



**WEST RED LAKE**  
GOLD MINES INC

**Management Discussion and Analysis -  
Quarterly Highlights**

**December 31, 2018**

**West Red Lake Gold Mines Inc.**  
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**WEST RED LAKE GOLD MINES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS**  
**December 31, 2018**

*This Management Discussion and Analysis (“MD&A”) of West Red Lake Gold Mines Inc. (“West Red Lake Gold”, “RLG” or the “Company”) is dated February 26, 2019. This MD&A has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last management discussion & analysis, being the Management Discussion & Analysis (“Annual MD&A”) for the fiscal year ended September 30, 2018. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee. The audit committee reviews this disclosure and recommends its approval to the Board of Directors.*

*This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with Annual MD&A, the audited annual financial statements of the Company for the years ended September 30, 2018 and 2017 and the unaudited condensed interim financial statements for the three months ended December 31, 2018, together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified.*

*The unaudited condensed interim financial statements for the three months ended December 31, 2018, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.*

*The unaudited condensed interim financial statements for the three months ended December 31, 2018, the audited annual financial statements for the years ended September 30, 2018 and 2017, the Annual MD&A and additional information, including the Company’s Certifications of Annual and Interim Filings and news releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).*

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

| Forward-looking statements   | Assumptions  | Risk factors   |
|--|--|--|
| Potential of the Company's properties to contain economic deposits of gold and/or other metals   | Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties | Gold price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff |
| The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2019 and beyond<br><br>The Company expects to incur further losses in the development of its business | The operating and exploration activities of the Company for the twelve-month period ending December 31, 2019 and beyond, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company   | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions   |
| The Company's ability to carry out anticipated exploration on its property interests   | The exploration activities of the Company for the twelve-month period ended December 31, 2019, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company   | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits   |

|  |   |  |
|--|---|--|
| Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations | Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties | Gold price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; failure to incur qualified expenditures for certain tax credits; the Company's ability to retain and attract skilled staff |
| Management's outlook regarding future trends, including the future price of gold and availability of future financing  | Financing will be available for the Company's exploration and operating activities; the price of gold and/or other applicable metals will be favourable to the Company  | Gold price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions  |
| Prices and price volatility for gold   | The price of gold will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of gold will be favourable   | Changes in debt and equity markets and the spot price of gold; interest rate and exchange rate fluctuations; changes in economic and political conditions  |

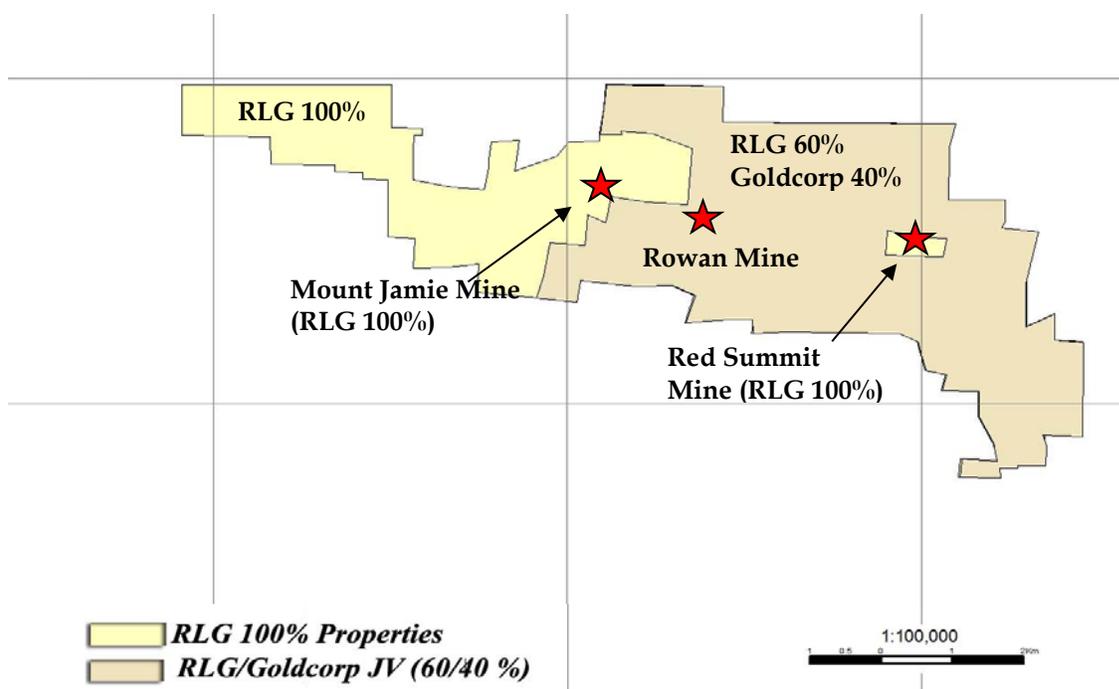
Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## OVERVIEW

