

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

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN UNITED STATES DOLLARS)

INTRODUCTION

The following discussion and analysis of the operations, results, and financial position of Western Alaska Minerals Corp., the “Company”, (formerly 1246779 B.C. Ltd.) for the year ended December 31, 2022 should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2022. The effective date of this report is March 27, 2023. All figures are presented in United States dollars, unless otherwise indicated. The MD&A was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to its release.

The audited consolidated financial statements and MD&A are presented in U.S. dollars, unless otherwise indicated. The consolidated financial statements and any summary of results presented in the MD&A were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Please consult the audited consolidated financial statements for the years ended December 31, 2022 and 2021, for more complete financial information. All of the Company’s public disclosure filings may be accessed via www.sedar.com and at the Company’s website www.westernalaskaminerals.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company’s mineral properties.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", “propose”, "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

OVERALL PERFORMANCE

COMPANY OVERVIEW

Western Alaska Minerals Corp. (formerly 1246779 B.C. Ltd.) (“WAM”, “779” or the “Company”) was incorporated in the province of British Columbia on April 8, 2020. The Company is a public company whose common shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol “WAM”.

The head office of the Company is located at 3573 East Sunrise Drive, Suite 233, Tucson, Arizona, 85718 USA.

On November 10, 2021, the Company completed the acquisition of Western Alaska Copper and Gold Company (“WACG”), a private Alaska-based company that was 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, the Company changed its name from 1246779 B.C. Ltd. to Western Alaska Minerals Corp., operating the primary business of WACG.

On the RTO closing, WACG became the Company’s wholly-owned subsidiary. As WACG is deemed to be the acquirer 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.

The Company’s results of operations are included from the closing date, November 10, 2021 and onwards. Please refer to the Reverse Acquisition in Note 3 of the consolidated financial statements for more details.

The Company has no substantial revenue and supports its operations through the sale of equity. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See section related to “Risk Factors” in this statement.

HIGHLIGHTS

At the end of Q3 2022, the Company completed a non-brokered private placement for \$9.2 million (C\$12 million) and issued 2,926,999 common shares at C\$4.10 per share. The proceeds were used predominately to fund the extension of the Company’s 2022 exploration program and its G&A.

The Company completed a \$3.9 million (C\$5 million) non-brokered private placement during the second quarter and issued 4,170,000 common shares at C\$1.20 per share in early May 2022.

The Company completed 32 holes in 2022 totalling to approximately 8,842.9 meters of drilling. Of the 32 holes, 9 encountered mineralization. Given the sinuous, “skeletal” nature of many Carbonate Replacement Deposit (“CRD”) and the sharp boundaries between mineralized and non-mineralized material in CRD’s, this is not an unexpected result. Of those holes which did not encounter mineralization, 12 were drilled off to the east or west sides of the manto and five were located on the south side of intervening wetlands along an east-west line located approximately 150 meters south of WPC22-22. These five holes suggest the manto is further west as a consequence of the intersection with the north-east trending Illinois Creek fault zone. This conclusion is also supported by ongoing remodeling of the 2005 IP survey and will be verified during the 2023 drill program.

OUTLOOK

For 2023, two or three new Company-owned drill rigs are expected to be added to the two existing owned drill rigs allowing WAM to drill up to 17,000 meters in the 2023 season. The 2023 drilling will focus on following the Waterpump Creek mineralization to extend the manto along strike with drill spacings suitable for resource modeling. The Company is planning to explore the geophysical characteristics of the property to aid in drill site location and also to look for the potential intrusive sources of the system.

REVERSE ACQUISITION

On November 10, 2021, pursuant to the Business Combination Agreement (the “Agreement”) the Company and WACG completed a merger whereby the Company acquired all the issued and outstanding common shares of WACG, as a means by which WACG attained a public listing of its common shares. The Company also completed a concurrent financing of C\$5.2 million to finance mineral properties exploration and corporate expenditures.

