WEST RED LAKE GOLD MINES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For The Three Months ended February 29, 2024 and February 28, 2023

(Expressed In Canadian Dollars) - Unaudited

West Red Lake Gold Mines Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

		February 29, 2024		November 30, 2023
Assets				
Current assets				
Cash and cash equivalents	$	**3,848,320**	$	16,308,858
Sales tax receivable		**745,219**		1,027,689
Inventory		**475,253**		350,026
Advances and prepaid expenses		**1,774,994**		1,502,794
		6,843,786		19,189,367
Restricted cash		**169,913**		169,913
Plant and equipment (Notes 6 and 7)		**63,141,123**		60,395,568
Mineral properties (Note 8)		**18,257,912**		18,257,912
Total assets	**$**	**88,412,734**	$	98,012,760
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	**7,196,028**	$	5,262,083
Lease liabilities (Note 7)		**1,178,614**		288,209
Promissory note (Note 9)		**3,937,513**		7,515,048
		12,312,155		13,065,340
Long-term lease liabilities (Note 7)		**1,182,187**		-
Provision for reclamation and closure (Note 10)		**19,394,310**		18,913,016
Total liabilities	**$**	**32,888,652**	**$**	31,978,356
Equity				
Share capital (Note 11)	$	**115,287,883**	$	110,845,911
Reserves		**7,019,231**		6,810,651
Accumulated deficit		**(66,783,032)**		(51,622,158)
Total equity		**55,524,082**		66,034,404
Total liabilities and equity	**$**	**88,412,734**	$	98,012,760

Nature of operations (Note 1)
Commitments and contingencies (Note 15)
Subsequent events (Note 17)

Approved and authorized for issuance on behalf of the Board of Directors:

"Thomas W. Meredith" Director

“Susan Neale” Director

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

West Red Lake Gold Mines Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended February 29, 2024	Three months ended February 28, 2023
Expenses		
Exploration and evaluation expenses (Note 8)	**$ 12,207,768**	$ 86,328
Salaries, benefits and directors' fees (Note 12)	**1,018,228**	75,387
Consulting (Note 12)	**220,879**	123,790
Office and administration	**61,218**	51,406
Professional fees	**190,310**	104,323
Regulatory and filing	**59,879**	44,352
Marketing and investor relations	**321,721**	25,109
Travel	**46,530**	4,735
Share-based compensation (Notes 11 and 12)	**642,974**	1,530,293
Depreciation (Note 6)	**320,467**	-
	(15,089,974)	(2,045,723)
Finance income	**131,685**	22,963
Interest on lease liabilities	**(32,244)**	-
Reclamation accretion expense (Note 10)	**(159,829)**	-
Foreign exchange loss	**(10,512)**	-
Loss and comprehensive loss	**$ (15,160,874)**	$ (2,022,760)
Basic and diluted loss per share	**$ (0.07)**	$ (0.05)
Weighted average number of common shares outstanding - basic and diluted	**221,770,334**	39,914,301

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

West Red Lake Gold Mines Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except share information)
(Unaudited)

	Share Capital				
	Shares issued	Amount	Reserves	Accumulated Deficit	Total Equity
At November 30, 2022	**14,868,066**	**$ 20,705,484**	**$ 198,059**	**$ (19,115,519)**	**$ 1,788,024**
Asset acquisition (Note 5)	37,151,916	15,603,805	63,544	-	15,667,349
Share-based compensation (Note 11)	-	-	1,530,293	-	1,530,293
Loss and comprehensive loss	-	-	-	(2,022,760)	(2,022,760)
At February 28, 2023	**52,019,982**	**$ 36,309,289**	**$ 1,791,896**	**$ (21,138,279)**	**$ 16,962,906**
At November 30, 2023	**215,172,729**	**$ 110,845,911**	**$ 6,810,651**	**$ (51,622,158)**	**$ 66,034,404**
Settlement of promissory note (Note 9)	6,900,000	3,588,000	-	-	3,588,000
Settlement of debt (Note 11)	50,000	30,000	-	-	30,000
Shares issued on exercise of Broker's warrants (Note 11)	857,150	707,553	(407,550)	-	300,003
Shares issued on exercise of Share Options (Note 11)	166,250	116,419	(26,844)	-	89,575
Share-based compensation (Note 11)	-	-	642,974	-	642,974
Loss and comprehensive loss	-	-	-	(15,160,874)	(15,160,874)
At February 29, 2024	**223,146,129**	**$ 115,287,883**	**$ 7,019,231**	**$ (66,783,032)**	**$ 55,524,082**

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

West Red Lake Gold Mines Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)
Unaudited

