

**ALASKA SILVER CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

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

	Notes	March 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$	1,497,804	\$ 849,572
GST receivable		38,519	33,389
Prepaid and deposits		86,713	105,347
		1,623,036	988,308
<b>Non-Current Assets</b>			
Equipment	3	1,448,323	1,558,765
Exploration and evaluation properties	4	33,075,843	32,824,305
<b>TOTAL ASSETS</b>	\$	36,147,202	\$ 35,371,378
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	5 \$	934,383	\$ 809,672
Promissory notes – current portion	6, 7	120,000	120,000
		1,054,383	929,672
<b>Non-Current Liabilities</b>			
Promissory notes	6, 7	2,669,646	2,236,065
<b>TOTAL LIABILITIES</b>		3,724,029	3,165,737
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	41,515,136	41,515,136
Reserve for options, warrants and RSUs	8	5,282,276	4,454,546
Reserve for foreign exchange		(231,619)	(218,469)
Accumulated deficit		(14,142,620)	(13,545,572)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		32,423,173	32,205,641
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$	36,147,202	\$ 35,371,378
Nature and continuance of operations	1		
Subsequent event	12		

Approved by the Board of Directors:

“Christopher (Kit) Marrs”  
 \_\_\_\_\_  
 Director

“Kevin Nishi”  
 \_\_\_\_\_  
 Director

**ALASKA SILVER CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024***(Unaudited, Expressed in United States Dollars)*

	Notes	March 31, 2025	March 31, 2024
<b>EXPENSES</b>			
Bank charges	\$	298	\$ 459
Consulting fees		33,854	37,018
Filing and regulatory fees		11,543	6,499
Insurance		7,032	14,189
Management fees	6	186,269	248,177
Marketing expenses		94,276	142,760
Office and sundry		40,654	17,548
Professional fees		103,016	36,673
Share-based payments	6, 8	80,242	245,806
Travel and promotion		25,252	3,070
		(582,436)	(752,199)
<b>OTHER ITEMS</b>			
Foreign exchange gain (loss)		14,184	(530)
Interest expense	7	(31,655)	(33,750)
Interest income		2,859	2,626
<b>LOSS</b>		(597,048)	(783,853)
<b>OTHER COMPREHENSIVE LOSS</b>			
Unrealized foreign exchange loss on translation of foreign operations		(13,150)	(12,987)
<b>COMPREHENSIVE LOSS</b>	\$	(610,198)	\$ (796,840)
<b>LOSS PER SHARE – BASIC</b>	\$	(0.01)	\$ (0.02)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED</b>			
		64,670,020	50,600,506

**ALASKA SILVER CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

*(Expressed in United States Dollars)*

	Notes	March 31, 2025	March 31, 2024
<b>Cash flows used in operating activities:</b>			
Loss for the period		\$ (597,048)	\$ (783,853)
Adjustments for non-cash items:			
Share-based payments	8	80,242	245,806
Interest accrued on Promissory Notes	7	31,086	33,750
		(485,720)	(504,297)
<u>Changes in non-cash working capital</u>			
GST and other receivable		(5,130)	(4,047)
Prepays and deposits		18,634	93,252
Accounts payable and accrued liabilities		170,031	81,951
		(302,185)	(333,141)
<b>Cash flows used in investing activities:</b>			
Exploration costs incurred	4	(186,416)	(560,191)
<b>Cash flows from (used in) financing activities:</b>			
Repayment of promissory note		(30,000)	-
Net proceeds from issuance of promissory notes	6,7	1,179,983	-
		1,149,983	-
Effect of exchange rate changes on cash		(13,150)	(7,815)
Net change in cash for the period		648,232	(901,147)
Cash, beginning of period		849,572	1,191,561
Cash, end of period		\$ 1,497,804	\$ 290,414
<b>Non-cash investing and financing transactions:</b>			
• Amortization included in exploration and evaluation assets		\$ 110,355	\$ 109,971
• Change in accounts payable and accrued liabilities related to exploration and evaluation assets		(45,233)	(383,325)
• Value attributed to warrants issued with promissory notes		\$ 747,488	\$ -

