
WESTWARD GOLD INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WESTWARD GOLD INC.

Opinion

We have audited the consolidated financial statements of Westward Gold Inc. and its subsidiaries (the "Company"), which comprise:

- ◆ the consolidated statements of financial position as at March 31, 2023 and 2022;
- ◆ the consolidated statements of loss and comprehensive loss for the years then ended;
- ◆ the consolidated statements of changes in shareholders' equity for the years then ended;
- ◆ the consolidated statements of cash flows for the years then ended; and
- ◆ the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated 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 audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$1,439,519 during the year ended March 31, 2023 and, as of that date, has an accumulated deficit of \$3,674,295. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated 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 auditors' report.

VANCOUVER

1700-475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY

600-19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO

201-1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 auditors' 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 Consolidated Financial Statements

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

In preparing the consolidated 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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.

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- ◆ 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants
Vancouver, British Columbia
July 28, 2023

VANCOUVER

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Westward Gold Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2023	As at March 31, 2022
ASSETS		
Current assets		
Cash	\$ 493,970	\$ 2,525,682
Receivables	58,290	46,370
Prepaid expenses (Notes 8 and 12)	74,636	134,559
Total current assets	626,896	2,706,611
Non-current assets		
Exploration and evaluation assets (Note 9)	7,331,830	4,852,596
Reclamation deposit (Note 9)	177,992	164,021
Total assets	\$ 8,136,718	\$ 7,723,228
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 219,427	\$ 143,002
Total liabilities	219,427	143,002
Shareholders' equity		
Share capital (Note 11)	10,577,388	9,085,261
Reserves (Note 11)	1,014,198	729,741
Deficit	(3,674,295)	(2,234,776)
Total shareholders' equity	7,917,291	7,580,226
Total liabilities and shareholders' equity	\$ 8,136,718	\$ 7,723,228

Approved on behalf of the Board:

(Signed) " Mark Monaghan " _____ Director

(Signed) " Allan Fabbro " _____ Director

The accompanying notes to the consolidated financial statements are an integral part of these statements

Westward Gold Inc.**Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****For the years ended March 31,**

	2023	2022
Operating expenses		
Consulting fees (Note 12)	\$ 175,352	\$ 87,708
Corporate communications	273,977	398,553
Filing fees	49,731	50,404
Foreign exchange loss	22,613	1,970
General and administrative	44,706	42,979
Management fees (Note 12)	407,556	346,166
Professional fees	137,737	206,167
Share-based payments (Notes 11 and 12)	283,957	605,339
Travel (Note 12)	42,390	7,580
	1,438,019	1,746,866
Other items		
Write-off of exploration assets (Note 9)	1,500	81,277
Net loss and comprehensive loss for the year	\$ (1,439,519)	\$ (1,828,143)
Basic and diluted net loss per share	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding	71,586,971	42,494,384

The accompanying notes to the consolidated financial statements are an integral part of these statements

Westward Gold Inc.

Consolidated Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves Options	Reserves Warrants	Deficit	Total
Balance, March 31, 2021	21,771,333	\$ 1,593,555	\$ 64,002	\$ 20,318	\$ (406,633)	\$ 1,271,242
Units issued for cash	20,684,636	2,482,156	-	-	-	2,482,156
Units issuance costs - cash	-	(79,823)	-	-	-	(79,823)
Units issuance costs - warrants	-	(58,300)	-	58,300	-	-
Shares issued for exploration and evaluation assets	4,410,889	1,032,188	-	-	-	1,032,188
Acquisition of Momentum Minerals Ltd.	19,817,400	4,062,567	-	-	-	4,062,567
Exercise of warrants	347,000	52,918	-	(18,218)	-	34,700
Share-based payments	-	-	605,339	-	-	605,339
Net loss for the year	-	-	-	-	(1,828,143)	(1,828,143)
Balance, March 31, 2022	67,031,258	9,085,261	669,341	60,400	(2,234,776)	7,580,226
Units issued for cash	9,875,000	850,000	-	-	-	850,000
Units issuance costs - cash	-	(1,923)	-	-	-	(1,923)
Units issuance costs - warrants	-	(500)	-	500	-	-
Restricted share units	-	-	115,596	-	-	115,596
Share-based payments	-	-	168,361	-	-	168,361
Shares issued for exploration and evaluation assets	6,167,644	644,550	-	-	-	644,550
Net loss for the year	-	-	-	-	(1,439,519)	(1,439,519)
Balance, March 31, 2023	83,073,902	\$ 10,577,388	\$ 953,298	\$ 60,900	\$ (3,674,295)	\$ 7,917,291

The accompanying notes to the consolidated financial statements are an integral part of these statements

Westward Gold Inc.**Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****For the years ended March 31,**

	2023	2022
Operating activities		
Net loss	\$ (1,439,519)	\$ (1,828,143)
Adjustments for:		
Share-based payments	283,957	605,339
Foreign exchange loss	(22,613)	(1,984)
Write-off of exploration and evaluation assets	1,500	81,277
Changes in non-cash working capital items:		
Receivables	(11,920)	(38,340)
Prepaid expenses	59,923	(48,330)
Amounts payable and accrued liabilities	(10,763)	25,486
Net cash used in operating activities	(1,139,435)	(1,204,695)
Investing activities		
Exploration and evaluation expenditures	(1,740,354)	(1,169,048)
Cash paid for acquisition of Golden Oasis Exploration	-	(121,453)
Cash received from the acquisition of Golden Oasis Exploration	-	391
Cash received from the acquisition of Momentum Minerals Ltd.	-	1,392,155
Net cash (used in) provided by investing activities	(1,740,354)	102,045
Financing activities		
Proceeds from private placements	850,000	2,482,156
Shares and units issuance costs	(1,923)	(79,823)
Proceeds from exercise of warrants	-	34,700
Net cash provided by financing activities	848,077	2,437,033
Net change in cash	(2,031,712)	1,334,383
Cash, beginning of year	2,525,682	1,191,299
Cash, end of year	\$ 493,970	\$ 2,525,682
Supplemental cash flow information		
Shares issued for exploration and evaluation assets	\$ 644,550	\$ 1,032,188
Exercise of warrants	\$ -	\$ 18,218
Fair value of broker's warrants	\$ 500	\$ 58,300
Exploration and evaluation expenditures in accounts payable and accrued liabilities	\$ 107,613	\$ 20,425

