized in other comprehensive loss or in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

3. Material Accounting Policies (cont'd)

Current and Deferred Income Tax (cont'd)

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; (ii) at the time of the transaction, affects neither accounting profit nor taxable profit, and does not give rise to equal taxable and deductible temporary differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year-end date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share-Based Payment Transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received are not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing model) for all share options granted to directors, employees and certain non-employees. This model employs assumptions for risk free interest rates, dividend yields, expected lives, and volatility based on historical data. For directors and employees, the fair value of the share options is measured at the date of the grant.

Restricted share units are measured based on the closing share price of the underlying shares on the date of grant and recognized over the vesting period.

The fair value of share-based payments is charged either to profit or loss or the related asset as applicable, such as exploration and evaluation assets, with the offsetting credit to share-based payments reserve. For directors and employees, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in share-based payments reserve are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in share-based payments reserve.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

3. Material Accounting Policies (cont'd)

Loss per Share

The Company applies the "Treasury Stock Method" to calculate loss per common share. Under this method, the basic loss per share is calculated based on the weighted average aggregate number of common shares outstanding during each year. The diluted loss per share assumes that the outstanding stock options and share purchase warrants had been exercised at the beginning of the period and proceeds from dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share warrants and options had an anti-dilutive impact for the periods presented.

Flow-Through Shares

The Company may, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Upon issuance, the Company bifurcates the flow-through share into: (i) share capital; and (ii) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability.

Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the investors. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. As at December 31, 2025, the Company has a remaining flow-through commitment of \$500,020 (2024 - \$43,264). During the year ended December 31, 2025, the Company recorded a flow-through tax recovery of \$10,693 (2024 - \$239,307). The Company had a flow-through liability of \$86,960 at December 31, 2025 (2024 - \$10,693).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Rehabilitation Obligations

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The most significant areas requiring the use of management's judgments, assumptions and estimates relate to the following:

1. Recoverability of the carrying value of exploration and evaluation assets: Management applies significant judgement to determine at each reporting period whether there are any indicators of impairment applying to each specific property. Where an indicator exists, a formal assessment of the impairment is made. There were no indicators of impairment identified during the year ended December 31, 2025.
2. Going concern assumption: The Company's ability to continue as a going concern is dependent on its ability in the future to achieve profitable operations and in the meantime, obtain the necessary financing to meet its obligations and repay its liabilities when they come due. Realization values may be substantially different from carrying values and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets

This section describes each of the Company's projects. Please refer to Note 3 for a description of the property impairment assessment factors.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements.

	Nikolai- Eureka Alaska	Nikolai- Canwell Alaska	Angliers- Belletierre Canada	Bambino Canada	Total Properties
Balance at December 31, 2024	\$ 11,208,607	\$ 5,247,414	\$ 9,068,933	\$ 329,055	\$ 25,854,009
Acquisition cost additions:					
Shares	-	270,000	-	17,250	287,250
	-	270,000	-	17,250	287,250
Exploration cost additions:					
Drilling	15,834	-	-	-	15,834
Geochemistry	115,288	-	-	-	115,288
Geology	388,983	2,174	26,133	2,200	419,490
Other and miscellaneous costs	168,935	25,467	-	-	194,402
Staking and claim renewal	53,350	46,594	21,300	1,865	123,109
Support and equipment	130,462	11,770	5,853	-	148,085
	872,852	86,005	53,286	4,065	1,016,208
Less: Recovery	-	-	(15,220)	-	(15,220)
Foreign currency translation	(549,179)	(252,528)	-	-	(801,707)
Balance at December 31, 2025	\$ 11,532,280	\$ 5,350,891	\$ 9,106,999	\$ 350,370	\$ 26,340,540

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (cont'd)