	Three months ended February 29, 2024	Three Months ended February 28, 2023
Operating activities		
Loss	$ (15,160,874)	$ (2,022,760)
Adjust for:		
Share-based compensation	642,974	1,530,293
Reclamation accretion expense	159,829	-
Foreign exchange loss	10,465	-
Depreciation	320,467	-
Interest on lease liabilities	32,244	-
Changes in non-cash working capital items:		
Sales tax receivable	282,470	108,036
Advances and prepaid expenses	237,776	8,109
Inventory	(125,227)	-
Accounts payable and accrued liabilities	1,510,713	(261,513)
	(12,089,163)	(637,835)
Investing activities		
Acquisition of RLG, net of cash acquired (Note 5)	-	3,353,760
Purchase of equipment	(38,950)	-
	(38,950)	3,353,760
Financing activities		
Deferred financing costs	(56,744)	-
Payment on lease liabilities (Note 7)	(665,259)	-
Proceeds from exercise of broker warrants (Note 11)	300,003	-
Proceeds from exercise of stock options (Note 11)	89,575	-
	(332,425)	-
Change in cash and cash equivalents	(12,460,538)	2,715,925
Cash and cash equivalents, beginning	16,308,858	1,641,230
Cash and cash equivalents, end	$ 3,848,320	$ 4,357,155

Supplemental cash flow information (Note 5)		
Settlement of deferred consideration with common shares	$ 3,588,000	$ -
Settlement of debt with common shares	$ 30,000	$ -
Deferred financing costs included in accounts payable and accrued liabilities	$ 453,232	$ -
Non-cash acquisition costs for RLG	$ -	$ 15,667,349
Prepaid expenses acquired from RLG	$ -	$ 22,809
Sales tax receivable acquired from RLG	$ -	$ 142,406
Accounts payable and accrued liabilities acquired from RLG	$ -	$ 407,241
Deferred transaction costs	$ -	$ 204,477

No cash was paid for income taxes during the three months ended February 29, 2024 and February 28, 2023.

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

1. NATURE OF OPERATIONS

West Red Lake Gold Mines Ltd. (the "Company" or "WRLG") is an exploration and development stage entity engaged in the acquisition, exploration and evaluation and development of gold properties in the Red Lake Gold District of Northwestern Ontario. The Company was incorporated under the Business Corporations Act (Ontario) as New Dolly Varden Minerals Inc., and continued under the Business Corporations Act (British Columbia) on November 27, 2017, as DLV Resources Ltd. The Company changed its name to West Red Lake Gold Mines Ltd. on December 29, 2022, and is listed on the TSX Venture Exchange ("TSXV") under the symbol 'WRLG'. The Company's registered and records office is 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

On December 30, 2022, the Company acquired 100% of the issued and outstanding common shares of West Red Lake Gold Mines Inc. ("RLG") in exchange for common shares of the Company ("the RLG Transaction") (Note 5). As a result, the Company owns an interest in mineral titles and claims located in the Red Lake Gold District of Northwestern Ontario henceforth referred to as the Rowan Property. In addition, the Company entered into a definitive share purchase agreement (the "SPA") with Pure Gold Mining Inc. ("Pure Gold") and a fund managed by Sprott Resource Lending Corp. ("Sprott") to acquire on June 16, 2023, the Madsen gold mine and associated land package (the "Madsen Mine" or "Madsen"), in the Red Lake Gold District, through the acquisition of all of the issued and outstanding common shares of Pure Gold (Note 5).

The business of exploring for minerals and development of projects involves a high degree of risk. The Company is an exploration and development company and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital; development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permits or, alternatively the Company's ability to dispose of its exploration and evaluation assets on an advantageous basis. The Company has yet to determine if the Madsen Mine or Rowan Property contains economically recoverable mineral reserves.

2. BASIS OF PREPARATION

Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Certain disclosures required by IFRS have been condensed or omitted in the following note disclosures as they are disclosed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the years ended November 30, 2023 and 2022 ("Annual Financial Statements"), which have been prepared in accordance with IFRS. These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual financial statements except for certain pronouncements disclosed in Note 3. The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 24, 2024

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries West Red Lake Gold Mines (Ontario) Ltd. and Red Lake Madsen Mine Ltd. The financial results of the subsidiaries are included in these consolidated financial statements from the date of acquisition. Intercompany balances and transactions are eliminated on consolidation.

3. IFRS PRONOUNCEMENTS

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the IASB issued targeted amendments to IAS 12 – *Income Taxes* to specify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specific circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company adopted these amendments in the three months ended February 29, 2024. These amendments did not have a material effect on the Company's financial statements.

Amendments to IAS 1 – Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company does not expect these amendments to have a material effect on the Company's financial statements. The Company does not intend to apply these amendments before the effective date.

Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concepts when making judgments about accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Prospective application is required on adoption. The Company does not expect these amendments to have a material effect on the Company's annual financial statements. However, we do expect changes to the accounting policy information disclosed.

(Expressed in Canadian dollars, except as otherwise stated)

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN ACCOUNTING POLICIES

The significant judgments, estimates and assumptions made by management in applying the Company's accounting policies are consistent with those that applied to the Annual Financial Statements and actual results may differ from these estimates.

