



WEST RED LAKE
GOLD MINES INC

West Red Lake Gold Mines Inc.

**Condensed Interim Financial Statements
(Expressed in Canadian Dollars)**

Three and Six Months Ended March 31, 2019

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of West Red Lake Gold Mines Inc. (the "Company" or "West Red Lake") are the responsibility of the management and Board of Directors of the Company.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(signed)
Thomas W. Meredith
Executive Chairman, acting as Chief Executive Officer

(signed)
John Kontak
President, acting as Chief Financial Officer

May 28, 2019
Toronto, Canada

West Red Lake Gold Mines Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

| As at | March 31, 2019 | September 30, 2018 |
|---|---------------------------|-------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 17,758 | \$ 40,506 |
| Accounts receivable | 15,600 | 23,649 |
| Prepaid expenses and deposits | 35,976 | 50,594 |
| | 69,334 | 114,749 |
| Property and equipment (Note 3) | 18,708 | 21,041 |
| Exploration and evaluation costs (Note 4) | 12,757,686 | 12,499,119 |
| | \$ 12,845,728 | \$ 12,634,909 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 8) | \$ 178,268 | \$ 187,986 |
| | 178,268 | 187,986 |
| Deferred income tax liabilities | 459,080 | 459,080 |
| | 637,348 | 647,066 |
| Shareholders' Equity | | |
| Share capital (Note 5) | 24,908,366 | 24,516,101 |
| Reserves | 8,182,807 | 8,070,340 |
| Deficit | (20,882,793) | (20,598,598) |
| | 12,208,380 | 647,066 |
| | \$ 12,845,728 | \$ 647,066 |

Nature of operations and going concern (Note 1)

Commitment (Note 9)

Subsequent event (Note 10)

Approved by the Board:

signed "Michael Dehn" _____, Director

signed "Daniel Crandall" _____, Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements

West Red Lake Gold Mines Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

| | Three Months Ended March 31, | | Six Months Ended March 31, | |
|---|---------------------------------|---------------------|-------------------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Expenses | | | | |
| Professional fees (Note 8) | \$ 23,451 | \$ 37,901 | \$ 48,749 | \$ 62,356 |
| Office general and administrative (Note 8) | 12,787 | 9,291 | 17,984 | 24,201 |
| Management fees (Note 8) | 52,500 | 52,500 | 82,500 | 105,000 |
| Shareholder information | 17,201 | 12,839 | 31,203 | 29,429 |
| Insurance | 2,219 | 2,486 | 4,250 | 6,162 |
| Depreciation (Note 3) | 1,167 | 1,519 | 2,333 | 3,039 |
| Marketing | 12,344 | 30,791 | 40,601 | 84,331 |
| Investor relations | 22,250 | 65,249 | 46,640 | 150,279 |
| Travel and entertainment | 11,425 | 3,832 | 25,607 | 35,695 |
| | 155,344 | 216,408 | 299,867 | 500,492 |
| Loss from operations | (155,344) | (216,408) | (299,867) | (500,492) |
| Gain on settlement of debt (Note 5) | 15,672 | - | 15,672 | 24,720 |
| Loss before taxes for the period | \$ (139,672) | \$ (216,408) | \$ (284,195) | \$ (475,772) |
| Deferred tax recovery | - | 27,438 | - | 27,438 |
| Loss and comprehensive loss for the period | \$ (139,672) | \$ (188,970) | \$ (284,195) | \$ (448,334) |
| Basic and diluted loss per share | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| Weighted average number of common shares outstanding - Basic and diluted | 130,414,987 | 121,318,815 | 126,490,108 | 117,668,696 |

The accompanying notes are an integral part of these unaudited condensed interim financial statements



West Red Lake Gold Mines Inc.

Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

| | Number of Shares | Share Capital | Reserves | | Deficit | Total |
|---|---------------------|----------------------|---------------------|-------------------------|------------------------|----------------------|
| | | | Warrants Reserve | Share-based Payments | | |
| Balance, September 30, 2017 | 113,873,927 | \$ 23,483,058 | \$ 1,159,155 | \$ 6,845,910 | \$ (20,001,946) | \$ 11,486,177 |
| Units issued | 5,033,333 | 755,000 | - | - | - | 755,000 |
| Share issue costs | - | (48,292) | - | - | - | (48,292) |
| Warrants issued on private placement | - | (103,435) | 103,435 | - | - | - |
| Deferred premium on flow-through units issued | - | (100,667) | - | - | - | (100,667) |
| Issued for services rendered | 1,235,999 | 160,680 | - | - | - | 160,680 |
| Exercise of warrants | 1,800,000 | 180,000 | - | - | - | 180,000 |
| Fair value of warrants exercised | - | 38,160 | (38,160) | - | - | - |
| Warranty expiry | - | - | (828,781) | 828,781 | - | - |
| Net income for the period | - | - | - | - | (448,334) | (448,334) |
| Balance, March 31, 2018 | 121,943,259 | \$ 24,364,504 | \$ 395,649 | \$ 7,674,691 | \$ (20,450,280) | \$ 11,984,564 |
| Balance, September 30, 2018 | 122,582,259 | \$ 24,516,101 | \$ 103,435 | \$ 7,966,905 | \$ (20,598,598) | \$ 11,987,843 |
| Units issued | 6,283,000 | 439,810 | - | - | - | 439,810 |
| Share issue costs | - | (29,106) | - | - | - | (29,106) |
| Warrants issued | - | (112,467) | 112,467 | - | - | - |
| Issued for services rendered | 1,567,141 | 94,028 | - | - | - | 94,028 |
| Net loss for the period | - | - | - | - | (284,195) | (284,195) |
| Balance, March 31, 2019 | 130,432,400 | \$ 24,908,366 | \$ 215,902 | \$ 7,966,905 | \$ (20,882,793) | \$ 12,208,380 |

The accompanying notes are an integral part of these unaudited condensed interim financial statements

West Red Lake Gold Mines Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

| | Six Months Ended | |
|---|-------------------------|-------------------|
| | March 31, | |
| | 2019 | 2018 |
| Cash flow - Operating activities | | |
| Net loss for the period | \$ (284,195) | \$ (448,334) |
| Adjustments for non-cash items: | | |
| Depreciation | 2,333 | 3,039 |
| Deferred income tax recovery | - | (27,438) |
| Gain on settlement of debt | (15,672) | (24,720) |
| Net changes in non-cash working capital balances: | | |
| Accounts receivable | 8,049 | (19,863) |
| Prepaid expenses and deposits | 14,618 | (29,092) |
| Accounts payable and accrued liabilities | 36,729 | 196,581 |
| | (238,138) | (349,827) |
| Cash flow - Investing activities | | |
| Exploration and evaluation costs - exploration, net of reimbursements | (195,314) | (76,870) |
| | (195,314) | (76,870) |
| Cash flow - Financing activities | | |
| Issue of common shares, net of issue costs | 410,704 | 706,708 |
| Proceeds on exercise of warrants | - | 180,000 |
| | 410,704 | 886,708 |
| Change during the period | (22,748) | 460,011 |
| Cash and cash equivalents, beginning of period | 40,506 | 211,977 |
| Cash and cash equivalents, end of period | \$ 17,758 | \$ 671,988 |

The accompanying notes are an integral part of these unaudited condensed interim financial statements

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended March 31, 2019

(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of operations and going concern

West Red Lake Gold Mines Inc. (the "Company") was incorporated on November 29, 1991 under the Business Corporations Act (Ontario). On May 30, 2012, the Company changed its name from "Hy Lake Gold Inc." to "West Red Lake Gold Mines Inc.". Effective June 29, 2012 the common shares of West Red Lake commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol RLG and prior to that it traded under the symbol HYL.

