



WEST RED LAKE
GOLD MINES INC

West Red Lake Gold Mines Inc.

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

Three and Nine Months Ended June 30, 2020

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of West Red Lake Gold Mines Inc. ("West Red Lake Gold", "RLG" or the "Company") 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

August 25, 2020
Toronto, Canada

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

As at	June 30, 2020	September 30, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 753,105	\$ 594,927
Amounts receivable	48,689	18,267
Prepaid expenses and deposits	52,958	34,306
	854,752	647,500
Property and equipment (Note 3)	17,455	16,375
Exploration and evaluation costs (Note 4)	13,225,762	12,543,241
	\$ 14,097,969	\$ 13,207,116
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 295,952	\$ 337,902
Deferred premium on flow-through shares (Note 5(b))	63,460	110,910
	359,412	448,812
Deferred income tax liabilities	381,520	381,520
	740,932	830,332
Shareholders' Equity		
Share capital (Note 5)	26,288,518	25,288,296
Reserves	8,829,506	8,382,940
Deficit	(21,760,987)	(21,294,452)
	13,357,037	12,376,784
	\$ 14,097,969	\$ 13,207,116

Nature of operations and going concern (Note 1)

Commitments (Note 9)

Subsequent events (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 June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
Expenses				
Professional fees (Note 8)	\$ 15,041	\$ 21,866	\$ 117,917	\$ 70,615
Office general and administrative (recovered) (Note 8)	(133,262)	9,070	(105,494)	27,054
Management fees (Note 8)	52,500	52,500	135,000	135,000
Shareholder information	19,221	12,355	59,657	43,558
Insurance	-	2,243	1,652	6,493
Depreciation (Note 3)	1,205	1,167	3,003	3,500
Marketing	3,335	7,552	5,835	48,153
Investor relations	66,566	6,000	281,220	52,640
Travel and entertainment	1,379	3,882	15,895	29,489
Share-based payments (Note 7)	22,266	-	102,266	-
	48,251	116,635	616,951	416,502
Loss from operations	(48,251)	(116,635)	(616,951)	(416,502)
Gain on settlement of debt (Note 5)	-	-	72,366	15,672
Loss before taxes for the period	\$ (48,251)	\$ (116,635)	\$ (544,585)	\$ (400,830)
Deferred tax recovery	70,300	-	78,050	-
Income (loss) and comprehensive income (loss) for the period	\$ 22,049	\$ (116,635)	\$ (466,535)	\$ (400,830)
Basic and diluted income (loss) per share	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - Basic and diluted	160,748,274	130,432,400	148,985,882	127,804,205

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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	-	-	-
Shares issued to settle debt	1,567,141	94,028	-	-	-	94,028
Warranty expiry	-	-	(103,435)	103,435	-	-
Net loss for the period	-	-	-	-	(400,830)	(400,830)
Balance, June 30, 2019	130,432,400	\$ 24,923,133	\$ 97,700	\$ 8,070,340	\$ (20,999,428)	\$ 12,091,745
Balance, September 30, 2019	139,812,025	\$ 25,288,296	\$ 291,700	\$ 8,091,240	\$ (21,294,452)	\$ 12,376,784
Units issued	17,560,000	942,100	-	-	-	942,100
Share issue costs	-	(69,832)	16,000	-	-	(53,832)
Warrants issued	-	(426,000)	426,000	-	-	-
Deferred premium on flow-through units issued	-	(30,600)	-	-	-	(30,600)
Shares issued to settle debt	3,353,318	172,704	-	-	-	172,704
Exercise of warrants	3,141,500	314,150	-	-	-	314,150
Fair value of warrants exercised	-	97,700	(97,700)	-	-	-
Share-based payments	-	-	-	102,266	-	102,266
Net loss for the period	-	-	-	-	(466,535)	(466,535)
Balance, June 30, 2020	163,866,843	\$ 26,288,518	\$ 636,000	\$ 8,193,506	\$ (21,760,987)	\$ 13,357,037

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)

	Nine Months Ended June 30,	
	2020	2019
Cash flow - Operating activities		
Net loss for the period	\$ (466,535)	\$ (400,830)
Adjustments for non-cash items:		
Share-based payments	102,266	-
Depreciation	3,003	3,500
Deferred income tax recovery	(78,050)	-
Gain on settlement of debt	(72,366)	(15,672)
Net changes in non-cash working capital balances:		
Amounts receivable	(30,422)	(233,559)
Prepaid expenses and deposits	(18,652)	33,792
Accounts payable and accrued liabilities	389,750	149,516
	(171,006)	(463,253)
Cash flow - Investing activities		
Exploration and evaluation costs - exploration, net of reimbursements	(869,151)	33,855
Additions to property and equipment	(4,083)	-
	(873,234)	33,855
Cash flow - Financing activities		
Issue of units, net of issue costs	888,268	410,704
Proceeds on exercise of warrants	314,150	-
	1,202,418	410,704
Change during the period	158,178	(18,694)
Cash and cash equivalents, beginning of period	594,927	40,506
Cash and cash equivalents, end of period	\$ 753,105	\$ 21,812

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 Nine Months Ended June 30, 2020

(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of operations and going concern

West Red Lake Gold 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 June 30, 2020, the Company had working capital of \$495,340 (September 30, 2019 - working capital of \$198,688), had not yet achieved profitable operations, has accumulated losses of \$21,760,987 (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.