The accompanying notes to the consolidated financial statements are an integral part of these statements

Westward Gold Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Westward Gold Inc. (the “**Company**” or “**Westward**” or “**WG**”) was incorporated under the Canada Business Corporations Act on April 19, 2017. On October 5, 2021, the Company announced a name change from IM Exploration Inc. to Westward Gold Inc. The Company is in the business of acquiring, exploring, and evaluating mineral resource properties. The Company’s common shares are currently trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “**WG**” (prior to October 7, 2021, the Company traded under the symbol “**IM**”). The address of the Company’s corporate office and registered office address is 1055 West Georgia Street, Suite 1500, Vancouver, BC, V6E 4N7.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the year ended March 31, 2023, the Company incurred a net loss of \$1,439,519 (2022 - \$1,828,143) and, as of that date, had an accumulated deficit of \$3,674,295 (2022 - \$2,234,776).

The mineral properties of the Company are in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company’s properties depend on the ability of the Company to obtain financing.

The Company’s future viability will depend upon its ability to secure financing for ongoing exploration activities at its current mineral properties, or the acquisition and financing of any additional mineral properties. If these mineral properties are to be successful, additional funds will be required for development and, if warranted, to place them into commercial production. The sources of future funds presently available to the Company are through the issuance of common shares or through the sale of an interest in any of its properties or assets in whole or in part. The ability of the Company to arrange such financing or the sale of an interest will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. There can be no assurances that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

Statement of compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors of the Company as of July 28, 2023.

Westward Gold Inc.

Notes to Consolidated Financial Statements Years Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

2. Basis of preparation (continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

In the preparation of these consolidated financial statements, management is required to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses and revenues during the period. Actual results could differ from these estimates.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries as if they were a single entity. All inter-company transactions and balances between the Company and its subsidiaries, or between individual subsidiaries, are therefore excluded and eliminated in full.

As of March 31, 2023, the consolidated financial statements include the financial information of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest at March 31, 2023	Ownership Interest at March 31, 2022	Principal Activity
Momentum Minerals Ltd.	Canada	100%	100%	Exploration
Golden Oasis Exploration	United States	100%	100%	Holding company
Turquoise Canyon Corp.	United States	100%	100%	Holding company

The consolidated financial statements include the financial statements of Golden Oasis Exploration (“GOE”) from the date of acquisition on June 2, 2021, and Momentum Minerals Ltd. (“Momentum”) and its wholly owned subsidiary, Turquoise Canyon Corp. (“TCC”), from the date of acquisition on July 5, 2021.

On June 2, 2021, the Company completed the acquisition of GOE. The Company purchased GOE (a private Nevada-incorporated company) from American Consolidated Minerals Corp., a wholly owned subsidiary of Starcore International Mines Ltd. (“Starcore”) for US\$100,000 (\$121,453). GOE holds the exploration permits (“Plan of Operations”) and a reclamation bond registered with the U.S. Bureau of Land Management (“BLM”) with respect to the Toiyabe Gold Project in Lander County, Nevada (the “Toiyabe Property”) (Notes 6 and 9).

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

2. Basis of preparation (continued)

Principles of consolidation (continued)

On July 5, 2021, the Company completed the acquisition of Momentum, a company incorporated under the laws of the Province of British Columbia, Canada, pursuant to the terms of the amalgamation agreement dated June 16, 2021, among the Company's wholly owned subsidiary, 1307605 B.C. Ltd. ("**WG Subco**"), incorporated pursuant to the agreement, and Momentum (the "**Momentum Transaction**"). Momentum (now a WG subsidiary) was earning into a 100% ownership position in the Turquoise Canyon Project in Lander County, Nevada (the "**Turquoise Canyon Property**") through an option agreement with First Mining Gold Corp. ("**First Mining**"), which was exercised during the year ended March 31, 2023. The Turquoise Canyon Property is contiguous with, and east of, the Company's Toiyabe Property. Momentum, through its wholly owned subsidiary TCC, also has a 100% ownership position in nine unpatented mining claims situated between the Turquoise Canyon Property and the Toiyabe Property (the "**Momentum Claims**"). The Momentum Claims were not subject to any obligations related to the option agreement with First Mining. TCC also has a 100% ownership position in eighteen unpatented mining claims which form a portion of the East Saddle Project in Lander County, Nevada (the "**East Saddle Property**"), acquired in December of 2021 (subsequent to the Momentum Transaction), which are not subject to any future obligations apart from ongoing claim maintenance fees to the BLM.

The Momentum Transaction was completed by way of a three-cornered amalgamation under the Business Corporation Act (British Columbia) amongst the Company, Momentum, and WG Subco. Pursuant to the Momentum Transaction, Momentum amalgamated with WG Subco and the holders of Momentum common shares received 0.6 of a WG common share for every one Momentum common share. The Company issued 19,817,400 common shares to shareholders of Momentum as consideration for all of the outstanding Momentum shares pursuant to the Momentum Transaction. The amalgamated company (operating as Momentum Minerals Ltd.) became a wholly owned subsidiary of the Company. The Company also issued 240,000 replacement options to a Momentum option holder, allowing such holder to purchase the Company's common shares at a price of \$0.167 up until April 14, 2026. No finder's fees were paid in connection with the Momentum Transaction.