	Nikolai- Eureka Alaska	Nikolai- Canwell Alaska	Liberty Bell Alaska	Angliers- Belletierre Canada	Bambino Canada	Total Properties
Balance at December 31, 2023	\$ 7,299,135	\$ 1,686,238	\$ 110,917	\$ 8,271,327	\$ -	\$ 17,367,617
Acquisition cost additions:						
Cash	-	209,427	-	-	5,000	214,427
Shares	-	150,000	-	-	24,000	174,000
	-	359,427	-	-	29,000	388,427
Exploration cost additions:						
Drilling	900,896	1,046,297	-	-	-	1,947,193
Geochemistry	425,758	62,281	-	691,236	149,304	1,328,579
Geology	666,649	382,410	11,376	67,320	119,096	1,246,851
Geophysics	59,413	-	-	-	-	59,413
Other and miscellaneous costs	260,004	575	-	-	-	260,579
Staking and claim renewal	35,646	54,220	125,521	-	-	215,387
Support and equipment	787,501	1,350,668	14,026	39,050	31,655	2,222,900
	3,135,867	2,896,451	150,923	797,606	300,055	7,280,902
Less: Impairment / write-off	-	-	(265,625)	-	-	(265,625)
Foreign currency translation	773,605	305,298	3,785	-	-	1,082,688
Balance at December 31, 2024	\$ 11,208,607	\$ 5,247,414	\$ -	\$ 9,068,933	\$ 329,055	\$ 25,854,009

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (cont'd)

Alaska Properties

(a) Nikolai Project, Alaska

Eureka Property

The Company owns a 100% interest in claims located in the Fairbanks Recording District. The claims cover the Eureka prospect. There is a 1% NSR on 4 of the claims in the block.

Canwell Property

During the year ended December 31, 2022, the Company entered into an option agreement, subsequently amended, to earn a 100% ownership in the Canwell property, located in the Fairbanks Recording district, Alaska. To earn the interest, the Company must pay:

- Pay US\$25,000 upon signing (paid);
- Issue 100,000 shares upon signing (issued with a fair value of \$65,000);
- Pay US\$25,000 by June 1, 2022 (paid);
- Pay US\$75,000 by September 1, 2022 (paid);
- Issue 100,000 shares by September 1, 2022 (issued with a fair value of \$40,000);
- Incur US\$50,000 in exploration expenditures by September 1, 2022 (incurred);
- Pay US\$100,000 by September 1, 2023 (paid);
- Issue 1,000,000 shares by September 1, 2023 (issued with a fair value of \$420,000);
- Incur US\$250,000 in exploration expenditures by September 1, 2023 (incurred);
- Pay US\$125,000 by September 1, 2024 (paid);
- Issue 1,000,000 shares by September 1, 2024 (issued with a fair value of \$150,000);
- Incur US\$1,000,000 in exploration expenditures by September 1, 2024 (incurred);
- Issue 3,000,000 shares by September 1, 2025 (issued with a fair value of \$270,000);
- Pay US\$150,000 by September 1, 2026.

The cash payment due at each September 1 has a required inflation adjustment. There is a 3% net smelter return (NSR) royalty, payable to the optionor, and the Company has the option to reduce the NSR royalty to 2% by paying US\$2,000,000. The NSR royalty may be further reduced to 1% and 0% through additional cash payments of US\$3,000,000 and US\$4,000,000, respectively.

(b) Liberty Bell Property, Alaska

The Liberty Bell project consists of claims owned by Alaska Energy, claims optioned from Boot Hill Gold Inc. ("Boot Hill Gold") and claims leased from James Roland ("Roland Lease").

Boot Hill Option During the year ended December 31, 2018, Alaska Energy entered an option to purchase agreement with Boot Hill Gold. A 100% interest could be obtained.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (cont'd)

Alaska Properties (cont'd)

(b) Liberty Bell Property, Alaska (cont'd)

Roland Lease During the year ended December 31, 2018, a lease to purchase agreement was made with James Roland concerning a block of ten claims internal to the Boot Hill Gold block. Consideration to establish a 100% interest is US\$570,000 to be paid to James Roland as lease payments over an 11-year period. If the Company wishes to keep the claims, payments are scheduled to be US\$30,000 annually, then moving to US\$50,000 annually in 2024, and then a bulk payment in 2028. A 2% royalty is attached to these ten claims and it can be bought out for US\$800,000. During the year ended December 31, 2021, Alaska Energy agreed to assign its option rights and its mineral interests to Felix Gold Limited ("Felix Gold") for cash, share payments and royalty interests. During the year ended December 31, 2023, Felix decided it did not want to proceed and offered the project back to Alaska Energy. The Company declined. Felix canceled the Roland Lease and terminated the Boot Hill Option. Alaska Energy remains obligated to return US\$20,000 that was withheld as a reclamation bond. The Company subsequently purchased the Boot Hill claims for US\$25,000, and agreed to pay an additional US\$55,000 in the event the Company sells the Liberty Bell project to another party. Claims originally owned by the Company were returned to Alaska Energy by Felix.

