



WEST RED LAKE

GOLD MINES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For The Three Months Ended March 31, 2026 and March 31, 2025

Expressed in thousands of Canadian dollars - Unaudited

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

	As at March 31, 2026		As at December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	\$ 35,917	\$	42,438
Receivables (Note 5)	6,003		7,862
Inventories (Note 6)	7,928		7,891
Advances and prepaid expenses	2,159		1,155
Derivative assets (Note 9)	331		-
	52,338		59,346
Restricted cash	170		170
Advances for plant and equipment	1,866		1,054
Mineral property, plant and equipment (Note 7)	227,858		213,228
Total assets	\$ 282,232	\$	273,798
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	\$ 24,677	\$	30,386
Flow-through premium (Note 12)	212		668
Lease liabilities (Note 8)	6,183		6,138
Gold-linked notes (Note 9)	10,746		6,962
Credit facility (Note 10)	8,021		6,290
	49,839		50,444
Lease liabilities (Note 8)	10,012	\$	11,500
Gold-linked notes (Note 9)	56,756		54,846
Credit facility (Note 10)	36,826		37,910
Provision for reclamation and closure (Note 11)	22,213		22,014
Total liabilities	\$ 175,646	\$	176,714
Equity			
Share capital (Note 12)	\$ 253,104	\$	237,895
Reserves	25,128		26,623
Accumulated other comprehensive income (loss) ("OCI")	2		(523)
Accumulated deficit	(171,648)		(166,911)
Total equity	106,586		97,084
Total liabilities and equity	\$ 282,232	\$	273,798

Commitments and contingencies (Note 20)

Subsequent events (Note 22)

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 thousands of Canadian dollars, except per share and share information) - Unaudited

	Three months ended March 31, 2026	Three months ended March 31, 2025
Revenue (Note 13)	\$ 41,862	\$ 2,107
Cost of sales		
Production costs (Note 14)	(22,045)	(1,286)
Royalties	(393)	-
Depreciation and depletion	(4,135)	(33)
Income from mining operations	15,289	788
Exploration and evaluation expenses (Note 7)	(2,148)	(207)
General and administrative expenses (Note 15)	(2,878)	(3,198)
Share-based compensation expenses (Note 12)	(1,693)	(1,988)
Income (loss) from operations	8,570	(4,605)
Change in fair value of gold-linked notes (Note 9)	(8,033)	(6,367)
Finance expense (Note 16)	(4,108)	(587)
Finance income	221	175
Other income and expenses (Note 17)	202	806
Foreign exchange loss	(1,589)	(89)
Net loss	\$ (4,737)	\$ (10,667)
Other comprehensive gain (Note 9)	525	896
Loss and comprehensive loss	\$ (4,212)	\$ (9,771)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	406,957,766	328,410,685

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 thousands of Canadian dollars except share information) - Unaudited

	Share Capital			Reserves	Accumulated OCI	Accumulated Deficit	Total Equity
	Shares Issued	Amount					
At December 31, 2024	318,877,672	\$ 177,677	\$ 19,089	\$ 109	\$ (167,412)	\$ 29,463	
February 2025 flow-through public offering (net of costs) (Note 12)	23,628,000	12,906	3,308	-	-	16,214	
Shares issued on exercise of warrants (Note 12)	949,400	792	(329)	-	-	463	
Shares issued on exercise of stock options (Note 12)	15,000	14	(6)	-	-	8	
Warrants issued – credit facility (Note 10)	-	-	646	-	-	646	
Share-based compensation (Note 12)	-	-	1,988	-	-	1,988	
Loss and comprehensive loss	-	-	-	896	(10,667)	(9,771)	
At March 31, 2025	343,470,072	\$ 191,389	\$ 24,696	\$ 1,005	\$ (178,079)	\$ 39,011	
At December 31, 2025	396,708,874	\$ 237,895	\$ 26,623	\$ (523)	\$ (166,911)	\$ 97,084	
Shares issued on exercise of warrants (Note 12)	13,782,126	13,193	(1,857)	-	-	11,336	
Shares issued on exercise of stock options (Note 12)	1,064,500	1,116	(431)	-	-	685	
Shares issued on exercise of RSUs (Note 12)	1,389,613	900	(900)	-	-	-	
Share-based compensation (Note 12)	-	-	1,693	-	-	1,693	
Loss and comprehensive loss	-	-	-	525	(4,737)	(4,212)	
At March 31, 2026	412,945,113	\$ 253,104	\$ 25,128	\$ 2	\$ (171,648)	\$ 106,586	