5. ASSET ACQUISITIONS

RLG Acquisition

On August 16, 2022, the Company entered into an arm's length binding letter agreement (the "LOI") with RLG, a Toronto-based mineral exploration company focused on gold exploration and development in the Red Lake Gold District of Northwestern Ontario, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of RLG in consideration for the issuance of 0.1215 (the "Exchange Ratio") of a WRLG common share for each RLG common share acquired. Completion of the RLG Transaction was subject to RLG completing a flow-through financing to raise gross proceeds of up to $4,600,000 (the "Financing"). On August 26, 2022, the LOI was amended to reduce the Financing to a minimum of $4,000,000. The Financing closed with gross proceeds of $4,100,000 on August 26, 2022, in which WRLG sourced the subscribers and managed the process of the Financing and the subsequent disbursements. The LOI was subsequently replaced by an amalgamation agreement entered into on September 15, 2022.

On December 30, 2022, the RLG Transaction was completed and RLG amalgamated with 1000310732 Ontario Ltd., a wholly owned subsidiary of WRLG, to form a new amalgamated company called 'West Red Lake Gold Mines Inc.', which became a wholly owned subsidiary of WRLG, and subsequently changed its name to West Red Lake Gold Mines (Ontario) Ltd. on February 20, 2023.

Pursuant to the RLG Transaction, the Company issued 24,964,548 common shares to former RLG shareholders, and 10,487,368 common shares to subscribers of the Financing (of which a major shareholder of the Company participated). Holders of convertible securities of RLG received convertible securities of the Company as adjusted by the Exchange Ratio, resulting in the issuance of replacement options of the Company to acquire 978,075 common shares ("Replacement Options") and replacement warrants of the Company to acquire 538,603 common shares ("Replacement Warrants"). The Company also issued an aggregate of 1,700,000 common shares as finders fee to certain third parties in connection with the RLG Transaction.

The Company has been identified as the acquirer and the continuing entity for reporting purposes and RLG the entity being acquired. The consideration paid on the acquisition of RLG has been accounted for as assets acquired and recorded in the accounts of the Company at its fair value determined as follows:

		December 30, 2022
Consideration		
35,451,916 common shares issued at a price of $0.42 per share	$	14,889,805
978,075 Replacement Options		38,930
538,603 Replacement Warrants		24,614
1,700,000 common shares issued as finders fees at a price of $0.42 per share		714,000
Transaction costs		260,731
	$	**15,928,080**

(Expressed in Canadian dollars, except as otherwise stated)

Identifiable net assets		
Cash and cash equivalents	$	3,410,014
Sales tax receivable		142,406
Prepaid expenses and deposits		22,809
Mineral properties		12,760,092
Accounts payable and accrued liabilities		(407,241)
	$	**15,928,080**

The shares issued were fair valued using the share price (converted based on the Exchange Ratio) obtained from a private placement in RLG that closed just prior to the change of control versus quoted market price as the WRLG shares were thinly traded or not active.

The Replacement Options were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.83 - $1.65; ii) expected share price volatility of 75%; iii) risk-free interest rate of 3.55% - 4.07%; iv) expected life of 0.08 - 4.02 years; and v) no dividend yield. The Replacement Warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.83 ii) expected share price volatility of 75%; iii) risk-free interest rate of 4.07%; iv) expected life of 1 year; and v) no dividend yield.

Madsen Acquisition

On May 17, 2023, the Company announced that it had entered into the SPA with Pure Gold and a fund managed by Sprott to acquire the Madsen Mine, in the Red Lake Gold District of Northwestern Ontario, through the acquisition of all of the issued and outstanding common shares of Pure Gold (the "Madsen Acquisition").

On June 16, 2023, the Company completed the Madsen Acquisition, pursuant to the Approval and Reverse Vesting Order (the "Order") granted by the British Columbia Supreme Court in Pure Gold's proceedings under the *Companies Creditors Arrangement Act*. Pursuant to the terms of the Order and the SPA the Company paid $6,500,000 in cash, granted a 1% secured net smelter royalty on the Madsen Mine, issued a promissory note in the amount of US$6,783,932 (Note 8) to a fund managed by Sprott, and issued 32,566,174 common shares and 8,164,503 common shares on June 16, 2023, and June 29, 2023, respectively to a fund managed by Sprott.

In connection with the Madsen Acquisition, the Company paid finders fees of $325,000 in cash and issued 2,036,534 common shares. A further 3,750,000 warrants were issued to certain parties in consideration for guarantees of the initial payments required pursuant to the Madsen Acquisition, exercisable at $0.42 per share until June 16, 2028 (the "Guarantee Warrants").

