



Condensed Interim Consolidated Financial Statements of

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

For the three and nine months ended September 30, 2022 (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 consolidated 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
November 24, 2022

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

Condensed Interim Consolidated Statement of Financial Position (unaudited)

As at	September 30, 2022	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,564,013	\$ 133,465
Accounts receivable	68,842	23,738
Subscription receivable	-	2,499,951
Prepaid expenses	61,718	148,103
	1,694,573	2,805,257
Restricted deposits (Note 3)	68,568	68,568
Property and equipment (Note 4)	52,731	15,321
Exploration and evaluation – mineral property (Note 5)	1,508,364	1,508,364
Total Assets	\$ 3,324,236	\$ 4,397,510
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 2,217,236	\$ 2,201,053
Flow-through premium liabilities	416,659	416,659
Lease liabilities	8,458	6,212
Liabilities due to related parties (Note 9)	3,693,433	3,531,438
	6,335,786	6,155,362
Long Term Liabilities:		
Long term debt (Note 7)	-	1,801,705
Total Liabilities	\$ 6,335,786	\$ 7,957,067
Shareholders' Equity		
Common shares (Note 8(b))	19,401,646	16,403,581
Warrants (Note 8c)	1,433,890	705,938
Contributed surplus	8,510,222	8,502,911
Deficit	(32,350,952)	(29,165,631)
Total shareholders' equity	(3,005,194)	(3,553,201)
Non-controlling interest	(6,356)	(6,356)
Total Liabilities and Shareholders' equity	3,324,236	4,397,510

Going concern (Note 1)
 Commitments and contingencies Note 12)
 Subsequent events (Note 13)

See accompanying notes to condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss (unaudited)

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Expenses				
Head office expense	\$319,711	\$156,737	\$975,217	\$612,751
Exploration expense (Note 5)	1,266,422	8,812	1,947,031	130,816
Interest and bank charges (Note 9)	54,805	54,444	163,574	144,367
Interest on long term debt (Note 7)	-	49,386	81,916	144,018
Foreign exchange (gain) or loss	-	-	320	1,489
Stock based compensation (Note 8)	-	-	-	253,298
Depreciation and amortization (Note 4)	9,487	2,299	17,261	7,743
	\$1,650,425	\$271,678	\$3,185,319	\$1,294,482
Net loss and comprehensive loss	\$(1,650,425)	\$(271,678)	\$(3,185,319)	\$(1,294,482)
Loss per common shares				
Basic and diluted	\$(0.02)	\$(0.00)	\$(0.04)	\$(0.02)
Weighted average number of shares outstanding				
Basic and diluted	81,084,729	69,667,490	76,303,797	69,018,145

See accompanying notes to condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Cash Flow From (Used in) Operating Activities				
Net loss	\$(1,650,745)	\$(271,678)	\$(3,185,319)	\$(1,294,482)
Add (deduct) non-cash items:				
Interest accrued - related party loan (Note 9)	53,999	54,444	161,996	143,401
Interest accrued - long term loan (Note 6)	-	49,386	81,916	144,018
Stock based compensation (Note 8 (d))	-	-	-	253,298
Depreciation and amortization (Note 4)	9,487	2,299	17,261	7,743
	(1,587,259)	(165,549)	(2,924,146)	(746,022)
Net change in non-cash working capital (Note 9)	316,568	7,092	2,557,413	(166,586)
	\$(1,270,691)	(158,457)	\$(366,733)	\$(912,608)
Cash Flow From Financing Activities				
Proceeds from related party loan (Note 9)	-	-	-	774,000
Repayment of long-term debt (Note 6)	-	-	(1,883,622)	-
Repayment of related party loan	-	-	-	(155,260)
Issue of shares and warrants (Note 8)	250,000	265,000	3,750,188	495,405
Share issue costs	(4,215)	-	(16,860)	-
Payment of lease liabilities (Note 9)	(2,323)	(2,337)	(6,951)	(6,951)
	243,462	262,663	1,842,755	1,107,194
Cash Flow (Used in) Investing Activities				
Purchase of equipment and software	-	(10,614)	-	(10,614)
Purchase of vehicle	(45,474)	-	(45,474)	-
	(45,474)	(10,614)	(45,474)	(10,614)
Decrease in cash and cash equivalents	\$(1,072,703)	\$93,592	\$1,430,548	\$183,972
Cash and cash equivalents, beginning of period	2,636,716	108,395	133,465	18,015
Cash and cash equivalents, end of period	\$1,564,013	\$201,987	\$1,564,013	\$201,987
Interest paid	\$806	\$394	\$1,578	\$966