The Company commenced its current business activities of acquiring, exploring and developing mineral properties on October 1, 2005. Substantially all of the efforts of the Company are devoted to these business activities. To date the Company has not earned significant revenue and is considered to be in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

As at March 31, 2019, the Company had negative working capital of \$108,934 (September 30, 2018 - negative working capital of \$73,237), had not yet achieved profitable operations, has accumulated losses of \$20,882,793 (September 30, 2018 - \$20,598,598) and expects to incur further losses in the development of its business, all of which cast significant doubt upon the Company's ability to continue as a going concern. The Company is in the exploration stage and has no proven reserves or production relating to its operations. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company can obtain sufficient financing to cover planned operations throughout the next twelve month period. Management plans on securing additional financing through the issue of new equity, among other things. There is no assurance that these initiatives will be successful.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

Management believes the going concern assumption to be appropriate for these unaudited condensed interim financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the financial statements.

The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the development of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the 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 the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

The primary office of the Company is located at 82 Richmond Street East, Suite 200, Toronto, Ontario M5C 1P1.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

2. Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 28, 2019, the date the Board of Directors approved the statements.

The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended September 30, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending September 30, 2019 could result in restatement of these unaudited condensed interim financial statements.

Changes in accounting policies

Effective October 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no material impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

The new hedge accounting guidance had no impact on the Company's financial statements.

Below is a summary showing the classification and measurement bases of the Company's financial instruments as at October 1, 2018 as a result of adopting IFRS 9, along with comparison to IAS 39.

| Classification | IAS 39 | IFRS 9 |
|--|--|----------------|
| Cash and cash equivalents | FVTPL | FVTPL |
| Accounts payable and accrued liabilities | Other financial liabilities (amortized cost) | Amortized cost |

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's September 30, 2018 financial statements has been updated as follows:

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended March 31, 2019

(Expressed in Canadian Dollars)
(Unaudited)

2. Statement of compliance (continued)

Changes in accounting policies (continued)

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company’s financial asset consists of cash and cash equivalents, which are classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net loss.

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended March 31, 2019

(Expressed in Canadian Dollars)
(Unaudited)

2. Statement of compliance (continued)

Changes in accounting policies (continued)

Classification and Measurement (continued)

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

New standards not yet adopted and interpretations issued but not yet effective

The following accounting pronouncements have been released but have not yet been adopted by the Company.

(i) IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

3. Property and equipment

Cost

| | Computer Equipment | Machinery and Equipment | Vehicles | Total |
|--------------------------------|-------------------------------|------------------------------------|------------------|-------------------|
| Balance, September 30, 2017 | \$ 10,638 | \$ 161,114 | \$ 66,405 | \$ 238,157 |
| Balance, September 30, 2018 | 10,638 | 161,114 | 66,405 | 238,157 |
| Balance, March 31, 2019 | \$ 10,638 | \$ 161,114 | \$ 66,405 | \$ 238,157 |

Accumulated depreciation

| | Computer Equipment | Machinery and Equipment | Vehicles | Total |
|--------------------------------|-------------------------------|------------------------------------|------------------|-------------------|
| Balance, September 30, 2017 | \$ 8,790 | \$ 140,541 | \$ 61,707 | \$ 211,038 |
| Depreciation | 554 | 4,114 | 1,410 | 6,078 |
| Balance, September 30, 2018 | 9,344 | 144,655 | 63,117 | 217,116 |
| Depreciation | 194 | 1,646 | 493 | 2,333 |
| Balance, March 31, 2019 | \$ 9,538 | \$ 146,301 | \$ 63,610 | \$ 219,449 |

Carrying amounts

| | Computer Equipment | Machinery and Equipment | Vehicles | Total |
|--------------------------|-------------------------------|------------------------------------|-----------------|------------------|
| At September 30, 2018 | \$ 1,294 | \$ 16,459 | \$ 3,288 | \$ 21,041 |
| At March 31, 2019 | \$ 1,100 | \$ 14,813 | \$ 2,795 | \$ 18,708 |

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

4. Exploration and evaluation costs

On a quarterly basis, management of the Company reviews exploration costs to ensure mineral properties and deferred exploration expenditures include only costs and projects that are eligible for capitalization.