During the year ended December 31, 2024, the Company impaired the property resulting in an impairment of \$265,625 as the Company had no immediate plans for any significant exploration activities on the property. During the year ended December 31, 2025, the Liberty Bell property and two other previously impaired properties and a royalty, were sold to a private Alaska company and a joint venture partner for total proceeds of US\$412,800. A gain of \$504,478 was recorded to other income.

Canadian Properties

(a) Angliers-Belleterre, Quebec

During the year ended December 31, 2023, the Company acquired 100% of the Angliers-Belleterre project in western Quebec by way of the acquisition of 1413336 BC Ltd. The project is subject to a 2.5% NSR, where 1% can be repurchased by the Company for \$1,500,000.

(b) Bambino, Quebec

During the year ended December 31, 2024, the Company entered into an option agreement, subsequently amended in 2025, to acquire a 100% interest in the Bambino Nickel – Copper Property located immediately adjacent to the Angliers-Belleterre project in Quebec. To earn the interest the Company must:

- pay \$5,000 on May 21, 2024 (paid);
- issue 150,000 shares within five (5) business days from the date of final acceptance of this Agreement by the TSX Venture Exchange for filing (issued at a value of \$24,000).
- issue 150,000 shares on or before May 21, 2025 (issued at a value of \$17,250);
- complete aggregate exploration expenditures of \$100,000 on or before May 21, 2025 (incurred);
- pay \$25,000 and issue 150,000 shares on or before May 21, 2026;
- complete aggregate exploration expenditures of \$150,000 on or before May 21, 2026;
- pay \$75,000 and issue 250,000 shares on or before May 21, 2027; and
- complete aggregate exploration expenditures of \$250,000 on or before May 21, 2027.

Upon exercise of the option, the vendors will retain a 2% NSR. The Company will have the right at any time to buy back half of the royalty (i.e., 1.0%) for \$1,000,000 cash.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

6. Share Capital

The Company's authorized share capital consists of an unlimited number of voting common shares without par value.

During the year ended December 31, 2025, the Company:

- i) closed a non-brokered flow-through private placement for 4,348,000 flow-through units at a price of \$0.115 per unit for total proceeds of \$500,020. Each unit consists of one share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$0.16 for a period of 24 months. The warrant has a residual value of \$Nil. \$86,960 has been allocated to the flow-through liability based on the premium to market at the date of issuance. The Company paid a finder's fee of \$35,001 and issued 304,360 agent warrants (valued at \$13,200, see below). Each agent warrant is exercisable at a price of \$0.115 for a period of 24 months.
- ii) issued 9,197,000 shares for gross proceeds of \$960,885, at an average price of \$0.10 per share through the at-the-market offering, and incurred share issuance costs of \$52,479.
- iii) issued 1,202,500 shares with a fair value of \$132,275 to settle \$132,275 of debt.
- iv) issued 3,000,000 common shares with a fair value of \$270,000 for the Canwell option agreement.
- v) issued 150,000 shares with a fair value of \$17,500 for the Bambino option agreement.
- vi) issued 50,000 shares upon exercise of warrants for proceeds of \$10,000 and reallocated \$4,945 from reserves to share capital.
- vii) closed a non-brokered private placement total of 11,764,705 units at a price of \$0.085 per unit for gross proceeds of \$1,000,000 of which \$Nil was allocated to the warrants using the residual value method. Each unit consists of one share and one share purchase warrant. Each warrant is exercisable at a price of \$0.085 for a period of five years.
- viii) issued 6,921,087 shares with a fair value of \$761,320 to settle \$678,891 of accounts payable. The Company recorded a loss on settlement of \$82,429.