**ALASKA SILVER CORP.**
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**
*(Expressed in United States Dollars, except number of shares)*

	Shares			Option, Warrant and RSUs Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Subordinate Voting	Proportional Voting	Amount				
December 31, 2023	28,120,406	224,801	\$ 35,770,106	\$ 2,990,321	\$ (197,308)	\$ (10,240,555)	\$ 28,322,564
Share-based payments	-	-	-	245,806	-	-	245,806
Foreign translation exchange loss	-	-	-	-	(12,987)	-	(12,987)
Loss	-	-	-	-	-	(783,853)	(783,853)
March 31, 2024	28,120,406	224,801	\$ 35,770,106	\$ 3,236,127	\$ (210,295)	\$ (11,024,408)	\$ 27,771,530
December 31, 2024	42,189,920 <sup>*</sup>	224,801 <sup>*</sup>	\$ 41,515,136	\$ 4,454,546	\$ (218,469)	\$ (13,545,572)	\$ 32,205,641
Issuance of warrants	-	-	-	747,488	-	-	747,488
Share-based payments	-	-	-	80,242	-	-	80,242
Foreign translation exchange loss	-	-	-	-	(13,150)	-	(13,150)
Loss	-	-	-	-	-	(597,048)	(597,048)
	<sup>*</sup>	<sup>*</sup>					
March 31, 2025	42,189,920	224,801	\$ 41,515,136	\$ 5,282,276	\$ (231,619)	\$ (14,142,620)	\$ 32,423,173

*\* The proportional voting shares are exchangeable into a total of 22,480,100 common shares , for no additional consideration. See Note 8.*

**ALASKA SILVER CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Unaudited, Expressed in United States Dollars)****1. NATURE AND CONTINUANCE OF OPERATIONS**

Alaska Silver Corp., (formerly Western Alaska Minerals Corp.), (“Alaska Silver” or the “Company”), was incorporated under the Business Corporations Act of British Columbia on April 8, 2020, as 1246779 B.C. Ltd. (“779”). On April 25, 2025, the Company changed its name from Western Alaska Minerals Corp. to Alaska Silver Corp. The Company is a public company whose common shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol “WAM”. The Company’s registered office is PO Box 881, Talkeetna, Alaska, 99676. As discussed further below, the Company is in the mineral exploration and development business.

**Going Concern**

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenue, has incurred a loss of \$597,048 for the three months ended March 31, 2025 and as that date, has an accumulated operating deficit of \$14,142,620. The Company will require further financing to operate and further develop its business. The Company’s ability to realize its assets and discharge its liabilities is dependent upon it obtaining financing as necessary and ultimately upon its ability to dispose of its mineral property interests on a profitable basis or otherwise achieve profitable operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the Company’s financial position, operational success, cash flow, and prospects. These consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

**2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION****Statement of Compliance**

The condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. Accordingly, these condensed interim consolidated financial statements do not include all of the information required for annual financial statements and therefore should be read in conjunction with the Company’s most recent annual consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited consolidated financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 29, 2025.

**ALASKA SILVER CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Unaudited, Expressed in United States Dollars)****2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

(continued)

**Basis of Presentation**

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

**Basis of Consolidation**

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

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

Subsidiary	Ownership	Location
Western Alaska Copper & Gold Company. ("WACG")	100%	USA
Piek Inc	100%	USA

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

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

**Material Estimates and Assumptions**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. In preparing these condensed consolidated interim financial statements, the judgments made by management in applying the Company's accounting policies and key sources of significant estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended December 31, 2024.

**ALASKA SILVER CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
(Unaudited, Expressed in United States Dollars)

**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

(continued)

**Recent Accounting Pronouncements**

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* to replace IAS 1, *Presentation of Financial Statements*. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective for the Company as of January 1, 2027. The Company is assessing the impact of this standard on the consolidated financial statements.