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 thousands of Canadian dollars) - Unaudited

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Operating activities		
Loss	\$ (4,737)	\$ (10,667)
Adjust for:		
Share-based compensation (Note 12)	1,693	1,988
Change in fair value of gold-linked notes (Note 9)	8,033	6,367
Amortization of flow-through premium (Note 17)	(456)	(806)
Reclamation accretion expense (Notes 11 and 16)	173	158
Interest and finance fee expense (Note 16)	2,682	-
Credit facility accretion expense (Note 10)	823	296
Unrealized foreign exchange loss	1,897	(7)
Depreciation	4,135	33
Change in derivatives (Note 17)	254	-
Interest expense on lease liabilities (Note 8)	382	133
Changes in non-cash working capital items:		
Receivables	1,859	(2,475)
Advances and prepaid expenses	(1,004)	16
Inventory	201	(7,994)
Accounts payable and accrued liabilities	(4,843)	(18,036)
Net cash provided (used) in operating activities	11,092	(30,994)
Investing activities		
Mineral property, plant and equipment expenditures (Note 7)	(20,654)	(15,960)
Net cashflows used in investing activities	(20,654)	(15,960)
Financing activities		
Proceeds on issuance of flow-through shares (Note 12)	-	20,053
Proceeds from exercise of warrants (Note 12)	11,336	463
Proceeds from exercise of stock options (Note 12)	685	8
Share issuance costs (Note 12)	-	(1,743)
Derivatives paid	(570)	-
Credit facility draw (Note 10)	-	10,744
Credit facility interest paid (Note 10)	(1,564)	-
Credit facility principal repayment (Note 10)	(922)	-
Credit facility financing costs (Note 10)	-	(533)
Gold-linked notes repayment (Note 9)	(1,059)	-
Gold-linked notes interest and premium paid (Note 9)	(2,998)	-
Payment on lease liabilities (Note 8)	(1,867)	(690)
Net cash provided by financing activities	3,041	28,302
Change in cash and cash equivalents	(6,521)	(18,652)
Cash and cash equivalents, beginning of period	42,438	36,880
Cash and cash equivalents, end of period	\$ 35,917	\$ 18,228

The Company did not make any cash payments for income taxes during the three months ended March 31, 2026 or March 31, 2025.

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

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

1. NATURE OF OPERATIONS

West Red Lake Gold Mines Ltd. (the “Company” or “WRLG”) 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 January 1, 2026, the Company transitioned from development to commercial production of its Madsen Gold Mine (“the Madsen Mine” or “Madsen”) and it continues exploration at its 100% owned Rowan Property and at satellite deposits near Madsen, both located in Red Lake, Ontario. Although the Company achieved commercial production to date and the Company currently is generating revenue, the estimated revenue could be lower than operating and financing costs. 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.

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 IFRS® Accounting 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 12 months ended December 31, 2025 and 13 months ended December 31, 2024 (“Annual Financial Statements”), which have been prepared in accordance with IFRS. The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 26, 2026.

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., all of which are domiciled in Canada. 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. MATERIAL ACCOUNTING POLICIES

The material accounting policies made by management in applying the Company’s accounting policies are consistent with those that applied to the Annual Financial Statements except as disclosed below;

Accounting standards adopted as of January 1, 2026

Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (“Amendments to IFRS 9 and IFRS 7”): In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. For financial liabilities settled in cash using an electronic payment system, the Company applied the election to deem these financial liabilities to be discharged before the settlement date. The amendment has been applied retrospectively with no restatement of comparative information, in accordance with transition requirements on initial application of IFRS and adoption did not have a material impact on our condensed consolidated interim financial statements. The Company has determined the other amendments did not have a material impact on the Company’s financial statements.

