



Western Gold Exploration Ltd.

Management's Discussion and Analysis (in Canadian Dollars, unless otherwise stated)

**For the Three and Nine Months Ended
September 30, 2023**

(dated: November 28, 2023)

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INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**"), dated November 28, 2023, relates to the financial condition and results of the consolidated operations of Western Gold Exploration Ltd. ("**Western Gold**" or the "**Company**"), and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and notes thereto (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**"), including International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") and interpretations adopted by the International Accounting Standards Board ("**IASB**"). All results are presented in Canadian dollars ("**CAD**" or "**\$**"), unless otherwise stated. For the purposes of preparing our MD&A, we consider the materiality of information. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity. Information is considered material if: (i) it would significantly alter the total mix of information available to investors; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares. Statements are subject to the uncertainties identified in the Cautionary Note Regarding Forward-Looking Statements section below and the Risk Factors section on page 15 of the document.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains or incorporates by reference "forward-looking statements" and "forward-looking information" as defined under applicable Canadian securities legislation. *Forward looking statements include, but are not limited to, statements with respect to those that address potential quantity and/or grade of minerals, potential for minerals and/or mineral resources, timing and plans for any exploratory drilling and statements regarding the plans, intentions, beliefs, and current expectations of the Company with respect to the future business activities and operating performance of the Company that may be described herein. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.*

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. The forward-looking statements contained in this document are made as of the document's date. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

CORPORATE PROFILE

Overview of the Business

Western Gold is a mineral exploration company operating in Scotland through Western Gold Exploration (UK) Limited (“**WGE UK**”) and its wholly-owned subsidiary Lorne Resources Ltd. (“**Lorne**”) a Scottish registered company (registered no. SC419439) with its office in North Berwick, East Lothian, Scotland. At the time of the acquisition of Lorne in March 2018, Lorne’s only assets were the Lagalochan Project (“**Lagalochan**”) and the Knapdale Gold Project license (“**Knapdale**”). Lagalochan, which is approximately 90 km northwest of Glasgow, is considered a copper-gold molybdenum porphyry prospect. On November 29, 2022, the Company filed the NI 43-101 Technical Report on the Lagalochan Property, Argyll, Scotland dated effective November 29, 2022 (the “**Lagalochan Report**”).

The Company’s focus is to develop and expand Lagalochan and target surrounding areas with emphasis on exploring historic mines and gold occurrences.

Knapdale was an early exploration stage project prospective for orogenic quartz-gold-silver lodes that comprises the Allt Dearg prospect and the Gossan Burn prospect. Knapdale is in the parish of Knapdale South, which is approximately 70 km west of Glasgow. In December 2022, the Company completed its evaluation of Knapdale based on its exploration activities to date and determined that the poor results did not justify further investment. The Knapdale prospecting agreement was terminated in December 2022 and the Company recorded a related impairment charge as stated in the audited consolidated financial statements for the year ended December 31, 2022 and discussed in this document.

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

The Company’s common shares are listed on the TSX Venture Exchange (“**TSXV**”) (TSXV: WGLD) and the Company is a Tier 2 Mining issuer under the policies of the TSXV. Further information about Western Gold can be found in the Company’s regulatory filings, including the Company’s Management Information Circular, available on SEDAR at www.sedarplus.ca, and on the Company’s website at www.westerngoldexploration.com.

HIGHLIGHTS

Financing

On August 29, 2023, the Company completed a non-brokered private placement for gross proceeds of \$1,897,400 through the issuance of 15,811,666 Common Shares at a price of \$0.12 per share (the “**Private Placement**”). The Company paid aggregate finder’s fees of \$114,838 and issued 149,000 in finder’s warrants at a price of \$0.20 per share for 12 months from the date of issuance, as applicable, in respect of the aggregate sales to subscribers under the Private Placement that were introduced by certain parties.

Lagalochan Copper Gold Porphyry Project, Argyll, Scotland

in October 2023, the Company commenced drilling on its Lagalochan Property, near Oban in Scotland. The drilling programme will primarily test the skarn mineralisation on the western margins of the system that has never previously been drilled, extensions to the porphyry-stockwork zone at North Hill, and secondary porphyry targets to the west.

Skarn mineralisation is an important source of copper, lead, zinc and gold mineralisation worldwide and occurs where the porphyry intrudes into carbonate rocks. An outcrop in the area has indicated copper and gold mineralisation is present in skarns (with values up to 1m @ 29.4 g/t Au, 30.2 g/t Ag 0.11% Cu), encountered in rock chip sampling (see the Lagalochan Report).

The Lagalochan porphyry complex is one of the few examples of porphyry copper mineralisation in the Appalachian/Dalradian terranes of eastern North America and Western Europe. On November 29, 2022, the Company filed the Lagalochan Report. The Lagalochan Report on the copper gold molybdenum porphyry prospect is compliant with National Instrument 43-101 - Standards of Disclosure for Mineral projects ("**NI 43-101**").