**3. EQUIPMENT**

<b>Cost</b>	<b>Equipment</b>		<b>Vehicles</b>		<b>Total</b>
Balance, December 31, 2023	\$	2,117,247	\$	180,859	\$ 2,298,106
Additions		1,085		-	1,085
Balance, December 31, 2024	\$	2,118,332	\$	180,859	\$ 2,299,191
Additions		-		-	-
Balance, March 31, 2025	\$	2,118,332	\$	180,859	\$ 2,299,191

**Accumulated Amortization**

Balance, December 31, 2023	\$	274,148	\$	24,545	\$ 298,693
Charge		423,647		18,086	441,733
Balance, December 31, 2024	\$	697,795	\$	42,631	\$ 740,426
Charge		105,920		4,522	110,442
Balance, March 31, 2025	\$	803,715	\$	47,153	\$ 850,868

**Net Book Value**

Balance, December 31, 2024	\$	1,420,537	\$	138,228	\$ 1,558,765
Balance, March 31, 2025	\$	1,314,617	\$	133,706	\$ 1,448,323

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

During the three months ended March 31, 2025, \$110,355 (March 31, 2024 - \$109,971) of depreciation has been capitalized to exploration and evaluation properties (Note 4).



**ALASKA SILVER CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
(Unaudited, Expressed in United States Dollars)

**4. EXPLORATION AND EVALUATION PROPERTIES**

Schedule of cumulative exploration and evaluation properties costs:

	Round Top Property	Honker Property	Illinois Creek Property	Paw Print Property <sup>(1)</sup>	Total
	\$	\$	\$	\$	\$
<b>December 31, 2023</b>	<b>5,281,465</b>	<b>651,031</b>	<b>22,725,689</b>	<b>23,178</b>	<b>28,681,363</b>
Claim maintenance	72,600	19,800	81,881	743	175,024
DNR permit fees	150	150	6,683	-	6,983
Assays	-	-	278,797	-	278,797
Camp	-	-	281,091	-	281,091
Exploration labour	-	-	884,933	-	884,933
Consultant fees	-	-	249,670	-	249,670
Depreciation of equipment (Note 3)	-	-	441,672	-	441,672
Drilling	-	-	913,158	-	913,158
Equipment	-	-	52,487	-	52,487
Fuel	-	-	135,050	-	135,050
Fixed wing & fuel	-	-	267,067	-	267,067
Helicopter & fuel	-	-	270,344	-	270,344
Travel	-	-	114,996	-	114,996
Access route engineering	-	-	9,924	-	9,924
Other field expenses	-	-	61,746	-	61,746
<b>December 31, 2024</b>	<b>5,354,215</b>	<b>670,981</b>	<b>26,775,188</b>	<b>23,921</b>	<b>32,824,305</b>
Claim maintenance	-	-	(5,173)	-	(5,173)
DNR permit fees	-	-	200	-	200
Assays	-	-	6,133	-	6,133
Consultant fees	-	-	139,645	-	139,645
Depreciation of equipment (Note 3)	-	-	110,355	-	110,355
Other field expenses	-	-	378	-	378
<b>March 31, 2025</b>	<b>5,354,215</b>	<b>670,981</b>	<b>27,026,726</b>	<b>23,921</b>	<b>33,075,843</b>

(1) Composed of Paw Print and Khotol properties

**ALASKA SILVER CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Unaudited, Expressed in United States Dollars)****4. EXPLORATION AND EVALUATION PROPERTIES (continued)****Round Top Property, Alaska**

The Round Top Property consists of 92 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

**Honker Property Alaska**

The Honker Property consists of 24 state mineral claims, owned 100% by WACG, located in the Mount McKinley mining district of Alaska.