Accounting standards issued but not yet adopted

IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”): In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective and will be applied retrospectively for periods beginning on or after January 1,

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of income or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures. Due to the classification of income and expenses as operating, investing, or financing under IFRS 18, the Company expects changes to its subtotals on the statements of income or loss. The Company is assessing which of its reported performance measures would constitute management-defined performance measures under IFRS 18. The Company continues to assess the impact of IFRS 18 on its disclosures.

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

The Company's interim results are not necessarily indicative of its results for a full year. The significant accounting policy judgments and areas of estimation uncertainty that applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in Notes 3 of the Annual Financial Statements except as noted below:

a) Mineral reserves and resources

The Company's mineral reserves and resources are estimated based on information compiled by the Company's qualified persons. Mineral reserves and resources are used in the calculation of amortization and depletion, for the purpose of calculating any impairment charges, and for forecasting the timing of the payment of shutdown, restoration, and clean-up costs.

In assessing the life of a mine for accounting purposes, mineral reserves and resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating mineral reserves and resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Mineral reserves and resource estimates may vary as a result of changes in the price of gold, production costs and additional knowledge of the mineral deposits and mining conditions. Changes in the measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

Mineral properties and mill equipment are depleted and depreciated using the units-of-production method over the expected operating life of the mine based on estimated recoverable ounces and tonnes of gold, respectively, which are the prime determinants of the life of a mine. Estimated recoverable ounces and tonnes are based on proven and probable reserves. Changes in these estimates will result in changes to the estimated useful life of the mine and therefore the depletion and depreciation charges over the remaining life of the operation. A change in reserves would change the depletion and depreciation expense, and this could have a material impact on the operating results.

b) Capital development

During the production phase of a mine, development costs incurred to maintain current production are included in operating expense. For an underground mine, these costs include the works to develop the ore body in the current production cycle. Development costs incurred to build new shafts, declines and ramps that enable permanent access to underground ore are capitalized. The Company allocates all identifiable costs directly to production costs and sustaining capital; whereas, certain combined mining costs are allocated proportionally based on respective tonnes, and general and administration costs are proportionally allocated based on activity level.

5. RECEIVABLES

		As at March 31,		As at December 31,
		2026		2025
Trade receivables	\$	4,241	\$	6,066
Sales tax receivables		1,762		1,796
Balance, end of period	\$	6,003	\$	7,862

6. INVENTORIES

		As at March 31,		As at December 31,
		2026		2025
Ore stockpiles	\$	294	\$	123
Metal in circuit		2,077		2,831
Materials and supplies		5,557		4,937
Balance, end of period	\$	7,928	\$	7,891

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

During the three months ended March 31, 2026 and March 31, 2025, the Company did not record any write-downs or reversals of previously recognized write-downs relating to inventory.