Significant accounting estimates and judgments

The preparation of the Company's consolidated financial statements in accordance with IFRS requires the Company to make estimates and judgments concerning the future. The Company's management reviews these estimates and underlying judgments on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectivity and anticipated likelihood in the period in which the estimates are revised.

The significant area requiring the use of management estimates include:

- Share-based payments

The value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

2. Basis of preparation (continued)

Significant accounting estimates and judgments (continued)

The significant judgments applying to these financial statements include:

- Impairment of exploration and evaluation assets

Assets or cash-generating units (“CGUs”) are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s exploration and evaluation assets.

In respect of costs incurred for its exploration and evaluation assets, management has determined that exploratory costs, which have been capitalized, continue to be appropriately recorded on the consolidated statements of financial position at its carrying value as management has determined there are no indicators of impairment for its exploration and evaluation assets as at March 31, 2023 and 2022, other than as stated in Note 9.

- Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Functional currency

The functional currency determination will be based on management’s assessment of the primary economic environment in which the entities operate. The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar.

- Business combination versus asset acquisition

Management has assessed the acquisitions of Momentum and GOE and has concluded that in their view the transactions are asset acquisitions as neither acquired entity had any processes capable of generating outputs and therefore did not constitute a business as defined in terms of IFRS 3 *Business Combinations*.

3. Significant accounting policies

Financial instruments

The following is the Company’s accounting policy for financial instruments under IFRS 9 Financial Instruments:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Financial instruments (continued)

Classification (continued)

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Amortized cost
Reclamation deposit	Amortized cost
Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Debt investments at FVTOCI

These assets are initially measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income ("OCI").

Equity investments at FVTOCI

These assets are initially measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

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.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Westward Gold Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Subsidiaries

Subsidiaries are entities over which the Company has control. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest.

Option payments are capitalized. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation, and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during exploration or production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Westward Gold Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Share-based payments

The Company grants stock options and equity-settled restricted share units (“RSUs”) to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting term. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized in reserves is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

The fair value of RSUs is measured on the date of grant, using the fair market value of the common share. The grant date fair values of equity-settled RSUs granted are recognized as an expense, with a corresponding increase in contributed surplus in equity, over the vesting period. Upon exercise of equity-settled RSUs, the related contributed surplus associated with the RSU is reclassified into share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payment is measured at the fair value of goods or services received.

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued using the residual value method which involves comparing the selling price of the units to the Company’s share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the warrants.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up, is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the date of the agreement to issue shares.

Share issuance costs

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against share capital.

Westward Gold Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized using the asset and liability method on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Adoption of new accounting standards and policies

There were no new pronouncements that would have any significant effect on these consolidated financial statements during the year ended March 31, 2023.

New standards not yet adopted and interpretations issued but not yet effective

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's consolidated financial statements.

Westward Gold Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets, and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure allowing it to optimize the costs of capital at an acceptable risk. The Company plans to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions for junior mineral exploration companies. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk. There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the reporting period.

5. Financial and risk management

Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal, and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates reflective of those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions, and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company determined that the carrying values of its short-term financial assets and liabilities approximate the corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company's primary exposure to credit risk is on its cash and receivable. The Company believes its credit risk is low because a portion of receivables are comprised of goods and services tax ("GST") and other government refunds, which is recoverable from the governing body in Canada. Management does not believe the receivables are impaired. The Company doesn't believe there is significant credit risk associated with cash as these amounts are held with major Canadian banks.

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

5. Financial and risk management (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's current exposure to foreign exchange risk consists of fluctuations in the Canadian dollar/US dollar exchange rate, with expenses at the Toiyabe Property, the Turquoise Canyon Property, the East Saddle Property, and the Carlin Properties being paid in US dollars and the Company's operating and fundraising currency being in Canadian dollars. The Company is exposed to nominal foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is considered high. As at March 31, 2023, the Company had \$493,970 (2022 - \$2,525,682) of cash to offset \$219,427 (2022 - \$143,002) of accounts payable and accrued liabilities due on standard trade payable terms not exceeding 90 days.

6. Acquisition of Golden Oasis Exploration

On June 2, 2021, the Company completed the acquisition of GOE (a private Nevada-incorporated company) from American Consolidated Minerals Corp., a wholly owned subsidiary of Starcore, by paying \$121,453 (US\$100,000) in cash. GOE holds the Plan of Operations and a reclamation bond registered with the BLM with respect to the Toiyabe Property.

The transaction does not constitute a business combination, as GOE does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of GOE has been accounted for as an asset acquisition, whereby all of the assets acquired, and liabilities assumed, are recorded at fair value. Upon closing of the transaction, GOE became a wholly owned subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net assets acquired	
Cash	\$ 391
Reclamation deposit	159,628
Exploration and evaluation assets	(38,566)
	\$ 121,453

Total Purchase Price Consideration:	
Cash	\$ 121,453

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

7. Acquisition of Momentum Minerals Ltd.

On July 5, 2021, the Company acquired all the issued and outstanding shares of Momentum for consideration of 19,817,400 common shares (0.6 of a common share of WG for every one Momentum common share). The acquisition was determined to be an asset acquisition and the difference between the net assets acquired and the total consideration paid was allocated to the Turquoise Canyon Property. Effective July 5, 2021, the Company included the operations of Momentum in the consolidated financial statements.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

