
WESTWARD GOLD INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Westward Gold Inc. have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Westward Gold Inc.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited – Prepared by Management)**

	As at December 31, 2023	As at March 31, 2023
ASSETS		
Current assets		
Cash	\$ 154,606	\$ 493,970
Receivables	28,275	58,290
Prepaid expenses (Notes 6 and 10)	32,460	74,636
Total current assets	215,341	626,896
Non-current assets		
Exploration and evaluation assets (Note 7)	8,010,949	7,331,830
Reclamation deposit (Note 7)	174,104	177,992
Total assets	\$ 8,400,394	\$ 8,136,718

LIABILITIES AND SHAREHOLDERS' EQUITY**Current liabilities**

Accounts payable and accrued liabilities (Note 8)	\$ 200,276	\$ 219,427
Total liabilities	200,276	219,427

Shareholders' equity

Share capital (Note 9)	11,676,860	10,577,388
Reserves (Note 9)	1,410,650	1,014,198
Deficit	(4,887,392)	(3,674,295)
Total shareholders' equity	8,200,118	7,917,291
Total liabilities and shareholders' equity	\$ 8,400,394	\$ 8,136,718

Subsequent events (Note 11)

Approved on behalf of the Board:

(Signed) " Mark Monaghan " _____ Director

(Signed) " Allan Fabbro " _____ Director

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

Westward Gold Inc.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited – Prepared by Management)**

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Operating expenses				
Consulting fees (Note 10)	\$ -	\$ 44,261	\$ 41,528	\$ 130,564
Corporate communications	31,015	29,123	149,048	252,810
Filing fees	8,681	14,856	24,834	36,536
Foreign exchange loss (gain)	(30,037)	10,112	12,713	12,052
General and administrative	5,893	14,262	17,085	36,632
Management fees (Note 10)	131,597	100,654	386,580	307,082
Professional fees	40,933	32,768	113,213	96,895
Share-based payments (Notes 9 and 10)	328,366	31,464	459,452	86,377
Travel (Note 10)	1,873	4,648	8,644	17,209
Write-off of exploration assets	-	-	-	1,500
Net loss and comprehensive loss for the period	\$ (518,321)	\$ (282,148)	\$ (1,213,097)	\$ (977,657)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	91,921,848	70,857,444	87,926,377	69,144,104

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

Westward Gold Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Reserves			Total
			Options	Warrants	Deficit	
Balance, March 31, 2022	67,031,258	\$ 9,085,261	\$ 669,341	\$ 60,400	\$ (2,234,776)	\$ 7,580,226
Units issued for cash	6,875,000	550,000	-	-	-	550,000
Units issuance costs - cash	-	(1,020)	-	-	-	(1,020)
Units issuance costs - warrants	-	(500)	-	500	-	-
Restricted share units	-	-	84,816	-	-	84,816
Share-based payments	-	-	1,561	-	-	1,561
Shares issued for exploration and evaluation assets	2,692,944	302,061	-	-	-	302,061
Net loss for the period	-	-	-	-	(977,657)	(977,657)
Balance, December 31, 2022	76,599,202	9,935,802	755,718	60,900	(3,212,433)	7,539,987
Restricted share units	-	-	30,780	-	-	30,780
Units issued for cash	3,000,000	300,000	-	-	-	300,000
Units issuance costs - cash	-	(903)	-	-	-	(903)
Share-based payments	-	-	166,800	-	-	166,800
Shares issued for exploration and evaluation assets	3,474,700	342,489	-	-	-	342,489
Net loss for the period	-	-	-	-	(461,862)	(461,862)
Balance, March 31, 2023	83,073,902	10,577,388	953,298	60,900	(3,674,295)	7,917,291
Units issued for cash	8,676,517	1,041,182	-	-	-	1,041,182
Units issuance costs - cash	-	(4,710)	-	-	-	(4,710)
Units issuance costs - warrants	-	(2,000)	-	2,000	-	-
Exercise of restricted share units	650,000	65,000	(65,000)	-	-	-
Share-based payments	-	-	459,452	-	-	459,452
Net loss for the period	-	-	-	-	(1,213,097)	(1,213,097)
Balance, December 31, 2023	92,400,419	\$ 11,676,860	\$ 1,347,750	\$ 62,900	\$ (4,887,392)	\$ 8,200,118

