



Condensed Interim Consolidated Financial Statements of

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

For the three months ended March 31, 2022 and 2021(unaudited)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed consolidated 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 West High Yield (W.H.Y.) Resources Ltd. 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 financial statements.

Calgary, Alberta

May 26, 2022

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited, stated in Canadian dollars)

	March 31, 2022	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,831,202	\$ 133,465
Accounts receivable	36,568	23,738
Subscription receivable	-	2,499,951
Prepaid expenses	96,273	148,103
	2,964,043	2,805,257
Restricted deposits (Note 3)	68,568	68,568
Property and equipment (Note 4)	10,727	15,321
Exploration and evaluation – mineral property (Note 5)	1,508,364	1,508,364
Total Assets	\$ 4,551,702	\$ 4,397,510
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,805,834	\$ 2,201,053
Flow-through premium liabilities	416,659	416,659
Lease liabilities	3,921	6,212
Liabilities due to related parties (Note 9)	3,585,436	3,531,438
	5,811,850	6,155,362
Long term debt (Note 7)	1,854,000	1,801,705
Total Liabilities	\$ 7,665,850	\$ 7,957,067
Shareholders' Equity		
Common shares (Note 8(b))	16,993,809	16,403,581
Warrants (Note 8(c))	1,187,528	705,938
Contributed surplus	8,502,911	8,502,911
Deficit	(29,792,040)	(29,165,631)
Total shareholders' equity	(3,107,792)	(3,553,201)
Non-controlling interest	(6,356)	(6,356)
Total Liabilities and Shareholders' Equity	\$ 4,551,702	\$ 4,397,510
Going concern (Note 1)		
Commitments and contingencies (Note 16)		
Subsequent events (Note 17)		

See accompanying notes to the condensed interim consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited, stated in Canadian dollars)

	Three months ended	
	March 31, 2022	March 31, 2021
Expenses		
Head office expense	\$ 279,053	\$ 166,214
Exploration expense <i>(Note 6)</i>	236,115	756
Interest and bank charges <i>(Note 9)</i>	54,353	35,619
Interest on long term debt <i>(Note 7)</i>	52,294	46,639
Foreign exchange (gain) or loss	-	1,488
Depreciation and amortization <i>(Note 4)</i>	4,594	3,145
	\$ 626,409	\$ 253,861
Net loss and comprehensive loss attributable to:	\$ (626,409)	\$ (253,861)
W.H.Y. Resources Ltd.	(626,409)	(253,861)
Non-controlling interest	-	-
Loss per common share attributable to West High Yield (W.H.Y.) Resources Ltd.		
Basic and diluted	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding		
Basic and diluted	75,452,699	68,122,319

See accompanying notes to the condensed interim consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Condensed Interim Consolidated Statements of Shareholders Deficit
(Unaudited, stated in Canadian dollars)

	Three months ended	
	March 31, 2022	March 31, 2021
Common shares (Note 8(b))		
Balance, beginning of year	16,403,581	\$13,960,001
Private placement	523,390	100,782
Warrants exercised	75,268	-
Share issue costs	(8,430)	-
Balance, end of period	16,993,809	14,060,783
Warrants (Note 8(c))		
Balance, beginning of year	705,938	49,458
Issued on private placement	500,610	13,164
Warrants exercised	(19,020)	-
Balance, end of period	1,187,528	62,622
Contributed surplus		
Balance, beginning of year	8,502,911	7,514,393
Stock based compensation	-	-
Balance, end of period	8,502,911	7,514,393
Deficit		
Balance, beginning of year	(29,165,631)	(26,602,166)
Net loss	(626,409)	(253,861)
Balance, end of period	(29,792,040)	(26,856,027)
Non-Controlling Interest	(6,356)	-
Balance, end of period	(29,798,396)	(26,856,027)
Total Shareholder's equity	\$ (3,114,148)	\$ (5,218,229)

See accompanying notes to the condensed interim consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Condensed Interim Consolidated Statements of Cash Flow
(Unaudited, stated in Canadian dollars)

	Three months ended	
	March 31, 2022	March 31, 2021
Cash provided by (used in)		
Operating		
Net loss	\$ (626,409)	\$ (253,861)
Add (deduct) non-cash items:		
Interest accrued - related party loan (Note 9)	53,999	35,300
Interest accrued - long term loan (Note 7)	52,295	46,639
Depreciation and amortization (Note 4)	4,594	3,145
	(515,521)	(168,777)
Net change in non-cash working capital (Note 15)	2,143,729	16,685
Cash Flow used in operating activities	\$ 1,628,208	\$ (152,092)
Financing		
Proceeds from related party loan (Note 9)	-	24,000
Issue of shares and warrants (Note 8)	1,080,250	113,946
Shares and warrant issue costs	(8,430)	-
Payment of lease liabilities	(2,291)	(2,291)
Cash Flow from financing activities	1,069,529	135,655
Investing		
Purchase of equipment and software	-	-
Cash flow used in investing activities	-	-
Increase in cash and cash equivalents	\$ 2,697,737	\$ (16,437)
Cash and cash equivalents, beginning of period	133,465	18,015
Cash and cash equivalents, end of period	\$ 2,831,202	\$ 1,578
Interest paid	\$ 354	\$ 318

Cash and cash equivalents are comprised of cash deposits at the bank.

