

# **WESTKAM GOLD CORP.**

## **FINANCIAL STATEMENTS**

**For the Years Ended October 31, 2023 and 2022**

**(Expressed in Canadian Dollars)**

To the Shareholders of  
WestKam Gold Corp.

***Opinion***

We have audited the accompanying financial statements of WestKam Gold Corp. (the “Company”), which comprise the statements of financial position as at October 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders’ deficiency, and cash flows for the years then ended, and notes to the financial statements, including significant accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 of the financial statements, which indicates that the Company has a working capital deficiency, continues to incur losses and will require additional financing for the upcoming year. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor’s report.

***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

February 28, 2024

**WESTKAM GOLD CORP.**  
**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	Note	October 31, 2023	October 31, 2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 21,000	\$ 34,141
Receivables	3	5,510	224,543
Prepaid expenses		3,577	7,988
		30,087	266,672
<b>Equipment</b>	4	1,844	2,275
<b>Exploration and evaluation assets</b>	5	1,999	-
<b>Reclamation bonds</b>	5	100,000	100,000
		<b>\$ 133,930</b>	<b>\$ 368,947</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	\$ 743,579	\$ 787,476
Reclamation obligation	5	41,000	41,000
<b>Total Liabilities</b>		784,579	828,476
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share capital	6	55,284,388	55,284,388
Share-based payments reserve	6	14,079	14,079
Deficit		(55,949,116)	(55,757,996)
		(650,649)	(459,529)
		<b>\$ 133,930</b>	<b>\$ 368,947</b>

**Nature of Operations and Going Concern** (note 1)  
**Subsequent Event** (note 12)

On behalf of the Board:

**"Matt Wayrynen" Director**

**"Corey Klassen" Director**

The accompanying notes are an integral part of these financial statements.

**WESTKAM GOLD CORP.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

		Year Ended October 31,	
	Note	2023	2022
<b>EXPENSES</b>			
Consulting		\$ 6,000	\$ 28,000
Depreciation	4	431	531
Exploration expenses (net of recovery)	5	26,017	(154,350)
Investor relations and shareholder information		6,703	3,713
Management fees	7	92,165	123,075
Office		1,253	955
Professional fees		37,804	51,979
Regulatory and filing fees		16,431	15,660
Travel		4,316	9,304
<b>Operating loss</b>		(191,120)	(78,867)
<b>Interest income</b>		-	11,698
<b>Mineral property write down</b>	5	-	(1,000)
		-	10,698
<b>Loss and comprehensive loss for the year</b>		\$ (191,120)	\$ (68,169)
<b>Loss per share (Basic and Diluted)</b>		\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding, basic and diluted</b>		22,735,107	22,735,107

The accompanying notes are an integral part of these financial statements.

**WESTKAM GOLD CORP.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**  
**(Expressed in Canadian Dollars)**

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	Number of common shares	Share Capital	Share-based payments reserve	Deficit	Total shareholders deficiency
<b>Balance, October 31, 2021</b>	<b>22,735,107</b>	<b>\$55,284,388</b>	<b>\$ 14,079</b>	<b>\$(55,689,827)</b>	<b>\$ (391,360)</b>
Loss and comprehensive loss	-	-	-	(68,169)	(68,169)
<b>Balance, October 31, 2022</b>	<b>22,735,107</b>	<b>\$55,284,388</b>	<b>\$ 14,079</b>	<b>\$(55,757,996)</b>	<b>\$ (459,529)</b>
Loss and comprehensive loss	-	-	-	(191,120)	(191,120)
<b>Balance, October 31, 2023</b>	<b>22,735,107</b>	<b>\$55,284,388</b>	<b>\$ 14,079</b>	<b>\$(55,949,116)</b>	<b>\$ (650,649)</b>

The accompanying notes are an integral part of these financial statements.

