



WEST RED LAKE
GOLD MINES INC

West Red Lake Gold Mines Inc.

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

Three Months Ended December 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

February 25, 2020
Toronto, Canada

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

As at	December 31, 2019	September 30, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 131,702	\$ 594,927
Amounts receivable	70,911	18,267
Prepaid expenses and deposits	25,047	34,306
	227,660	647,500
Property and equipment (Note 3)	15,476	16,375
Exploration and evaluation costs (Note 4)	12,955,523	12,543,241
	\$ 13,198,659	\$ 13,207,116
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 362,301	\$ 337,902
Deferred premium on flow-through shares (Note 5(b))	108,590	110,910
	470,891	448,812
Deferred income tax liabilities	381,520	381,520
	852,411	830,332
Shareholders' Equity		
Share capital (Note 5)	25,358,496	25,288,296
Reserves	8,407,940	8,382,940
Deficit	(21,420,188)	(21,294,452)
	12,346,248	12,376,784
	\$ 13,198,659	\$ 13,207,116

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 December 31,	
	2019	2018
Expenses		
Professional fees (Note 8)	\$ 22,180	\$ 25,298
Office general and administrative (Note 8)	10,635	5,197
Management fees (Note 8)	30,000	30,000
Shareholder information	13,560	14,002
Insurance	1,652	2,031
Depreciation (Note 3)	899	1,166
Marketing	2,500	28,257
Investor relations	35,886	24,390
Travel and entertainment	10,744	14,182
	128,056	144,523
Loss before taxes for the period	\$ (128,056)	\$ (144,523)
Deferred tax recovery	2,320	-
Loss and comprehensive loss for the period	\$ (125,736)	\$ (144,523)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - Basic and diluted	134,974,568	122,650,552

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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			Total
			Warrants Reserve	Share-based Payments	Deficit	
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	-	(97,700)	97,700	-	-	-
Net loss for the period	-	-	-	-	(144,523)	(144,523)
Balance, December 31, 2018	128,865,259	\$ 24,829,105	\$ 201,135	\$ 7,966,905	\$ (20,743,121)	\$ 12,254,024
Balance, September 30, 2019	139,812,025	\$ 25,288,296	\$ 291,700	\$ 8,091,240	\$ (21,294,452)	\$ 12,376,784
Units issued	1,430,000	100,100	-	-	-	100,100
Share issue costs	-	(4,900)	-	-	-	(4,900)
Warrants issued	-	(25,000)	25,000	-	-	-
Net loss for the period	-	-	-	-	(125,736)	(125,736)
Balance, December 31, 2019	141,242,025	\$ 25,358,496	\$ 316,700	\$ 8,091,240	\$ (21,420,188)	\$ 12,346,248

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

	Three Months Ended	
	December 31,	
	2019	2018
Cash flow - Operating activities		
Net loss for the period	\$ (125,736)	\$ (144,523)
Adjustments for non-cash items:		
Depreciation	899	1,166
Deferred income tax recovery	(2,320)	-
Net changes in non-cash working capital balances:		
Amounts receivable	(52,644)	(16,575)
Prepaid expenses and deposits	9,259	(8,163)
Accounts payable and accrued liabilities	45,340	49,693
	(125,202)	(118,402)
Cash flow - Investing activities		
Exploration and evaluation costs - exploration, net of reimbursements	(433,223)	(183,578)
	(433,223)	(183,578)
Cash flow - Financing activities		
Issue of units, net of issue costs	95,200	410,704
	95,200	410,704
Change during the period	(463,225)	108,724
Cash and cash equivalents, beginning of period	594,927	40,506
Cash and cash equivalents, end of period	\$ 131,702	\$ 149,230

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 Months Ended December 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 December 31, 2019, the Company had negative working capital of \$243,231 (September 30, 2019 - working capital of \$198,688), had not yet achieved profitable operations, has accumulated losses of \$21,420,188 (September 30, 2019 - \$21,294,452) and expects to incur further losses in the development of its business. These material uncertainties may 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.

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. Management believes that the company has completed its flow-through spending requirements. However, the company received reimbursements related to past exploration expenditures incurred that may be subject to future interest and penalties on unspent flow-through amounts and the Company has accrued for these amounts as of December 31, 2019.

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 Months Ended December 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 February 25, 2020, 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, 2019, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending September 30, 2020 could result in restatement of these unaudited condensed interim financial statements.