See accompanying notes to the condensed interim consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

West High Yield (W.H.Y.) Resources Ltd. (the “**Company**”) was incorporated on August 29, 2003 under the laws of the Province of Alberta and its principal business activities are the acquisition, exploration and development of mineral properties in British Columbia, Canada. The Company’s shares trade on the TSX Venture Exchange under the trading symbol WHY.

1. Going Concern and nature of operations

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the consolidated statement of financial position classifications used. Such adjustments could be material.

For the three months ended March 31, 2022, the Company had incurred a net loss of \$626,409 and increased cash in operations of \$1,628,208. As at March 31, 2022, the Company had a working capital deficiency of \$2,847,807.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern is dependent on continued forbearance of the amounts due to related parties and the Company’s ability to obtain financing to continue exploration and development of the mineral property. There is no certainty that the Company will be able to obtain the financing required to continue exploration and development activities or of the ongoing forbearance of related parties and other creditors. In addition, there is no certainty that the mineral property will contain economically recoverable reserves. These conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

2. Significant accounting policies, judgments and estimation uncertainty

Basis of presentation and measurement and Statement of Compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” and using the accounting policies outlined by the Company in its annual consolidated financial statements for the year ending December 31, 2021. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ending December 31, 2021.

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary, MG Innovations Inc., after the elimination of intercompany transactions and balances.

These condensed consolidated interim financial statements were authorized for issue by the Company’s board of directors on May 26, 2022.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations and the timing of raising additional capital at this time.

The preparation of consolidated financial statements requires management to make estimates and judgements that affect the amounts reported in the consolidated financial statements and accompanying notes. Financial results as determined by actual events may differ.

The identification of impairment indicators requires judgment, and if identified, the determination of the recoverable amount of the related asset requires several estimates that are inherently subject to uncertainty. The recoverability of amounts for mineral properties is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production from its mineral properties.

The measurement of stock-based compensation requires management's estimate as to the valuation methodology and several inputs, including the estimated volatility of the Company's stock and the forfeiture rate.

These condensed interim consolidated financial statements at March 31, 2022 have been prepared following the same accounting policies as the consolidated financial statements as at December 31, 2021.

3. Restricted deposits

As at March 31, 2022, the Company has \$68,568 in deposits in restricted accounts as required by the British Columbia Ministry of Mining (as at December 31, 2021, this amount was \$68,568).

4. Property and equipment

March 31, 2022	Cost	Accumulated amortization	Net book value
Buildings	\$ 29,692	\$ 29,692	\$ -
Office equipment	85,412	78,517	6,895
Automotive equipment	135,962	135,962	-
Field equipment	82,449	82,449	-
Right of use asset	56,955	53,123	3,832
	<u>\$ 390,470</u>	<u>\$ 379,743</u>	<u>\$ 10,727</u>

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

December 31, 2021	Cost	Accumulated amortization	Net book value
Buildings	\$ 29,692	\$ 29,692	\$ -
Office equipment	85,412	76,222	9,190
Automotive equipment	135,962	135,962	-
Field equipment	82,449	82,449	-
Right of use asset	56,955	50,824	6,131
	\$ 390,470	\$ 375,149	\$ 15,321

5. Exploration and evaluation assets - mineral property

In September 2003, the Company acquired the mineral property (the "Property") for a total cost of \$1,258,509. The Property consists of eight crown granted mineral claims, three modified grid claims and six staked claims in the Rossland Mining Camp located in the Trail Creek Mining district in southeastern British Columbia, Canada.

During 2021, the Company acquired additional mineral claims for a total cost of \$27,381.

	Amount
Balance as at December 31, 2020:	\$1,480,983
Additions:	27,381
Balance as at December 31, 2021:	1,508,364
Additions:	-
Balance as at March 31, 2022	\$1,508,364

6. Exploration and evaluation costs

Exploration costs expensed by the Company on the Property are detailed in the following table:

	Three months ended	
	March 31, 2022	March 31, 2021
Consulting and labour	\$ 27,402	\$ -
Assay	87,560	-
Field equipment and supplies	58,476	-
Miscellaneous field costs	62,201	383
Travel and transportation	-	-
Freight and equipment transport	476	373
Property and mineral taxes	-	-
Total:	\$ 236,115	\$ 756

During the three months ended March 31, 2022, the Company continued to work on the environmental study, the mine plan development as required by the Environmental Assessment Certification and the mine permit application process at the Property. The Company has also initiated work on its gold drilling program

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

at the Property from the funds raised via its flow through private placement offering of securities which closed on December 31, 2021. The Company plans to drill holes to a depth of at least 600 meters per hole at the Property.