West Red Lake Gold is focused on exploring and developing potential gold resources at its 3100 hectare West Red Lake Project property located in the Red Lake Gold District 20km west of some of the highest grade gold mines in Canada. The West Red Lake Project hosts three former gold mines situated on the Pipestone Bay St Paul Deformation Zone which strikes east-west across the 12km property and then continues east towards the town of Red Lake, Ontario. The Rowan Mine property, Mount Jamie Mine property, and Red Summit Mine property are situated on this major regional geological structure and present the Company with a 12km long exploration horizon in a safe and mine-friendly jurisdiction.

The West Red Lake Project consists of three contiguous properties. The Rowan Mine property is 60% owned and operated by the Company and 40% owned by Goldcorp. West Red Lake Gold owns a 100% interest in the Mount Jamie Mine property and Red Summit Mine property.



The Company's geological database on the West Red Lake Project property provides West Red Lake Gold with attractive targets for ongoing exploration and development drilling programs. Significant opportunity exists for expansion of the Company's gold mineral inventory.

The Company filed a Technical Report and Resource Estimate on the West Red Lake Project on Sedar.com on February 18, 2017 which included an underground inferred mineral resource estimate of 4,468,900 tonnes at an average grade of 7.57 grams gold per tonne containing 1,087,700 ounces of gold with a cut-off grade of 3.0 grams per tonne on the Rowan Mine property. The inferred resource is located along a 1.8km strike length from surface down to a depth exceeding 350m at the location of the historic underground Rowan Mine.

The mineral resource estimate is based on a 3D Block Model interpolated using Inverse Distance squared (ID2) methods to extrapolate grades. The software used for all geostatistical analysis and computation was Dassault Systems, Geovia GEMS version 6.5. The database utilized contained 570

diamond drill holes, and a total of 36,062 assay records.

| <b>NI 43-101 Compliant Inferred Resource</b> |                  |                                   |                            |
|--|------------------|-----------------------------------|----------------------------|
| <b>Total</b>                                 | <b>Tonnes</b>    | <b>Grade<br/>(grams/tonne Au)</b> | <b>Contained ounces Au</b> |
|  | <b>4,468,900</b> | <b>7.57</b>                       | <b>1,087,700</b>           |

Note: Price of Au: US\$1150; Exchange rate US\$: CDN \$0.77; Block cut-off grade: 3.0 gpt Au; numbers may differ due to rounding