**WESTKAM GOLD CORP.**  
**STATEMENTS OF CASH FLOWS**  
**(Expressed in Canadian Dollars)**

	Year ended October 31,	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss and comprehensive loss for the year	\$ (191,120)	\$ (68,169)
Items not affecting cash:		
Depreciation	431	531
Mineral property write down	-	1,000
Accrued interest income	-	(11,698)
Changes in non-cash working capital items:		
Decrease (increase) in receivables	219,033	(191,252)
Decrease (increase) in prepaid expenses	4,411	(5,488)
Increase (decrease) in accounts payable	(43,897)	178,364
Net cash used in operating activities	(11,142)	(96,712)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Mineral property acquisition	(1,999)	-
Net cash used in investing activities	(1,999)	-
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>(13,141)</b>	<b>(96,712)</b>
<b>CASH, beginning of year</b>	<b>34,141</b>	<b>130,853</b>
<b>CASH, end of year</b>	<b>\$ 21,000</b>	<b>\$ 34,141</b>

The accompanying notes are an integral part of these financial statements.

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN**

WestKam Gold Corp. (“WestKam” or the “Company”) was incorporated on October 2, 1982 under the laws and Company Act of British Columbia, Canada, is domiciled in Canada and is a reporting issuer in the provinces of British Columbia and Alberta, Canada. The Company trades on the TSX Venture Exchange under the symbol “WKG”. The Company’s head and registered offices are located at Suite 900 – 570 Granville Street, Vancouver, BC, V6C 3P1.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recovery of amounts comprising the exploration and evaluation assets is dependent upon the confirmation of recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of these reserves, the potential future profitability of these reserves or alternatively, the disposition, on an advantageous basis, of the Company’s interests in the exploration and evaluation assets. The Company has a working capital deficiency, continues to incur losses and will require additional financing for the upcoming year. These material uncertainties may cast significant doubt regarding the Company’s ability to continue as a going concern.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance:**

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”).

The financial statements were authorized by the Audit Committee and Board of Directors of the Company on February 28, 2024.

**b) Basis of presentation:**

The financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value, as explained in the accounting policies set out below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**c) Functional and presentation currency:**

These financial statements are presented in Canadian dollars, which is the Company’s functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the financial reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**d) Equipment:**

Equipment is stated at cost less accumulated depreciation and any accumulated impairment in value. The cost of equipment includes the purchase price, costs that can be directly attributed to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs for dismantling, removal and restoration of the site on which it is located.

Depreciation is recorded over the estimated useful life of the asset on a declining balance basis at the following annual rates:

Office furniture and equipment	20%
Computer equipment	30%

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

**e) Exploration and evaluation assets:**

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in profit or loss as incurred, net of recoveries.

Development expenditures incurred to increase or to extend the life of existing production and incurred subsequent to the development decision, are capitalized and amortized on the unit-of-production method using estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period that such a determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Tax credits received are applied to the related expenditures.

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**f) Provisions:**

*Rehabilitation provisions*

The Company recognizes liabilities for statutory, contractual and constructive or legal obligations, resulting from the acquisition, construction, development or normal operations of exploration and evaluation assets and property, plant and equipment including those associated with the reclamation of these assets. Initially, a liability for a decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized costs are amortized over the life of the related assets. At the end of each reporting period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional decommissioning costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Rehabilitation expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss.

**g) Related party transactions:**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**h) Significant accounting estimates and judgments:**

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

*Significant accounting judgments*

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**h) Significant accounting estimates and judgments (cont'd):**

Critical judgements exercised relates primarily to the going concern issue in Note 1.

*Critical Accounting Estimates*

- i) Share-based compensation – The fair value of share-based payments is determined using the Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.
- ii) Asset retirement obligations – The Company's provision for reclamation and closure cost obligations represent management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows.

**i) Share-based compensation:**

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based compensation to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services when received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured.

**j) Income taxes:**

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local statutory tax rates enacted or substantively enacted at the statement of financial position date, and include adjustments to income tax payable or receivable for previous years.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be in effect when the temporary differences are likely to be settled. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**j) Income taxes (cont'd):**

No deferred income tax assets have been recognized for the years presented.