The exploration activities, as recommended by the Lagalochan Report, have continued in 2023. During the nine months ended September 30, 2023 and to the date of this report, the Company has focussed on:

- Finalizing landholding agreements;
- Progressing planning applications;
- Obtaining quotes for drilling rigs and surveys;
- Undertaking groundworks, ecological reports and preparatory work to commence an autumn campaign;
- Preparing exploration plans for review; and
- Commenced drilling in October 2023.

OUTLOOK

Lagalochan Copper Gold Porphyry Project – The Lagalochan porphyry complex is one of the few examples of porphyry copper mineralisation in the Appalachian/Dalradian terranes of eastern North America and Western Europe. The Company plans to continue to advance its exploration activities in 2023, as recommended in the Lagalochan Report. Activities are expected to include:

- Completing the digitizing of historical data and data compilation.
- Exploring for extensions of the primary hypogene copper, gold, molybdenum stockwork mineralisation withing the host intrusion and the surrounding metasediments.
- Exploring for porphyry related mineralisation targets including intermediate sulphidation epithermal veins and proximal gold copper skarn mineralisation. Once all the data compilation is finished and the near-surface exploration included, the depth potential of the project should be tested.
- Developing a drilling campaign to be initiated in September or October 2023.
- Initiating an IP survey on a section of the property recently added to the project.

Additional exploration targets - The Company plans to review and evaluate other prospective properties in areas nearby existing licenses, with the intent of expanding its land package.

Financing and Cash Management – The gross proceeds of \$1,897,400 from the Private Placement is expected to fund the planned drilling and other exploration and operating activities through 2024. The Company continues to closely manage its cash while optimizing its operating activities leading.

Qualified Person

Mr. David Pym, Chartered Geologist, and consultant to the Company, is the Qualified Person, as defined in Canada by NI 43-101, responsible for the accuracy of scientific and technical information in this MD&A.

COMPANY OVERVIEW

The Company is incorporated under the *Business Corporations Act* (Alberta) and is a TSXV Tier 2 mining company. The Company's common shares are listed on the 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 Scotland and its registered office at 1600, 421 - 7th Avenue SW Calgary, Alberta T2P 4K9.

The Company is a mineral exploration company primarily operating in Scotland through WGE UK and its wholly-owned subsidiary Lorne, a Scottish registered company (registered no. SC419439) with its office in North Berwick, East Lothian, Scotland. At the time of the acquisition of Lorne in March 2018, Lorne's only assets were Knapdale and Lagalochan.

Knapdale was an early exploration stage project prospective for orogenic quartz-gold-silver lodes and VMS copper mineralization. In December 2022, the Company's evaluation of Knapdale concluded that the poor results to date, combined with the opportunity to develop its Lagalochan Property, did not justify any further investment in Knapdale. Consequently, the Company terminated its prospecting agreement regarding Knapdale and recorded an impairment charge of \$553,050 in December 2022.

The Company's focus is to develop and expand its Scottish exploration targets, Lagalochan and surrounding areas with emphasis on targeting historic mines and gold occurrences.

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company's projects through exploration and development will require significant capital. Given the current economic climate, the ability to raise funds may prove difficult. Refer to the "Liquidity and Capital Resources" and "Risk Factors" in the sections below for additional information.

None of the Company's projects have commenced commercial production and, accordingly, the Company is dependent upon debt and/or equity financings for its funding. The recoverability of the carrying value of exploration and evaluation projects, and ultimately the Company's ability to continue as a going concern, is dependent upon exploration results which indicate the potential for the discovery of economically recoverable reserves and resources, and the Company's ability to finance development and exploration of its projects through debt or equity financing for its funding. Changes in future conditions could require a material write-down of carrying values and the ability to pay its obligations as they fall due.

OVERVIEW OF PROJECTS

Lagalochan Property

Lagalochan is an early-stage exploration stage copper-gold porphyry prospect located in Kilmelford, Scotland.

Lagalochan is a Silurian aged high potassium calc alkaline type porphyry similar to Red Chris in British Columbia, Canada and Bingham Canyon in the USA. It is one of the few known examples of porphyry mineralisation in the Appalachian/Caledonide belt, an important mineral belt extending from Georgia in the USA through Newfoundland in Canada, into Ireland and Scotland and finally Greenland and Norway. The belt is known for its base metal production from Volcanogenic Massive Sulphide (VMS) deposits such as the Bathurst and Buchans district in Canada and is also an emerging gold district with new discoveries in Newfoundland in Canada and Northern Ireland. The only significant porphyry production being restricted to the Gaspe porphyry deposit in Quebec Canada.