## **OVERALL PERFORMANCE**

### **Principal Business and Corporate History**

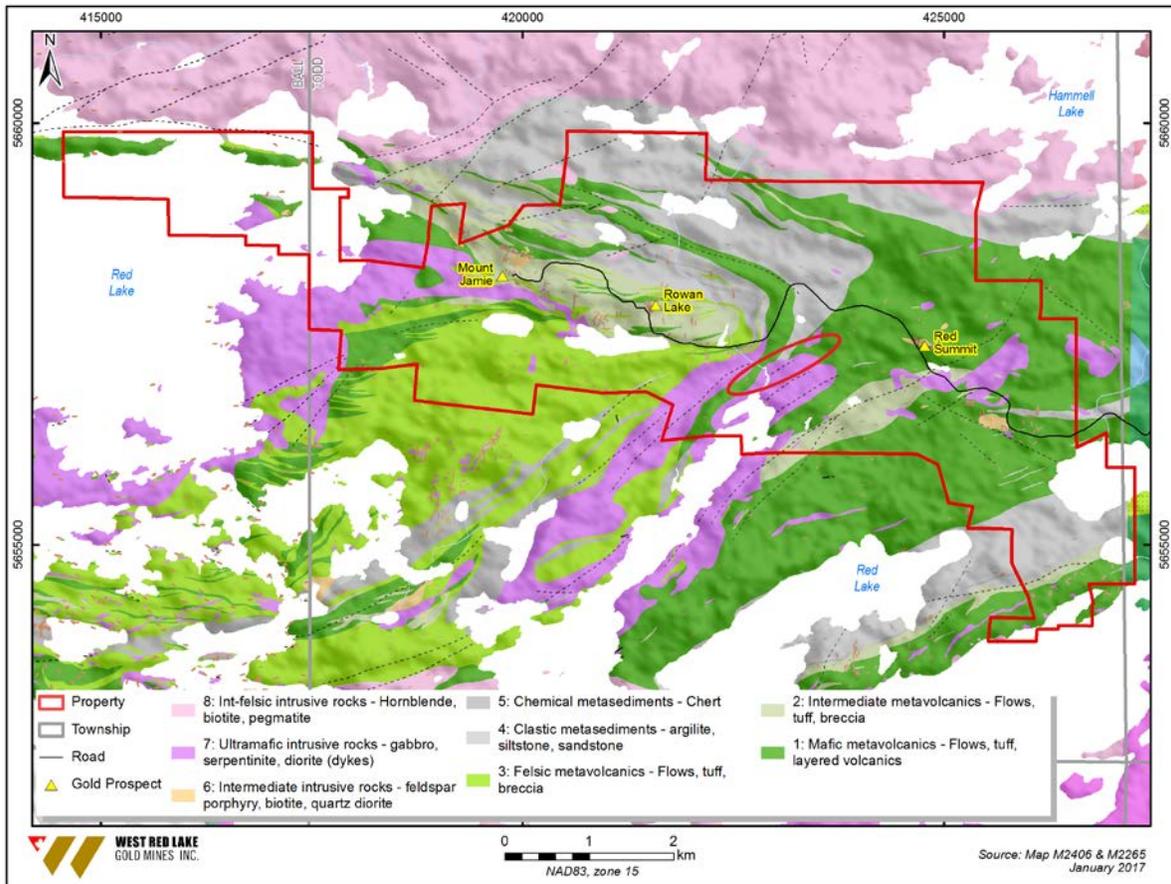
West Red Lake Gold is a Toronto based company listed on the Canadian Securities Exchange (CSE: RLG), OTCQB (OTCQB: RLGFM) and Frankfurt Stock Exchange (FWB: HYK) and is focused on gold exploration and development in the prolific Red Lake Gold District of Northwestern Ontario, Canada. The Red Lake Gold District is host to some of the highest grade gold deposits in the world and has produced nearly 30 million ounces of gold from high grade zones, including 18 million ounces from the Goldcorp operated Campbell, Cochenour, and Red Lake Mines which are situated 20km east of the Company property, the West Red Lake Project.

The financial condition of the Company is affected by various factors, including operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While West Red Lake Gold seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

### **Exploration Activities and Plans**

Exploration is anticipated to be oriented on areas of the West Red Lake Project which are prospective for the development of gold mineralization. Several gold mineral occurrences are present on the West Red Lake Project which is comprised of Rowan Mine property, the Red Summit Mine property, and the Mount Jamie Mine property.

Exploration Targets: The below map shows the project geology with three former mines situated on the east-west trending Pipestone Bay St Paul Deformation Zone.