**k) Earnings (loss) per share:**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**l) Financial instruments:**

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has substantially transferred all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

**Fair Value Through Profit or Loss (“FVTPL”)**

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in profit or loss. Gains and losses arising from changes in fair value are presented in profit or loss within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the statement of financial position date, which is classified as non-current.

**Fair value through other comprehensive income (“FVTOCI”)**

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**l) Financial instruments (cont'd):**

Amortized Cost

Amortized cost instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Amortized cost instruments are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method. Cash, receivables and reclamation bonds are classified as amortized cost.

Financial Liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities which are classified at amortized cost.

Expected Credit Loss

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

**m) Impairment:**

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**n) Flow-through shares:**

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby any premium paid for the flow through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability. The liability is reduced and recorded to profit or loss on a proportionate basis as the qualifying expenditures are made.

**o) Share capital:**

Share capital represents the amount received on the issue of shares, less issuance costs. Reserves includes charges related to stock options and warrants until such equity instruments are exercised. The Company transfers to share capital or deficit the value of expired, forfeited or canceled warrants or options respectively. Warrants that are part of units are assigned a value based on the residual value, if any, and are included in reserves.

**NOTE 3 – RECEIVABLES**

Receivables are comprised of the following:

	<b>October 31, 2023</b>	<b>October 31, 2022</b>
GST Receivable	\$ 5,510	\$ 28,502
BCMETC	-	184,343
Interest receivable	-	11,698
<b>Total</b>	<b>\$ 5,510</b>	<b>\$ 224,543</b>

**NOTE 4 – EQUIPMENT**

	Computer equipment	Office furniture and equipment	Total
<b>Cost</b>			
Balance at October 31, 2021, 2022 and 2023	\$ 41,035	\$ 68,065	\$ 109,100
<b>Depreciation and impairment</b>			
Balance at October 31, 2021	40,900	65,394	106,294
Depreciation	35	496	531
Balance at October 31, 2022	40,935	65,890	106,825
Depreciation	28	403	431
Balance at October 31, 2023	40,963	66,293	107,256
<b>Carrying values</b>			
Balance at October 31, 2022	\$ 100	\$ 2,175	\$ 2,275
Balance at October 31, 2023	72	1,772	1,844

**WESTKAM GOLD CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended October 31, 2023 and 2022**

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**NOTE 5 – EXPLORATION AND EVALUATION ASSETS**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

The Company has one mineral property, the Will Property, which was acquired for staking costs of \$1,999.

As at October 31, 2023, the Company has provided reclamation bonds of \$100,000 (2022 - \$100,000) for future reclamation work on its formerly-owned Bonaparte Gold property. The claims were allowed to lapse in 2022, resulting in an impairment charge of \$1,000. The Company expects to undertake any required reclamation work to recover the bond.

As at October 31, 2023, the Company has recognized a reclamation obligation of \$41,000 (2022 - \$41,000). The undiscounted amount of estimated cash flows was estimated at \$41,000.

The table below is a summary of exploration expenditures recognized in profit or loss for the years ended October 31, 2023 and 2022:

	2023		2022	
	Bonaparte	Will	Bonaparte	Will
<b>Exploration Expenses</b>				
Assays	\$ -	\$ 4,866	\$ -	\$ -
Camp supplies	-	388	-	-
Geological consulting	-	11,850	5,100	-
Other	-	5,065	413	-
Water monitoring and testing	3,848	-	24,480	-
BCMETS	-	-	(184,343)	-
<b>Net Exploration</b>	\$ 3,848	\$ 22,169	\$ (154,350)	\$ -

**NOTE 6 – SHARE CAPITAL**

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

**Fiscal 2023 Transactions**

No shares were issued during the year ended October 31, 2023.

**Fiscal 2022 Transactions**

No shares were issued during the year ended October 31, 2022.

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**NOTE 6 – SHARE CAPITAL (Continued)**

**Share-based compensation**

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

No options were granted or outstanding during the years ended October 31, 2023 or 2022.