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

Westward Gold Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Nine months ended December 31,	
	2023	2022
Operating activities		
Net loss	\$ (1,213,097)	\$ (977,657)
Adjustments for:		
Share-based payments	459,452	86,377
Foreign exchange loss (gain)	12,713	(12,052)
Changes in non-cash working capital items:		
Receivables	30,015	(5,614)
Prepaid expenses	42,176	31,731
Amounts payable and accrued liabilities	46,590	(69,073)
Net cash used in operating activities	(622,151)	(946,288)
Investing activities		
Exploration and evaluation expenditures	(753,685)	(1,552,883)
Net cash used in provided by investing activities	(753,685)	(1,552,883)
Financing activities		
Proceeds from issuance of shares	1,041,182	546,000
Share issue costs - cash	(4,710)	(1,020)
Net cash provided by financing activities	1,036,472	544,980
Net change in cash	(339,364)	(1,954,191)
Cash, beginning of period	493,970	2,525,682
Cash, end of period	\$ 154,606	\$ 571,491
Supplemental cash flow information		
Shares issued for exploration and evaluation assets	\$ -	\$ 302,061
Fair value of broker's warrants	\$ 2,000	\$ 500
Exploration and evaluation expenditures in accounts payable and accrued liabilities	\$ 41,872	\$ 124,164
Subscription receivable	\$ -	\$ 4,000
Exercise of restricted share units	\$ 65,000	\$ -

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

Westward Gold Inc.

Notes to Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 condensed interim 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 period ended December 31, 2023, the Company incurred a net loss of \$1,213,097 (2022 - \$977,657) and, as of that date, had an accumulated deficit of \$4,887,392 (March 31, 2023 - \$3,674,295).

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 condensed interim 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 condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, under IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended March 31, 2023, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company as of February 28, 2024.

Westward Gold Inc.

Notes to Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

2. Basis of preparation (continued)

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 December 31, 2023, the condensed interim 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 December 31, 2023	Ownership Interest at March 31, 2023	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 condensed interim 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 7 and 9).

Westward Gold Inc.

Notes to Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 condensed interim 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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 condensed interim 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 December 31, 2023 and March 31, 2023, other than as stated in Note 7.

- 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 have 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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

3. Significant accounting policies (continued)

Financial instruments (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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

3. Significant accounting policies (continued)

Financial instruments (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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 condensed interim consolidated financial statements during the period ended December 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 condensed interim consolidated financial statements.

Westward Gold Inc.

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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.

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5. Financial and risk management (continued)

Foreign exchange risk

Foreign currency 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 / U.S. Dollar exchange rate, with expenses at the Toiyabe Property, the Turquoise Canyon Property, the East Saddle Property, and the Carlin Properties being paid in U.S. 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 December 31, 2023, the Company had \$154,606 (March 31, 2023 - \$493,970) of cash to offset \$200,276 (March 31, 2023 - \$219,427) of accounts payable and accrued liabilities due on standard trade payable terms not exceeding 90 days.

6. Prepaid expenses

	December 31, 2023	March 31, 2023
Consulting	\$ 5,150	\$ 59,300
Insurance	1,701	-
Marketing and promotion	25,609	15,336
Total prepaid expenses	\$ 32,460	\$ 74,636

Westward Gold Inc.

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7. Exploration and evaluation assets

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

	Turquoise Canyon Property	Toiyabe Property	East Saddle Property	Carlin Properties	Total
Acquisition costs	\$	\$	\$	\$	\$
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
Cash	3,005	136,503	1,878	26,705	168,091
Balance, December 31, 2023	2,930,128	1,990,010	47,347	102,172	5,069,657
Exploration costs					
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
Assays	-	34,647	-	-	34,647
Geological consulting	1,354	33,093	1,354	1,354	37,155
Field expenses	51,904	355,205	5,369	4,624	417,102
Meals and lodging	2,483	14,179	4,836	626	22,124
Balance, December 31, 2023	452,480	2,446,428	35,780	6,604	2,941,292
Total balance, March 31, 2023	3,323,862	3,862,811	69,690	75,467	7,331,830
Total balance, December 31, 2023	3,382,608	4,436,438	83,127	108,776	8,010,949

Westward Gold Inc.

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7. Exploration and evaluation assets (continued)

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 (which it exercised in full subsequent to the period ending December 31, 2023), 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 subsequently assigned by the Company, see "EMX Royalty Corporation – Letter Agreement", described in 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;
- 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 (paid, see below);
- 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)
- US\$105,000 in common shares of the Company (issued 1,148,000 common shares valued at \$163,016⁽¹⁾)

During the year ended March 31, 2023, the Company executed an amending agreement, amended again during the period of December 31, 2023, to revise the terms of the US\$400,000 cash option payment (originally due on or before October 15, 2023) as follows:

- US\$100,000 in common shares of the Company (issued 1,172,968 common shares valued at \$158,350⁽¹⁾);
- US\$100,000 in cash (paid on October 13, 2023);
- US\$200,000 in common shares due on or before January 15, 2024⁽¹⁾⁽²⁾

⁽¹⁾ Share-based payments pursuant to the amending agreements were calculated based on a trailing 30-day volume-weighted average price of common shares traded on the CSE and spot USD/CAD exchange rate at the time of issuance.