(Expressed in Canadian dollars, except as otherwise stated)

On completion of the Madsen Acquisition Pure Gold became a wholly subsidiary of WRLG and changed its name to Red Lake Madsen Mine Ltd. on June 27, 2023. The consideration paid on the acquisition of the Madsen Mine has been accounted for as assets acquired and recorded in the accounts of the Company at its fair value determined as follows:

		June 16, 2023
Consideration		
Cash		6,500,000
Promissory note – US$6,783,282		8,953,435
32,566,174 and 8,164,503 common shares issued at a price of $0.65 and $0.62 per share, respectively		26,230,005
3,750,000 Guarantee warrants		1,738,635
2,036,534 common shares issued for advisory fees at a price of $0.65 per share		1,323,747
Transaction costs		1,189,268
	$	**45,935,090**
Identifiable net assets		
Cash and cash equivalents	$	433,498
Amounts receivable and prepaid expenses		1,892,128
Sales tax receivable		334,123
Plant and equipment		60,645,898
Mineral properties		4,043,811
Restricted cash		169,913
Accounts payable and accrued liabilities		(2,362,367)
Provision for reclamation and closure		(19,221,914)
	$	**45,935,090**

The granting of the 1% net smelter royalty was ascribed a fair value of $nil as the obligation is considered contingent as it does not exist independently of the Company's future actions.

The Guarantee Warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.42; ii) expected share price volatility of 75%; iii) risk-free interest rate of 3.52% iv) expected life of 5 years; and v) no dividend yield.

(Expressed in Canadian dollars, except as otherwise stated)

6. PLANT AND EQUIPMENT

		Plant		Mobile Equipment		Total
Cost						
At November 30, 2022	$	-	$	-	$	-
Additions on Madsen Acquisition (Note 5)		53,829,252		6,816,646		60,645,898
Additions		-		571,822		571,822
Change in provision for reclamation and assumptions (Note 10)		(571,750)		-		(571,750)
Balance as at November 30, 2023		53,257,502		7,388,468		60,645,970
Additions (Note 7)		38,950		2,705,607		2,744,557
Change in provision for reclamation and assumptions (Note 10)		321,465		-		321,465
Balance as at February 29, 2024	**$**	**53,617,917**	**$**	**10,094,075**	**$**	**63,711,992**
Accumulated Depreciation						
At November 30, 2022	$	-	$	-	$	-
Depreciation		-		(250,402)		(250,402)
Balance as at November 30, 2023		-		(250,402)		(250,402)
Depreciation		-		(320,467)		(320,467)
Balance as at February 29, 2024	**$**	**-**	**$**	**(570,869)**	**$**	**(570,869)**
Net book value at November 30, 2023	$	53,257,502	$	7,138,066	$	60,395,568
Net book value at February 29, 2024	**$**	**53,617,917**	**$**	**9,523,206**	**$**	**63,141,123**

7. LEASES

(a) Right-of-use assets

		February 29, 2024		November 30, 2023
Right-of-use assets, beginning of period	**$**	**367,369**	$	-
Additions		**2,705,607**		380,975
Depreciation		**(83,670)**		(13,606)
Balance, end of period	**$**	**2,989,306**	$	367,369

The right-of-use assets recognized by the Company of $2,989,306 (November 30, 2023 - $367,369) are all included in mobile equipment (Note 6).

(Expressed in Canadian dollars, except as otherwise stated)

(b) Lease liabilities

	February 29, 2024	November 30, 2023
Lease liabilities, beginning of period	**$ 288,209**	$ -
Additions	**2,705,607**	380,975
Interest expense on lease liabilities	**32,244**	6,128
Payment of lease liabilities	**(665,259)**	(98,894)
Balance, end of period	**$ 2,360,801**	$ 288,209
Current portion	**1,178,614**	288,209
Non-current portion	**1,182,187**	-
Balance, end of period	**$ 2,360,801**	$ 288,209

The undiscounted values of the lease liabilities as at February 29, 2024 was $2,579,996 (November 30, 2023 - $296,680).

8. MINERAL PROPERTIES

	Rowan	Madsen	Total
Balance, November 30, 2022	$ -	$ -	$ -
Asset acquisitions (Note 5)	12,760,092	4,043,811	16,803,903
Acquisition of joint venture interest	1,444,009	-	1,444,009
Royalty payments	10,000	-	10,000
Balance, November 30, 2023	14,214,101	4,043,811	18,257,912
Balance, February 29, 2024	**$ 14,214,101**	**$ 4,043,811**	**$ 18,257,912**

Details of the exploration and evaluation expenses that have been incurred on the Rowan and Madsen properties during the three months ended February 29, 2024, are as follows:

	Rowan	Madsen	Joint Support Services	Total
Labour and wages	$ 92,608	$ 3,799,915	$ -	$ 3,892,523
Contractors and consulting	122,713	1,782,595	384,101	2,289,409
Drilling	25,031	771,838	-	796,869
Material and consumables	-	2,902,491	-	2,902,491
Equipment rentals	62,845	238,272	-	301,117
Lab analysis	214,992	645,647	-	860,639
Site admin, support, camp, logistics and other	182,974	981,746	-	1,164,720
For the three months ended February 29, 2024	**$ 701,163**	**$ 11,122,504**	**$ 384,101**	**$ 12,207,768**

During the three months ended February 28, 2023, exploration and evaluation expenditures of $86,328 were for site admin, support, camp, logistics and other incurred at Rowan.