Net assets acquired	
Cash	\$ 1,392,155
Prepaid expenses	66,316
Exploration and evaluation assets	2,669,501
Accounts payable and accrued liabilities	(65,405)
	\$ 4,062,567
Total Purchase Price Consideration:	
Issuance of 19,817,400 common shares	\$ 4,062,567

8. Prepaid expenses

	March 31, 2023	March 31, 2022
Consulting	\$ 59,300	\$ 101,072
Marketing and promotion	15,336	31,487
Deposit	-	2,000
Total prepaid expenses	\$ 74,636	\$ 134,559

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

9. Exploration and evaluation assets

The Company's exploration and evaluation assets consist of the following:

	Turquoise Canyon Property	Mulloy Property	Toiyabe Property	East Saddle Property	Carlin Properties	Total
	\$	\$	\$	\$	\$	\$
Acquisition costs						
Balance, March 31, 2021	-	45,000	-	-	-	45,000
Acquisition of Momentum	2,502,468	-	-	-	-	2,502,468
Cash	-	-	463,607	-	-	463,607
Issuance of shares	48,188	-	984,000	-	-	1,032,188
Other	55,236	-	2,093	23,907	-	81,236
Write-off	-	(45,000)	-	-	-	(45,000)
Balance, March 31, 2022	2,605,892	-	1,449,700	23,907	-	4,079,499
Cash	46,047	-	82,441	21,562	27,467	177,517
Issuance of shares	275,184	-	321,366	-	48,000	644,550
Balance, March 31, 2023	2,927,123	-	1,853,507	45,469	75,467	4,901,566
Exploration costs						
Balance, March 31, 2021	-	36,277	-	-	-	36,277
Acquisition of Momentum	162,824	-	-	-	-	162,824
Administrative	-	-	-	11,292	-	11,292
Assays	-	-	136,101	-	-	136,101
Geological consulting	233,915	-	124,678	-	-	358,593
Field expenses	-	-	86,417	-	-	86,417
Staking	-	-	-	12,929	-	12,929
Meals and lodging	-	-	4,941	-	-	4,941
Write-off	-	(36,277)	-	-	-	(36,277)
Balance, March 31, 2022	396,739	-	352,137	24,221	-	773,097
Assays	-	-	285,819	-	-	285,819
Geological consulting	-	-	88,260	-	-	88,260
Field expenses	-	-	1,229,218	-	-	1,229,218
Meals and lodging	-	-	53,870	-	-	53,870
Balance, March 31, 2023	396,739	-	2,009,304	24,221	-	2,430,264
Total balance, March 31, 2022	3,002,631	-	1,801,837	48,128	-	4,852,596
Total balance, March 31, 2023	3,323,862	-	3,862,811	69,690	75,467	7,331,830

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

Mulloy Property, Ontario

On November 30, 2017, the Company entered into an option agreement to earn a 90% interest in the Mulloy Property situated in Rowlandson Township, Porcupine Division in Ontario in exchange for \$15,000 (paid) and 300,000 common shares of the Company with a fair value of \$30,000 which were issued upon the Company's initial public offering.

Pursuant to the option agreement, the Company was required to make the aforementioned cash and share payments, and to complete a future feasibility study in order to earn a 90% beneficial ownership interest free and clear of any encumbrances.

During the year ended March 31, 2022, the Company decided not to proceed further with the acquisition of the Mulloy Property and wrote off exploration and evaluation assets of \$81,277. On August 15, 2022, the Company formally terminated its option to earn into a 90% ownership position in the Mulloy Property. Costs incurred during the year ended March 31, 2023 of \$1,500 were recorded as an expense to write-off of exploration and evaluation assets.

Toiyabe Property, Nevada

On April 21, 2021, the Company entered into a binding agreement with Starcore, which set forth the terms for the assignment of Starcore's option to acquire a 100% interest in the Toiyabe Property ("Toiyabe") from Minquest Ltd. ("**Minquest**") to the Company.

Starcore assigned all of its rights and obligations under its option agreement with Minquest to the Company. Following the assignment, the Company has the right to acquire a 100% ownership position in the Toiyabe Property, subject to a 3.0% net smelter return royalty ("**NSR**") to be retained by Minquest, up to half of which (1.5%) can be bought back by the Company for US\$2,000,000 per 1.0% (that right was subsequent assigned by the Company, see "EMX Royalty Corporation – Letter of Intent", described further detail below).

As consideration for the assignment of Starcore's option to acquire the project, the Company made cash and share payments to Starcore in the following amounts:

- US\$150,000 (\$188,505) in cash, paid upon closing of the transaction; and
- 4,100,000 common shares of the Company, issued upon closing of the transaction (valued at \$984,000). The common shares issued to Starcore were subject to a contractual escrow period of 12 months following the date of issuance, with 25% being released every three months, with the first release having occurred three months after the closing of the transaction.

Following closing of the transaction and payments as described above, the Company has the option to exercise its right to earn a 100% ownership position in the property by making the following cash payments to Minquest (for an aggregate total of US\$760,000):

- US\$100,000 (\$121,800) on May 31, 2021 (paid);
- US\$120,000 (\$153,302) on or before October 15, 2021 (paid);
- US\$140,000 on or before October 15, 2022 (see below); and
- US\$400,000 on or before October 15, 2023(see below).

On May 5, 2022, the Company executed an amending agreement to revise the terms of the US\$140,000 cash option payment (due on or before October 15, 2022) as follows:

- US\$35,000 (\$44,736) in cash due on or before October 15, 2022 (paid); and
- US\$105,000 in common shares of the Company (issued 1,148,000 common shares valued at \$163,016).