Pursuant to the Business Combination Agreement:

- The Company consolidated its issued and outstanding capital at a ratio that resulted in 1,510,314 WAM common shares outstanding. The WAM common shares issued in connection with the Transaction were issued on a post-consolidation basis.
- The Company and WACG completed a three-cornered merger (the “Merger”) whereby a wholly-owned subsidiary of WAM, WACG Acquisition Co. (“Subco”), merged with WACG. Upon completion of the merger, one WACG common share was exchanged for 10,000 WAM common shares for non-US residents and for either (i) 100 WAM proportional shares; or (ii) 1,000 WAM common shares and 90 proportional shares for US residents. An aggregate of 4,470,000 WAM common shares were issued, along with 260,700 WAM proportional shares. Each WAM proportional share is exchangeable into 100 WAM common shares at the option of the holder. The ability to convert the proportional shares is subject to a restriction that the aggregate number of common shares and proportional shares issued and outstanding after such conversions.
- At the Transaction closing, the WACG shareholders became major WAM shareholders. Accordingly, WACG is considered to have acquired WAM with the transaction being accounted for as a reverse takeover of WAM by WACG shareholders.

The acquisition constitutes an asset acquisition as the Company did not meet the definition of a business, as defined in IFRS 3, Business Combinations. Additionally, as a result of the RTO, the statement of financial position has been adjusted for the elimination of the Company’s share capital, contributed surplus and accumulated deficit within shareholders’ equity.

For asset acquisition accounting, \$1,078,929 has been recorded as listing expense. This reflects the difference between the estimated fair value of WACG common shares deemed to have been issued to the Company’s shareholders less the fair value of the assets of the Company acquired.

COMMON AND PROPORTIONAL SHARES

Pursuant to the RTO transaction, each WACG common share (“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 900 Proportional Shares (“WAM proportional shares” or “Proportional Shares”); or (ii) 1,000 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.

The allocation of consideration transferred is summarized as follows:

Consideration:		
Fair value of shares issued	\$	1,030,972
Total consideration		1,030,972
Fair value of net assets of the Company:		
Cash		5,484
GST receivable		4,626
Accounts payable and accrued liabilities		(44,762)
Other payable		(13,305)
Total net assets		(47,957)
Listing expense	\$	1,078,929

DISCUSSION OF OPERATIONS

PROPERTY DESCRIPTIONS

Round Top Property, Alaska

The Round Top property is a large copper-molybdenum-silver (Cu-Mo-Ag) porphyry system that includes both high grade copper surface discoveries and drill intercepts to a depth of 800 meters. Cu-Mo-Ag mineralization is associated with Cretaceous (+/- 74 Ma) age intrusive rocks. The Property consists of 92 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

Illinois Creek Mine Project, Alaska

The Company’s most advanced stage asset is the Illinois Creek oxide gold-silver project, a past-producing run of mine (ROM) heap leach mine, camp and airstrip that operated between 1997 and 2002. The project has an updated February 2021 43-101 resource estimate of 525,000 oz of AuEq @ +1.3 g/t. The Company’s Waterpump Creek property is located within the Illinois Creek Mine project.

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 one of its shareholders, Joe Piekenbrock, entered into a stock purchase agreement (the “Illinois Creek Agreement”), whereby WACG acquired 100% of the issued and outstanding common shares of an Alaska private company, Piek Incorporated (“Piek”), in exchange for 120 WACG common shares (valued at \$540,000) and \$3,698,000 payable by the issuance of a promissory note.

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.

Honker Property, Alaska

The Honker Property is a gold-silver (Au-Ag) low sulfidation vein system discovered in 1981 located approximately six miles north of the Illinois Creek Mine. It consists of 24 state mineral claims, owned 100% by WACG, located in the Mount McKinley mining district of Alaska.

MINERAL PROPERTY EXPLORATIONS

2022 EXPLORATION ACTIVITIES

The Company's Illinois Creek camp opened in April 2022 and commenced drilling May 23rd at its Waterpump Creek property. The 2022 exploration program completed approximately 8,800 meters of drilling utilizing the two Company-owned drill rigs.

During 2022, the Company's drilling program encountered mineralization similar to that reported in 2021 in drill hole WPC21-09. In addition to the drill program, the Company completed a 44 line-km data collection controlled-source audio-magnetotellurics (CSMAT") geophysical program over the entire Illinois Creek property, including the Last Hurrah and Waterpump Creek area. The results are showing a new geologic framework including several faults believed to have controlled CRD mineralizing fluid migration with numerous structural zones and new targets.

In July 2022, the Company reported visual observations of core from drilling at Waterpump Creek that intercepted 47 and 101.7 meters of massive sulfide carbonate replacement mineralization in drill holes WPC22-17 and 18.