7. Long term debt

On April 27, 2016, the Company received a \$1,000,000 unsecured loan from an arm's length/non-arm's length creditor with a 10-year repayment term, which bears interest at 11.61% payable at end of term. Loan repayment terms advance in the event the Company achieves cumulative net cash flow from operations of greater than \$5,000,000 subsequent to April 27, 2026.

Should an event such as an amalgamation, merger, or other consolidation occur, the Company would be responsible for principle and interest of \$2,844,058. On January 12, 2018, \$63,000 of the loan was repaid.

No further payment has been made on the outstanding debt balance for the period ended March 31, 2022.

	Three months ended	
	March 31, 2022	December 31, 2021
Loan due April 27, 2026	\$ 1,000,000	\$ 1,000,000
Cumulative unpaid interest	854,000	801,705
Total	\$ 1,854,000	\$ 1,801,705

Financing costs comprised of the following:

	Three months ended	
	March 31, 2022	March 31, 2021
Interest on long-term debt	\$ 52,294	\$ 46,639
Interest on related party loans (Note 9)	53,999	35,300
Other interest and bank charges	354	319
Total	\$ 106,647	\$ 82,258

8. Equity instruments

(a) Share capital:

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) Common shares issued and outstanding:

The continuity of the Company's issued common share capital is as follows:

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the years ended March 31, 2022 and 2021

(Unaudited, stated in Canadian dollars)

	Number of Shares	Amount
Balance as at December 31, 2021:	74,287,307	\$16,403,581
Share issue costs	-	(8,430)
Warrants exercised	187,500	75,268
Private placement (I,ii,iii)	2,018,782	523,390
Balance as at March 31, 2022	76,493,589	\$16,993,809

- (i) On January 19, 2022, the Company completed a second tranche closing of the drawdown equity financing facility (the “**ELOC Facility**”) of up to CAD\$12,000,000 with Alumina Partners (Ontario) Ltd. (“**Alumina**”) totaling 925,925 units issued to Alumina at a price of \$0.54 per unit for total gross proceeds of \$500,000. Each unit consists of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.8375 per share for 36 months from the date of closing. Further details of the ELOC Facility were disclosed in the Company’s 2021 annual financial statements.
- (ii) On March 11, 2022, the Company completed a third tranche closing of the ELOC Facility totaling 892,857 units issued to Alumina at a price of \$0.56 per unit for total gross proceeds of \$500,000. Each unit consists of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.875 per share for 36 months from the date of closing.
- (iii) On February 14, 2022, the Company issued 200,000 common shares upon exercise of stock options from a single holder of options for total gross proceeds of \$24,000.

(c) Warrants

	Number of Warrants	Amount
Balance at December 31, 2021	3,349,454	\$ 705,938
Private Placement	1,818,780	500,610
Warrants exercised	(875,000)	(19,020)
Balance at March 31, 2022	4,293,234	\$ 1,187,528

(d) Stock Options:

The Company has a stock option plan (the “**Plan**”) for its officers, directors, employees and consultants. The maximum number of common share options issuable under the Plan cannot exceed 10% of the Company’s issued and outstanding common shares.

The following table summarizes the status of the options issued pursuant to the Plan.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

	Stock Options		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance, December 31, 2021	7,002,000	\$	0.32	3.32
Options exercised, Feb. 08, 2022(8(iii))	200,000		0.12	-
Balance, March 31 ,2022	6,802,000	\$	0.29	3.08
Exercisable options March 31, 2022	6,802,000	\$	0.29	3.08

9. Related party transactions

The Company has received loans from Big Mountain Development Corp. Ltd. (“**Big Mountain**”), a related party and significant shareholder of the Company, as detailed in the table below. The loans received from Big Mountain are secured by promissory notes and a general security agreement over all the assets of the Company.