**Illinois Creek Mine Project, Alaska**

The Company has had an effective interest in this property since 2018. On March 31, 2021, WACG and one of its shareholders, Joe Piekenbrock, entered into a stock purchase agreement (the "Illinois Creek Agreement"), whereby WACG acquired 100% of the issued and outstanding common shares of an Alaska private company, Piek Incorporated ("Piek"), in exchange for 120 WACG common shares (valued at \$540,000) and \$3,698,000 payable by the issuance of a promissory note. See Note 7.

The Company is the sole owner of 134 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 115 new claims were staked by WACG in 2022.

**Other Exploration Target Projects, Alaska**Paw Print Property

The Paw Print Property consists of 18 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

Khotol Property

The Khotol Property consists of 16 state mineral claims, owned 100% by WACG, located in the Mount McKinley and Nulato mining districts of Alaska.

In 2024, the Company staked 3 new claims in the Khotol property for a cost of \$743.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2025	December 31, 2024
Accounts payable	\$ 94,856	\$ 126,067
Accrued liabilities	809,962	670,177
Other payable	29,835	13,428
	\$ 934,383	\$ 809,672

**ALASKA SILVER CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
(Unaudited, Expressed in United States Dollars)

**6. RELATED PARTY TRANSACTIONS**

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

**Due to/from Related Parties**

As at March 31, 2025, \$829,526 (December 31, 2024 - \$722,987) is included in accounts payable and accrued liabilities and \$2,501,998 (December 31, 2024 - \$2,356,065) in promissory note (Note 7) for amounts owing to related parties.

Amounts owing to related parties and included in accounts payable and accrued liabilities are non-interest bearing and have no specific terms of repayment.

**Key Management Personnel Compensation**

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

Three Months ended – March 31, 2025	Position	Salary	Share-based Compensation
Christopher (Kit) Marrs *	CEO/Director	\$ 65,625	\$ 3,279
Nathan Brewer	Director	-	7,109
David Smallhouse	Director	-	7,109
Kevin Nishi	Director	-	7,109
Susan Mitchell	Director	9,000	6,208
Darren Morgans	CFO	25,083	4,596
A company controlled by Alex Tong	Former CFO	-	3,279
Joan Marrs *	VP Operations	47,596	3,279
Joe Piekenbrock *	Chief Exploration Officer	9,000	2,742
Andy West	VP Exploration	52,038	13,750
		\$ 208,342	\$ 58,640

Three Months ended – March 31, 2024	Position	Salary	Share-based Compensation
Christopher (Kit) Marrs	CEO/Director	\$ 72,186	\$ 17,045
Nathan Brewer	Director	-	14,339
David Smallhouse	Director	-	14,339
Gregory Anderson	Senior VP/Director	-	10,823
Kevin Nishi	Director	-	14,339
Susan Mitchell	Director	9,000	6,222
A company controlled by Alex Tong	CFO	25,489	17,045
Joan Marrs	VP Operations	51,560	17,045
Joe Piekenbrock	Chief Exploration Officer	15,615	14,971
Andy West	VP Exploration	60,712	25,136
		\$ 234,562	\$ 151,304

\* salaries to Christopher (Kit) Marrs, Joan Marrs and Joe Piekenbrock for the three months ended March 31, 2025 have been deferred

**ALASKA SILVER CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Unaudited, Expressed in United States Dollars)****7. PROMISSORY NOTES**

On March 31, 2021, and in accordance with the Illinois Creek Agreement, WACG issued a promissory note of \$3,698,000. The promissory note accrued interest at 2.0% per annum.

Under the terms of the promissory note, WACG made payments as follows:

- (i) \$498,000, together with the accrued interest was paid during the year ended December 31, 2021;
- (ii) \$500,000 was paid during the year ended December 31, 2022

Effective April 1, 2023, the promissory note was amended by both parties to increase the interest rate to 5.0% per annum from the previous rate of 2.0% per annum.

