



Condensed Interim Consolidated Financial Statements of

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

For the three and six months ended June 30, 2023 (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
August 24, 2023

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

Condensed Interim Consolidated Statement of Financial Position (unaudited)

As at	June 30, 2023	December 31, 2022
Assets		
Current Assets:		
Cash and cash equivalents	\$ 294,546	\$ 1,046,225
Accounts receivable	170,900	117,783
Prepaid expenses	82,865	62,264
	548,311	1,226,272
Restricted deposits (Note 3)	68,568	68,568
Property and equipment (Note 4)	36,395	47,251
Exploration and evaluation – mineral property (Note 5)	1,508,364	1,508,364
Total Assets	\$ 2,161,638	\$ 2,850,455
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 2,027,785	\$ 1,980,243
Flow-through premium liabilities	125,600	125,600
Lease liabilities (Note 10)	1,584	6,212
Liabilities due to related parties (Note 9)	3,855,223	3,747,637
Total Liabilities	\$ 6,010,192	\$ 5,859,692
Shareholders' Equity		
Common shares (Note 8(b))	20,293,023	19,894,401
Warrants (Note 8c)	1,284,652	1,542,232
Contributed surplus	9,444,586	8,537,996
Deficit	(34,864,323)	(32,977,482)
Total shareholders' equity	(3,842,062)	(3,002,853)
Non-controlling interest	(6,492)	(6,384)
Total Liabilities and Shareholders' equity	2,161,638	2,850,455

Going concern (Note 1)
 Commitments and contingencies Note 12)

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		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Expenses				
Head office expense	\$385,481	\$376,453	\$660,526	\$655,506
Exploration expense (Note 6)	429,529	444,494	612,429	680,609
Interest and bank charges (Note 9)	54,201	54,416	108,293	108,769
Interest on long term debt (Note 7)	-	29,622	-	81,916
Foreign exchange (gain) or loss	-	320	-	320
Stock based compensation (Note 8(d))	-	-	494,845	-
Depreciation and amortization (Note 4)	5,445	3,180	10,856	7,774
	\$874,656	\$908,485	\$1,886,949	\$1,534,894
Net loss and comprehensive loss	\$(874,656)	\$(908,485)	\$(1,886,949)	\$(1,534,894)
Loss per common shares				
Basic and diluted	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.02)
Weighted average number of shares outstanding				
Basic and diluted	84,653,618	77,380,721	84,599,921	76,863,152

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		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2022	June 30, 2022
Cash Flow From (Used in) Operating Activities				
Net loss	\$(874,656)	\$(908,485)	\$(1,886,949)	\$(1,534,894)
Add (deduct) non-cash items:				
Interest accrued - related party loan (Note 9)	53,793	53,998	107,586	107,997
Interest accrued - long term loan (Note 6)	-	29,622	-	81,916
Stock based compensation (Note 8 (d))	-	-	494,845	-
Depreciation and amortization (Note 4)	5,445	3,180	10,856	7,774
	(815,418)	(821,685)	(1,273,662)	(1,337,207)
Net change in non-cash working capital (Note 14)	103,023	97,435	(26,176)	2,241,165
	\$(712,395)	\$(724,250)	\$(1,299,838)	\$903,958
Cash Flow From Financing Activities				
Repayment of long-term debt (Note 6)	-	(1,883,622)	-	(1,883,622)
Issue of shares and warrants (Note 8)	360,000	2,419,938	557,002	3,500,188
Share issue costs	(4,215)	(4,215)	(4,215)	(12,645)
Payment of lease liabilities (Note 10)	(2,337)	(2,337)	(4,628)	(4,628)
	353,448	529,764	548,159	1,599,293
Cash Flow (Used in) Investing Activities				
Purchase of equipment and software	-	-	-	-
	-	-	-	-
Decrease in cash and cash equivalents	\$(358,947)	\$(194,486)	\$(751,679)	\$2,503,251
Cash and cash equivalents, beginning of period	653,493	2,831,202	1,046,225	133,465
Cash and cash equivalents, end of period	\$294,546	\$2,636,716	\$294,546	\$2,636,716
Interest paid	\$408	\$418	\$707	\$772

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	
	June 30, 2023	June 30, 2022
Common shares (Note 8(b))		
Balance, beginning of year	19,894,401	\$16,403,581
Private placement	402,837	2,644,231
Warrants exercised	-	241,470
Share issue costs	(4,215)	(12,645)
Balance, end of period	20,293,023	19,276,637
Warrants (Note 8(c))		
Balance, beginning of year	1,542,232	705,938
Issued on private placement	154,165	649,709
Warrants exercised	-	(35,222)
Warrants expired unexercised	(411,745)	(1,215)
Balance, end of period	1,284,652	1,319,210
Contributed surplus		
Balance, beginning of year	8,537,996	8,502,911
Transfer on expired warrants	411,745	1,215
Stock based compensation	494,845	-
Balance, end of period	9,444,586	8,504,126
Deficit		
Balance, beginning of year	(32,977,482)	(29,165,631)
Net loss	(1,886,841)	(1,534,894)
Balance, end of period	(34,864,323)	(30,700,525)
Non-Controlling Interest	(6,492)	(6,356)
Balance, end of period	(34,870,815)	(30,706,881)
Total Shareholder's equity	\$ (3,842,062)	\$ (1,600,552)

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 six months ended June 30, 2023

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 consolidated 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 assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying amount and classification of assets and liabilities and the amount of reported expenses. Such adjustments could be material.