MINERAL PROPERTY EXPLORATIONS

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 labor/payroll costs	-	40,825	535,254	576,079
Consultant fees	-	-	120,927	120,927
Drilling	-	176,038	798,437	974,475
Equipment	11,240	21,170	493,181	525,591
Fixed wing & fuel	-	-	387,457	387,457
Helicopter & fuel	-	69,390	80,634	150,024
Travel	-	-	45,397	45,397
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	72,600	17,800	95,714	186,114
DNR permit fees	-	-	1,869	1,869
Assays	-	-	317,092	317,092
Camp food, supplies & accommodations	-	-	974,300	974,300
Camp labour/payroll costs	35,000	9,600	1,291,226	1,335,826
Consultant fees	6,917	-	280,195	287,112
Depreciation of equipment (Note 6)	-	-	50,903	50,903
Drilling	-	-	2,226,200	2,226,200
Equipment	-	-	475,095	475,095
Fuel	-	-	437,761	437,761
Fixed wing & fuel	-	-	923,421	923,421
Helicopter & fuel	-	-	194,813	194,813
Travel	-	-	156,715	156,715
Access route engineering	-	-	163,526	163,526
Other field expenses	-	-	103,497	103,497
December 31, 2022	5,208,715	631,681	16,978,091	22,817,887

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

SUMMARY OF MATERIAL DRILL RESULTS

Twenty-eight holes were drilled at Waterpump Creek in 2022. Of the 28 holes, 9 encountered mineralization, and the remainder did not. Given the sinuous, “skeletal” nature of many CRD deposits and the sharp boundaries between mineralized and non-mineralized material in CRD’s, this is not an unexpected result. Of those holes which did not encounter mineralization, 12 were drilled off to the east or west sides of the manto and two missed by drilling above or below the mineralized holes and five were located on the south side of intervening wetlands along an east-west line located approximately 150 meters south of WPC22-22. These five holes suggest the manto is further west as a consequence of the intersection with the north-east trending Illinois Creek fault zone.

2022 Waterpump Creek Drill Results

Drill hole	From (meters)	To (meters)	Thickness (meters)	Ag g/t	Pb %	Zn %
WPC22-21	150	155.1	5.1	789	22	14.9
WPC22-22	161.6	184.3	22.7	293	20.3	9
<i>including</i>	<i>161.6</i>	<i>168.6</i>	<i>7</i>	<i>557</i>	<i>21.8</i>	<i>16.7</i>
WPC22-22	207	216.5	9.5	118	8.7	3.5
WPC22-22	245.7	300.3	54.6	187	5.1	6.2
<i>including</i>	<i>271.1</i>	<i>274.6</i>	<i>3.5</i>	<i>1223</i>	<i>8.1</i>	<i>32.5</i>
<i>including</i>	<i>292.6</i>	<i>300.3</i>	<i>7.7</i>	<i>311</i>	<i>1.8</i>	<i>10.1</i>
WPC22-20	166.6	178	11.4	284	10.9	14.8
<i>including</i>	<i>166.6</i>	<i>175</i>	<i>8.4</i>	<i>322</i>	<i>12.8</i>	<i>12.1</i>
<i>including</i>	<i>166.6</i>	<i>168.2</i>	<i>1.6</i>	<i>474</i>	<i>14.3</i>	<i>24.7</i>
<i>including</i>	<i>173.9</i>	<i>175</i>	<i>1.1</i>	<i>883</i>	<i>45.2</i>	<i>12.2</i>
WPC22-20	185.2	205.9	20.7	171	5.8	9.4
<i>including</i>	<i>187.8</i>	<i>189.7</i>	<i>1.9</i>	<i>272</i>	<i>7.6</i>	<i>22.3</i>
<i>including</i>	<i>193.4</i>	<i>196.1</i>	<i>2.7</i>	<i>297</i>	<i>10.6</i>	<i>2.8</i>
WPC22-18	147.2	248.9	101.7	160	5.3	5.4
<i>including</i>	<i>158.6</i>	<i>165.8</i>	<i>7.2</i>	<i>349</i>	<i>9.7</i>	<i>7.3</i>
<i>including</i>	<i>191.7</i>	<i>195</i>	<i>3.3</i>	<i>358</i>	<i>10.6</i>	<i>7.2</i>
<i>including</i>	<i>223.8</i>	<i>242.3</i>	<i>18.5</i>	<i>355</i>	<i>13.5</i>	<i>2.2</i>
WPC22-17	125.5	174.3	48.8	144	5.5	9
<i>including</i>	<i>125.5</i>	<i>135.3</i>	<i>9.8</i>	<i>428</i>	<i>14.1</i>	<i>15.9</i>
<i>including</i>	<i>160.6</i>	<i>164.7</i>	<i>4.1</i>	<i>417</i>	<i>18.3</i>	<i>14.8</i>
WPC22-13	150.1	152.9	2.8	1304	37.1	2.5
WPC22-13	158.4	160.8	2.4	820	13	15
WPC22-11	139.1	150.6	11.5	337	10	16.7
WPC22-11	152.7	156.3	3.6	151	5.1	22.3
WPC22-08	114.6	125.5	10.9	157	6.4	9.9
WPC22-07	136.4	142.5	6.1	459	14.8	12.1
WPC22-07	150.1	164.4	14.3	54	1.9	10.3
WPC 21-09	109.4	120.9	11.5	522	14.4	22.5