## Recent Project Developments

### Fiscal 2019

During November and December 2018, the Company completed 1,443 metres of diamond drilling in eight drill holes in the NT Zone which is located on the Rowan Mine property portion of the West Red Lake Project and intersected 14.18 grams per tonne gold over 7.8 metres including 35.26 grams per tonne gold over 3.0 metres. The Company also intersected 6.51 grams per tonne gold over 9.3 metres plus several additional positive gold intersections from shallow drilling. The NT Zone trends north-east from the south property boundary to where this regional scale structure intersects with the east-west trending Pipestone Bay St Paul Deformation Zone. The portion of the NT Zone drilled is located approximately 800 metres south of the former producing Rowan Mine. The next drill program on the property is planned to follow the NT Zone further along strike to the northeast. See January 30, 2019 news release for drill results.

### Fiscal 2018

A drill program was carried out from late October to early December 2017 and consisted of 2,402 metres of drilling over five drill holes. Two holes were drilled near the Rowan Mine Shaft with the deeper hole targeting porphyry formation at depth. A third hole, located 200 metres west of the Rowan Mine Shaft, was drilled to test a geological contact for potential increased hydrothermal activity with attendant mineralization. In the Structural Intersection two holes were drilled into fold hinge targets identified by magnetic geophysics. See February 23, 2018 news release for drill results.

In May 2018, the Company completed a deep diamond drill hole to test the extension of the Rowan gold mineralization at a depth of approximately 500 metres below the present resource and

previous exploration drilling. The 1,272 metre length hole intersected the altered mafic volcanics that host the Rowan mineralization at a depth of 1,122 meters or approximately 1,050 metres below surface. The interval from 1,163.5 to 1,165.0 metres assayed 4.39 grams per tonne Au over 1.5 metres within a 6 meter sericite, carbonate altered feldspar porphyry hosted within the altered mafic volcanic sequence. The presence of gold mineralization within the favourable hydrothermal alteration system hosting the Rowan mineralization 500 metres below the present resource estimate is very encouraging for future exploration to increase the resource at depth. See July 4, 2018 news release for drill results.

*Exploration on all of the Company's West Red Lake Project is conducted under the supervision of Kenneth Guy, P.Geo, a Qualified Person as defined under National Instrument 43-101. Mr. Guy has read and approved the technical and scientific information contained in this MD&A*

### **Recent Corporate Developments**

(i) In December 2018, the Company completed 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 \$137,912 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.

(ii) Subsequent to December 31, 2018, 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.

### **RESOURCE PROPERTIES**

#### **The Company's properties are as follows:**

The 3100 hectare West Red Lake Project consists of three contiguous properties located in Red Lake Mining Division, District of Kenora (Patricia Portion), Northwestern Ontario. The West Red Lake Project is 20km west of Red Lake, Ontario, 250k northeast of Winnipeg, Manitoba, 150km north northwest of Dryden, Ontario and 430km northwest of Thunder Bay, Ontario. The property is part of the historic Red Lake Gold District and hosts three former gold mines - the Mount Jamie Mine, Rowan Mine, and Red Summit Mine.

#### ***Mount Jamie Mine Property***

The Mount Jamie Mine property is comprised of 26 claims which were assembled through a series of transactions of properties that are contiguous to and include the original nine-claim Mount Jamie Mine property.

(1) In 2005, the Company entered into an option agreement to acquire a 75% interest in nine patented mining claims from Jamie Frontier Resources Inc. for \$80,000 in cash, 550,000 common shares of the Company, exploration work totaling \$1 million, and a 3% Net Smelter Royalty ("NSR").

During 2007, the Company completed the acquisition of the remaining 25% interest in the Mount Jamie Mine property for 2,000,000 common shares of the Company. The Company now

has a 100% interest in the nine mining claims located in the Red Lake Gold District in Ontario.

(2) During 2007, the Company entered into an option agreement to earn a 100% interest in five mining claims contiguous to the east of the Mount Jamie Mine property. Total consideration for these claims consisted of cash payments of \$70,000, the issuance of 200,000 common shares of the Company and a commitment to carry out exploration work totaling \$140,000, or cash/shares in lieu of, over a four year period. In February 2012, having met all of the requirements under the option agreement, the Company exercised its option and now owns a 100% interest in the mining claims. The property is subject to a 3% NSR in favour of the vendors, with an annual advance royalty in the amount of \$10,000 plus a onetime payment of \$500,000 due upon the Company completing a bankable feasibility study.