Madsen Property

On June 16, 2023, the Company completed the acquisition of the Madsen Mine pursuant to the Madsen Acquisition (Note 5). The Madsen Mine is located in the Red Lake gold camp of Northwestern Ontario and is comprised of a contiguous group of 251 mining leases, mining patents and unpatented mining claims covering an aggregate area of 4,648 hectares (46.5 km^2). The Madsen Mine is subject to a 1% Net Smelter Royalty ("NSR").

Rowan Property

On December 30, 2022, the Company completed the acquisition of the Rowan Property pursuant to the RLG Transaction (Note 5) subject to a 28% interest in certain Rowan Property claims which were acquired as discussed below. The 3,100 hectare Rowan Property consists of three contiguous properties located in Red Lake Mining Division, District of Kenora (Patricia Portion), Northwestern Ontario and hosts three past producing mines - Rowan Mine, Mount Jamie Mine, and Red Summit Mine.

On February 23, 2023, the Company entered into a joint venture interest purchase agreement with Evolution Mining Ltd. ("Evolution Mining") to purchase Evolution Mining's 28% interest in certain claims on the Rowan Property, increasing the Company's ownership of those claims to 100% (the "Purchase Agreement"). On closing of the Purchase Agreement, the Company paid $250,000 and issued 3,645,000 common shares with a value of $1,129,150 to Evolution Mining on March 8, 2023, and granted a 2.5% NSR to Evolution Mining on certain claims on the Rowan Property. The Company also issued an aggregate of 182,250 success fee common shares with a value of $56,498 to certain third parties in connection with the Purchase Agreement and incurred transaction costs of $8,361.

The Rowan Property is comprised of 146 claims – 58 patented claims, 20 leased, 65 staked crown and 3 under license of occupation.

Certain claims within the property are subject to a NSR ranging from 2% to 3%, some of which can be repurchased, with an annual advance royalty of $10,000 plus a one-time payment of $500,000 due on the Company completing a bankable feasibility study.

9. PROMISSORY NOTE

In connection with the Madsen Acquisition (Note 5), the Company issued a promissory note as deferred consideration in the amount of US$6,783,932 which is payable upon a change of control of the Company. The Company has the right to pay down any part of the deferred consideration prior to any change of control of the Company. The fund managed by Sprott may, at its election, convert such portion of the US$6,783,932 deferred consideration into common shares, upon completion of any future equity, merger, acquisition or other corporate transaction. On August 24, 2023, the fund managed by Sprott converted US$1,250,838 of the promissory note into common shares of the Company (Note 11). On December 14, 2023, the fund managed by Sprott converted a further US$2,631,463 of its promissory note into 6,900,000 units of the Company (Note 11). On April 3, 2024, the remaining balance of the promissory note of US$2,901,631 was converted by a fund managed by Sprott into 2,901.631 Gold-Linked Note Units (Note 17).

(Expressed in Canadian dollars, except as otherwise stated)

		USD		CDN
Balance, November 30, 2022	$	-	$	-
Issued (Note 5)		6,783,932		8,953,435
Conversion into shares (Note 11)		(1,250,838)		(1,680,000)
Translation adjustment		-		241,613
Balance, November 30, 2023		5,533,094		7,515,048
Conversion into units (Note 11)		(2,631,463)		(3,588,000)
Translation adjustment		-		10,465
Balance, February 29, 2024	**$**	**2,901,631**	**$**	**3,937,513**

10. PROVISION FOR RECLAMATION AND CLOSURE

The Company recognized a liability relating to its Madsen Mine on acquisition and has determined that no significant reclamation and closure liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the reclamation and closure provision as at February 29, 2024, using a pre-tax discount rate of 3.46% and an inflation rate of 2.00%. The estimated total undiscounted cash flows to settle the provision for reclamation and closure as of February 29, 2024, is $28,934,140. The Company has estimated that payments will commence in 2030.

Balance, November 30, 2022	$	-
Provision recognized on acquisition (Note 5)		19,221,914
Reclamation accretion expense		262,852
Change in assumptions		(571,750)
Balance, November 30, 2023		18,913,016
Reclamation accretion expense		159,829
Change in assumptions		321,465
Balance, February 29, 2024	**$**	**19,394,310**

11. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and fully paid

For the three months ended February 29, 2024

On December 14, 2023, the Company issued 6,900,000 units as conversion of $3,588,000 (US$2,631,463) of the obligations under the promissory note at a price of $0.52 per unit (Note 9). Each unit consists of one common share and one common share purchase warrant exercisable at $0.68 per share purchase warrant until November 28, 2026.

On January 11, 2024, the Company issued 50,000 common shares at a deemed price of $0.60 per share for the settlement of $30,000 in debt owed to an arm's length creditor.

During the three months ended February 29, 2024, 166,250 common shares were issued on the exercise of stock options for gross proceeds of $89,575 and 857,150 common shares were issued on the exercise of warrants for gross proceeds of $300,003.