7. MINERAL PROPERTY, PLANT AND EQUIPMENT

Mineral Properties¹

	Rowan	Madsen	Construction in Progress	Plant and Equipment ¹	Rights of Use Assets	Total
Cost						
Balance as at December 31, 2024	\$ 14,224	\$ 4,044	\$ 9,621	\$ 63,778	\$ 5,205	\$ 96,872
Additions	18	76,621	20,979	79	17,001	114,698
Capitalized interest	-	9,835	-	-	-	9,835
Disposal	-	-	-	(5)	-	(5)
Transfers	-	7,335	(21,724)	5,342	9,047	-
Change in provision for reclamation and closure (Note 11)	-	-	-	(474)	-	(474)
Balance as at December 31, 2025	14,242	97,835	8,876	68,720	31,253	220,926
Additions	-	16,249	2,728	-	-	18,977
Transfers	-	-	(841)	841	-	-
Change in provision for reclamation and closure (Note 11)	-	-	-	26	-	26
Balance as at March 31, 2026	\$ 14,242	\$ 114,084	\$ 10,763	\$ 69,587	\$ 31,253	\$ 239,929
Accumulated Depreciation						
Balance as at December 31, 2024	\$ -	\$ -	\$ -	\$ (1,349)	\$ (584)	\$ (1,933)
Disposal	-	-	-	3	-	3
Depreciation	-	-	-	(2,924)	(2,844)	(5,768)
Balance as at December 31, 2025	-	-	-	(4,270)	(3,428)	(7,698)
Depreciation	-	(1,164)	-	(1,982)	(1,227)	(4,373)
Balance as at March 31, 2026	\$ -	\$ (1,164)	\$ -	\$ (6,252)	\$ (4,655)	\$ (12,071)
Net book value at December 31, 2025	\$ 14,242	\$ 97,835	\$ 8,876	\$ 64,450	\$ 27,825	\$ 213,228
Net book value at March 31, 2026	\$ 14,242	\$ 112,920	\$ 10,763	\$ 63,335	\$ 26,598	\$ 227,858

1. Prior to January 1, 2026, Madsen was classified as a development asset and accordingly, costs were capitalized to Mineral Properties. For the three months ended March 31, 2026, the Company expensed \$2,148 related to Rowan of exploration and evaluation expenses. For the three months ended March 31, 2025, the Company expensed \$207 of exploration and evaluation expenses related to Rowan. Rowan is still classified as an exploration and evaluation asset.

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

8. LEASE LIABILITIES

	Amount
Balance, December 31, 2024	\$ 3,835
Additions	17,002
Interest expense on lease liabilities	1,064
Payment of lease liabilities	(4,205)
Foreign exchange gain	(58)
Balance, December 31, 2025	17,638
Interest expense on lease liabilities	382
Payment of lease liabilities	(1,867)
Foreign exchange loss	42
Balance, March 31, 2026	\$ 16,195

	March 31, 2026	December 31, 2025
Current portion	\$ 6,183	\$ 6,138
Non-current portion	10,012	11,500
Balance, end of period	\$ 16,195	\$ 17,638

The undiscounted value of the lease liabilities as at March 31, 2026 was \$19,328 (December 31, 2025 - \$21,149).

9. GOLD-LINKED NOTES

The fair value of the gold-linked notes as at March 31, 2026 was \$67,502 (US\$48,427). The fair value of the gold-linked notes was calculated using valuation pricing models as at March 31, 2026. Significant inputs used in the valuation model include a credit spread, risk free rates, forward gold prices, implied volatility of gold prices and forward yield curves.

Commencing January 1, 2026, the Company places gold in escrow on a quarterly basis into a gold trust account. The aggregate principal amount of Notes outstanding will be paid by the Company on a quarterly basis, commencing on March 31, 2026, and with the final payment on December 31, 2029. The Notes will be paid based on a guaranteed floor price of US\$1,800 per ounce of gold (the "Floor Price"). Any excess proceeds by which the spot gold price exceeds the Floor Price will be paid to investors as a premium.

	Number of Gold Notes	Amount (US\$)	Amount (CAD)
Balance, December 31, 2024	27,166	\$ 26,112	\$ 37,573
Loss on change in fair value		18,505	25,858
Gain on change in fair value through other comprehensive income due to changes in credit risk		479	632
Foreign exchange gain		-	(2,255)
Balance, December 31, 2025	27,166	\$ 45,096	\$ 61,808
Principal repayment ⁽¹⁾	(765)	(765)	(1,059)
Premium payment		(1,358)	(1,880)
Loss on change in fair value		5,837	8,033
Gain on change in fair value through other comprehensive income due to changes in credit risk		(383)	(525)
Foreign exchange loss		-	1,125
Balance, March 31, 2026	26,401	\$ 48,427	\$ 67,502
Current portion		\$ 7,710	\$ 10,746
Non-current portion		40,717	56,756
Balance, March 31, 2026		\$ 48,427	\$ 67,502