During the year ended December 31, 2024, the Company:

- i) completed a non-brokered offering of 2,500,000 special warrants issued at the price of \$0.40 per special warrant for gross proceeds of \$1,000,000. Each special warrant will automatically convert (subsequently converted) into one unit of the Company on the earlier of: (i) the date that is three business days following the date on which the Company (a) obtains a receipt from the applicable securities regulatory authorities for a final short form prospectus qualifying distribution of the units underlying the special warrants or (b) files a prospectus supplement to a short form base shelf prospectus with the Securities Commissions qualifying distribution of the units underlying the special warrants, and (ii) the date that is four months and one day after the closing of the offering. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder thereof to acquire one share at a price of \$0.80 for a period of 24 months. The Company incurred special warrant issuance costs of \$64,872.

30,000 broker special warrants were issued as finder's fee. Each broker special warrant will automatically convert under the same terms as the special warrants, for no additional consideration, into one unit.

The 2,530,000 special warrants were converted into units during the year ended December 31, 2024. Upon conversion, the Company issued 2,530,000 common shares and 1,265,000 warrants, of which \$75,000 was allocated to the warrants using the residual value method.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

6. Share Capital (cont'd)

- ii) issued 150,000 shares with a fair value of \$24,000 for the Bambino option agreement.
- iii) issued 1,000,000 common shares with a fair value of \$150,000 for the Canwell option agreement.
- iv) issued 5,911,047 shares upon exercise of warrants for \$1,183,032. The Company also reallocated \$1,819 of reserves to share capital upon exercise.
- v) completed a non-brokered offering of 22,255,429 special warrants issued at the price of \$0.15 per special warrant for gross proceeds of \$3,338,314. Each special warrant will automatically convert (subsequently converted) into one unit of the Company on the earlier of: (i) the date that is three business days following the date on which the Company (a) obtains a receipt from the applicable securities regulatory authorities for a final short form prospectus qualifying distribution of the units underlying the special warrants or (b) files a prospectus supplement to a short form base shelf prospectus with the Securities Commissions qualifying distribution of the units underlying the special warrants, and (ii) the date that is four months and one day after the closing of the offering. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one share at a price of \$0.20 for a period of three years.

The Company paid finder's fees of \$181,261 and issued 1,208,409 agent warrants (valued at \$119,500, see below) exercisable at \$0.20 for three years.

The 22,255,429 special warrants were converted into units during the year ended December 31, 2024. Upon conversion, the Company issued 22,255,429 common shares and 22,255,429 warrants.

- vi) completed a non-brokered private placement of 2,275,000 units at a price of \$0.15 per unit for gross proceeds of \$341,250, of which \$11,375 was allocated to the warrants using the residual value method. Each unit consists of a common share and a warrant exercisable at \$0.20 for a period of three years. The Company paid finder's fees of \$23,888 and issued 159,250 agent warrants (valued at \$15,800, see below) exercisable at \$0.20 for three years.
- vii) completed a non-brokered offering of 30,133,330 special warrants issued at the price of \$0.15 per special warrant for gross proceeds of \$4,520,000. Each special warrant will automatically convert (subsequently converted) into one unit of the Company on the earlier of: (i) the date that is three business days following the date on which the Company (a) obtains a receipt from the applicable securities regulatory authorities for a final short form prospectus qualifying distribution of the units underlying the special warrants or (b) files a prospectus supplement to a short form base shelf prospectus with the Securities Commissions qualifying distribution of the units underlying the special warrants, and (ii) the date that is four months and one day after the closing of the offering. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one share at a price of \$0.20 for a period of three years.

The Company paid finder's fees and other special warrant issuance costs of \$422,385 and issued 1,458,176 agent warrants (valued at \$223,800, see below) exercisable at \$0.20 for three years.

The 30,133,330 special warrants were converted into units during the year ended December 31, 2024. Upon conversion, the Company issued 30,133,330 common shares and 30,133,330 warrants.