For the year ended November 30, 2023

On November 28, 2023, pursuant to a brokered private placement, the Company issued 29,000,000 units in the capital of the Company at a price of $0.52 per unit with each unit consisting of one common share and one common share purchase warrant exercisable at $0.68 until November 28, 2026 for total gross proceeds of $15,080,000. The Company also issued 1,298,800 non-transferrable broker warrants exercisable at $0.52 until November 28, 2025. The Broker Warrants have been recorded at a fair value of $378,444. The fair value of the Broker Warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 4.3%, expected life of 2.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. In addition, the Corporation paid cash commissions and finders fees of $687,918 in relation to the financing and paid $452,550 in other costs related to the private placement. Total cash share issue costs related to the private placement totalled $1,140,468.

On August 24, 2023, the Company issued 2,400,000 common shares as conversion of $1,680,000 (US$1,250,838) of the obligations under the promissory note at a price of $0.70 per share (Note 9).

On August 11, 2023, the Company issued 10,000,000 flow-through shares pursuant to a non-brokered flow-through private placement at a price of $0.70 per flow-through share for total proceeds of $7,000,000. The Company paid total cash share issuance costs of $298,713 consisting of finder's fees of $192,288 and $106,425 in other costs related to the share issuance. There was no flow-through premium liability recorded on issuance of the flow-through shares as there was no difference between the fair value and the issuance price of its flow-through shares.

In connection with the Madsen Acquisition (Note 5), the Company completed a bought deal financing for 70,829,000 subscription receipts ("Subscription Receipts") at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $24,790,150 (the "Offering"). The gross proceeds from the Offering were placed into escrow pending satisfaction of certain escrow release conditions, including satisfaction of all conditions to completion of the Madsen Acquisition. The Madsen Acquisition was completed on June 16, 2023 and the escrow release conditions were met, with each Subscription Receipt being converted, for no additional consideration, into one common share of the Company. On June 16, 2023 and June 29, 2023, the Company issued an aggregate of 40,730,677 common shares to acquire the Madsen Mine and issued an aggregate of 2,036,534 common shares for payment of advisory services to certain third parties in connection with the Madsen Acquisition (Note 5).

As consideration for the bought deal financing above, the Underwriter received cash commission of $1,090,924 and 3,714,300 broker warrants ("Broker Warrants"), with each Broker Warrant entitling the holder to acquire one common share of the Company at a price of $0.35 per share until June 16, 2025. The Broker Warrants have been recorded at a fair value of $1,766,043. The fair value of the Broker Warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 3.8%, expected life of 2.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid $552,786 in other costs related to the Offering. Total cash share issue costs related to the Offering totalled $1,643,710.

On June 16, 2023, the Company issued 1,714,286 flow-through shares pursuant to a non-brokered private placement of $600,000 in flow-through shares at a price of $0.35 per flow-through share. There was no flow-through premium liability recorded on issuance of the flow-through shares as there was no difference between the fair value and the issuance price of its flow-through shares.

(Expressed in Canadian dollars, except as otherwise stated)

In May 2023, the Company issued 600,000 common shares by way of a non-brokered private placement at price of $0.35 per share concurrent with the Offering for gross proceeds of $210,000.

In February 2023, the Company issued an aggregate of 3,827,250 common shares in connection with the Purchase Agreement (Note 8).

In December 2022, the Company issued an aggregate of 35,451,916 common shares to the RLG shareholders and issued an aggregate of 1,700,000 finder fees common shares to certain third parties in connection with the RLG Transaction (Note 5).

During the year ended November 30, 2023, 15,000 common shares were issued on the exercise of stock options for gross proceeds of $7,500 and 2,000,000 common shares were issued on the exercise of warrants for gross proceeds of $700,000.

(c) Stock options

The Company has established a rolling Stock Option Plan (the "Plan"). Under the Plan, the number of options reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options vest as per the Plan at the discretion of the Board of Directors.

A summary of the changes in options follows:

	Number of options		Weighted average exercise price
Balance, November 30, 2022	-	$	-
Granted	13,813,075		0.62
Exercised	(15,000)		0.50
Forfeited	(101,250)		0.60
Expired	(589,275)		1.49
Balance, November 30, 2023	13,107,550		0.59
Exercised	(166,250)		0.54
Forfeited	(262,500)		0.53
Balance, February 29, 2024	**12,678,800**	**$**	**0.59**

As of February 29, 2024, the following options were outstanding:

Outstanding		Exercisable		Exercise price	Remaining contractual life (years)	Expiry date
206,550	(1)	206,550	$	0.83	0.31	June 20, 2024
133,650	(1)	133,650		0.83	1.03	March 12, 2025
48,600	(1)	48,600		0.83	2.85	January 4, 2027
150,000		-		0.50	4.08	March 28, 2028
3,745,000		3,745,000		0.50	8.84	December 30, 2032
315,000		127,500		0.50	8.96	February 13, 2033
6,875,000		1,793,750		0.62	4.33	June 26, 2028
420,000		105,000		0.69	4.41	July 26, 2028
785,000		196,250		0.60	4.55	September 14, 2028
12,678,800		**6,356,300**	**$**	**0.59**	**5.68**	

(1) Replacement Options issued in connection with the RLG Transaction (Note 5)

(Expressed in Canadian dollars, except as otherwise stated)

During the three months ended February 29, 2024, nil stock options were granted. During the three months ended February 28, 2023, 5,318,075 stock options were granted to directors, officers, consultants and employees with a weighted average exercise price of $0.63 and a weighted-average fair value of $0.32 per stock option.