¹ During the period ended March 31, 2026, the Company also paid \$1,118 in interest (March 31, 2025 - \$1,173)

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

Scheduled amortizing payments of the principal balance of the gold-linked notes are as follows as at March 31, 2026:

	2026	2027	2028	2029	Total
Gold Ounces	1,275	4,240	4,250	4,902	14,667
Principal Repayments	US\$2,295	US\$7,632	US\$7,650	US\$8,824	US\$26,401

As at March 31, 2026, derivative assets consisted of a bullion contract for 425 ounces of gold with a maturity date of June 30, 2026, at a strike price of US\$5,400 per ounce and a bullion contract for 425 ounces of gold with a maturity date of September 15, 2026, at a strike price of US\$4,700 per ounce. The fair value of the bullion contracts is remeasured at each reporting date using quoted observable inputs. The carrying value as at March 31, 2026 is \$331.

10. CREDIT FACILITY

On December 31, 2024, the Company entered into a credit agreement with Nebari Natural Resources Credit Fund II, LP ("Nebari"), an arm's length party, pursuant to which the Company has borrowed up to the maximum principal amount of US\$35 million (the "Credit Facility") issued in three tranches of: (i) US\$15 million ("Tranche 1"), (ii) US\$15 million ("Tranche 2"), and (iii) US\$5 million ("Tranche 3"). The maturity date of the Credit Facility is 42 months following the closing of Tranche 1. Tranche 1 was drawn down on December 31, 2024 for US\$15 million (\$21.6 million). The Company drew down US\$7.5 million (\$10.1 million) of the US\$15 million Tranche 2 on March 19, 2025. The Company drew down US\$12.5 million (\$17.3 million) made up of the remaining US\$7.5 million (\$10.4 million) in Tranche 2 and the US\$5 million (\$6.9 million) of Tranche 3 on May 14, 2025.

The Company issued on the closing of each tranche a number of non-transferable common share purchase warrants (the "Loan Bonus Warrants") with each Loan Bonus Warrant entitling the holder to purchase one common share of the Company until June 30, 2028, with such term subject to a pro-rata reduction if the funded amount is prepaid in whole or in part, then a pro rata number of the total Loan Bonus Warrants issued in relation to such Tranche will have their term reduced to the later of one year from the date of issuance of the Warrants and 30 days from the reduction.

The Credit Facility is subject to standard events of default, as well as certain covenants. As of March 31, 2026, the Company was in compliance with all the covenants. During the three months ended March 31, 2026, the Company paid \$1,564 in interest to Nebari (March 31, 2025 – \$769). No interest was outstanding as at March 31, 2026 (March 31, 2025 – \$nil).

	Amount
Balance, December 31, 2024	\$ 18,913
Draw down	25,745
Interest expense accrued	5,302
Accretion of discount	2,395
Interest expense paid	(5,302)
Amortized deferred transaction costs to Credit Facility	(1,285)
Foreign exchange gain	(1,568)
Balance, December 31, 2025	\$ 44,200
Principal payment	(922)
Interest expense accrued	1,564
Accretion of discount	823
Interest expense paid	(1,564)
Foreign exchange loss	746
Balance, March 31, 2026	\$ 44,847

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

		As at March 31, 2026		As at December 31, 2025
Current portion	\$	8,021	\$	6,290
Non-current portion		36,826		37,910
Balance, end of period	\$	44,847	\$	44,200

The deferred financing costs were fully amortized during the year ended December 31, 2025.

11. PROVISION FOR RECLAMATION AND CLOSURE

The Company recognized a liability relating to its Madsen Mine 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 March 31, 2026, using a pre-tax discount rate of 2.65% (December 31, 2025 - \$2.93%) and an inflation rate of 2.00% (December 31, 2025 - \$2.00%). The estimated total undiscounted cash flows to settle the provision for reclamation and closure as of March 31, 2026, is \$33,862 (December 31, 2025 - \$33,744).