| | Balance, September 30, 2018 | Acquisition | Exploration | Reimbursements | Balance, March 31, 2019 |
|-------------|-----------------------------------|-------------|-------------|----------------|-------------------------------|
| Mount Jamie | \$ 5,647,776 | \$ 10,000 | \$ 1,244 | \$ - | \$ 5,659,020 |
| Rowan | 6,197,482 | - | 247,225 | - | 6,444,707 |
| Red Summit | 653,861 | - | 98 | - | 653,959 |
| | \$ 12,499,119 | \$ 10,000 | \$ 248,567 | \$ - | \$ 12,757,686 |

| | Balance, September 30, 2017 | Acquisition | Exploration | Reimbursements | Balance, September 30, 2018 |
|-------------|-----------------------------------|-------------|-------------|----------------|-----------------------------------|
| Mount Jamie | \$ 5,631,167 | \$ 10,000 | \$ 6,609 | \$ - | \$ 5,647,776 |
| Rowan | 5,663,956 | - | 913,411 | (379,885) | 6,197,482 |
| Red Summit | 653,763 | - | 98 | - | 653,861 |
| | \$ 11,948,886 | \$ 10,000 | \$ 920,118 | \$ (379,885) | \$ 12,499,119 |

5. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

Shares issued during the six months ended March 31, 2018, were as follows:

- (i) In December 2017, the Company closed a non-brokered private placement of 5,033,333 flow-through units at a price of \$0.15 per unit for gross proceeds of \$755,000. Each flow-through unit consisted of one flow-through common share and one half of a common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at a price of \$0.25 for a period of 18 months from the date of closing.

The 2,516,666 warrants were assigned a fair value of \$103,435 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 1.61%; expected volatility – 104% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - \$0.13.

- (ii) In December 2017, the Company issued 1,235,999 common shares, with a fair value of \$148,320, in exchange for \$185,400 of services rendered. The valuation was based on the fair value of the shares issued. As a result the Company recorded a gain on settlement of debt of \$37,080.
- (iii) During the six months ended March 31, 2018, 1,800,000 warrants with a weighted average exercise price of \$0.10 (note 6) were exercised for total proceeds of \$180,000.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

5. Share capital (continued)

(b) Issued (continued)

Shares issued during the six months ended March 31, 2019, were as follows:

- (iv) In December 2018, the Company completed a non-brokered private placement of 6,283,000 flow-through units at \$0.07 per flow-through unit for aggregated gross proceeds of \$439,810. Each flow-through unit consists of one common share in capital of the Company and one half of a common share purchase warrant. Each full warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of \$0.10 per share for a period of 18 months from the date of issuance. In connection with the financing, the Company paid finders' fees of \$29,106.

The 3,141,500 warrants were assigned a fair value of \$112,467 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 1.94%; expected volatility – 162% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - \$0.06.

- (v) On January 2, 2019, the Company issued 1,567,141 common shares at a deemed price of \$0.07 per share for \$109,700 of services to the Company by several providers. The valuation was based on the fair value of the shares issued. As a result the Company recorded a gain on settlement of debt of \$15,672.

6. Warrants

The following summarizes the warrant activity for the six months ended March 31, 2018 and March 31, 2019:

| | Number of Warrants | Weighted Average Exercise Price(\$) |
|--------------------------------|-----------------------|--|
| Balance, September 30, 2017 | 14,868,750 | 0.26 |
| Exercised (i) | (1,800,000) | 0.10 |
| Issued (Note 5(b)(i)) | 2,516,666 | 0.25 |
| Expired | (10,794,500) | 0.27 |
| Balance, March 31, 2018 | 4,790,916 | 0.29 |
| Balance, September 30, 2018 | 2,516,666 | 0.25 |
| Issued (Note 5(b)(iv)) | 3,141,500 | 0.10 |
| Balance, March 31, 2019 | 5,658,166 | 0.17 |

(i) The weighted average common share price on date of exercise was \$0.27.