The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the three months ended February 28, 2023, excluding the Replacement Options (Note 5):

	Three months ended February 28, 2023
Risk free interest rate	**3.28%**
Expected life of Option	**10.0**
Annualized volatility	**75%**
Dividend rate	**0.0**
Forfeiture rate	**0.0**

Share-based compensation expense of $378,574 was recognized for stock options on the condensed interim consolidated statement of loss and comprehensive loss during the three months ended February 29, 2024 (2023: $1,530,293).

(d) Restricted Share Unit and Deferred Share Unit Compensation Plan

The Company has established a “fixed” restricted share unit (“RSU”) and deferred share unit (“DSU”) compensation plan (the “RSU/DSU Plan”). Under the RSU/DSU Plan the maximum number of restricted share units and deferred share units (“Awards”) that may be reserved is 5,201,998 Awards.

A summary of the changes in RSUs:

	Number of RSU		**Weighted average exercise price**
Balance, November 30, 2022	-	$	-
Granted	2,165,000		0.62
Forfeited	(30,000)		0.62
Balance November 30, 2023	2,135,000		0.62
Forfeited	(184,000)		0.62
Balance, February 29, 2024	**1,951,000**	**$**	**0.62**

During the three months ended February 29, 2024 and February 28, 2023, the Company granted nil RSU’s. Share-based compensation expense of $153,221 was recognized for RSU’s on the condensed interim consolidated statement of loss and comprehensive loss during the three months ended February 29, 2024 (2023: $nil).

A summary of the changes in deferred share units DSUs:

	Number of DSU		**Weighted average grant date fair value**
Balance, November 30, 2022	-	$	-
Granted	700,000		0.63
Balance, November 30, 2023	700,000		0.63
Balance, February 29, 2024	**700,000**	**$**	**0.63**

(Expressed in Canadian dollars, except as otherwise stated)

During the three months ended February 29, 2024 and February 28, 2023, the Company granted nil DSU's. Share-based compensation expense of $111,179 was recognized for DSU's on the condensed interim consolidated statement of loss and comprehensive loss during the three months ended February 29, 2024 (2023: $nil).

Warrants

A summary of the changes in warrants follows:

	Number of warrants		Weighted average exercise price
Balance, November 30, 2021 and 2022	-	$	-
Issued	38,301,703		0.62
Exercised	(2,000,000)		0.35
Balance, November 30, 2023	36,301,703	$	0.63
Issued	6,900,000		0.68
Exercised	(857,150)		0.35
Expired	(538,603)		0.82
Balance, February 29, 2024	**41,805,950**	**$**	**0.64**

As of February 29, 2024, the following warrants were outstanding:

Outstanding and exercisable	Exercise price	Expiry date
857,150	0.35	June 16, 2025
3,750,000	0.42	June 16, 2028
35,900,000	0.68	November 28, 2026
1,298,800	0.52	November 28, 2025
41,805,950	**0.64**	

12. RELATED PARTY TRANSACTIONS

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and includes officers and directors of the Company. During the three months ended February 29, 2024 and February 28, 2023, remuneration to officers and directors of the Company was as follows:

		Three months ended February 29, 2024		Three months ended February 28, 2023
Salaries, benefits and directors' fees	**$**	**632,976**	**$**	20,000
Share-based compensation	**$**	**448,236**	**$**	540,675
Consulting fees	**$**	**-**	**$**	6,000

Consulting fees related to consulting services from a company associated with one of its former directors in relation to various studies.

(Expressed in Canadian dollars, except as otherwise stated)

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

As of February 29, 2024 and November 30, 2023, $nil amounts were owing to officer and directors, or companies controlled by officers and directors of the Company.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration, development and evaluation of assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all components of equity and debt, net of cash, and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

The properties in which the Company currently has an interest are in the exploration and development stage. As such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company included the components of equity, and promissory note, net of cash.

Capital, as defined above, is summarized in the following table:

		February 29, 2024		November 30, 2023
Equity	**$**	**55,524,082**	$	66,034,404
Promissory note		**3,937,513**		7,515,048
Less: Cash and cash equivalents		**(3,848,320)**		(16,308,858)
Less: Restricted cash		**(169,913)**		(169,913)
	$	**55,443,362**	$	57,070,681

14. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities and promissory note.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

(Expressed in Canadian dollars, except as otherwise stated)

Cash and cash equivalents, restricted cash and accounts payable and accrued liabilities are classified as level 1 in the fair value hierarchy. The fair values of the Company's cash and cash equivalents, restricted cash, accounts payable and accrued liabilities and promissory note approximate their carrying values due to their short-term nature. The promissory note is classified as level 3 in the fair value hierarchy.