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 Nine Months Ended June 30, 2020

(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of operations and going concern (continued)

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

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 August 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
Three and Nine Months Ended June 30, 2020
(Expressed in Canadian Dollars)
(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
Additions	4,083	-	-	4,083
Balance, June 30, 2020	\$ 14,721	\$ 161,114	\$ 66,405	\$ 242,240

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	510	1,975	518	3,003
Balance, June 30, 2020	\$ 10,242	\$ 149,921	\$ 64,622	\$ 224,785

Carrying amounts

	Computer Equipment	Machinery and Equipment	Vehicles	Total
At September 30, 2019	\$ 906	\$ 13,168	\$ 2,301	\$ 16,375
At June 30, 2020	\$ 4,479	\$ 11,193	\$ 1,783	\$ 17,455

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Nine Months Ended June 30, 2020
(Expressed in Canadian Dollars)
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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, June 30, 2020
Mount Jamie	\$ 5,659,253	\$ 10,000	\$ 693	\$ -	\$ 5,669,946
Rowan	6,230,029	-	671,828	-	6,901,857
Red Summit	653,959	-	-	-	653,959
	\$ 12,543,241	\$ 10,000	\$ 672,521	\$ -	\$ 13,225,762

	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 nine months ended June 30, 2019, 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 consisted 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.

- (ii) On January 2, 2019, the Company issued 1,567,141 common shares with fair value of \$94,028 to settle \$109,700 of debt owed by the Company. As a result the Company recorded a gain on settlement of debt of \$15,672.

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended June 30, 2020

(Expressed in Canadian Dollars)
(Unaudited)

5. Share capital (continued)

(b) Issued (continued)

Shares issued during the nine months ended June 30, 2020, were as follows:

- (iii) 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.

- (iv) In January 2020, the Company issued 1,285,716 common shares to settle \$90,000 of debt owed by the Company.
- (v) In March 2020, the Company completed a non-brokered private placement of common share units and flow-through share units for aggregated gross proceeds of \$842,000.

The Company issued 1,420,000 flow-through units at a price of \$0.075 per flow-through unit for gross proceeds of \$106,500. 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 per share for a period of 18 months from the date of issuance.

The flow-through units were issued at a premium to the market price in recognition of the tax benefits accruing to the shareholders. The deferred premium on flow-through units was calculated to be \$30,600.

The 710,000 warrants were assigned a fair value of \$12,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.51%; expected volatility - 123% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1.5 years; share price - \$0.045.

The Company issued 14,710,000 common share units at a price of \$0.05 per common share unit for gross proceeds of \$735,500. Each common share unit consisted of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at a price of \$0.10 for a period of 30 months from the date of issuance.

The 14,710,000 warrants were assigned a fair value of \$389,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.51%; expected volatility - 134% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 2.5 years; share price - \$0.045.

In connection with the financing, the Company paid finders' fees of \$48,932 in cash and issued 880,000 broker warrants to purchase common share units at \$0.05 for a period of 12 months.

The 880,000 broker warrants were assigned a fair value of \$16,000 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate - 0.51%; expected volatility - 114% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 1 year; share price - \$0.045.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Nine Months Ended June 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

5. Share capital (continued)

(b) Issued (continued)

- (vi) In March 2020, the Company also announced that it has issued 2,067,602 common shares with fair value of \$82,704 to settle \$155,070 of debt owed by the Company. As a result the Company recorded a gain on settlement of debt of \$72,366.
- (vii) During the nine months ended June 30, 2020, 3,141,500 warrants with a weighted average exercise price of \$0.10 (note 6) were exercised for total proceeds of \$314,150.

6. Warrants

The following summarizes the warrant activity for the nine months ended June 30, 2019 and June 30, 2020:

	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
Expired	(2,516,666)	0.25
Balance, June 30, 2019	3,141,500	0.10
Balance, September 30, 2019	7,016,500	0.10
Issued (Note 5(b)(iii) and (v))	17,015,000	0.10
Exercised (i)	(3,141,500)	0.10
Balance, June 30, 2020	20,890,000	0.10

(i) The weighted average common share price on date of exercise was \$0.125.

As at June 30, 2020, the following warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price(\$)
March 12, 2021 ⁽¹⁾	880,000	0.05
March 16, 2021	2,187,500	0.10
March 26, 2021	187,500	0.10
June 30, 2021	715,000	0.10
September 12, 2021	710,000	0.10
September 16, 2021	750,000	0.10
September 26, 2021	750,000	0.10
September 12, 2022	14,710,000	0.10
	20,890,000	0.10

⁽¹⁾ Exercisable into common share unit, comprised of one common share and one common share purchase warrant exercisable at \$0.10 for period of 30 months.

