



Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
(Unaudited)

For the Three and Nine Months Ended September 30, 2022 and 2021

<u>INDEX</u>	<u>Page</u>
Management's Responsibility for Financial Statements	2
Condensed Interim Statements of Financial Position	3
Condensed Interim Statements of Loss and Comprehensive Loss	4
Condensed Interim Statements of Changes in Shareholders' Equity	5
Condensed Interim Statements of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7-12

Management's Responsibility for Financial Statements

The accompanying condensed interim financial statements of Western Gold Exploration Ltd. (the "Company" or "Western Gold") are the responsibility of management and the Board of Directors. These condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "Ross McLellan"
Ross McLellan
President and Chief Executive Officer

(signed) "Jim O'Neill"
Jim O'Neill
Chief Financial Officer

November 29, 2022

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

Western Gold Exploration Ltd.

Condensed Interim Consolidated Statement of Financial Position As at September 30, 2022 and December 31, 2021 (Unaudited, expressed in Canadian Dollars)

	September 30, 2022	December 31, 2021
Assets	<i>(Unaudited)</i>	<i>(Audited)</i>
Current		
Cash	\$ 1,071,311	\$ 1,447,733
Prepays	12,955	17,760
VAT recoverable	48,249	7,389
Research and development tax credits recoverable	243,002	275,025
	1,375,517	1,747,907
Non-current assets		
Exploration and evaluation properties <i>(Note 5)</i>	5,337,667	4,158,389
	5,337,667	4,158,389
	\$ 6,713,184	\$ 5,906,296
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 75,956	\$ 60,795
	75,956	60,795
Shareholders' Equity <i>(Note 6)</i>		
Share capital	11,243,359	10,161,621
Contributed surplus	880,310	894,715
Deficit	(5,501,965)	(5,260,187)
Accumulated other comprehensive loss	15,524	49,352
	6,637,228	5,845,501
Total Liabilities and Shareholders' Equity	\$ 6,713,184	\$ 5,906,296

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

Nature of operations and going concern (Note 1)

Approved by the Board:

"Stuart Olley"
Director

"Ross McLellan"
Director

Western Gold Exploration Ltd.

Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss For the three and nine months ended September 30, 2022 and 2021 *(Unaudited, expressed in Canadian Dollars, except number of shares)*

	Three-months ended September 30,		Nine-months ended September 30,	
	2022	2021	2022	2021
Expenses				
Regulatory fees and communication	\$ 19,699	\$ 17,517	\$ 41,811	\$ 34,435
Compensation	40,068	20,076	104,403	60,536
Office and sundry	20,072	56,755	46,016	122,198
Professional fees	29,334	32,907	47,033	73,815
Foreign exchange (gain) loss	(162)	-	2,515	-
Net loss	109,011	127,255	241,778	290,984
Foreign exchange (gain) loss	10,884	(2,159)	33,830	(92)
Net loss and comprehensive loss	\$ 119,895	\$ 125,096	\$ 275,608	\$ 290,892
Basic and diluted loss per share	\$ 0.004	\$ 0.005	\$ 0.010	\$ 0.011
Weighted average number of common shares outstanding – basic and diluted	29,688,030	26,604,705	27,643,774	26,604,705

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

Western Gold Exploration Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited, expressed in Canadian Dollars)

	Share Capital Number	Share Capital	Contributed Surplus	Deficit	Foreign Currency Translation Reserve	Total
Balance, December 31, 2020	26,604,705	\$10,161,621	\$1,032,160	\$ (4,978,428)	\$39,905	\$6,255,258
Translation adjustment	-	-	-	-	92	92
Net loss and comprehensive loss	-	-	-	(290,984)	-	(290,892)
Balance, September 30, 2021	26,604,705	10,161,621	1,032,160	(5,269,412)	39,997	5,964,366
Options expired	-	-	(137,445)	137,445	-	-
Translation adjustment	-	-	-	-	9,355	9,355
Net loss and comprehensive loss	-	-	-	(128,220)	-	(255,574)
Balance, December 31, 2021	26,604,705	10,161,621	894,715	(5,260,187)	49,352	5,845,501
Warrants expired	-	192,405	(192,405)	-	-	-
Issue of common shares	7,666,646	1,149,997	-	-	-	1,149,997
Issue of warrants	-	(178,000)	178,000	-	-	-
Share issuance costs	-	(82,664)	-	-	-	(82,664)
Translation adjustment	-	-	-	-	(33,828)	(33,828)
Net loss and comprehensive loss	-	-	-	(241,778)	-	(241,778)
Balance, September 30, 2022	34,271,351	\$11,243,359	\$880,310	\$ (5,501,965)	\$15,524	\$6,637,228