Financial Risk

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments potentially subject to credit risk are cash and cash equivalents and restricted cash. The Company holds cash and cash equivalents with large Canadian banks. Accordingly, the Company does not believe it is subject to significant credit risk. The Company's maximum exposure to credit risk is as follows:

		February 29, 2024		November 30, 2023
Cash and cash equivalents	**$**	**3,848,320**	$	16,308,858
Restricted cash		**169,913**		169,913
	$	**4,018,233**	$	16,478,771

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As of February 29, 2024, the Company had a working capital deficit (current assets less current liabilities) of $5,468,369. The Company recorded a loss of $15,160,874 and a cash outflow from operating activities of $12,089,163 for the three months ended February 29, 2024, and had an accumulated deficit of $66,783,032 as of February 29, 2024. The Company does not currently have a recurring source of revenue. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. On March 19, 2024, and April 3, 2024, the Company issued units (the "Gold-Linked Note Units") for total gross proceeds of $32,944,473 (US$24,264,000) (Note 17). The Company's significant undiscounted commitments at February 29, 2024 are as follows:

		Less than 1 year		1 to 3 years		4 to 5 years		Over 5 years		Total
Trade and other payables	$	7,196,028	$	-	$	-	$	-	$	7,196,028
Lease payments (Note 7)		1,303,229		1,176,763		100,004		-		2,579,996
Promissory note (Note 9)		3,937,513		-		-		-		3,937,513
Reclamation and closure costs (Note 10)		-		-		-		28,934,140		28,934,140
	$	**12,436,770**	**$**	**1,176,763**	**$**	**100,004**	**$**	**28,934,140**	**$**	**42,647,677**

Foreign Currency Risk

The functional currency of the Company and its subsidiaries is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily includes US dollar denominated cash and the promissory note. The Company maintains Canadian and US dollar bank accounts in Canada.

As at February 29, 2024, the Company's US dollar net financial liabilities were US$2,881,567. Thus a 10% change in the Canadian dollar versus the US dollar exchange rates would give rise to a $391,029 change in loss and comprehensive loss. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. Future declines in commodity prices may impact the valuation of long-lived assets. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action, if any, to be taken by the Company.

15. COMMITMENTS AND CONTINGENCIES

During the year ended November 30, 2023, the Company raised $7,600,000 in flow-through financing (Note 11) and is required to incur flow-through expenditures by December 31, 2024, in the same amount. As of February 29, 2024, the balance of the obligation was $4,245,155.

If the Company does not incur the amount of the eligible flow-through expenditures by December 31, 2024, or if there is a reduction in such amount renounced pursuant to the provisions of the Income Tax Act, the Company shall indemnify the purchaser for an amount equal to the amount of any tax payable or that may become payable under the Income Tax Act (and under any corresponding provincial legislation) by the purchaser as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity.

16. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and development of gold properties. All of the Company's assets are located in Canada.

17. SUBSEQUENT EVENTS

On March 19, 2024, and April 3, 2024, pursuant to a brokered private placement, the Company issued an aggregate of 24,264 Gold-Linked Note Units at a price of US$1,000 per Gold-Linked Note Unit for total gross proceeds of $32,944,473 (US$24,264,000). Each of the Gold-Linked Note Units consists of a gold-linked note in the aggregate principal amount of US$1,000 (the "Gold-Linked Notes") and 710 common share purchase warrants exercisable at $0.95 until March 19, 2029.

The Gold-Linked Notes represent senior unsecured obligations of the Company. The Gold-Linked Notes bear a 12% per annum coupon, calculated and payable quarterly in arrears, and will mature on December 31, 2029. Commencing January 1, 2026, the Company will place gold in escrow on a quarterly basis into a gold trust account. The aggregate principal amount of Gold-Linked Notes outstanding will be repaid by the Company on a quarterly basis, commencing on March 31, 2026, and with the final payment on December 31, 2029. The Gold-Linked Notes will amortize based on a guaranteed floor price of US$1,800 per ounce of gold (the "Floor Price"). Any excess proceeds by which the gold price exceeds the Floor Price will be paid to investors as a premium.

On April 3, 2024, a fund managed by Sprott and the Company entered into a debt amendment agreement allowing the remaining balance of the Promissory note of US$2,901,631 to be converted into Gold-Linked Note Units. On April 3, 2024, the remaining balance of the Promissory Note of US$2,901,631 was converted into 2,901.631 Gold-Linked Note Units (Note 9).

Subsequent to February 29, 2024, the Company granted 7,164,400 stock options, 1,947,000 RSU's and 600,000 DSU's. In addition, the Company issued 2,363,575 common shares on the exercise of warrants with 428,575 warrants having an exercise price of $0.35 per share and 1,935,000 warrants having an exercise price of $0.68 per share. Also, the Company issued 148,500 common shares on the exercise of stock options with 118,500 stock options having an exercise price of $0.50 per share and 30,000 stock options having an exercise price of $0.62 per share.