On September 30, 2023, the promissory note was further amended by both parties as follows:

- (i) The Company will commence monthly principal repayments of \$25,000 at the later of March 31, 2024 or at the closing of the Company's next financings;
- (ii) The Company will make additional principal reduction payments equal to 6% of all future equity financings;
- (iii) A principal reduction payment of \$750,000 will be due on May 1, 2025;
- (iv) A principal reduction payment of the remaining balance and all accrued interest will be due on December 31, 2025.

On December 31, 2023, the promissory note was once again amended by both parties as follows:

- (i) The Company will commence monthly principal repayments of \$10,000 until the closing of the next financing, at which time the monthly principal payments will increase to \$25,000;
- (ii) The Company will make additional principal reduction payments equal to 6% of all equity financings, plus accrued interest on the outstanding principal balance, due and payable upon closing of each round;
- (iii) A principal reduction payment of \$750,000 will be due on June 1, 2026;
- (iv) A principal reduction payment of the remaining balance and all accrued interest will be due on December 1, 2026.

As at March 31, 2025, the balance of the promissory note was \$2,351,998 (December 31, 2024 - \$2,356,065) with \$265,081 (December 31, 2024 - \$239,148) being accrued interest. During the period ended March 31, 2025, principal repayments of \$30,000 were made.

**ALASKA SILVER CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024  
(Unaudited, Expressed in United States Dollars)****7. PROMISSORY NOTES (continued)**

On March 12, 2025, the Company completed unsecured loan transactions with certain lenders (the “Lenders”), pursuant to which the Company has issued debt units for total consideration of \$1,200,000. Each debt unit included one promissory note in the principal amount of \$1,000 and 2,248 subordinate voting share purchase warrants. The promissory notes will mature after 36 months and bear interest at rate of 10% per annum. A total of 2,697,600 subordinate voting share purchase warrants (the “Warrants”) were issued as part of the debt units. Each Warrant entitles the holder to purchase one subordinate voting share of the Company at an exercise price of CAD\$0.64 for a period of 36 months from the date of issuance.

The Warrants were valued at \$747,488 using the Black-Scholes Option Pricing Model with the following assumptions: annualized volatility of 93.14%, risk-free interest rate of 2.52%, expected life of 3 years and a dividend rate of Nil. The balance of the proceeds was allocated to the promissory notes. The Company also incurred issuance costs of \$20,017 related to this transaction.

The promissory notes carry an effective interest rate of 43.34% and have a net book value of \$437,648 with accrued interest of \$3,287 at March 31, 2025.

**8. SHARE CAPITAL****Authorized Share Capital**

The Company is authorized to issue an unlimited number of subordinate voting shares without par value and an unlimited number of proportionate voting shares.

**Common and Proportionate Shares**

Pursuant to the reverse take-over (“RTO”) transaction in 2021, each WACG common share held by a U.S. resident shareholder was exchanged for either (i) a “Merger Unit”, comprised of 1,000 Alaska Silver subordinate voting shares (“Alaska Silver subordinate voting shares” or “subordinate voting shares”) and 90 Proportional Shares (“Alaska Silver proportional shares” or “proportional shares”); or (ii) 100 Proportional Shares; and each WACG common share held by a non-U.S. resident shareholder was exchanged for 10,000 Alaska Silver subordinate voting shares. The Proportional Shares are, in effect, Subordinate Voting 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 subordinate voting shares at the request of the shareholder and with the consent of the Company.

**Stock Options**

The Company has a stock option plan under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees, and other service providers. The stock option vests according to the provisions of the individual option agreements approved by the directors’

**ALASKA SILVER CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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(Unaudited, Expressed in United States Dollars)****8. SHARE CAPITAL (continued)****Stock Options (continued)**

resolutions and have a maximum of 10 years until expiry. The plan allows for the issuance up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

The changes in stock options are summarized as follows:

	Weighted Average Exercise Price	Number of Shares Issued or Issuable on Exercise*
Balance at December 31, 2023	1.69	3,817,500
Granted	0.54	2,545,000
Exercised	0.66	(490,000)
Expired	0.81	(20,000)
Cancelled	1.67	(225,000)
Balance at December 31, 2024 and March 31, 2025	1.54	5,627,500

On March 1, 2024, the Company granted 1,000,000 options to directors, officers, employees and consultants of the Company. These options may be exercised within 5 years from the date of grant at a price of CAD \$0.49 per Subordinate Voting Share and are vested 1/3 every year starting from March 1, 2024, onwards.