- viii) completed a non-brokered private placement of 3,200,000 units at a price of \$0.15 per unit for gross proceeds of \$480,000 of which \$Nil was allocated to the warrants using the residual value method. Each unit consists of a common share and a warrant exercisable at \$0.20 for a period of three years. The Company paid finder's fees of \$33,600 and issued 224,000 agent warrants (valued at \$34,400, see below) exercisable at \$0.20 for three years.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

6. Share Capital (cont'd)

Stock option and restricted share unit plans

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The Company also has a restricted share unit plan whereby the maximum number of shares reserved for issue shall not exceed 17,171,936 shares. The maximum number of common shares reserved for issue to any one person under the plans cannot exceed 5% of the issued and outstanding number of common shares at the date of grant. The maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the stock option plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of 10 years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated share purchase options vest when granted.

Stock Options

The vesting schedule for employees and most non-employees is immediate. Non-employees providing Investor Relations services have various expiry dates determined at the time of issuance.

During the year ended December 31, 2025, the Company granted 5,325,000 stock options to its directors, officers, consultants and employees. Each stock option is exercisable at a price of \$0.18 for a period of 5 years. 5,000,000 options' vesting is conditional upon the Company's receipt of disinterested shareholder approval. 325,000 options vested immediately.

During the year ended December 31, 2024, the Company granted:

- i) 3,175,000 stock options to its directors, officers, consultants and employees. Each stock option is exercisable at a price of \$0.405 for a period of 5 years. 500,000 options vest at 25% every three months starting April 30, 2024. 2,675,000 options vested immediately.
- ii) 275,000 stock options exercisable at \$0.195 through April 19, 2029 to a consultant and an investor relations consultant. 75,000 options vest at 25% every three months starting July 19, 2024. 200,000 options vested immediately.
- iii) 5,408,317 stock options to its directors, officers, consultants and employees. Each stock option is exercisable at a price of \$0.15 for a period of 5 years. 75,000 options vest at 25% every three months starting January 4, 2025. 5,333,317 options vested immediately.

The Company used the following weighted average Black-Scholes option pricing model assumptions:

	Year Ended December 31, 2025	Year Ended December 31, 2024
Dividend yield	NIL	NIL
Expected volatility	125.74%	124.76%
Risk-free rate of return	2.65%	3.17%
Expected life	5 years	5 years
Forfeiture rate	NIL	NIL
Fair value	\$0.15	\$0.21

Expected volatility is calculated based on the Company's historical share prices.

Total share-based payments expense recognized on options vesting throughout the year ended December 31, 2025 was \$44,304 (2024 – \$1,878,265).

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

6. Share Capital (cont'd)

Stock Options (cont'd)

The following table summarizes the changes in share purchase options:

	Number of Options	Weighted Average Exercised
Outstanding at December 31, 2023	4,447,500	\$ 0.55
Granted	8,858,317	\$ 0.24
Expired	(130,500)	\$ 0.90
Cancelled and forfeited	(539,000)	\$ 0.52
Outstanding at December 31, 2024	12,636,317	\$ 0.33
Granted	5,325,000	\$ 0.18
Expired	(208,000)	\$ 1.23
Cancelled and forfeited	(890,000)	\$ 0.37
Outstanding at December 31, 2025	16,863,317	\$ 0.27

As at December 31, 2025, the Company has outstanding and exercisable share purchase options as followed:

Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price
February 24, 2027	180,000	180,000	\$ 0.65
July 7, 2028	1,550,000	1,550,000	\$ 0.52
August 17, 2028	1,775,000	1,775,000	\$ 0.46
January 30, 2029	2,600,000	2,600,000	\$ 0.405
April 19, 2029	275,000	275,000	\$ 0.195
October 4, 2029	5,158,317	5,158,317	\$ 0.15
October 17, 2030	5,325,000	325,000	\$ 0.18
	16,863,317	11,863,317	

The weighted average remaining contractual life of options outstanding at December 31, 2025 is 3.72 years (2024 – 4.14 years).