The Company received a loan from one of its directors in 2018 (non-interest bearing) in the amount of \$200,000. During the year ended December 31, 2021, the Company received an additional loan from one of its directors of in the amount of \$38,000. Furthermore, during the year ended December 31, 2021, the Company made repayment on the loans from its directors in the amount of \$193,260 ((as at December 31, 2020, this amount was \$44,740)

	Three months ended	Year ended
	March 31, 2022	December 31, 2021
Big Mountain loan:	\$ 1,700,000	\$ 1,700,000
Loan due December 31, 2022 (bears interest at 8%)		
Advance on loan (8%)	65,788	65,788
Advance on loan (10%)	750,000	750,000
Accrued interest at end of year:	1,069,648	1,015,650
	\$ 3,585,436	\$ 3,531,438
Directors' loans		
Loans, non-interest bearing	\$ -	\$ 193,260
Loan repayment	-	(193,260)
Balance, end of period	\$ 3,531,436	\$ 3,531,438

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

Interest and bank charges expense is comprised of the following:

	Three months ended	
	March 31, 2022	March 31, 2021
Interest on related party loans	\$ 53,999	\$ 35,300
Other interest and bank charges	354	319
Balance, end of period	\$ 54,353	\$ 35,619

10. Lease liability

	Three months ended	Year ended
	March 31, 2022	December 31, 2021
Opening balance,	\$ 6,212	\$ 6,212
Additions	-	9,197
Lease interest expense	109	403
Lease payments	(2,400)	(9,600)
	\$ 3,921	\$ 6,212

13. Financial risk exposure, risk management and financial instruments

(a) Fair value:

Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable, restricted deposits, accounts payable and accrued liabilities, due to related party and long-term debt. As at March 31, 2022, there were no significant differences between the carrying amounts reported on the condensed interim consolidated statement of financial position and their estimated fair values as the amounts are short term in nature, or bear interest at market rates.

(b) Liquidity risk:

Cash forecasts are done to match spending on general and administration costs and exploration costs to available cash resources. Spending is increased or decreased to match available funds. Alternatively, the Company seeks capital through the offering of common shares or loans from related parties to fund general and administrative costs and exploration activities. As discussed in note 1, the Company will have to raise additional capital through the issue of shares or other means to discharge its current liabilities and the amount due to the related party or seek forbearance of the related party and other creditors.

(c) Interest rate risk:

Related party loans and long-term debt are at fixed rates therefore the Company is not exposed to interest rate fluctuations thereon except if the loans are refinanced at maturity versus settled.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the years ended March 31, 2022 and 2021
(Unaudited, stated in Canadian dollars)

(d) Credit risk:

Cash and cash equivalents are held with one bank. Accounts receivable is comprised predominantly of goods and services taxes input tax credits refundable therefore the Company's credit exposure is not significant. Accounts receivable of \$36,568 are considered current.

(e) Commodity price risk:

The Company is not currently exposed to commodity price risk, as the Company is in the pre-production phase. The overall development of the Company's properties is exposed to mineral price risks as a significant decrease in relevant prices would affect the economic returns of the mineral property.

14. Capital disclosures

The Company's capital historically has been derived from the issuance of equity and more recently from advances from a related party. Management monitors its financial position on an ongoing basis. Equity is issued or debt from related parties is obtained to finance drilling programs and Company's operations. Significant capital will be required for full development of commercial mining production if the properties are proven to be economic.

15. Supplemental cash flow information

	Three months ended	
	March 31, 2022	March 31, 2021
Accounts receivable	\$ 2,487,120	\$ (9,208)
Prepaid expenses	51,830	3,685
Accounts payable and accrued liabilities	(395,221)	22,207
Net change in non-cash working capital	\$ 2,143,729	\$ 16,684

16. Commitments and contingencies

The Company has a 10.5-hectare surface land lease to purchase agreement where rent is \$800 per month for one year term ending August 31, 2022. At any time during the term the Company has the option to purchase the lands for \$340,000.

17. Subsequent events

- (a) On April 25, 2022, the Company completed a fourth tranche closing of the ELOC Facility totaling 724,637 units issued to Alumina at a price of \$0.50 per unit for total gross proceeds of \$362,318.50. Each unit consists of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.775 per share for 36 months from the date of closing.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the years ended March 31, 2022 and 2021

(Unaudited, stated in Canadian dollars)

- (b) Subsequent to the quarter ended March 31, 2022, the Company issued 500,000 common shares upon the exercise of warrants by a single warrant holder for total gross proceeds of \$150,000 and the Company issued 200,000 common shares upon exercise of stock options by a single option holder for total gross proceeds of \$24,000 in proceeds.
- (c) On May 20, 2022, the Company entered into a debt settlement agreement with an arm's length creditor of the Company whereby it has agreed to convert \$1,883,822 in debt to said creditor by issuing 3,139,370 common shares (the "**Settlement Shares**") at a deemed price of \$0.60 per Settlement Share in full and final satisfaction of the debt owing to the creditor. The Settlement Shares will be issued in reliance of certain prospectus exemptions available under Canadian securities legislation and will be subject to a four month and one day hold period from the date of issuance. The issuance of the Settlement Shares to the creditor is subject to the approval of the TSX Venture Exchange.