On June 14, 2024, the Company granted 450,000 options to directors, officers and consultants of the Company. These options may be exercised within 5 years from the date of grant at a price of CAD \$0.85 per Subordinate Voting Share. For options granted to directors and officers, the options are vested 1/3 every year starting from June 14, 2024, onwards. For options granted to consultants, the options are vested 1/4 every three months starting from September 12, 2024, onwards.

On December 27, 2024, the Company granted 1,095,000 options to directors and officers of the Company. These options may be exercised within 5 years from the date of grant at a price of CAD \$0.45 per Subordinate Voting Share and were vested immediately on grant date.

During the period ended March 31, 2025, the Company recognized \$56,472 (2024 - \$243,162) in stock-based compensation expenses for options.

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**8. SHARE CAPITAL (continued)****Stock Options (continued)**

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

	March 1, 2024	June 14, 2024	December 27, 2024
Risk-free interest rate	3.50%	3.51%	3.05%
Expected stock price volatility	72.61%	67.89%	67.89%
Expected option life in years	5 years	5 years	5 years
Dividend rate	Nil	Nil	Nil

Stock options outstanding and exercisable on March 31, 2025, are summarized as follows:

Exercise Price (CAD)	Outstanding		Exercisable	
	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Number of Common Shares Issuable on Exercise	Weighted Average Remaining Life (Years)
\$ 0.56	490,000	0.92	490,000	0.92
\$ 0.56	630,000	1.21	630,000	1.21
\$ 0.85	462,500	1.62	462,500	1.62
\$ 0.96	25,000	1.83	25,000	1.83
\$ 1.65	275,000	2.13	275,000	2.13
\$ 2.75	175,000	2.61	175,000	2.61
\$ 3.16	1,125,000	2.81	1,125,000	2.81
\$ 2.70	100,000	3.02	66,000	3.02
\$ 0.49	1,000,000	3.92	660,000	3.92
\$ 0.85	450,000	4.21	191,667	4.21
\$ 0.45	895,000	4.75	895,000	4.75
	5,627,500	2.94	4,995,167	2.94

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**8. SHARE CAPITAL (continued)****Warrants**

The following table summarizes information about warrants outstanding as at March 31, 2025:

	Date Issued	Expiry Date	Exercise Price (CAD)	Number of Warrants Outstanding
Outstanding as of December 31, 2023				2,076,011
Private placement warrants	April 26, 2024	April 26, 2027	0.90	9,403,352
Agents warrants	April 26, 2024	April 26, 2027	0.90	564,200
Private placement warrants	May 8, 2024	May 8, 2027	0.90	3,812,981
Finders warrants	May 8, 2024	May 8, 2027	0.90	92,923
Private placement warrants	May 14, 2024	May 14, 2027	0.90	200,000
Exercise	April 26, 2024	April 26, 2027	0.90	(150,000)
Exercise	April 25, 2024	April 25, 2027	0.65	(13,181)
Outstanding at December 31, 2024			1.17	15,986,286
Promissory note warrants	March 21, 2025	March 21, 2028	0.64	2,967,600
Outstanding at March 31, 2025			1.10*	18,953,886

\*The weighted average exercise price and weighted average life was CAD\$1.10 and 2.12 years, respectively.

The Company's Private placement warrants, Finder warrants and Promissory note warrants are warrants that when exercised by the holder, the Company will issue one subordinate voting share for each warrant exercise. For the Broker warrants, the holder receives one subordinate voting share and one Private placement warrant for each Broker warrant exercise.