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

Toiyabe Property, Nevada (continued)

On March 23, 2023, the Company executed an amending agreement to revise the terms of the US\$400,000 cash option payment (due on or before October 15, 2023) as follows:

- US\$300,000 in cash due on or before October 15, 2023; and
- US\$100,000 in common shares of the Company (issued 1,172,968 common shares valued at \$158,350).

As of March 31, 2023, the Company held a reclamation bond for the Toiyabe Property with the BLM in the amount of US\$131,432 (\$177,992) (2022 - US\$131,432 (\$164,021)) through its wholly-owned subsidiary GOE.

Turquoise Canyon Property, Nevada

On June 16, 2021, the Company entered into an agreement to acquire an option on the Turquoise Canyon Property through its acquisition of 100% of the common shares of Momentum (Notes 2 and 7).

The underlying option agreement with First Mining gave the Company the right to acquire a 100% interest in the Turquoise Canyon Property, comprised of 188 unpatented mining claims located in Lander County, Nevada. The agreement had a maximum term of four years from the date of signing, being August 20, 2019. On January 30, 2023, the Company announced that it had exercised its option on the Turquoise Canyon Property, and 100% ownership of the 188 unpatented mining claims was transferred to its wholly owned subsidiary TCC.

On January 30, 2023, the Company issued 1,701,732 common shares to First Mining valued at \$137,500 to complete the final payment for the Turquoise Canyon Property.

In consideration for the option, the Company was required to pay First Mining up to \$500,000, payable as follows:

- \$25,000 in cash within 30 days from the date of execution (paid);
- 10% of the then-outstanding common shares of Momentum, to be credited towards the second anniversary payment on August 20, 2021 (issued 1,000,000 common shares at a deemed value of \$100,000);
- \$50,000 in cash or common shares on or before August 20, 2020 (issued 500,000 common shares of Momentum at a fair value of \$50,000);
- \$150,000 in cash or common shares on or before August 20, 2021 (previously issued 1,000,000 common shares of Momentum at a deemed value of \$100,000; issued an additional 310,889 common shares of the Company at a fair value of \$48,188⁽¹⁾);
- \$137,500 in cash or common shares on or before August 20, 2022 (issued 1,544,944 common shares at a fair value of \$139,045⁽¹⁾); and
- \$137,500 in cash or common shares on or before August 20, 2023 (issued 1,701,732 common shares at a fair value of \$136,139⁽¹⁾).

⁽¹⁾ Share-based payments pursuant to the option agreement were calculated based on a trailing 30-day volume-weighted average price of common shares traded on the CSE, hence there may have been a discrepancy between calculated value paid to First Mining and fair value at the time of payment.

The Company was also required to pay all mining claim maintenance fees with respect to the Turquoise Canyon Property and incur \$750,000 in exploration expenditures as follows:

- \$50,000 by August 20, 2020 (incurred);
- An additional \$100,000 by August 20, 2021 (incurred); and
- An additional \$600,000 by August 20, 2023 (incurred with any outstanding amount waived by First Mining).

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

Turquoise Canyon Property, Nevada (continued)

The property is subject to a 2.0% NSR, payable to First Mining. The Company may buy back half (1.0%) of the NSR for US\$1,000,000 up until the first anniversary of the commencement of commercial production. On January 30, 2023, the Company announced that it had entered into a transaction with EMX Royalty Corporation (“**EMX**”), whereby it assigned its buy-back right on the Turquoise Canyon Property to EMX. Separately, First Mining also announced that it had assigned its 2.0% NSR to Elemental Altus Royalties Corp.

In addition to the 188 unpatented mining claims now owned through the exercise of the option agreement with First Mining, the Company also has a 100% ownership position in nine unpatented mining claims adjacent to the Turquoise Canyon Property; those claims are herein referred to as the Momentum Claims. The Momentum Claims were staked by then-Momentum subsidiary TCC prior to Momentum’s acquisition by the Company and were not subject to any future obligations related to the option agreement with First Mining. For reporting purposes, costs related to the Momentum Claims (capitalized or otherwise) are included in the Turquoise Canyon Property.

EMX Royalty Corporation – Letter of Intent

On February 15, 2023, the Company entered into a binding letter agreement with EMX whereby EMX would fulfill certain obligations in exchange for the assignment of royalty buyback rights and the conditional future granting of royalties on the Company’s Toiyabe and Turquoise Canyon Properties.

- i) EMX acquired 3,000,000 units of Westward in a non-brokered private placement at a price of \$0.10 per unit, for gross proceeds to the Company of \$300,000. Each unit was comprised of one common share of Westward and one common share purchase warrant. Each warrant entitles EMX to purchase one common share at a price of \$0.15 for a period of 36 months following the closing date of the EMX private placement, being March 8, 2023.
- ii) EMX and the Company entered into a drilling services agreement (“**Service Agreement**”), whereby EMX, through its wholly owned subsidiary Scout Drilling LLC, completed a diamond drilling campaign at Toiyabe Property. EMX subsidized direct drilling expenses associated with the program, with the Company owing a total of \$100,000 in cash. Indirect costs – such as snow clearing for safe site access, core cutting, and sample assays – were borne by Westward.
- iii) Upon completion of the terms of the Service Agreement, the Company granted EMX a right to exercise certain NSR royalty buy-back rights associated with Toiyabe Property and the Turquoise Canyon Property, along with the conditional granting of new NSR royalties to EMX in the event they exercise such rights in the future.
 - a) Upon the Company’s earn-in and exercise of its option on the Toiyabe under the agreement by and between Westward and Minquest originally dated January 23, 2005 and subsequently amended (the “**Toiyabe Option Agreement**”), and the concurrent granting of a 3.0% NSR royalty on Toiyabe to Minquest, the Company shall grant EMX a right (the “**EMX Toiyabe Buyback**”) to exercise the royalty buyback rights (the “**Toiyabe Buyback**”) as outlined in the Toiyabe Option Agreement. The Toiyabe Buyback stipulates that Minquest’s 3.0% NSR Royalty on Toiyabe can be reduced by up to 1.5% for a cash payment of US\$2,000,000 per 1.0%. In addition, in the event that the Company receives a notice of default pursuant to the Toiyabe Option Agreement, the Company shall assign all of its rights and interests under the Toiyabe Option Agreement to EMX, in accordance with the terms of the binding letter agreement.