Shown below are the results of the 2021 drilling at Waterpump Creek. Most notable result: WPC21-02 and WPC21-09 with deeper sulfide mineralization dominated by massive sphalerite and argentiferous galena.

2021 Waterpump Creek Drill Results

Drill hole	From (meters)	To (meters)	Thickness (meters)	Ag g/t	Pb %	Zn %
WPC21-01	21.5	32.4	7.4 (3.1 NR*)	20	0.4	2.5
WPC21-02	23.2	39.9	16.7	256	6.4	0.7
<i>including</i>	23.2	26.2	3.0	1094	27.4	0.3
	36.9	39.9	3.0	287	2.1	2.8

WPC21-03	50.9	52.4	1.5	1337	nil	nil
	63.1	75.6	9.7 (2.8 NR*)	89	7.7	6.3
WPC21-04	64.9	71.2	6.3	76	nil	5.2
including	64.9	66.4	1.5	315	nil	0.5
WPC21-05	35.6	50.9	11.9 (3.4 NR*)	149	nil	2.0
including	35.6	39.0	3.4	507	nil	0.4
WPC21-06	119.7	122.8	3.1	8	0.4	2.5
WPC21-09**	109.4	120.9	10.5 (1.0 NR*)	522	14.5	22.5

* NR- No Sample Recovery

** Restated with additional assays to those previously released

FINANCINGS

On September 6, 2022, the Company issued by private placement, an aggregate of 548,780 common shares for gross proceeds of \$1.7 million (C\$2.2 million).

On August 22, 2022, the Company issued by private placement, an aggregate of 2,378,219 common shares for gross proceeds of \$7.5 million (C\$9.8 million) and incurred share issue costs of \$0.4 million and issued 36,585 finder's shares.

On May 5, 2022, the Company issued by private placement, an aggregate of 4,170,000 common shares for gross proceeds of \$3.9 million (C\$5million) and incurred share issue costs of \$0.1 million

On November 10, 2021, the Company issued 6,124,506 WAM common shares for the concurrent RTO financing of \$4.2 million (C\$5.2 million) and incurred share issuance costs of \$0.4 million.

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.

On March 31, 2021, WACG issued 120 WACG common shares in accordance with the acquisition of Illinois Creek and were valued upon issuance at \$540,000.

In fiscal 2020, WACG issued by private placement, an aggregate of 129 WACG common shares for gross proceeds of \$838,500, and incurred share issue costs of \$34,615.

During the year ended December 31, 2021, 89 WACG common shares were issued for consulting services.

USE OF PROCEEDS

Net proceeds of the financings are used to explore the Company's Alaskan projects and corporate expenditures.

EXERCISE OF STOCK OPTIONS

On February 7, 2023, the Company received \$9,000 and issued 20,000 common shares in relation to a stock option exercise.

During the year ended December 31, 2022, 982,500 common shares were issued from stock option exercises.

During the year ended December 31, 2021, 42 WACG common shares were issued from stock option exercises.

FINANCIAL RESULTS

OVERALL PERFORMANCE

During fiscal year 2022, the Company's main focus was the exploration drilling and assaying of the Company's Waterpump Creek property located within the Illinois Creek Project. The Company also completed two private placements and raised \$13.1 million (C\$17 million) of financing during the year to fund the expand 2022 exploration program and corporate expenses.

SELECTED ANNUAL INFORMATION

The following sets out selected financial information from the Company's most recently completed financial periods being the years ended December 31, 2022, 2021 and 2020, and are derived from, and should be read together with, the Company's annual audited consolidated financial statements.