Warrants

The following table summarizes the changes in warrants:

	Number of Warrants	Weighted Average Exercised
Outstanding at December 31, 2023	17,496,108	\$ 0.78
Granted	62,178,594	\$ 0.21
Exercised	(5,911,047)	\$ 0.20
Outstanding at December 31, 2024	73,763,655	\$ 0.35
Granted	14,243,065	\$ 0.10
Exercised	(50,000)	\$ 0.20
Expired	(17,485,825)	\$ 0.78
Outstanding at December 31, 2025	70,470,895	\$ 0.19

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

6. Share Capital (cont'd)

Warrants (cont'd)

As at December 31, 2025, the Company has outstanding and exercisable warrants as followed:

Expiry Date	Number of Warrants Outstanding and Exercisable	Exercise Price
May 3, 2026	1,265,000	\$ 0.80
May 26, 2027	2,174,000	\$ 0.16
May 26, 2027	304,360	\$ 0.115
July 5, 2027	1,158,409	\$ 0.20
July 11, 2027	2,434,250	\$ 0.20
July 18, 2027	16,354,665	\$ 0.20
September 5, 2027	4,882,176	\$ 0.20
September 20, 2027	30,133,330	\$ 0.20
October 29, 2030	11,764,705	\$ 0.085
	70,470,895	

The Company used the following weighted average Black-Scholes option pricing model assumptions to value the agent warrants:

	Year Ended December 31, 2025	Year Ended December 31 2024
Dividend yield	NIL	NIL
Expected volatility	93.7%	132.83%
Risk-free rate of return	2.62%	3.09%
Expected life	2 years	3 years
Forfeiture rate	NIL	NIL

Expected volatility is calculated based on the Company's historical share prices. During the year ended December 31, 2025, the Company recorded finders fees of \$13,200 (2024 - \$393,500) based on the Black-Scholes valuation of 304,360 (2024 - 3,049,835) agent warrants.

The weighted average remaining contractual life of warrants outstanding at December 31, 2025 is 2.15 years (2024 - 2.15 years).

Restricted share units

During the year ended December 31, 2025, the Company granted 9,250,000 restricted share units ("RSUs") to its directors, officers, consultants and employees with a fair value of \$1,387,500. The RSUs vest at the later of October 17, 2026 or upon the Company's receipt of disinterested shareholder approval and expire on October 17, 2030. During the year ended December 31, 2025, the Company recorded stock-based compensation of \$285,103.

During the year ended December 31, 2024, the Company granted 7,900,000 RSUs to its directors, officers, consultants and employees with a fair value of \$1,264,000. The RSUs expire on October 4, 2026. During the year ended December 31, 2025, the Company recorded stock-based compensation of \$632,000 (2024 - \$152,373).

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

7. Financial Instruments

i) Fair Value of Financial Instruments

The Company's financial instruments that are measured at fair market value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them are presented in the table below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The table set out below summarizes the Company's financial instruments measured at fair value on a recurring basis and shows the level within the fair value hierarchy in which they have been classified.

Financial Instrument	Level	December 31, 2025	December 31, 2024
Cash	1	\$ 687,785	\$ 1,284,445

The fair values of other financial instruments including amounts receivable, accounts payable and accrued liabilities, and due to related parties approximate their carrying values due to their short-term nature or market rates for similar instruments.

ii) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and cash equivalents and other working capital items of \$37,174 (2024 – \$133,097) denominated in US dollars. A ten percent change in the exchange rate would result in a \$3,717 (2024 – \$13,310) impact to the Company's net loss. The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities.

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

iv) Capital Management Risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners.

The Company is not currently subject to any external restrictions. As at December 31, 2025, there is no change in the management's approach of capital management from the prior year.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

8. Related Party Transactions and Balances

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

The Company incurred charges with key management personnel and companies with directors, officers, former directors and former officers in common as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries, accounting, consulting and directors	\$ 684,529	\$ 655,339
Stock-based compensation – stock options	-	873,720
Stock-based compensation – RSU's	750,870	123,441
	\$ 1,435,399	\$ 1,652,500

These charges were in the normal course of operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

During the year ended December 31, 2025, the Company issued:

- i) 136,200 shares with a fair value of \$14,982 to settle \$14,982 of debt with related parties.
- ii) 952,000 shares with a fair value of \$104,720 to settle \$95,200 of debt with related parties.