In the event that EMX exercises the EMX Toiyabe Buyback in full, reducing Minquest’s NSR royalty to 1.5%, the Company will grant a 1.0% NSR royalty on Toiyabe to EMX for no additional consideration. Additionally, the Company will concurrently grant EMX a right of first refusal (“**ROFR**”) on future royalty or streaming transactions as it relates to Toiyabe.

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

EMX Royalty Corporation – Letter of Intent (continued)

- b) The Company shall grant to EMX a right to exercise (the “**EMX TC Buyback**”) the royalty buyback rights (the “**TC Buyback**”) as outlined in the Turquoise Canyon Royalty Agreement entered into by and between Turquoise Canyon Corp. (a wholly owned Westward subsidiary), and First Mining Gold Corp. (“**First Mining**”) on January 30, 2023. The TC Buyback stipulates that First Mining’s 2.0% NSR royalty on Turquoise Canyon can be reduced by half (1.0%) for a cash payment of US\$1,000,000. As per First Mining’s press release dated February 6, 2023, the NSR royalty on Turquoise Canyon was recently sold to, and is now held by, Elemental Altus Royalties Corp.

In the event that EMX exercises the EMX TC Buyback, Westward will grant a 1.25% NSR royalty on Turquoise Canyon to EMX for no additional consideration.

East Saddle Property, Nevada

On December 21, 2021, the Company acquired the East Saddle Property through the staking of 101 unpatented mining claims registered with the BLM. The East Saddle Property lies south of, and contiguous with, both the Toiyabe Property and the Turquoise Canyon Property. Of the 101 total claims, 83 fall within a defined area of interest as it relates to the Toiyabe Property (the “**Toiyabe AOI**”). Per the option agreement between Westward and Minguet, the claims within the Toiyabe AOI have been registered under Minguet ownership and are subject to the same terms and conditions as the Toiyabe Property. The 18 remaining claims are 100% owned by the Company and registered under its wholly owned US subsidiary TCC.

Carlin Properties, Nevada

On October 7, 2022, the Company entered into a definitive claims acquisition agreement with Fremont Gold Ltd. (“**Fremont**”) to acquire a 100% interest in the Coyote and Rossi Claim Blocks, located along the Carlin Trend in Elko County, Nevada.

Pursuant to the terms outlined in the agreement, the Company made payments and considerations as follows:

- US\$19,647 (\$27,467) in cash (paid)
- 600,000 common shares of the Company (issued and valued at \$48,000), with the following escrow provisions:
 - 200,000 shares to be released after four-month from date of issuance (being January 17, 2023).
 - 400,000 shares to be released eight-months from date of issuance (being January 17, 2023).
- A 2.0% net smelter return royalty on the Coyote Claims (the “**Coyote NSR**”)
 - 1.0% of the Coyote NSR may be repurchased by the Company at any time for a payment of US\$2,000,000 in cash.
- A 1.0% net smelter return royalty on the Rossi Claims (the “**Rossi NSR**”)
 - 0.5% of the Rossi NSR may be repurchased by the Company at any time for a payment of US\$1,500,000 in cash.
 - an existing 2.0% NSR on the 12 Rossi Claims, held by Nevada Select Royalty, Inc. (“**NV Select**”); the Company must abide by the material terms of the royalty deed entered into by Fremont and NV Select on April 10, 2019.

10. Accounts payable and accrued liabilities

	March 31, 2023	March 31, 2022
Accounts payable	\$ 198,577	\$ 113,789
Accrued liabilities	20,850	29,213
Total accounts payable and accrued liabilities	\$ 219,427	\$ 143,002

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

11. Share capital

a) Authorized share capital

Authorized share capital consists of an unlimited number of common shares without par value.

b) Issuance

For the year ended March 31, 2023

- (i) On May 5, 2022, the Company issued 1,148,000 common shares valued at \$163,016 pursuant to amending the Toiyabe Property option agreement (Note 9).
- (ii) On August 22, 2022, the Company issued 1,544,944 common shares valued at \$139,045 to complete the 3rd anniversary payment for the Turquoise Property (Note 9).
- (iii) On December 16, 2022, the Company completed a non-brokered private placement by issuing 6,875,000 units at a price of \$0.08 per unit for gross proceeds of \$550,000. Each unit comprises of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.12 expiring on December 16, 2025. The Company paid cash finder's fees of \$640 and issued 8,000 finders' warrants (valued at \$500) as units issuance costs. Each finder's warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.12 expiring on December 16, 2025. The Company also paid other share issuance costs of \$448.
- (iv) On January 17, 2023, the Company issued 600,000 common shares to Fremont Gold Ltd. valued at \$48,000 to acquire the Carlin Properties (Note 9).
- (v) On January 30, 2023, the Company issued 1,701,732 common shares to First Mining valued at \$136,139 to complete the final payment for the Turquoise Canyon Property (Note 9).
- (vi) On March 9, 2023, the Company completed a non-brokered private placement by issuing 3,000,000 units at a price of \$0.10 per unit for gross proceeds of \$300,000 in accordance with the binding letter agreement with EMX. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 expiring on March 9, 2026. The Company also paid other share issuance costs of \$835 (Note 9).
- (vii) On March 23, 2023, the Company issued 1,172,968 common shares valued at \$158,350 pursuant to amending the Toiyabe Property option agreement (Note 9).