See accompanying notes to condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

	Three months ended	
	September 30, 2022	September 30, 2021
Common shares (Note 8(b))		
Balance, beginning of year	16,403,581	\$13,960,001
Private placement	2,773,455	452,870
Warrants exercised	241,470	-
Share issue costs	(16,860)	-
Balance, end of period	19,401,646	14,412,871
Warrants (Note 8(c))		
Balance, beginning of year	705,938	49,458
Issued on private placement	770,485	42,534
Warrants exercised	(35,222)	-
Warrants expired unexercised	(7,311)	-
Balance, end of period	1,433,890	91,992
Contributed surplus		
Balance, beginning of year	8,502,911	7,514,393
Transfer on expired warrants	7,311	-
Stock based compensation	-	253,298
Balance, end of period	8,510,222	7,767,691
Deficit		
Balance, beginning of year	(29,165,631)	(26,602,166)
Net loss	(3,185,319)	(1,294,482)
Balance, end of period	(32,350,950)	(27,896,648)
Non-Controlling Interest	(6,356)	-
Balance, end of period	(32,357,306)	(27,896,648)
Total Shareholder's equity	\$ (3,011,548)	\$ (5,624,094)

See accompanying notes to condensed interim consolidated financial statements.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2022

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.

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 condensed interim 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 financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the statement of financial position classifications used. Such adjustments could be material.

For the nine months ended September 30, 2022, the Company had incurred a net loss of \$3,185,319 and used cash in operations of \$2,557,413. As at September 30, 2022, the Company had a working capital deficiency of \$4,641,211.

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

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 **November 24, 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 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

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

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For the three and nine months ended September 30, 2022

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.

Government grants are recognized when there is reasonable assurance that the Corporation will comply with the conditions attached to them and the grants will be received. If a grant is received before it is certain whether compliance with all conditions will be achieved, the grant is recognized as a deferred liability until such conditions are fulfilled. When the conditions of a grant relate to income or expense, it is recognized in the Consolidated Statements of operations in the period in which the expenditures are incurred or income is earned. When the conditions of a grant relate to an underlying asset, it is recognized as a reduction to the carrying amount of the related asset and amortized into income on a systematic basis over the expected useful life of the underlying asset through depletion and depreciation.

These condensed interim consolidated financial statements at September 30, 2022 have been prepared following the same accounting policies as the consolidated financial statements as at December 31, 2021.

3. Restricted deposits

As at September 30, 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:

September 30, 2022	Cost	Accumulated amortization	Net book value
Buildings	\$ 29,692	\$ 29,692	\$ -
Office equipment	85,411	80,287	5,124
Automotive equipment	181,435	142,258	39,177
Field equipment	82,449	82,449	
Right of use asset	66,152	57,722	8,430
	\$ 445,139	\$ 392,408	\$ 52,731

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2022

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 a mineral property consisting 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 (the "Mineral Property") for a total cost of \$1,258,509.