For the six months ended June 30, 2023, the Company had incurred a net loss of \$1,886,849 and used cash in operations of \$1,299,838. As at June 30, 2023, the Company had a working capital deficiency of \$5,461,881.

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 consolidated interim 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, 2022. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ending December 31, 2022.

The condensed interim consolidated financial statements of the Company include MG Innovations Inc., a private Alberta company of which the Company holds 40% ownership for the period ending June 30, 2023.

These condensed consolidated interim financial statements were authorized for issue by the Company’s board of directors on August 24, 2023.

The preparation of condensed consolidated interim 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.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2023

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 consolidated interim financial statements at June 30, 2023, 2023 have been prepared following the same accounting policies as the consolidated financial statements as at December 31, 2022.

3. Restricted deposits

As at June 30, 2023, the Company has \$68,568 in deposits in restricted accounts as required by the British Columbia Ministry of Mining (December 31, 2022- \$68,568).

4. Property and Equipment:

June 30, 2023	Cost	Accumulated amortization	Net book value
Buildings	\$ 29,692	\$ 29,692	\$ -
Office equipment	85,412	82,931	2,481
Automotive equipment	181,435	149,053	32,382
Field equipment	82,449	82,449	-
Right of use asset	66,151	64,619	1,532
	<u>\$ 445,139</u>	<u>\$ 408,744</u>	<u>\$ 36,395</u>

December 31, 2022	Cost	Accumulated amortization	Net book value
Buildings	\$ 29,692	\$ 29,692	\$ -
Office equipment	85,412	81,178	4,234
Automotive equipment	181,434	144,548	36,886
Field equipment	82,449	82,449	-
Right of use asset	66,152	60,021	6,131
	<u>\$ 445,139</u>	<u>\$ 397,888</u>	<u>\$ 47,251</u>

5. Exploration and Evaluation assets - Mineral property:

In September 2003, the Company acquired the exploration and evaluation assets (the "Assets") for a total cost of \$1,258,509. The exploration and evaluation assets consist 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.

There were no impairment indicators for the exploration and evaluation assets at June 30, 2023 or December 31, 2022.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2023

	Amount
Balance as at December 31, 2022:	\$1,508,364
Additions:	-
Balance as at December 31, 2022:	1,508,364
Additions:	-
Balance as at June 30, 2023	\$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		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Consulting and labour	\$229,132	\$133,234	\$345,823	\$160,636
Legal	46,497	-	46,839	-
Assay	61,441	27,221	65,841	114,781
Drilling	5,395	230,401	5,395	230,400
Permitting	50,000	-	50,000	-
Reporting	1,350	-	1,350	-
Field equipment and supplies	4,655	18,112	4,655	76,588
Miscellaneous field costs	415	7,675	2,637	69,877
Environmental	(36,000)	-	-	-
Project management	3,500	-	3,500	-
Accommodation and meals	6,940	10,279	6,940	10,279
Travel and transportation	-	7,776	-	7,776
GIC and data management	5,173	-	5,173	-
Core logging-	41,875	-	41,875	-
Freight and equipment transport	2,833	6,585	3,541	7,061
Geology an mapping	2,499	-	25,036	-
Property and mineral taxes	3,824	3,211	3,824	3,211
Total:	\$429,529	\$444,494	\$612,429	\$680,609

During the six months ended June 30, 2023, the Company continued to work on the environmental study, stakeholder engagement, and mine plan development as required by the Environmental Assessment Certification and permit processes set out by the British Columbia 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.

During the year ended December 31, 2022, the Company closed an initial tranche closing of a concurrent brokered private placement offering (the "Concurrent Offering") by issuing 1,570,000 flow-through units (the "Flow-Through Units") at a price of \$0.50 per Flow-Through Unit for gross proceeds of \$785,000 and 399,000 ordinary units (the "Ordinary Units") at a price of \$0.42 per Ordinary Unit for gross proceeds of \$167,580, representing aggregate gross proceeds of \$952,580. The terms underlying the Concurrent Offering, and specifically the Flow-Through Units, requires the Company to incur \$785,000 of qualifying Canadian exploration expenses (the "CEEs") based on the proceeds raised under the issuance of the Flow-Through Units and renounce the CEEs to the Company's shareholders who subscribed for Flow-Through Units under the Concurrent Offering with the effective date of December 31, 2022.