For the year ended March 31, 2022

- (i) On April 21, 2021, the Company issued 4,100,000 common shares valued at \$984,000 to Starcore, as per the terms of the Assignment Agreement related to the option to acquire a 100% ownership interest in the Toiyabe Property from Minquest.
- (ii) On May 12, 2021, certain warrant holders exercised 347,000 warrants, each entitling the holder to receive one common share of the Company, at an exercise price of \$0.10, representing proceeds of \$34,700, and accordingly, the Company reallocated \$18,218 of reserves to share capital.
- (iii) On July 5, 2021, the Company issued 19,817,400 common shares valued at \$4,062,567 pursuant to the acquisition of Momentum (Note 7).
- (iv) On August 20, 2021, the Company issued 310,889 common shares valued at \$48,188 to complete the 2nd anniversary payment for Turquoise Canyon Property (Note 9).

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

11. Share capital (continued)

- (v) On February 28, 2022, the Company completed a non-brokered private placement by issuing 20,684,636 units at a price of \$0.12 per unit for gross proceeds of \$2,482,156. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.20 expiring on February 28, 2025. The Company paid cash finder's fees of \$76,283 and issued 635,693 finders' warrants (valued at \$58,300) as units issuance costs. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.20 expiring on February 28, 2025. The Company also paid other share issuance costs of \$3,540.

The Company also received \$2,000 in excess due to an overpayment which has been recorded as accounts payable and accrued liabilities as at March 31, 2022 and 2023.

- c) Share purchase warrants

The changes in warrants outstanding are as follows:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2021	5,545,333	\$ 0.24
Issued pursuant to private placements	21,320,329	0.20
Exercised	(347,000)	0.10
Expired	(40,000)	0.10
Balance, March 31, 2022	26,478,662	0.21
Issued pursuant to private placements	9,883,000	0.13
Balance, March 31, 2023	36,361,662	\$ 0.19

Details of warrants outstanding as at March 31, 2023 are as follows:

Number of warrants outstanding	Expiry date	Exercise price	Remaining contractual life
5,158,333	March 26, 2024	\$0.25	0.99 years
20,684,636	February 28, 2025	\$0.20	1.92 years
635,693	February 28, 2025	\$0.20	1.92 years
6,875,000	December 16, 2025	\$0.12	2.72 years
8,000	December 16, 2025	\$0.12	2.72 years
3,000,000	March 9, 2026	\$0.15	2.94 years
36,361,662			

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

11. Share capital (continued)

d) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees, and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options may be exercised no later than 30 days following cessation of the optionee's position with the Company, unless the Board of Directors determines otherwise. For all options already outstanding as at March 31, 2023, this post-cessation exercise period duration was set at 90 days.

The changes in options are as follows:

	Number of options	Weighted average exercise price
Options outstanding, March 31, 2021	850,000	\$ 0.10
Granted	3,390,000	0.22
Options outstanding, March 31, 2022	4,240,000	0.19
Granted	1,350,000	0.15
Options outstanding, March 31, 2023	5,590,000	\$ 0.18

Details of options outstanding as at March 31, 2023 are as follows:

Exercise price	Number of options outstanding	Expiry date	Number of options exercisable	Remaining contractual life
\$0.10	700,000	May 29, 2024	700,000	1.16 years
\$0.10	100,000	July 2, 2024	100,000	1.26 years
\$0.09	50,000	October 1, 2024	50,000	1.51 years
\$0.18	1,100,000	April 9, 2026	1,100,000	3.03 years
\$0.167	240,000	April 14, 2026	240,000	3.04 years
\$0.30	200,000	June 2, 2026	200,000	3.18 years
\$0.24	1,400,000	July 5, 2026	1,400,000	3.27 years
\$0.24	200,000	July 22, 2026	200,000	3.31 years
\$0.24	200,000	August 16, 2026	200,000	3.38 years
\$0.24	50,000	September 23, 2026	50,000	3.48 years
\$0.15	1,350,000	March 22, 2028	1,350,000	4.98 years
	5,590,000		5,590,000	

During the year ended March 31, 2023, the Company:

- Granted 1,350,000 stock options to an officer and consultants of the Company. The stock options are exercisable at a price of \$0.15 per common share, expiring on March 22, 2028. The options vested immediately. The estimated fair value of these options was \$166,800.

Westward Gold Inc.

Notes to Consolidated Financial Statements Years Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

11. Share capital (continued)

d) Stock options (continued)

During the year ended March 31, 2022, the Company:

- Granted 1,100,000 stock options to the new Chief Executive Officer and directors of the Company. The stock options are exercisable at a price of \$0.18 per common share, expiring on April 9, 2026. The options will vest over a 12-month period in four equal installments. The estimated fair value of the vested portion of these options was \$181,599. During the year ended March 31, 2023, the fair value of the vested portion of these options was \$1,001.
- Granted 200,000 stock options to a consultant of the Company. The stock options are exercisable at a price of \$0.30 per common share, expiring on June 2, 2026. The options vested immediately. The estimated fair value of these options was \$55,400.
- Granted 1,400,000 stock options to consultants, a director, and the President of the Company. The stock options are exercisable at a price of \$0.24 per common share, expiring on July 5, 2026. The options vested immediately. The estimated fair value of these options was \$262,000.
- Granted 240,000 stock options to a consultant of the Company. The stock options are exercisable at a price of \$0.167 per common share, expiring on April 14, 2026. The options vested over a nine-month period in four equal installments. As at March 31, 2022 the estimated fair value of the vested portion of these options was \$44,740. During the year ended March 31, 2023, the fair value of the vested portion of these options was \$560.
- Granted 200,000 stock options to a consultant of the Company. The stock options are exercisable at a price of \$0.24 per common share, expiring on July 22, 2026. The options vested immediately. The estimated fair value of these options was \$31,700.
- Granted 200,000 stock options to a director of the Company. The stock options are exercisable at a price of \$0.24 per common share, expiring on August 16, 2026. The options vested immediately. The estimated fair value of these options was \$24,900.
- Granted 50,000 stock options to a consultant of the Company. The stock options are exercisable at a price of \$0.24 per common share, expiring on September 23, 2026. The options vested immediately. The estimated fair value of these options was \$5,000.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The weighted average assumptions used in this pricing model during the years ended March 31, 2023 and 2022, respectively, are as follows:

	March 31, 2023	March 31, 2022
Exercise price	\$0.15	\$0.22
Risk-free interest rate	2.77%	0.95%
Expected life of options	5.00 years	4.99 years
Dividend rate	0.00%	0.00%
Annualized volatility	153.48%	155.55%

The expected volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's common shares.

Westward Gold Inc.

Notes to Consolidated Financial Statements Years Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars)

11. Share capital (continued)

e) Restricted share units

The Company has adopted an RSU plan (the “**RSU Plan**”), which provides for the grant of RSUs convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan.

The terms and conditions of vesting of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

During the year ended March 31, 2023, the Company granted 2,500,000 RSUs to Westward management, Board of Directors, and consultants of the Company. These RSUs vest over a period of 24 months, with 50% vesting on April 27, 2023, and the remaining 50% vesting on April 27, 2024. The total estimated fair value of the RSU granted was \$250,000 based on the market value of the Company’s shares at the grant date. The fair value of each RSU is recorded as a share-based payments over the vesting period. During the year ended March 31, 2023, the Company recorded share-based payment expense relating to the vested RSUs of \$115,596.

The changes in RSU are as follows:

	Number of RSUs
RSUs outstanding, March 31, 2021 and 2022	-
Granted	2,500,000
RSUs outstanding, March 31, 2023	2,500,000

As of March 31, 2023, the number of RSUs exercisable was Nil.

12. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company defines its key management as the Board of Directors, Chief Executive Officer, Chief Financial Officer, and Vice-President Exploration. Remuneration of directors and key management personnel of the Company was as follows:

	Year ended March 31,	
	2023	2022
Management services	\$ 407,556	\$ 346,166
Share-based compensation to directors and officers	160,394	336,756
Consulting Services	-	4,000
Travel and Marketing	41,351	2,134
Exploration and evaluation expenditures	47,375	-
	\$ 656,676	\$ 689,056

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

12. Related party transactions (continued)

- i) Paid or accrued \$Nil (2022 - \$7,654) for management services provided by the former CFO of the Company.
- ii) Paid or accrued \$Nil (2022 - \$4,000) for consulting services provided by the former CEO of the Company.
- iii) Paid or accrued \$131,831 (2022 - \$60,000) for management services provided by a company related to the CFO of the Company.
- iv) Paid or accrued \$123,605 (2022 - \$55,112) for management services provided by a company related to the CEO of the Company.
- v) Paid or accrued \$240,844 (2022 - \$140,998) for management services, exploration expenditures, and travel expenses provided by a company related to the Vice-President Exploration the Company.
- vi) Granted 400,000 (2022 - 1,900,000) stock options to directors and officers of the Company and recorded share-based payments of \$49,422 (2022 - \$336,756).
- vii) Granted 2,400,000 (2022 - Nil) RSUs to directors and officers of the Company and recorded share-based payments of \$110,972 (2022 - \$Nil).

Included in prepaid expenses at March 31, 2023 is \$59,300 (2022 - \$Nil) owed from companies controlled by officers of the Company.

13. Income taxes

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

		March 31, 2023		March 31, 2022
Loss before taxes for the year	\$	(1,439,519)	\$	(1,828,143)
Canadian federal and provincial income tax rates		27.00%		27.00%
Expected income tax recovery based on the above rate	\$	(388,670)	\$	(493,599)
Items not deductible for tax purposes		78,137		163,494
Effect of change in tax rates		2,557		-
Over provided in prior years		(702,679)		(89,423)
Change in unrecognized deductible temporary differences		1,010,655		419,528
Total income taxes	\$	-	\$	-

Westward Gold Inc.

Notes to Consolidated Financial Statements
Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

13. Income taxes (continued)

Significant components of the Company's deferred tax assets and liabilities are as follows:

		March 31, 2023		March 31, 2022
Deferred income tax assets				
Non-capital losses	\$	9,987,642	\$	707,533
Share issuance costs		107,790		156,744
Resource properties		81,277		83,022
	\$	9,176,631	\$	947,299
Unrecognized deferred tax assets		(9,176,631)		(947,299)
Net deferred tax assets	\$	-	\$	-

The Company has non-capital losses of approximately \$9,987,000 which may be carried forward to reduce taxable income in future years. The non-capital losses will begin to expire in 2026.

The conditions required under IFRS to recognize net potential deferred tax assets based on the establishment of likely recovery through future profitability have not been met. Accordingly, a 100% valuation allowance has been provided.

14. Subsequent events

Subsequent to March 31, 2023, the Company granted 600,000 stock options to a director and consultants of the Company. The stock options are exercisable at a price of \$0.15 per common share, expiring on June 13, 2028.