Summary of components of Consolidated Statements of Operations and Comprehensive Loss	Year Ended December 31, 2022 (\$)	Year Ended December 31, 2021 (\$)	Year Ended December 31, 2020 (\$)
Operating expenses	(2,529,533)	(2,630,763)	(136,837)
Other items	(13,587)	(78,616)	(28,294)
Net loss	(2,543,120)	(2,709,379)	(165,131)
Unrealized foreign exchange loss on translation of foreign operations	(255,643)	(67,439)	-
Comprehensive loss	(2,798,763)	(2,776,818)	(165,131)

Summary of components of Consolidated Statements of Financial Position	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)
Current assets	3,983,312	1,926,623	52,181
Long term deposits	416,810	-	-
Equipment	498,070	-	-
Exploration & evaluation property interests	22,817,887	14,983,643	5,274,721
Investment in joint venture	-	-	3,563,523
Total assets	27,716,079	16,910,266	8,890,425
Current liabilities	2,159,219	846,268	185,712
Long-term liabilities	1,200,000	2,700,000	-
Shareholders' equity	24,356,860	13,363,998	8,704,713
Total liabilities and equity	27,716,079	16,910,266	8,890,425

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's most recent 8 quarterly result:

	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Expenses	\$712,402	\$636,728	\$723,435	\$456,968	\$1,818,896	\$112,251	\$592,923	\$217,810
Loss for the period	\$708,357	\$623,471	\$737,272	\$474,020	\$1,818,896	\$87,951	\$592,923	\$217,810
Pre-RTO: Weighted Average number of common shares outstanding	N/A	N/A	N/A	N/A	N/A	3,054	2,623	2,555
Post-RTO: Weighted Average number of common shares outstanding	20,733,508	20,487,428	17,193,817	13,685,096	6,710,279	N/A	N/A	N/A
Weighted Average number of proportional shares outstanding	236,182	238,643	238,643	238,643	144,520	N/A	N/A	N/A
Loss per share	(0.03)	\$(0.03)	\$(0.04)	\$(0.03)	\$(1.37) *	\$(28.80)	\$(226.05)	\$(82.04)
Exploration and evaluation assets – additions	\$1,102,958	\$3,774,137	\$2,507,785	\$449,364	\$759,505	\$1,533,983	\$7,337,103	\$78,331

*The weighted average number of shares outstanding and loss per share for fiscal year ended December 31, 2021, have been adjusted for the exchange of WACG common shares to WAM common shares post the RTO.

Overall, during the eight recently completed quarters, the Company was in an expansion mode especially starting from the fourth quarter of 2021 whereby the Company incurred more substantial listing expenses as it was preparing to go public.

The Company's operating losses are due to Management fees, Share based payments and consulting and marketing expenses for the Company's management team and its external resources to assist with the Company's engagement with its shareholders and increase in market exposure to the Capital markets. In addition, the Company issued stock options during the year and were expensed as share-based payment.

Results of Operations for the Three Months ended December 31, 2022

The loss for the three months ended December 31, 2022 was \$712,402 compared to \$1,818,896 for the three months ended December 31, 2021. The decrease in the loss from 2021 to 2022 was mainly due to listing expenses of \$1.1 million when the Company underwent an RTO acquisition in November 2021 as well as marketing expenses of \$0.6 million for new shareholders' outreach.

Results of Operations for the Year ended December 31, 2022

The loss for the year ended December 31, 2022 was \$2,363,919 compared to \$2,709,379 for the year ended December 31, 2021. The decrease in the loss from 2021 to 2022 was mainly due to listing expenses of \$1.1 million and stock-based compensation of \$0.3 million related to the RTO transaction. Also contributing to the decrease in expenses were marketing expenses of \$0.3 million in 2022 compared to \$0.6 million in 2021 for new shareholders' outreach, and office and sundry expenses of \$0.06 million in 2022 compared to \$0.2 million in 2021 which included RTO transaction.

Transaction with Related Parties

The Company's related parties include its subsidiaries, key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

Key Management Personnel Compensation

Key management personnel include the Company's Board of Directors and members of senior management.