(3) During 2007, the Company entered into an option agreement to acquire a 100% interest in a six mining claim property adjacent to the Mount Jamie Mine property. The claims are contiguous to the west along strike with the Company's existing Mount Jamie Mine property. The Company issued 150,000 common shares as consideration and now owns a 100% interest in the property which is subject to a 3% NSR in favor of the vendors.

(4) During 2008, the Company entered into an option agreement with Rubicon Minerals Corporation to earn a 100% interest in four mining claims contiguous to the south of the Mount Jamie Mine property. The aggregate purchase price consisted of cash payments of \$50,000 and the issuance of 75,000 common shares. The Company now holds a 100% interest in the four mining claims, which is subject to a 2% NSR in favor of Rubicon Minerals Corporation.

(5) During 2010, the Company entered into an option agreement to earn a 100% interest in two mining claims contiguous to the east of the Mount Jamie Mine property. The aggregate purchase price consists of cash payments of \$125,000 and the issuance of 100,000 common shares of the Company over a four year period to 2014. Payments to date under the original option amounted to \$85,000 cash and 100,000 common shares. The property is subject to a 2% NSR in favor of Rubicon Minerals Corporation. On November 24, 2014, the Company amended the option agreement to change the remaining cash commitment of \$40,000 for the year ending September 30, 2015 into two payments with each consisting of \$11,000 and 250,000 common shares on December 31, 2014 (paid and issued) and December 31, 2015 (paid and issued), respectively.

#### ***Rowan Mine Property***

During 2008, the Company entered into an Option and Joint Venture Agreement with Red Lake Gold Mines ("RLGM"), related to RLGM's 117 claim, 2,187 hectare Rowan Mine property, which is contiguous to the east of the Mount Jamie Mine property.

During fiscal 2011, the Company met the requisite exploration expenditures of \$2,500,000 on the Rowan Mine property and exercised its option to acquire a 60% joint venture ownership interest in the property. RLGM advised the Company that it did not intend to exercise the Option Back-In Right to purchase a 20% interest in the property for \$5,000,000. Accordingly, the Company issued 1,000,000 common shares in favour of RLGM, with a fair value of \$340,000.

Subsequent to the formation of the joint venture, RLGM has a joint venture back-in right to purchase 11% interest in the property from the Company, within 90 days of the joint venture expending \$5,000,000 on operations, for \$7,000,000. If RLGM exercises the joint venture back-in right, it will thereafter have a 51% joint venture interest and the Company will have a 49% joint venture interest in the Rowan Mine property.

The Joint Venture Agreement provides that if a Participant's interest falls below 10% the interest converts to a 2% NSR.

### ***Red Summit***

During 2008, the Company entered into an option agreement with Claude Resources Inc. to earn a 100% interest in two patented mining claims containing the former Red Summit Mine which are surrounded by the Rowan Mine property. Total consideration for the claims included a cash payment of \$25,000 plus work commitments of \$100,000. The Company has made the cash payment and completed its work commitments. The mining claims have been transferred into the name of the Company.

The property is subject to a 3% NSR.

### **Project Expenditures**

|                                      | <b>Mount Jamie</b> | <b>Rowan</b>       | <b>Red Summit</b> | <b>Total</b>        |
|--------------------------------------|--------------------|--------------------|-------------------|---------------------|
| <b>Balance at September 30, 2018</b> | <b>\$5,647,776</b> | <b>\$6,197,482</b> | <b>\$653,861</b>  | <b>\$12,499,119</b> |
| Assays                               | -                  | 22,800             | -                 | 22,800              |
| Consulting                           | 481                | 35,388             | -                 | 35,869              |
| Drilling                             | -                  | 143,021            | -                 | 143,021             |
| Insurance                            | -                  | 458                | -                 | 458                 |
| Supplies and camp costs              | -                  | 45,464             | -                 | 45,464              |
| <b>Balance at December 31, 2018</b>  | <b>\$5,648,257</b> | <b>\$6,444,613</b> | <b>\$653,861</b>  | <b>\$12,746,731</b> |

### **RESULTS OF OPERATIONS**

#### **Three months ended December 31, 2018, compared with three months ended December 31, 2017**

The Company has no revenue or operating cash flow. For the three months ended December 31, 2018, the Company's net loss and comprehensive loss amounted to \$144,523 versus a net loss and comprehensive loss of \$259,364 for the three months ended December 31, 2017.