⁽²⁾ Subsequent to the period ending December 31, 2023, the Company executed another amending agreement whereby the value of the final share-based payment was increased to C\$318,493.68; the Company satisfied this payment by issuing 3,391,839 common shares at a deemed value of \$0.0939 per share (see Note 11).

Westward Gold Inc.

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7. Exploration and evaluation assets (continued)

Toiyabe Property, Nevada (continued)

As of December 31, 2023, the Company held a reclamation bond for the Toiyabe Property with the BLM in the amount of US\$131,432 (\$174,104) (March 31, 2023 - US\$131,432 (\$177,992)) 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 (Note 2).

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 4 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⁾);
- \$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).

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7. 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 9 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 Agreement

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 the Company 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 paying 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 the Company.
- 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 the Toiyabe Property and 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.

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7. Exploration and evaluation assets (continued)

EMX Royalty Corporation – Letter Agreement (continued)

- b) the Company granted 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 Minquest, the claims within the Toiyabe AOI have been registered under Minquest 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 U.S. 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.

Westward Gold Inc.

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8. Accounts payable and accrued liabilities

	December 31, 2023	March 31, 2023
Accounts payable	\$ 185,276	\$ 198,577
Accrued liabilities	15,000	20,850
Total accounts payable and accrued liabilities	\$ 200,276	\$ 219,427

9. Share capital

a) Authorized share capital

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

b) Issuance

For the period ended December 31, 2023

- (i) On August 1, 2023, the Company completed a non-brokered private placement by issuing 8,676,517 units at a price of \$0.12 per unit for gross proceeds of \$1,041,182. 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 \$0.18 up until August 1, 2025. The Company paid cash finder's fees of \$4,710 and granted 36,750 finder's warrants valued at \$2,000 as share issuance costs. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.18 up until August 1, 2025.
- (ii) On December 7, 2023, the Company issued 650,000 common shares valued at \$65,000 pursuant to the exercise of restricted share units.

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 7).
- (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 7).
- (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 unit issuance costs. Each finder's warrant entitles 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 7).
- (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 7).
- (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 7).
- (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 7).

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9. Share capital (continued)

c) Share purchase warrants

The changes in warrants outstanding are as follows:

	Number of warrants	Weighted average exercise price
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
Issued pursuant to private placements	8,713,267	0.18
Balance, December 31, 2023	45,074,929	\$ 0.19

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

Number of warrants outstanding	Expiry date	Exercise price	Remaining contractual life
5,158,333	March 26, 2024	\$0.25	0.24 years
20,684,636	February 28, 2025	\$0.20	1.16 years
635,693	February 28, 2025	\$0.20	1.16 years
8,676,517	August 1, 2025	\$0.18	1.59 years
36,750	August 1, 2025	\$0.18	1.59 years
6,875,000	December 16, 2025	\$0.12	1.96 years
8,000	December 16, 2025	\$0.12	1.96 years
3,000,000	March 9, 2026	\$0.15	2.19 years
45,074,929			

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 December 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, 2022	4,240,000	\$ 0.19
Granted	1,350,000	0.15
Options outstanding, March 31, 2023	5,590,000	0.18
Granted	3,000,000	0.15
Expired/cancelled	(1,200,000)	0.16
Options outstanding, December 31, 2023	7,390,000	\$ 0.17

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9. Share capital (continued)

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

Exercise price	Number of options outstanding	Expiry date	Number of options exercisable	Remaining contractual life
\$0.10	200,000	May 29, 2024	200,000	0.41 years
\$0.18	1,000,000	April 9, 2026	1,000,000	2.27 years
\$0.167	240,000	April 14, 2026	240,000	2.29 years
\$0.30	200,000	June 2, 2026	200,000	2.42 years
\$0.24	950,000	July 5, 2026	950,000	2.51 years
\$0.24	200,000	July 22, 2026	200,000	2.56 years
\$0.24	200,000	August 16, 2026	200,000	2.63 years
\$0.24	50,000	September 23, 2026	50,000	2.73 years
\$0.15	1,350,000	March 22, 2028	1,350,000	4.23 years
\$0.15	600,000	June 13, 2028	600,000	4.45 years
\$0.15	2,400,000	November 24, 2028	2,400,000	4.90 years
	7,390,000		7,390,000	