The Company has estimated that payments will commence in 2032.

		Amount
Balance, December 31, 2024	\$	21,829
Reclamation accretion expense		659
Change in assumptions		(474)
Balance, December 31, 2025		22,014
Reclamation accretion expense		173
Change in assumptions		26
Balance, March 31, 2026	\$	22,213

12. SHARE CAPITAL**(a) Authorized**

Unlimited number of common and preferred shares without par value.

(b) Issued and fully paid**For the three months ended March 31, 2026**

During the three months ended March 31, 2026, 1,064,500 common shares were issued on the exercise of stock options for gross proceeds of \$685, 13,782,126 common shares were issued on the exercise of warrants for gross proceeds of \$11,336 and 1,389,614 common shares were issued on the exercise of RSUs for gross proceeds of \$nil.

For the 12 months ended December 31, 2025

On February 25, 2025, pursuant to a public offering, the Company issued 23,628,000 charity flow-through units at a price of \$0.8487 per unit (the "February 2025 FTS Offering"). Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share exercisable at \$0.90 until February 25, 2028. The total gross proceeds of the February 2025 FTS Offering was \$20,053. The total cash share issuance costs related to the February 2025 FTS Offering was \$1,643 consisting of cash commissions and finders' fees of \$1,087 and \$556 in other costs. A value of \$3,308 was assigned to the warrants issued with this offering. There was a flow-through premium liability of \$2,096 recorded on issuance of the flow-through shares as there was a difference in the price per unit between the February 25 FTS Offering and the closing share price on the same date. As at December 31, 2025, the flow-through premium liability was \$nil.

On September 23, 2025, pursuant to a public offering, the Company issued 37,526,800 shares at a price of \$0.95 per share for total gross proceeds of \$35,650. In addition, the Company issued 3,760,000 flow-through shares at a price of \$1.33 per flow-through share for gross proceeds of \$5,001. The Company paid cash commissions and finders fees of \$2,270 in relation to the financing and paid \$479 in other costs related to the financing. Total cash share issue costs related to the financings totalled \$2,749. The transaction costs were allocated on a pro-rata basis between the shares and the flow-through shares totalling \$2,406 and \$343, respectively. The net proceeds from the shares, and the flow-through shares were \$33,244 and \$4,658, respectively. There was a flow-through premium liability of \$1,053 recorded on issuance of the flow-through shares as there was a difference between the fair value and the issuance price of its flow-through units. As at March 31, 2026, the flow-through premium liability was \$212.

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

During the 12 months ended December 31, 2025, 1,743,750 common shares were issued on the exercise of stock options for gross proceeds of \$920, 9,557,989 common shares were issued on the exercise of warrants for gross proceeds of \$6,181 and 1,225,663 common shares were issued on the exercise of DSUs for gross proceeds of \$nil and 389,000 common shares were issued on the exercise of RSUs for gross proceeds of \$nil.

(c) Stock options

The Company has established a rolling Stock Option Plan (the "Plan"). Under the Plan, the number of stock 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 stock option shall not be greater than 10 years. The exercise price of each stock option shall not be less than the market price of the Company's shares at the date of grant. Stock options vest as per the Plan at the discretion of the Board of Directors. A summary of the changes in stock options follows:

	Number of stock options		Weighted average exercise price
Balance, December 31, 2024	18,094,075	\$	0.70
Granted	3,916,500		0.63
Exercised	(1,743,750)		0.53
Forfeited	(1,853,475)		0.75
Balance, December 31, 2025	18,413,350	\$	0.70
Granted	4,746,008		1.10
Exercised	(1,064,500)		0.64
Forfeited	(287,008)		1.00
Balance, March 31, 2026	21,807,850	\$	0.79

As of March 31, 2026, the following stock options were outstanding:

Outstanding	Exercisable	Exercise Price	Remaining Contractual life (years)	Expiry Date
36,450	36,450	\$ 0.83	0.76	January 4, 2027
4,972,500	3,671,250	0.62	2.24	June 26, 2028
405,000	300,000	0.69	2.32	July 26, 2028
672,500	476,250	0.60	2.46	September 14, 2028
6,013,400	3,069,200	0.90	3.03	April 11, 2029
125,000	-	0.56	3.24	June 24, 2029
2,874,000	1,114,750	0.63	3.84	January 29, 2030
4,534,000	-	1.10	4.85	February 5, 2031
1,925,000	1,925,000	0.50	6.73	December 30, 2032
250,000	250,000	0.50	6.88	February 13, 2033
21,807,850	10,842,900	\$ 0.79	3.69	

Share-based compensation of \$914 was recognized for stock options on the condensed interim consolidated statement of loss and comprehensive loss during the three months ended March 31, 2026 (March 31, 2025: \$975).

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The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the three months ended March 31, 2026.

	Three months ended March 31, 2026
Risk free interest rate	2.91%
Expected life of Option	5.0 years
Annualized volatility	60.00%
Dividend rate	0.0%
Forfeiture rate	0.0%

The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the three months ended March 31, 2025.

	Three months ended March 31, 2025
Risk free interest rate	2.87%
Expected life of Option	5.0 years
Annualized volatility	73.00%
Dividend rate	0.0%
Forfeiture rate	0.0%

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

The Company has established a “fixed” restricted share unit (“RSU”), deferred share unit (“DSU”) and performance share unit (“PSU”) compensation plan (the “RSU/DSU/PSU Plan”). Under the RSU/DSU/PSU Plan, the maximum number of RSUs, DSUs, and PSUs (together the “Awards”) that may be reserved is 26,995,675 Awards.

A summary of the changes in RSUs:

	Number of RSU		Weighted average grant date fair value
Balance, December 31, 2024	3,637,668	\$	0.79
Granted	3,988,000		0.63
Converted	(1,225,663)		0.77
Forfeited	(756,484)		0.69
Balance, December 31, 2025	5,643,521		0.70
Granted	2,809,186		1.10
Converted	(1,389,613)		0.65
Forfeited	(52,939)		0.92
Balance, March 31, 2026	7,010,155	\$	0.87

Share-based compensation expense of \$632 was recognized for RSUs on the consolidated statement of loss and comprehensive loss during the three months ended March 31, 2026 (three months ended March 31, 2025: \$652). During the three months ended March 31, 2026, the Company granted 2,809,186 RSUs.

A summary of the changes in DSUs:

	Number of DSU		Weighted average grant date fair value
Balance, December 31, 2024	1,200,000	\$	0.77
Granted	1,197,000		0.63
Converted	(389,000)		0.70
Balance, December 31, 2025	2,008,000		0.70
Granted	594,594		1.10
Balance, March 31, 2026	2,602,594	\$	0.79

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Share-based compensation expense of \$147 was recognized for DSUs on the consolidated statement of loss and comprehensive loss during the three months ended March 31, 2026 (three months ended March 31, 2025: \$361). During the three months ended March 31, 2026, the Company granted 594,594 DSUs.

No PSUs have been granted in the three months ended March 31, 2026 or March 31, 2025.

(e) Warrants

A summary of the changes in warrants follows:

	Number of Warrants		Weighted average exercise price
Balance, December 31, 2024	142,349,663	\$	0.87
Issued	30,478,809		0.88
Exercised	(9,557,989)		0.65
Balance, December 31, 2025	163,270,483		0.89
Exercised	(13,782,126)		0.82
Balance, March 31, 2026	149,488,357	\$	0.90

As of March 31, 2026, the following warrants were outstanding:

Outstanding and exercisable		Exercise price		Expiry date
39,014,050	\$	1.00		May 16, 2026
21,548,400		0.68		November 28, 2026
38,466,800		0.90		October 24, 2027
23,627,500		0.90		February 25, 2028
750,000		0.42		June 16, 2028
2,691,934		0.80		June 30, 2028
4,158,875		0.85		June 30, 2028
19,230,798		0.95		March 19, 2029
149,488,357	\$	0.90		