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

Western Gold Exploration Ltd.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2021 and 2020

(Unaudited, expressed in Canadian Dollars)

(Expressed in Canadian Dollars)	Three Months Ended September 30, 2022		September 30, 2021	
Cash flows from operating activities				
Net loss for the period	\$(119,895)	\$ (125,096)	\$ (275,608)	\$ (290,892)
Unrealized foreign exchange movements	3,800	2,159	14,995	1,272
Operating cash flows before changes in non-cash working capital:	(116,095)	(122,938)	(260,613)	(289,620)
Changes in non-cash working capital:				
HST/VAT receivable	(30,485)	(46,787)	(40,860)	(76,025)
Prepaid expenses	7,442	(9,272)	4,805	(9,272)
Accounts payable and accrued liabilities	(165,081)	(684,232)	15,161	487
Research and development tax credit recoverable	9,174	(12)	32,023	376
Cash used in operating activities	(295,044)	(863,241)	(249,484)	(374,806)
Cash flows used in investing activities				
Exploration and evaluation properties	(547,057)	(214,844)	(1,179,278)	(1,153,102)
Cash used in investing activities	(547,057)	(214,844)	(1,179,278)	(1,153,102)
Cash from financing activities				
Issuance of share capital	1,067,333	-	1,067,333	-
Cash from financing activities	1,067,333	-	1,067,333	-
(Decrease) increase in cash during the period	225,231	(1,078,085)	(361,429)	(1,527,908)
Effect of foreign exchange on beginning cash	(3,799)	(2,133)	(14,993)	(520)
Cash, beginning of period	849,879	2,639,552	1,447,733	3,087,762
Cash, end of period	\$1,071,311	\$1,559,334	\$1,071,311	\$ 1,559,334

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

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited, expressed in Canadian Dollars, unless otherwise stated)

1. Nature of Operations and Going Concern

Western Gold Exploration Ltd. (the "Company") is incorporated under the *Business Corporations Act* (Alberta). Effective October 22, 2020, the Company acquired all of the outstanding shares of Western Gold Exploration Limited ("WGE UK"). Subsequent to the acquisition of WGE UK, the subsidiary changed its name to Western Gold Exploration (UK) Limited. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol WGLD.

The Company maintains its head office at The Lighthouse, St Abbs Suite, Heugh Road, North Berwick EH39 5PX and has its registered office at 1600, 421 - 7th Avenue SW Calgary, Alberta T2P 4K9.

WGE UK is a private company formed under the laws of England and Wales and holds minerals rights in Argyll County in western Scotland. The Company continued the business of WGE UK and is engaged in the exploration and development of prospective mineral properties located in Scotland, with a focus on gold and copper exploration and development.

The Company's business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise financing, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, and non-compliance with regulatory and environmental requirements. Company's continued existence is dependent upon the preservation of WGE UK's interest in the underlying properties, discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise financing, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements, and eventually to generate positive cash flows. The Company obtained financing most recently in August 2022. Management will continue to evaluate alternatives to secure additional favorable financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient. These circumstances cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that may be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited, expressed in Canadian Dollars, unless otherwise stated)

1. Nature of Operations and Going Concern (continued)

The COVID-19 pandemic and the related business disruptions and economic slowdown resulted in the Company experiencing delays in obtaining both regulatory approvals and vendor commitments to initiate its 2021 drilling campaign and in obtaining assay results. Although many government restrictions were lifted in 2022 and the Company's access to timely support from its vendors and government agencies improved, it is not possible to reliably estimate the impact of future COVID-19 issues on the exploration operations and the financial condition of the Company.