The difference is primarily attributable to:

- Marketing, investor relations and travel and entertainment decreased by a total of \$103,604 for the three months ended December 31, 2018. The decreased fees related to the decrease in overall investor relations activities in the period.
- Management fees decreased by \$22,500 for the three months ended December 31, 2018 compared to the three months ended December 31, 2017. The decreased fees related to the decrease in fees charged by the Executive Chairman in the period.
- All other expenses related to general working capital purposes and have decreased due to the decreased activity of the Company.

## LIQUIDITY AND CAPITAL RESOURCES

The Company had a negative working capital of \$53,502, as at December 31, 2018 (September 30, 2018 - negative working capital of \$73,237).

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. See "Recent Corporate Developments" section above.

### Commitments:

(a) Pursuant to a letter of agreement related to the 5 Golden Tree claims portion of the 26 claim Mount Jamie property dated March 5, 2007, 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.

## ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

## OTHER BUSINESS TRANSACTIONS

### Related Party Transactions

The Company considers key management to be officers and directors. During the three months ended December 31, 2018 \$47,181 (three months ended December 31, 2017 - \$69,867) of fees were paid or accrued to key management and companies controlled by or related to key management.

Remuneration of officers and directors of the Company was as follows:

| Related Party   | Three months ended<br>December 31, |               |
|---|------------------------------------|---------------|
|   | 2018<br>(\$)                       | 2017<br>(\$)  |
| Marrelli Support Services Inc. -<br>Daniel Crandall, Director | 5,181                              | 8,897         |
| Thomas W. Meredith - Executive Chairman                       | -                                  | 22,500        |
| John Kontak - President                                       | 30,000                             | 30,000        |
| John Heslop, Director   | 12,000                             | 8,500         |
| <b>Total</b>  | <b>47,181</b>                      | <b>69,897</b> |

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

At December 31, 2018, accounts payable and accrued liabilities includes \$166,970 (September 30, 2018 - \$68,839) owing to officers, directors and companies controlled by officers and directors as follows:

| Related Party   | As at<br>December 31,<br>2018<br>(\$) | As at<br>September 30,<br>2018<br>(\$) |
|---|---------------------------------------|--|
| Marrelli Support Services Inc. –<br>Daniel Crandall, Director | 14,218                                | 10,211                                 |
| Thomas W. Meredith, Executive Chairman                        | 30,286                                | 30,028                                 |
| John Kontak, President  | 104,466                               | 22,600                                 |
| John Heslop, Director   | 18,000                                | 6,000                                  |
| <b>Total</b>  | <b>166,970</b>                        | <b>68,839</b>                          |

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.

During the three months ended December 31, 2018, the Company expensed \$nil (three months ended December 31, 2017 - \$4,350) for rent to Accilent, a significant shareholder.

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

As at December 31, 2018, directors and officers of the Company that individually control less than 10% of the common shares collectively control 5,463,517 common shares of the Company or approximately 4% of shares outstanding.

As at December 31, 2018, 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 29% 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.

#### **Off-Balance Sheet Transactions**

The Company has not entered into any off-balance sheet arrangements.

#### **Proposed Transactions**

As is typical of the minerals exploration and development industry, the Company continues to review property and competitor company information in search of future opportunities in terms of new property acquisitions and business partnerships. Although no transactions are in progress currently, the Company endeavours to continue research into potential opportunities, and to keep business relationships open should opportunities arise.

#### **SUBSEQUENT EVENT**

Subsequent to December 31, 2018, 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.

## DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure 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 flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## RISK FACTORS

West Red Lake Gold's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. In addition to considering the information disclosed in the financial statements and in the other publicly filed documentation regarding the Company available at [www.sedar.com](http://www.sedar.com), the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Company. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and West Red Lake Gold common shares should be considered speculative.