**Restricted Share Units**

On March 1, 2024, the Company issued 88,538 restricted share units ("RSU") to two employees with a vesting date being one year from the grant date. Each RSU entitles the holder to be issued one Subordinate Voting Share of the Company on vesting. These RSUs are valued at the date of grant at \$31,984, of which \$5,257 have been recorded as a share-based payment during the period ended March 31, 2025.

On October 17, 2024, the Company issued 114,588 RSUs to three directors with a vesting date being one year from the grant date. Each RSU entitles the holder to be issued one Subordinate Voting Share of the Company on vesting. These RSUs are valued at the date of grant at \$51,666, of which \$12,740 was recorded as a share-based payment during the period ended March 31, 2025.

On December 27, 2024, the Company issued 75,000 RSUs to two employees and an officer with a vesting date being one year from the grant date. Each RSU entitles the holder to be issued one Subordinate Voting Share of the Company on vesting. These RSUs are valued at the date of grant at \$23,411, of which \$5,773 was recorded as a share-based payment during the period ended March 31, 2025.

On March 31, 2025, the Company issued 60,414 RSUs to three directors with a vesting date being one year from the grant date. Each RSU entitles the holder to be issued one Subordinate Voting Share of the Company



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**8. SHARE CAPITAL (continued)**

on vesting. These RSUs are valued at the date of grant at \$28,156 of which \$Nil was recorded as a share-based payment during the period ended March 31, 2025.

The following table summarizes information about RSUs outstanding as at March 31, 2025:

	Date Issued	Vesting Date	No. of RSUs
Grant	March 1, 2024	March 1, 2025	88,538
Grant	October 17, 2024	October 17, 2025	114,588
Grant	December 27, 2024	December 27, 2025	75,000
Grant	March 31, 2025	March 31, 2028	60,414
Outstanding at March 31, 2025			338,540

**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT****Financial Assets and Liabilities**

Information regarding the Company's financial assets and liabilities as at March 31, 2025 and December 31, 2024 are summarized as follows:

	March 31, 2025		December 31, 2024	
Financial Assets				
At amortized cost				
Cash	\$	1,497,804	\$	849,572
	\$	1,497,804	\$	849,572
Financial Liabilities				
At amortized cost				
Accounts payable and accrued liabilities	\$	934,384	\$	809,672
Promissory notes		2,789,646		2,356,065
	\$	3,724,030	\$	3,165,737

**Financial Instrument Risk Exposure**

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

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entry can access at the measurement date.

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**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**Financial Instrument Risk Exposure (continued)**

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

***Currency Risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to currency risk is limited as the majority of its expenditures are denominated in the same currency as its functional currency.

***Commodity Price Risk***

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time. However, the Company is exposed to commodity price risk as it impacts the Company's access to capital and funding.

***Interest Rate Risk***

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and term deposits is limited because of their short-term investment nature. A variable rate of interest is earned on cash and term deposits, changes in market interest rates at the year-end would not have a material impact on the Company's financial statements.

***Market Risk***

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

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**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**Financial Instrument Risk Exposure (continued)**

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place in which it anticipates and determined the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by its operations. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through future equity and debt financing.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 10. As at March 31, 2025, the financial liabilities with the exception of the unsecured loans described in Note 7 are due on demand or within 12 months following the period end date.

**10. CAPITAL MANAGEMENT**

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds for the development and exploration of its mineral properties. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility, making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is not exposed to any external capital requirements. There were no changes to the Company's approach to capital management during the three months ended March 31, 2025.

**11. SEGMENT INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of resource properties (Note 4).

**12. SUBSEQUENT EVENT**

On April 2, 2025, the Company granted 80,000 options to a consultant of the Company. These options may be exercised within 5 years from the date of grant at a price of CAD \$0.64 per Subordinate Voting Share and are vested 1/4 every three months starting from July 2, 2025, onwards.