The Company has commitments to spend \$773,480 in exploration and evaluation costs for the balance of the year ended 2023.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2023

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, 2026, 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 of debt owed to said creditor by issuing 3,139,370 common shares of the Company (the "Settlement Shares") at a fair value of \$0.55 per Settlement Share in full and final satisfaction of the debt owing to the creditor and a gain on settlement of \$156,969. The Settlement Shares were issued in reliance of certain prospectus exemptions available under Canadian securities legislation and were subject to the standard four month and one day hold period from their date of issuance.

	Six months ended	
	June 30, 2023	December 31, 2022
Loan due April 27, 2026	\$ -	\$ 1,000,000
Repayment of debt	-	(1,883,622)
Cumulative unpaid interest	-	883,622
Total:	\$ -	\$ 1,701,499

Financing costs comprised of the following:

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	Jun 30, 2022
Interest on long-term debt	-	29,622	-	\$81,916
Interest on related party loans (Note 9)	53,793	53,998	107,586	107,997
Other interest and bank charges	408	418	707	772
Total	\$54,201	\$84,038	\$108,293	\$190,685

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, 2022	83,952,521	\$ 19,894,401
Private Placement	1,469,053	\$ 402,837
Share issue costs	-	(4,215)
Balance as at June 30, 2023	84,421,574	\$ 20,293,023

- i) On January 18, 2023, the Company completed a second tranche closing of the Concurrent Offering by issuing 309,530 Ordinary Units at a price of \$0.42 per Ordinary Unit for total gross proceeds of \$130,003. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.70 per share for 24 months from the date of closing.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2023

- ii) On January 26, 2023, the Company completed the final tranche closing of the Concurrent Offering by issuing 159,523 Ordinary Units at a price of \$0.42 per Ordinary Unit for total gross proceeds of \$67,000. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.70 per share for 24 months from the date of closing.
- iii) On May 19, 2023, the Company completed a sixth tranche closing (the "**Sixth Tranche Closing**") of the ELOC Facility, totaling 1,000,000 units issued to Alumina at a price of \$0.36 per unit for total gross proceeds of \$360,000. Each unit issued under the Sixth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of \$0.5625 per share for 36 months from the date of the Sixth Tranche Closing.

(c) Warrants:

	Number of Warrants	Amount
Balance at December 31, 2022	7,158,352	\$ 1,542,232
Private Placement	1,469,053	154,165
Warrants exercised	-	-
Warrants expired (unexercised)	(1,666,634)	(411,745)
Balance at June 30, 2023	6,960,771	\$ 1,284,652

(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, 2022	6,607,000	\$0.32	3.10
Options granted, Feb.03,2023(8(iii))	1,748,000	0.45	4.60
Balance as at June 30, 2023	8,355,000	\$0.38	2.83
Exercisable options June 30,2023	8,355,000	\$0.38	2.83

The fair value of the 1,748,000 stock options granted to officers and consultants on February 3, 2023 of \$0.45 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk-free interest rate of 3.9%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 72%.

The range of exercise prices for stock options outstanding and exercisable under the plan at June 30, 2023 is as follows:

Exercise Price	Awards Outstanding and Exercisable	Remaining contractual life (years)	Weighted Average Exercise Price(\$)
\$0.12-\$0.35	5,800,000	2.22	0.22
\$0.43-\$0.45	1,828,000	4.21	0.44
\$1.05	727,000	3.39	1.05
	8,355,000	3.27	0.57

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2023

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 Big Mountain loans have both become due and owing, and the Company's board of directors and Big Mountain are currently negotiating extension terms as of the date hereof.

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, 2022, the Company made repayment on the loans from its directors in the amount of \$193,260 ((as at December 31, 2021, this amount was \$44,740).

	Six months ended		Year ended	
	June 30, 2023		December 31, 2022	
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:		1,339,435		1,231,849
Balance, end of period	\$	3,855,223	\$	3,747,637

Interest and bank charges expense is comprised of the following:

	Three months ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Interest on related party loans	\$53,793	\$53,998	\$107,586	\$107,997
Other interest and bank charges	408	418	707	772
Balance, end of period	\$54,201	\$54,416	\$108,293	\$108,769

10. Lease liability

	Six months ended		Year ended	
	June 30, 2023		December 31, 2022	
Opening balance,	\$	6,212	\$	6,212
Additions		-		9,197
Lease interest expense		172		403
Lease payments		(4,800)		(9,600)
	\$	1,584	\$	6,212

11. 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 June 30, 2023, 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.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended June 30, 2023

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.

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 \$170,900 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.

13. 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.

14. Supplemental cash flow information

	Six months ended	
	June 30, 2023	June 30, 2022
Accounts receivable	\$ (53,116)	\$ 2,480,707
Prepaid expenses	(20,600)	74,432
Accounts payable and accrued liabilities	47,540	(313,974)
Net change in non-cash working capital	\$ (26,176)	\$ 2,241,165

15. 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, 2023. At any time during the term the Company has the option to purchase the lands for \$340,000.