As of December 31, 2025, there was \$163,349 (2024 – \$124,438) due to related parties for accrued directors' fees, deferred salary expenses and accounting fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

9. Segmented Information

The Company operates in a single reportable operating segment, being the exploration of mineral properties. The following tables present selected financial information by geographic location:

December 31, 2025	USA	Canada	Total
As at December 31, 2025			
Exploration and evaluation assets	\$16,883,171	\$9,457,369	\$26,340,540
For the year ended December 31, 2025			
Net loss	\$ 992,886	\$2,690,968	\$ 3,683,854
December 31, 2024	USA	Canada	Total
As at December 31, 2024			
Exploration and evaluation assets	\$16,456,021	\$9,397,988	\$25,854,009
For the year ended December 31, 2024			
Net loss	\$ 1,354,563	\$7,486,651	\$ 8,841,214

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

10. Supplemental Cash Flow Information

	Year ended December 31, 2025	Year ended December 31, 2024
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Non-cash investing and financing activities		
Shares issued for debt	\$ 893,595	\$ -
Shares issued for exploration and evaluation assets	\$ 287,250	\$ 174,000
Exploration and evaluation assets in accounts payable	\$ 174,871	\$ 621,775
Conversion of special warrants	\$ -	\$ 7,846,496
Fair value of agent warrants issued for finder's fees	\$ 13,200	\$ 393,500
Fair value of agent warrants exercised	\$ 4,945	\$ 1,819

11. Income Taxes

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax due to the following:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Loss for the year before income taxes	\$ (3,683,854)	\$ (8,622,214)
Statutory tax rate	27%	27%
Recovery of income taxes computed at statutory rates	\$ (995,000)	\$ (2,328,000)
Non-deductible items	273,000	560,000
Impact of flow-through shares	-	200,000
Differing effective tax rate on loss in foreign jurisdictions and rate changes	(13,000)	(18,000)
Unrecognized deferred tax assets	91,000	2,811,000
Impact of change of prior period estimates	334,000	(289,000)
Impact of foreign exchange and other	310,000	(717,000)
Total income tax expense (recovery)	\$ -	\$ 219,000

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

11. Income Taxes (cont'd)

The approximate tax effect of each item gives rise to the Company's recognized deferred tax assets and liabilities as at December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Deferred income tax assets		
Non-capital losses	\$ 46,000	\$ 46,000
	\$ 46,000	\$ 46,000
Deferred income tax liabilities		
Exploration and evaluation assets	\$ (265,000)	\$ (265,000)
	(265,000)	(265,000)
Net deferred income tax liability	\$ (219,000)	\$ (219,000)

Temporary Differences Not Recognized

The Company has unrecognized deductible temporary differences aggregating \$67,272,000 (2024 - \$67,866,000), noted below, that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered.

	December 31, 2025	Expiry dates	December 31, 2024
Non-capital losses	\$ 29,138,000	2026 – 2045	\$ 27,177,000
Net operating losses	14,592,000	2034 – 2037 or no expiry	14,444,000
Capital losses	13,027,000	no expiry	14,921,000
Exploration and evaluation assets	9,357,000	no expiry	9,811,000
Property, plant and equipment	205,000	no expiry	217,000
Financing fees	953,000	2046 - 2049	1,296,000
Total	\$ 67,272,000		\$ 67,866,000

As at December 31, 2025, the Company has accumulated net operating loss carry forward in the United States aggregating \$14,592,000 (2024 – \$14,444,000) which either expire over the period between 2034 and 2037 or may be carried forward indefinitely, available to offset future taxable income in the United States. For the net operating losses carried forward indefinitely, the deduction is limited to 80% of the taxable income in a future year.

As at December 31, 2025 and 2024, the Company has unrecognized deferred tax liabilities of approximately \$2,155,000 due to the temporary difference arising on the initial recognition of the acquisition of the issued and outstanding shares of 141 BC.

ALASKA ENERGY METALS CORPORATION
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

12. Subsequent Events

Subsequent to the year ended December 31, 2025, the Company:

- i) issued an additional 2,307,500 shares for gross proceeds of \$275,221 through the at-the-market offering.
- ii) completed a non-brokered private placement of 27,272,701 units at a price of \$0.11 per unit for gross proceeds of \$2,999,997. Each unit consists of a common share and a warrant exercisable at \$0.15 for a period of three years.