As at March 31, 2019, the following warrants were outstanding:

| Expiry Date | Number of Warrants | Exercise Price(\$) |
|---------------|-----------------------|-----------------------|
| June 29, 2019 | 2,516,666 | 0.25 |
| June 30, 2020 | 3,141,500 | 0.10 |
| | 5,658,166 | 0.17 |

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

7. Stock options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. Exercise prices cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The options vest immediately unless otherwise specified. The maximum aggregate number of common shares under options any time under the Plan cannot exceed 10% of the issued shares.

The following summarizes the stock option activity for the six months ended March 31, 2018 and March 31, 2019:

| | Number of Stock Options | Weighted Average Exercise Price(\$) |
|---|----------------------------|--|
| Balance, September 30, 2017 and March 31, 2018 | 4,000,000 | 0.21 |
| Balance, September 30, 2018 | 3,900,000 | 0.21 |
| Expired | (350,000) | 0.15 |
| Balance, September 30, 2018 and March 31, 2019 | 3,550,000 | 0.22 |

The following table provides additional information about outstanding stock options as at March 31, 2019:

| Expiry | Exercise Price (\$) | Contractual Life (Years) | Number of Options Outstanding |
|-----------------------------|------------------------|-----------------------------|-------------------------------------|
| May 26, 2019 ⁽¹⁾ | 0.25 | 0.15 | 900,000 |
| August 8, 2019 | 0.25 | 0.36 | 1,000,000 |
| August 12, 2019 | 0.26 | 0.37 | 300,000 |
| December 20, 2019 | 0.20 | 0.72 | 350,000 |
| August 14, 2020 | 0.10 | 1.38 | 600,000 |
| August 8, 2021 | 0.25 | 2.36 | 400,000 |
| | 0.22 | 0.74 | 3,550,000 |

As at March 31, 2019, all options are exercisable.

⁽¹⁾ Expired subsequent to March 31, 2019.

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended March 31, 2019

(Expressed in Canadian Dollars)
(Unaudited)

8. Related party transactions

The Company considers key management to be officers and directors. During the three and six months ended March 31, 2019, \$52,500 and \$99,681, respectively (three and six months ended March 31, 2018 - \$65,464 and \$135,361, respectively) of fees were paid or accrued to key management and companies controlled by or related to key management.

Officers and directors of the Company were also reimbursed out of pocket expenses that occurred in the normal course of operations.

At March 31, 2019, accounts payable and accrued liabilities includes \$77,914 (September 30, 2018 - \$68,839) owing to officers, directors and companies controlled by officers and directors.

Accilent Capital Management Inc., ("Accilent") a significant shareholder, purchased an aggregate of 2,300,000 flow-through units and was paid finder's fees of \$11,270 in the December 2018 private placement (see note 5(b)(iv)).

During the three and six months ended March 31, 2019, the Company expensed \$3,263 (three and six months ended March 31, 2018 - \$4,350 and \$8,700, respectively) for rent to Accilent.

The above noted transactions are in the normal course of business and are approved by the Board of Directors.

As at March 31, 2019, directors and officers of the Company that individually control less than 10% of the common shares collectively control 5,977,802 common shares of the Company or approximately 4% of shares outstanding.

As at March 31, 2019, Accilent has indirect control and direction over 37,221,501 common shares and direct control and direction over 696,000 common shares of the Company, representing approximately 27% of shares outstanding.

To the knowledge of directors and officers of the Company, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time, at the sole discretion of the shareholders.

9. Commitment

Pursuant to the letter of agreement dated March 5, 2007 related to the 5 Golden Tree claim portion of the 26 claim Mount Jamie Mine property, a one-time payment of \$500,000 is to be paid within 30 days of the Company obtaining a bankable feasibility study. In addition, the Company must make advance royalty payments of \$10,000 per year, which will be deductible from future net smelter royalties, if any.

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. The Company has an obligation to spend \$439,810 on Canadian exploration expenditures prior to December 31, 2019. As at March 31, 2019, the balance of the obligation is approximately \$439,000.

10. Subsequent event

On May 26, 2019, 900,000 stock options expired unexercised.