During the nine months ended December 31, 2023, the Company:

- granted 600,000 stock options to a director and a consultant of the Company. The stock options are exercisable at a price of \$0.15 per common share, expiring on June 13, 2028. The options vested immediately. The estimated fair value of these options was \$68,500. Concurrently, the Company cancelled 1,200,000 stock options pursuant to its stock option plan; the cancelled options had varying strike prices and expiry dates.
- granted 2,400,000 stock options to officers and directors of the Company. The stock options are exercisable at a price of \$0.15 per common share, expiring on November 24, 2028. The options vested immediately. The estimated fair value of these options was \$256,700.

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.

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 period ended December 31, 2023 and March 31, 2023, respectively, are as follows:

	December 31, 2023	March 31, 2023
Exercise price	\$0.15	\$0.15
Risk-free interest rate	3.82%	2.77%
Expected life of options	5.01 years	5.00 years
Dividend rate	0.00%	0.00%
Annualized volatility	146.00%	153.48%

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 Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

9. 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 period ended December 31, 2023, the Company granted 2,200,000 RSUs to officers and directors of the Company. These RSUs vest over a period of 24 months with 50% vesting on November 24, 2024, and the remaining 50% vesting on November 24, 2025. The total estimated fair value of the RSU granted was \$264,000 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 period ended December 31, 2023, the Company recorded share-based payment expense relating to the vested RSUs of \$134,252.

The changes in RSUs are as follows:

	Number of RSUs
RSUs outstanding, March 31, 2022 and 2023	2,500,000
Granted	2,200,000
Exercised	(650,000)
RSUs outstanding, December 31, 2023	4,050,000

Details of RSUs outstanding as at December 31, 2023 are as follows:

Grant date	Number of RSUs outstanding	Number of options exercisable
April 27, 2022	1,850,000	600,000
November 24, 2023	2,200,000	-
	4,050,000	600,000

Westward Gold Inc.

Notes to Condensed Interim Consolidated Financial Statements

Nine Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

10. 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:

	Nine months ended	
	December 31,	
	2023	2022
Management services	\$ 386,580	\$ 307,082
Share-based compensation to directors and officers	420,633	81,423
Office expenses	3,657	-
Travel and marketing	10,003	16,883
Exploration and evaluation expenditures	139,965	37,705
	\$ 960,838	\$ 443,093

- i) Paid or accrued \$125,977 (2022 – \$95,476) for management services provided and reimbursed office, travel and marketing expenses to a company related to the CFO of the Company.
- ii) Paid or accrued \$119,607 (2022 – \$91,476) for management services provided and reimbursed office, travel and marketing expenses to a company related to the CEO of the Company.
- iii) Paid or accrued \$177,569 (2022 – \$174,718) for management services, exploration expenditures, and travel expenses provided by a company related to the former Vice-President Exploration of the Company.
- iv) Paid or accrued \$117,052 (2022 – \$Nil) for management services, and reimbursed exploration expenditures related to the current Vice-President Exploration the Company.
- v) Granted 2,700,000 (2022 – Nil) stock options to directors and officers of the Company and recorded share-based payments of \$290,950 (2022 – \$Nil).
- vi) Granted 2,200,000 (2022 – 2,400,000) RSUs to directors and officers of the Company and recorded share-based payments of \$129,683 (2022 - \$81,423) pursuant to the vesting schedule of granted RSUs.

Included in prepaid expenses at December 31, 2023 is \$5,150 (March 31, 2023 - \$59,300) owed from the former Vice-President Exploration of the Company. As at December 31, 2023, The Company owed \$67,886 (March 31, 2023 - \$6,525) to directors and officers included in accounts payable and accrued liabilities.

11. Subsequent events

Subsequent to December 31, 2023, the Company:

- i) Granted 300,000 RSUs to a newly-appointed Strategic Advisor of the Company. These RSUs vest over a period of 24 months with 50% vesting on January 30, 2025, and the remaining 50% vesting on January 30, 2026.
- ii) Issued 3,391,839 common shares of the Company to Minquest Ltd., pursuant to the final option payment on the Toiyabe Property. Under the terms of the eighth amending agreement entered into by Westward and Minquest on February 20, 2024, the total deemed value of the payment was increased to \$318,493.68, and the Company issued common shares at a deemed price of \$0.0939 per share.