13. REVENUE

	Three months ended March 31, 2026		Three months ended March 31, 2025	
Gold	\$	41,755	\$	2,107
Silver		107		-
Total	\$	41,862	\$	2,107

14. PRODUCTION COSTS

	Three months ended March 31, 2026		Three months ended March 31, 2025	
Mining	\$	12,378	\$	5,976
Milling		5,046		659
Shared and administrative		3,801		1,349
Change in inventories		820		(6,698)
Total	\$	22,045	\$	1,286

West Red Lake Gold Mines Ltd.

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For the three months ended March 31, 2026 and March 31, 2025

(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Three months ended	
	March 31, 2026		March 31, 2025	
Marketing, investor relations and travel	\$	1,379	\$	1,581
Salaries, benefits and director's fees		889		819
Office, administration and consulting		277		529
Professional fees		203		191
Regulatory and filing		130		78
Total	\$	2,878	\$	3,198

16. FINANCE EXPENSE

	Three months ended		Three months ended	
	March 31, 2026		March 31, 2025	
Credit facility accretion expense (Note 10)	\$	823	\$	296
Credit facility interest expense (Note 10) ¹		1,564		-
Gold-linked notes interest expense (Note 9) ¹		1,118		-
Reclamation accretion expense (Note 11)		173		158
Interest expense on lease liabilities (Note 8)		382		133
Other finance expense		48		-
Total	\$	4,108	\$	587

¹Interest expenses related to the gold-linked notes and the Credit facility in 2025 were capitalized to mineral properties (Note 7). For the three months ended March 31, 2025, the amount capitalized was \$1,323.

17. OTHER INCOME AND EXPENSES

	Three months ended		Three months ended	
	March 31, 2026		March 31, 2025	
Flow-through premium	\$	456	\$	806
Loss on derivative asset		(254)		-
Total	\$	202	\$	806

18. 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 March 31, 2026 and March 31, 2025, remuneration to officers and directors of the Company was as follows:

	Three months ended		Three months ended	
	March 31, 2026		March 31, 2025	
Salaries, benefits and director's fees	\$	550	\$	464
Share based compensation	\$	1,011	\$	1,726

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

As of March 31, 2026 and December 31, 2025, \$nil amounts were owing to officer and directors, or companies controlled by officers and directors of the Company.

West Red Lake Gold Mines Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars unless otherwise stated) - Unaudited

19. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, derivative assets, accounts payable and accrued liabilities, gold-linked notes and credit facility.

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.

Cash and cash equivalents, restricted cash, receivables, 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, receivables, accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The fair value of the gold-linked notes and the derivative assets have been determined based on a valuation model using Level 2 inputs, including gold price volatility, forward gold prices, credit spread and forward yield curves. The fair value of the credit facility has been determined based on using Level 3 inputs, including current market conditions and is materially consistent with its carrying value.

20. COMMITMENTS AND CONTINGENCIES

During the year ended December 31, 2025, the Company raised \$25,054 in flow-through financing (Note 12) and incurred flow-through expenditures of \$24,046 by March 31, 2026. As of March 31, 2026, the balance of the obligation was \$1,008 (December 31, 2025 - \$3,142) and the Company is required to incur this flow-through expenditure by December 31, 2026.

21. 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.

22. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, 13,999 shares were issued at a price of \$1 on conversion of vested RSU awards and 530 shares were issued on exercise of warrants for gross proceeds of \$480. On May 16, 2026, 39,014,020 warrants with an exercise price of \$1.00 were unexercised and expired.

In April 2026 the Company entered into gold put options to sell 800 gold ounces a month for eight months for a total of 6,400 gold ounces. Monthly, commencing May 2026 and ending December 2026, 800 gold ounces of the put options will expire. The strike price of the put options is US\$4,200 per ounce.