Year ended – December 31, 2022	Position	Cash Compensation	Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	\$ 180,000	\$ 20,636
Nathan Brewer	Director	-	35,760
David Smallhouse	Director	-	35,760
Gregory Anderson	Senior VP/Director	75,000	26,532
Kevin Nishi	Director	-	35,760
A company controlled by Alex Tong	CFO	113,806	11,792
Joan Marrs	VP Operations	60,000	11,792
Joe Piekenbrock*	Chief Exploration Officer	135,000	8,844
		\$ 563,806	\$ 186,876

Year ended – December 31, 2021	Position	Cash Compensation	Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	\$ 25,000	\$ 54,387
Nathan Brewer	Director	-	19,714
David Smallhouse	Director	-	19,714
Gregory Anderson	Senior VP/Director	18,750	62,740
Kevin Nishi	Director	-	5,780
A company controlled by Alex Tong	CFO	136,329	7,706
Joan Marrs	VP Operations	15,000	48,607
Joe Piekenbrock*	Chief Exploration Officer	135,000	19,713
		\$ 330,079	\$ 238,360

*On March 31, 2021, the Company issued 120 WACG common shares (valued at \$540,000) and \$3,698,000 promissory note payable to a company controlled by Joe Piekenbrock for the Illinois Creek Claims.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table summarizes the fully diluted number of common shares outstanding as at December 31, 2022 and the date of this MD&A if all outstanding and vested options were exercised to purchase common shares:

	December 31, 2022 Undiluted	December 31, 2022 Fully diluted common shares
Common shares	23,810,804	23,810,804
Proportionate shares	224,801	22,480,100
Total Common shares		46,290,904
Options	3,057,500	3,057,500
Fully Diluted Common shares		49,348,404

	As at date of MD&A Undiluted	As at date of MD&A Fully diluted common shares
Common shares	23,830,804	23,830,804
Proportionate shares	224,801	22,480,100
Total Common shares		46,310,904
Options	4,202,500	4,202,500
Fully Diluted Common shares		50,513,404

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

Working Capital

As at December 31, 2022, the Company had working capital of \$1,824,093 (December 31, 2021 - \$1,080,355).

Cash

As at December 31, 2022, the Company had cash of \$3,842,748 (December 31, 2021 - \$1,904,981).

Cash Provided by Operating Activities

Cash used in operating activities during the year ended December 31, 2022, was \$1,623,619. Cash was mostly spent on marketing, consulting fees, management fees and professional fees.

Cash Used in Investing Activities

During the year ended December 31, 2022, the Company spent \$8,785,327 on exploration of mineral properties and deposits for drilling equipments. During the year ended December 31, 2021, the Company spent \$3,237,507 on exploration drilling and assays on its exploration and evaluation properties.

Cash Generated by Financing Activities

During the year ended December 31, 2022, the Company received proceeds of \$12,627,515 from private placements, net of share issuance costs, and received gross proceeds of \$532,300 from exercise of stock options.

The Company has a promissory note payable of \$2,704,333 with 2% interest charge per annum. The repayment details are noted on Note 11 of the Company's audited consolidated financial statements.

GOING CONCERN

The recoverability of amounts shown as mineral exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the mineral property interests. Realized values may be substantially different than carrying values as recorded in these financial statements.

The Company's condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2022, the Company had not achieved profitable operations, had an accumulated deficit of \$5,879,646.

There is presently an ongoing global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's common shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

Requirement of Additional Equity Financing

The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Common Shares to finance its business operations. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL INSTRUMENTS

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”) or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of Financial Assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which applies a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows; the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Financial liabilities are designated as either (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are

recorded. Accounts payable and loans payable are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different; in which case a new financial liability based on the modified terms is recognized at fair value.

RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and amounts receivable. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, in guaranteed investment certificates, and in government treasury bills which are available on demand by the Company for its programs.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest Rate Risk – The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) Foreign Currency Risk – The Company has identified its functional currencies as the US dollar and the US dollar. Business is transacted in Canadian dollars and US dollars. The Company maintains US dollar bank accounts in Canada and the United States to support the cash needs of its operations.

c) Commodity Price Risk – While the value of the Company's mineral properties is related to the price of gold and silver and the outlook for these minerals, the Company does not currently have any operating mines and therefore does not have any hedging or other commodity-based risks with respect to its operating activities.

Historically, the price of gold and silver has fluctuated significantly and is affected by numerous factors outside of the Company's control including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold and silver.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring, and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund

acquisitions and its other activities. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist.