West Red Lake Gold Mines Inc.
Notes to Condensed Interim Financial Statements
Three and Nine Months Ended June 30, 2020
(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 nine months ended June 30, 2019 and June 30, 2020:

	Number of Stock Options	Weighted Average Exercise Price(\$)
Balance, September 30, 2018	3,900,000	0.21
Expired	(1,250,000)	0.22
Balance, June 30, 2019	2,650,000	0.21
Balance, September 30, 2019	1,500,000	0.16
Expired	(350,000)	0.20
Granted (i)(ii)	3,900,000	0.10
Balance, June 30, 2020	5,050,000	0.11

(i) In March 2020, the Company granted 2,000,000 stock options to consultants and directors of the Company at an exercise price of \$0.10. The option expire 5 years from grant and vested immediately. A fair value of \$80,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.52%; expected volatility - 157% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 5 years; and share price - \$0.045.

(ii) In May 2020, the Company granted 1,900,000 stock options to consultants of the Company at an exercise price of \$0.10. The options expire 2 years from grant. 700,000 stock options vest after 4 months from the grant, 600,000 stock options vest after 8 months from the grant, and 600,000 stock options vest after 12 months from the grant. A fair value of \$94,000 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.28%; expected volatility - 134% (which is based on historical volatility of the Company's share price); dividend yield - nil; expected life - 2 years; and share price - \$0.08. For the three and nine months ended June 30, 2020, \$22,266 (three and nine months ended June 30, 2019 - \$nil) was expensed to share-based payments.

The following table provides additional information about outstanding stock options as at June 30, 2020:

Expiry	Exercise Price (\$)	Contractual Life (Years)	Number of Options Outstanding	Number of Options Exercisable
August 14, 2020	0.10	0.12	300,000	300,000
August 8, 2021	0.25	1.11	400,000	400,000
September 19, 2021	0.10	1.22	450,000	450,000
May 15, 2022	0.10	1.87	1,900,000	-
March 12, 2025	0.10	4.70	2,000,000	2,000,000
	0.11	2.77	5,050,000	3,150,000

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended June 30, 2020

(Expressed in Canadian Dollars)
(Unaudited)

8. Related party transactions

The Company considers key management to be officers and directors. During the three and nine months ended June 30, 2020, \$58,500 and \$153,000, respectively (three and nine months ended June 30, 2019 - \$58,500 and \$158,181, 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 June 30, 2020, accounts payable and accrued liabilities includes \$18,589 (September 30, 2019 - \$124,665) owing to officers, directors and companies controlled by officers and directors.

Accilent Capital Management Inc., ("Accilent") a significant shareholder, participated in the following private placements:

- an aggregate of 2,300,000 flow-through units in the December 2018 private placement (see note 5(b)(i)) and was paid finder's fees of \$11,270;
- an aggregate of 1,000,000 flow-through units in the December 2019 private placement (see note 5(b)(iii)) and was paid finder's fees of \$4,900; and
- an aggregate of 140,000 flow-through units in the March 2020 private placement (see note 5(b)(v)) and was paid finder's fees of \$732.

Accilent also exercised 1,150,000 warrants with weighted average exercise price of \$0.10 during the nine months ended June 30, 2020.

An officer and director purchased an aggregate of 165,000 flow-through units in the December 2019 private placement (see note 5(b)(iii)) and 400,000 flow-through units in the March 2020 private placement (see note 5(b)(v)).

During the three and nine months ended June 30, 2020, the Company expensed \$4,078 and \$11,419, respectively (three and nine months ended June 30, 2019 - \$3,262 and \$6,525, 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 June 30, 2020, directors and officers of the Company that individually control less than 10% of the common shares collectively control 7,015,586 common shares of the Company or approximately 4% of shares outstanding.

As at June 30, 2020, Accilent has indirect control and direction over 39,552,801 common shares and direct control and direction over 836,875 common shares of the Company, representing approximately 25% 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.

West Red Lake Gold Mines Inc.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended June 30, 2020

(Expressed in Canadian Dollars)
(Unaudited)

9. Commitments

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 and \$106,500 prior to December 31, 2021. As at June 30, 2020, the balance of the obligation is approximately \$319,000.

10. Subsequent events

Subsequent to June 30, 2020, 1,450,000 stock options with exercise price of \$0.10 and 1,535,500 warrants with exercise prices of \$0.05 and \$0.10 were exercised for proceeds of \$296,150.

In July 2020, the Company issued 2,700,000 stock options to consultants of the Company at an exercise price of \$0.20. The options expire 3 years after the grant.

In August 2020, the Company issued 500,000 stock options to a certain director and consultants of the Company at an exercise price of \$0.20. The options expire 3 years after the grant.

In August 2020, 200,000 stock options expired unexercised.