Changes in accounting policies

IFRS 16 - Leases ("IFRS 16")

Effective October 1, 2019, the Company adopted 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 on ownership of an underlying asset. Otherwise it is an operating lease. The adoption of IFRS 16 had no impact to these unaudited condensed interim financial statements.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
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(Unaudited)

3. Property and equipment

Cost

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

Accumulated depreciation

	Computer Equipment	Machinery and Equipment	Vehicles	Total
Balance, September 30, 2018	\$ 9,344	\$ 144,655	\$ 63,117	\$ 217,116
Depreciation	388	3,291	987	4,666
Balance, September 30, 2019	9,732	147,946	64,104	221,782
Depreciation	68	658	173	899
Balance, December 31, 2019	\$ 9,800	\$ 148,604	\$ 64,277	\$ 222,681

Carrying amounts

	Computer Equipment	Machinery and Equipment	Vehicles	Total
At September 30, 2019	\$ 906	\$ 13,168	\$ 2,301	\$ 16,375
At December 31, 2019	\$ 838	\$ 12,510	\$ 2,128	\$ 15,476

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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, 2019	Acquisition	Exploration	Reimbursements	Balance, December 31, 2019
Mount Jamie	\$ 5,659,253	\$ -	\$ -	\$ -	\$ 5,659,253
Rowan	6,230,029	-	412,282	-	6,642,311
Red Summit	653,959	-	-	-	653,959
	\$ 12,543,241	\$ -	\$ 412,282	\$ -	\$ 12,955,523

	Balance, September 30, 2018	Acquisition	Exploration	Reimbursements	Balance, September 30, 2019
Mount Jamie	\$ 5,647,776	\$ 10,000	\$ 1,477	\$ -	\$ 5,659,253
Rowan	6,197,482	-	282,601	(250,054)	6,230,029
Red Summit	653,861	-	98	-	653,959
	\$ 12,499,119	\$ 10,000	\$ 284,176	\$ (250,054)	\$ 12,543,241

5. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

Shares issued during the three months ended December 31, 2018, were as follows:

- (i) 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 \$97,700 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 1.85%; expected volatility – 142% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - \$0.06.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
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5. Share capital (continued)

(b) Issued (continued)

Shares issued during the three months ended December 31, 2019, were as follows:

- (ii) On December 31, 2019, the Company completed a non-brokered private placement of 1,430,000 flow-through units at a price of \$0.07 per unit for gross proceeds of \$100,100. Each flow-through unit consisted of one common share in the capital of the Company 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 \$0.10 for a period of 18 months from the date of issuance. In connection with the financing, the Company paid finders' fees of \$4,900.

The 715,000 warrants were assigned a fair value of \$25,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 1.71%; expected volatility - 128% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - \$0.07.

6. Warrants

The following summarizes the warrant activity for the three months ended December 31, 2018 and December 31, 2019:

	Number of Warrants	Weighted Average Exercise Price(\$)
Balance, September 30, 2018	2,516,666	0.25
Issued (Note 5(b)(i))	3,141,500	0.10
Balance, December 31, 2018	5,658,166	0.17
Balance, September 30, 2019	7,016,500	0.10
Issued (Note 5(b)(ii))	715,000	0.10
Balance, December 31, 2019	7,731,500	0.10

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

Expiry Date	Number of Warrants	Exercise Price(\$)
June 30, 2020	3,141,500	0.10
March 16, 2021	2,187,500	0.10
March 26, 2021	187,500	0.10
June 30, 2021	715,000	0.10
September 16, 2021	750,000	0.10
September 26, 2021	750,000	0.10
	7,731,500	0.10

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended December 31, 2019
(Expressed in Canadian Dollars)
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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 three months ended December 31, 2018 and December 31, 2019:

	Number of Stock Options	Weighted Average Exercise Price(\$)
Balance, September 30, 2018 and December 31, 2018	3,900,000	0.21
Balance, September 30, 2019	1,500,000	0.16
Expired	(350,000)	0.20
Balance, December 31, 2019	1,150,000	0.15

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

Expiry	Exercise Price (\$)	Contractual Life (Years)	Number of Options Outstanding
August 14, 2020	0.10	0.62	300,000
August 8, 2021	0.25	1.61	400,000
September 19, 2021	0.10	1.72	450,000
	0.15	1.39	1,150,000

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

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended December 31, 2019

(Expressed in Canadian Dollars)
(Unaudited)

8. Related party transactions

The Company considers key management to be officers and directors. During the three months ended December 31, 2019, \$36,000 (three months ended December 31, 2018 - \$47,181) 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 December 31, 2019, accounts payable and accrued liabilities includes \$110,056 (September 30, 2019 - \$124,665) 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)(i)). Accilent also purchased an aggregate of 1,000,000 flow-through units was paid finder's fees of \$4,900 in the December 2019 private placement (see note 5(b)(ii)).

An officer and director purchased an aggregate of 165,000 flow-through units in the December 2019 private placement (see note 5(b)(ii)).

During the three months ended December 31, 2019, the Company expensed \$3,263 (three months ended December 31, 2018 - \$nil) 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 December 31, 2019, directors and officers of the Company that individually control less than 10% of the common shares collectively control 6,202,252 common shares of the Company or approximately 4% of shares outstanding.

As at December 31, 2019, Accilent has indirect control and direction over 38,262,801 common shares and direct control and direction over 836,875 common shares of the Company, representing approximately 28% 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 \$480,100 prior to December 31, 2020. As at December 31, 2019, the balance of the obligation is approximately \$472,000.

10. Subsequent event

On January 3, 2020, the Company also announced that it has issued 1,285,716 common shares to settle \$90,000 of debt owed by the Company.