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 September 30, 2022	\$1,508,364

6. Exploration and evaluation costs

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

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Consulting and labour	\$222,709	\$5,920	\$383,345	\$64,881
Assay	(78,496)	-	36,285	58,535
Drilling	926,532	-	1,156,933	-
Pre-feasibility	185,793	-	185,793	-
Field equipment and supplies	59,498	1,806	136,086	-
Miscellaneous field costs	(66,067)	-	3,810	2,571
Accommodation and meals	463	-	10,742	-
Travel and transportation	10,820	1,086	18,594	1,086
Freight and equipment transport	5,170	-	12,232	373
Property and mineral taxes	-	-	3,211	3,370
Total:	\$1,266,422	\$8,812	\$1,947,031	\$130,816

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2022

During the nine months ended September 30, 2022, the Company continued to work on the environmental study, stakeholder engagement, and mine plan development as required by the Environmental Assessment Certification and permit application processes set out by the BC Ministry of Mines.

The Company also engaged service firms to perform a series of hydrometallurgical tests on the Company's magnesium ore to evaluate magnesium and recovery alternatives. As of September 30, 2022, the Company has incurred \$1,775,311 of qualifying expenditures in the gold drilling program.

During the year ended December 31, 2021, the Company closed on a brokered flow-through private placement (the "**FT Private Placement**") for gross proceeds of \$2,499,951. The terms underlying the FT Private Placement requires the Company to incur \$2,499,951 of qualifying Canadian exploration expenses ("**CEE**") and renounce the CEE to the Company's shareholders who subscribed for securities under the FT Private Placement with the effective date of December 31, 2021.

7. Long Term Debt

On April 27, 2016, the Company received a \$1,000,000 unsecured loan 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, 2016, which has not occurred to date.

On May 20, 2022, the Company entered into a debt settlement agreement with an arm's length creditor of the Company whereby it agreed to convert \$1,883,822 in debt owed to said creditor by issuing 3,139,370 common shares of the Company (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 "**Debt Settlement Transaction**"). The Settlement Shares were issued in reliance of certain prospectus exemptions available under Canadian securities legislation and were subject to the four month and one day hold period from their date of issuance.

	Nine months ended	
	September 30, 2022	September 30, 2021
Loan due April 27, 2026	\$ 1,000,000	\$ 1,000,000
Repayment of debt	(1,883,622)	-
Cumulative unpaid interest	883,622	750,886
Total:	\$ -	\$ 1,750,886

Financing costs comprised of the following:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Interest on long-term debt	\$ -	\$49,386	\$81,916	\$144,018
Interest on related party loans (<i>Note 9</i>)	53,999	54,050	161,996	143,401
Other interest and bank charges	806	394	1,578	966
Total	\$ 54,805	\$103,830	\$245,490	\$288,385

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2022

8. Equity Instruments

(a) Authorized

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:

	Number of Shares	Amount
Balance as at December 31, 2021	74,287,307	\$ 16,403,581
Private Placement	3,869,344	\$ 889,833
Shares for Debt	3,139,370	1,883,622
Warrants exercised	687,500	241,470
Share issue costs	-	(16,860)
Balance as at September 30, 2022	81,893,521	\$ 19,401,646

- (i) On February 10, 2021, the Company completed an initial tranche closing of a new private placement ("**Private Placement #1**") totaling of 569,732 units for gross proceeds of \$113,946. Each unit was priced at \$0.20 per unit and included one common share and one share purchase warrant, where two full share purchase warrants entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.30 per common share for a period of one year from the date of closing.
- (ii) On April 29, 2021, the Company completed the final tranche closing of Private Placement #1 totaling of 1,325,000 units for gross proceeds of \$265,000. Each unit was priced at \$0.20 per unit and included one common share and one share purchase warrant, where two full share purchase warrants entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.30 per common share for a period of one year from the date of closing.
- (iii) On January 19, 2022, the Company completed a second tranche closing (the "**Second Tranche Closing**") of the drawdown equity financing facility (the "**ELOC Facility**") of up to a total of CAD\$12,000,000 (the "**Total ELOC Amount**") 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 issued under the Second Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of \$0.8375 per common share for 36 months from the date of the Second Tranche Closing. Further details of the ELOC Facility are described under the heading "Liquidity and Capital Resources" of the Company's Management's Discussion and Analysis for the period ended June 30, 2022 and were disclosed in the Company's 2021 annual financial statements.
- (iv) On February 14, 2022, the Company issued 200,000 common shares upon the exercise of outstanding stock options of the Company by a single option holder for total gross proceeds of \$24,000.
- (v) On March 11, 2022, the Company completed a third tranche closing (the "**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 issued under the Third Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of \$0.875 per share for 36 months from the date of the Third Tranche Closing.