**Warrants**

The continuity of warrants for the years ended October 31, 2023 and 2022 is as follows:

Expiry Date	Exercise Price	October 31, 2022	Granted	Exercised	Expired/ cancelled	October 31, 2023
November 11, 2025	\$0.20	8,191,271	-	-	-	8,191,271
		8,191,271	-	-	-	8,191,271
Weighted average		\$0.20	-	-	-	\$0.20

Expiry Date	Exercise Price	October 31, 2021	Granted	Exercised	Expired/ cancelled	October 31, 2022
November 11, 2025	\$0.20	-	8,191,271	-	-	8,191,271
		-	8,191,271		(3,741,711)	8,191,271
Weighted average		-	\$0.20	-	\$1.75	\$0.20

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**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Company's related parties which consist of individuals who are executive officers and/or directors of the Company and or are directly related to a director of the Company are as follows:

<b>Name</b>	<b>Nature of transaction</b>
Peter Laipnieks, Director, President and CEO	Management Fees
Pamela Saulnier, CFO	Management Fees
Matt Wayrynen, Former CEO	Management Fees

Key management consist of the chief executive officer, chief financial officer, directors and a company controlled by a director.

The Company incurred the following fees and expenses with key management.

	<b>October 31, 2023</b>	<b>October 31, 2022</b>
Management fees	\$ 92,165	\$ 123,075
Total	\$ 92,165	\$ 123,075

Included in accounts payable is \$288,052 (2022 - \$258,381) owing to directors and officers or companies controlled by them.

**NOTE 8 – SEGMENTED INFORMATION**

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets in Canada.

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**NOTE 9 - INCOME TAX**

A reconciliation of current income taxes at statutory rates with reported taxes is as follows:

	2023	2022
Loss for the year	\$ (191,120)	\$ (68,169)
Expected income tax (recovery)	(52,000)	(18,000)
Change in statutory rates and other	(11,000)	25,000
Permanent differences and expiry of losses	-	(79,000)
Change in unrecognized deductible temporary differences	63,000	72,000
Deferred income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 4,829,000	\$ 4,905,000
Property and equipment	19,000	19,000
Share issue costs	4,000	5,000
Asset retirement obligation	11,000	11,000
Non-capital losses available for future periods	5,055,000	4,915,000
Unrecognized deferred tax assets	\$ 9,918,000	\$ 9,855,000

The Company has non-capital losses of approximately \$18,723,000 (2022 - \$18,206,000) available for deduction against future taxable income. These losses, if not utilized, will expire through 2043. The Company has resource expenditures of approximately \$17,866,000 (2022 - \$18,169,000) available for deduction against future taxable income. Deferred tax benefits which may arise as a result of these tax assets have not been recognized in these financial statements as it is not probable that they will be realized.

## **NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Fair values**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2 - inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace; and,
- Level 3 - inputs to the valuation methodology are not based on observable market data, and approximate fair value due to their short term nature.

The carrying value of cash, receivables, reclamation bonds, and accounts payable and accrued liabilities are measured at amortized cost using the effective interest rate method and approximate fair value due their short-term nature.

### **Financial instrument risk exposure and risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

### **Credit risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of amounts due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

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**NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Interest rate risk**

The Company has cash balances. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates.

**Foreign currency risk**

The Company has limited exposure to foreign currency risk on currency fluctuations related to monetary items with a settlement currency other than Canadian dollars.

**Commodity price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**NOTE 11 – CAPITAL MANAGEMENT**

The Company manages common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments. There have been no changes to the Company's approach to capital management during the year ended October 31, 2023. The Company is not subject to externally imposed capital requirements.

**NOTE 12 – SUBSEQUENT EVENT**

Subsequent to the year ended October 31, 2023, the Company received subscription proceeds of \$122,500 towards a financing of 2,133,333 units for aggregate proceeds of \$160,000. Each unit will consist of one share and one warrant exercisable at \$0.10 for a period of two years from the date of issuance.