2. Basis of Preparation

a) Statement of Compliance:

These condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021 (the "Financial Statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee. These Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021.

The Financial Statements were approved by the Board of Directors on November 29, 2022.

b) Basis of Measurement:

The Financial Statements have been prepared on an historical cost basis, using the accrual basis of accounting, except for certain financial instruments that are measured at fair value at the end of each reporting period as explained in the significant accounting policies.

c) Basis of Consolidation:

The Financial Statements include the accounts of the Company's subsidiaries as at September 30, 2022, which are wholly-owned Western Gold Exploration (UK) Limited and its wholly-owned subsidiary, Lorne Resource Ltd. All inter-company balances and transactions are eliminated upon consolidation.

d) Critical Accounting Estimates and Judgments:

Areas of judgment that have the most significant effect on the amounts recognized in the Financial Statements are disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2021. There have been no significant changes to the areas of estimation and judgement during the nine months ended September 30, 2022.

d) Significant Accounting Policies:

The accounting policies are set out in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2021, and they have been applied consistently to all periods presented in these Financial Statements.

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited, expressed in Canadian Dollars, unless otherwise stated)

3. Capital management

The Company's objectives when managing capital are:

- a) to continue the exploration and evaluation of its mineral properties;
- b) to safeguard its ability to continue as a going concern; and
- c) to maintain a capital structure which optimizes the cost of capital at an acceptable level of risk.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the board of directors on an ongoing basis.

The Company considers its capital to comprise of share capital, contributed surplus, deficit accumulated other comprehensive loss, which at September 30, 2022 totalled \$6,343,400 (December 31, 2021 - \$5,845,501).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration and evaluation activities. There have been no significant changes to the Company's capital management objectives, policies and processes during the nine months ended September 30, 2022.

4. Exploration and evaluation properties

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Balance at the beginning of the period	\$4,790,610	\$4,070,602	\$4,158,389	\$3,132,343
Costs capitalized in the period				
Consulting	98,180	76,437	304,595	264,564
Drilling	387,612	119,745	733,216	844,995
Lease rentals & other	61,265	18,661	141,467	43,544
Total exploration costs capitalised in the period	547,057	214,843	1,179,278	1,153,102
Balance at the end of the period	\$ 5,337,667	\$ 4,285,445	\$ 5,337,667	\$ 4,285,445

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited, expressed in Canadian Dollars, unless otherwise stated)

4. Exploration and evaluation properties (continued)

Commitments

The Knapdale exploration licences include an exploration work commitment of £1,500,000, to be spent by July 29, 2022 and an aggregate of £3,000,000 to be spent by July 29, 2024. The Company achieved the first work commitment milestone by spending £1,604,817 by July 29, 2022.

Lagalochoan includes three licenses that require aggregate annual fees of £37,000.

5. Shareholder's equity

- a) Authorized share capital of the Company consists of an unlimited number of Common Shares without nominal or par value.

On August 25, 2022, the Company completed a non-brokered private placement for gross proceeds of \$1,149,997 through the issuance of 7,666,646 equity units at a price of \$0.15 per equity unit. Each Unit is comprised of one (1) common share of the Company and one-half of one (1/2) common share purchase warrant of the Company (a "Warrant"). Each whole Warrant will entitle the holder to acquire one (1) common share of the Company for a period of 12 months from the date of issuance of the Warrant, at an exercise price of \$0.25 per share.

- b) Stock Options

The Company has adopted an incentive stock option plan which provides that the Board of Directors may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, nontransferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. The Board of Directors determines the exercise price per common shares, the number of options granted to individual directors, officers, employees and consultants and all other terms and conditions of the options.