Overview

The Company is subject to many risks that may affect future operations over which the Company has little control. These risks include, but are not limited to, intense competition in the resource industry, market conditions and the Company's ability to access new sources of capital, mineral property title, results from property exploration and development activities, and currency fluctuations. The Company has a history of recurring losses and there is no expectation that this situation will change in the foreseeable future.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs disproportionate to the Company's evaluation of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and operating activities.

Differing Interpretations in Tax Regimes in Foreign Jurisdictions

Tax regimes in foreign jurisdictions may be subject to sudden changes. The Company's interpretation of taxation law where it operates and as applied to its transactions and activities may be different than that of applicable tax authorities. As a result, tax treatment of certain operations, actions or transactions may be challenged and reassessed by applicable tax authorities, which could result in adverse tax consequences for the Company, including additional taxes, penalties or interest.

Tax Matters

The Company is subject to income taxes and other taxes in a variety of jurisdictions and the Company's tax structure is subject to review by both Canadian and United States taxation authorities. The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of natural resource exploration, development and production. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company.

Government Regulation

The Company's mineral exploration activities in United States may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties or the costs related to the Company's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Company's exploration activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Risks Associated Potential Acquisitions

The Company is actively evaluating opportunities to acquire mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company.

Any acquisitions would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful incorporation of acquired assets and businesses; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities associated with acquired assets and businesses, including environmental liabilities. In addition, the Company may need additional capital to finance any such acquisitions. Debt financing related to acquisitions would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Competition and Scarcity of Mineral Lands

The mining industry is intensely competitive, with many companies and individuals engaged in the mining business including large, established mining companies with substantial capabilities. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties. Increased competition for experienced mining professionals, equipment and other resources could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future. The Company does not expect to receive revenues from operations or be profitable in the foreseeable future, if at all. The Company expects to incur losses until such time as a property enters into commercial production and generates sufficient revenues to fund its continuing operations. Development will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability. The Company's operating expenses and capital expenditures may increase in subsequent years due to the cost of employees, consultants, service providers and equipment associated with advancing exploration and development. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the Company's strategic analyses, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which factors are beyond the Company's control.

Commodity Prices

In the event that the Company has a producing mine in the future, the profitability of the Company's business will be largely contingent on the market price for the minerals sold by the Company. A significant reduction in the market price of the metals sold by the Company for any extended period could have a materially adverse effect on the Company's profitability and cash flow. Global metals prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels, political and economic conditions, producer hedging activities, speculative activities, inflation, interest rates and currency exchange rates.

Exploration and Mining Risks

There is no assurance that any exploration activities that the Company may undertake in the future will result in the development of an economically viable mine project. Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. Among the many uncertainties inherent in any mineral exploration and development program are the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary regulatory permits and the construction of mining and processing facilities. In addition, substantial expenditures are required to pursue such exploration and development activities. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. The economic viability of a mineral deposit depends on a number of factors, including without limitation: the characteristics of the orebody and its proximity to infrastructure, costs associated with exploration, development and operation of the mine project, prevailing metal prices, economic and financing conditions.

Dependence on Key Personnel

The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

Capital Market

Historically the Company has been financed through the issuance of common shares and other equity securities. Although the Company has been successful in the past in obtaining financing, the Company has limited access to financial resources and there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all. The ability of the Company to arrange additional financing will depend, in part, on prevailing debt and equity market conditions, and other factors. As a consequence, global economic and financial conditions could adversely impact the Company's financial status and share price.

COVID-19

The outbreak of COVID-19 has had a significant impact on global economic conditions triggering restrictions on the movement of goods and people. These conditions may impact the Company's ability to access its mineral properties to complete further work. The ability of the Company to fund ongoing exploration or projects development is affected by the availability of financing. The extent to which COVID-19 impacts the Company's financial position, results of operations and cash flows in future periods

is not yet known; however, there may be heightened risk of mineral properties impairment and liquidity or going concern uncertainty.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of mineral properties are described in Note 4 of the consolidated financial statements.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

OFF-BALANCE SHEET TRANSACTIONS

There are no off-balance sheet transactions that have not been disclosed herein.

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting policies is included in Note 2 of the consolidated financial statements of the Company for the years ended December 31, 2022.

CHANGES IN ACCOUNTING POLICIES

Refer to Note 2 of the consolidated financial statements of the Company for the years ended December 31, 2022 and 2021.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuer's Annual and Interim Filings, adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying MD&A. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Management's Responsibility over Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.