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- (vi) On April 25, 2022, the Company completed a fourth tranche closing (the "**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 issued under the Fourth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.775 per share for 36 months from the date of the Fourth Tranche Closing.
- (vii) During the nine months ended September 30, 2022, the Company issued 500,000 common shares upon the exercise of outstanding common share purchase warrants of the Company by a single warrant holder for total gross proceeds of \$150,000 and the Company issued 200,000 common shares upon exercise of outstanding stock options of the Company by a single option holder for total gross proceeds of \$24,000 in proceeds.
- (viii) On May 20, 2022, the Company completed the Debt Settlement Transaction (as further described under *Section 7 – Long Term Debt* above).
- (ix) On Sept. 22, 2022, the Company completed a fifth tranche closing (the "**Fifth Tranche Closing**") of the ELOC Facility totaling 925,925 units issued to Alumina at a price of \$0.27 per unit for total gross proceeds of \$250,000. Each unit issued under the Fifth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.45 per share for 36 months from the date of the Fifth Tranche Closing.

(c) Warrants:

	Number of Warrants	Amount
Balance at December 31, 2021	3,349,454	\$ 705,938
Private Placement	3,469,340	770,485
Warrants exercised	(837,500)	(35,222)
Warrants expired (unexercised)	(120,683)	(7,311)
Balance at September 30, 2022	5,860,611	\$ 1,433,890

(d) Stock Options:

The Company has a rolling stock option plan (the "**Plan**") for its officers, directors, employees and consultants. The maximum number of common shares 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.

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance as at December 31, 2021	7,002,000	\$0.32	3.32
Options exercised, Feb. 08, 2022	(200,000)	0.12	-
Options exercised, May 19, 2022	(200,000)	0.12	-
Balance as at September 30, 2022	6,602,000	\$0.30	2.58

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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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.

	September 30, 2022	December 31, 2021
Big Mountain loan:	\$ 1,700,000	\$ 1,700,000
Loan due December 31, 2021 (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:	1,177,645	1,015,650
	\$ 3,693,433	\$ 3,531,438
Directors' loans		
Loans, non-interest bearing	\$ -	\$ 193,260
Loan repayment	-	(193,260)
	\$ -	\$ -
Balance, end of period	\$ 3,693,433	\$ 3,531,438

Interest and bank charges expense is comprised of the following:

	Three months ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Interest on related party loans	\$53,999	\$54,049	\$161,996	\$143,400
Other interest and bank charges	806	395	1,578	967
Balance, end of period	\$54,805	\$54,444	\$163,574	\$144,367

10. Lease liability

	Nine months ended		Year ended	
	September 30, 2022		December 31, 2021	
Opening balance,	\$	6,212	\$	6,212
Additions		9,197		9,197
Lease interest expense		249		403
Lease payments		(7,200)		(9,600)
	\$	8,458	\$	6,212

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11. Supplemental cash flow information

	Nine months ended	
	September 30, 2022	September 30, 2021
Accounts receivable	\$ 2,454,848	\$ 3,014
Prepaid expenses	86,385	27,686
Accounts payable and accrued liabilities	16,180	(197,286)
Balance, end of period	\$ 2,557,413	\$ (166,586)

12. Commitments and contingencies

The Company has a 10.5-hectare surface land lease to purchase agreement where rent is \$800 per month for a one-year term ending August 31, 2023. At any time during the term the Company has the option to purchase the lands for \$340,000.