	Number of Stock Options	Weighted Average Exercise Price \$
Balance - December 31, 2020	2,335,000	0.44
Changes in period	-	-
Balance – March 31, 2021	2,335,000	0.44
Forfeited – October 2021	(420,000)	0.25
Balance - December 31, 2021	1,915,000	0.48
Changes in the period	-	-
Balance – September 30, 2022	1,915,000	0.48

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited, expressed in Canadian Dollars, unless otherwise stated)

5. Shareholder's equity (continued)

The following is information regarding the outstanding options at September 30, 2022:

Options by Expiry Date	Number of Options	Option Exercise Price	Remaining Life in Years
July 2, 2023	500,000	\$0.50	0.8
December 8, 2025	1,275,000	\$0.50	3.2
September 6, 2028	140,000	0.25	5.9
Total options and weighted averages	1,915,000	\$0.48	2.8

c) Warrants

On December 23, 2020, as part of a private placement, the Company issued warrants to acquire 1,625,000 common shares at an exercise price of \$0.75 per common share for a period of eighteen months. The warrants expired on June 23, 2022.

On August 25, 2022, as part of a private placement, the Company issued warrants to acquire 3,833,323 common shares at an exercise price of \$0.25 per common share for a period of twelve months. The warrants expire on August 25, 2023.

6. Financial Instruments

In the normal course of business, the Company is exposed to a number of financial risks that can affect its operating performance. These risks include credit risk, liquidity risk and market risk. The Company's overall risk management program and prudent business practices seek to minimize any potential adverse effects on the Company's financial performance.

The Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. There have been no changes in the risk management or in any risk management policies during this year.

7. Segmental analysis

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker (which takes the form of the Directors) as defined in IFRS 8 "Operating Segments", in order to allocate resources to the segment and to assess its performance.

The Company has one reportable operating segment, being that of acquisition, exploration and evaluation activities. All exploration and evaluation assets are located in Scotland. The Company has not yet commenced production, and therefore it has no revenue.

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited, expressed in Canadian Dollars, unless otherwise stated)

8. Related party transaction

Related party transactions include consulting fees, management fees and compensation paid to key management personnel or to companies controlled by such individuals. Key management personnel are defined as officers and directors of the Company.

- (i) Directors do not have employment contracts with the Company, but may be entitled to director fees, while officers and one director have consulting contracts for providing their services. Both directors and officers are also eligible for share-based payments. Expenditures recorded, excluding related HST and VAT, are summarized below:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Compensation	\$ 22,658	\$ 30,058	69,396	66,684
E&E Consulting	13,815	27,410	83,010	106,025
Total	\$ 36,473	\$ 57,468	\$152,406	\$172,709

- (ii) A law firm of which one director of the Company is a partner is related through common management. During the three and nine month periods ended September 30, 2022, the Company incurred and expensed \$2,497 and \$2,497, respectively related to legal services received (three and nine month periods ended September 30, 2021 - \$1,747 and \$1,747, respectively).
- (iii) As at September 30, 2022, the Company's net amount owing to key management personnel was nil (December 31, 2021 - nil).

8. Subsequent event

On November 29, 2022, the Company issued a 43-101 Technical Report on the Lagalochan Property, Argyllshire, Scotland (the "Technical Report"). The Lagalochan Property is centered at 56.25°North, 5.42°West and lies 3 km east of the village of Kilmelford in Argyll (Argyllshire), Scotland, United Kingdom. Oban is the nearest larger town and lies 18 km to the north. Glasgow is the nearest city and lies 85 km to the southeast. The Lagalochan Property in this Technical Report refers to the 6.1 km² that is covered by all three of:

- Crown Minerals Option (Mines Royal Option) covering precious metals
- Mineral rights option associated with the freehold
- Surface rights option agreement with landowners

The Technical Report has been filed in accordance with the requirements of National Instruction 43-101 – *Standards of Disclosure for Mineral Projects*, is titled "NI 43-101 Technical Report on the Lagalochan Property, Argyllshire, Scotland" dated November 29, 2022, prepared by Toby A. L. Strauss, Ph. D, CGeol, EurGeol of Merlyn Consulting Ltd. (as Qualified Person), David Pym, (MSc),

Western Gold Exploration Ltd.

Notes to Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2022 and 2021
(Unaudited, expressed in Canadian Dollars, unless otherwise stated)

CGeol. and Dr Callum Lyell, and is dated effective November 29, 2022. The Technical Report has been filed on SEDAR at www.sedar.com under the profile of the Company.