Lagalochan was discovered in the 1980's by BP minerals. The Company acquired its interest in Lagalochan, along with the Knapdale property which includes the Stronchullin orogenic gold occurrence and the Gossan Burn copper gold occurrence, when the Company completed its acquisition of WGE UK and its subsidiary Lorne in October 2020. Surface dimensions of the 0.1% grade contour for the stockwork zone are 450x 250m oval body steeply plunging to NE to a depth of at least 500 vertical metres. The stockwork zone is transected by a NE trending intensely phyllic carbonate altered porphyry breccia zone which is locally associated with higher gold grades and is destructive of primary copper mineralisation.

The most recent activities in 2023 included a focus on:

- Announcing, on July 28, 2023, the results of recent exploration work at Lagalochan, which are discussed in further detail below.
- Finalizing landholding agreements and establishing relations with new owners;
- Progressing planning applications;
- Obtaining quotes for drilling rigs and surveys;
- Undertaking groundworks, ecological reports and preparatory work to commence an autumn campaign;
- Preparing exploration plans for review.
- Commencing drilling in October 2023.

Plans for the balance of 2023 and 2024 include:

- Completing the digitizing of historical data and data compilation.
- Exploring for extensions of the primary hypogene copper, gold, molybdenum stockwork mineralisation withing the host intrusion and the surrounding metasediments.
- Exploring for porphyry related mineralisation targets including intermediate sulphidation epithermal veins and proximal gold copper skarn mineralisation. Once all the data compilation is finished and the near-surface exploration included, the depth potential of the project should be tested.
- Developing drilling campaigns and commencing drilling in October 2023.
- Initiating an IP survey on a section of the property recently added to the project.

On July 28, 2022, the Company announced the results of recent exploration work at Lagalochan that included:

- Completion of an Ionic Leach soil sampling programme, confirming and extending the results of historical deep overburden (DOB) sampling.
- Re-evaluation of historical drill results and exploration data, including the limited evaluation drilling completed in 2018-2019 by a subsidiary of the Company (Lorne), prior to the Company acquiring such subsidiary.

As a result of such exploration works, the Company notes:

- Several new exploration targets have been generated which it intends to follow-up on with further work. These exploration targets are shown in Figure 3 of the Company's July 28, 2022 press release.
- The drilling undertaken by its subsidiary (Lorne) at Lagalochan in 2018-2019 confirmed historical grades of the main quartz stockwork zone within the red feldspar porphyry achieved by other companies that drilled Lagalochan in 1984-1985. For example, the Lorne holes LD18-4 intersected 530.5m @ 0.17% Cu, 0.11 g/t Au, 2.7 g/t Ag, 68 ppm Mo from 3m downhole and LD13-1a which intersected 537m @ 0.18% Cu, 0.10 g/t Au, 2.6 g/t Ag, 73 ppm Mo from 2m downhole confirmed and extended results from LD84-15, the best hole from the previous programme which intersected 292.47m @ 0.20% Cu, 0.12 g/t Au, 3.7 g/t Ag, 47 ppm Mo from 1.9m downhole and ended in mineralisation. Tabulated historical results for Lagalochan are presented in Table 1 below.
- The quartz stockwork zone at Lagalochan exhibits a strong phyllic overprint of original potassic

alteration and indicates that the current bedrock surface is at a shallow erosional level just below the inferred lithocap that has subsequently been eroded away. It is believed that mineralisation in the stockwork zone is open to depth and is interpreted to lie above the inferred progenitor porphyry, which has not been intersected in historical drilling.

- The presence of not only porphyry copper gold mineralisation, but also gold copper skarn and intermediate sulphidation gold silver epithermal type mineralisation in outcrop in various locations proximal to the main stockwork zone.

Table 1 - Significant Intersections from Historical Drilling⁽¹⁾

| Hole ID | From | To | Interval Length | Au g/t | Ag g/t | Cu ppm | Mo ppm | Cu% metres |
|---------|--------|--------|-----------------|--------|--------|--------|--------|------------|
| LD13-1 | 5.00 | 211.00 | 206.00 | 0.11 | 3.53 | 1,680 | 98 | 34.6% |
| LD13-1A | 2.00 | 539.00 | 537.00 | 0.10 | 2.58 | 1,775 | 73 | 95.3% |
| LD13-2 | 17.00 | 98.80 | 81.80 | 0.11 | 2.14 | 1,100 | 31 | 9.0% |
| LD13-2 | 219.55 | 447.00 | 227.45 | 0.14 | 2.33 | 1,669 | 24 | 38.0% |
| LD13-3 | 65.70 | 82.05 | 16.35 | 0.58 | 3.22 | 1,229 | 11 | 2.0% |
| LD13-3 | 132.00 | 275.10 | 143.10 | 0.08 | 2.59 | 1,314 | 41 | 18.8% |
| LD13-3 | 383.20 | 426.60 | 43.40 | 0.09 | 1.35 | 1,204 | 59 | 5.2% |
| LD18-4 | 3.00 | 533.50 | 530.50 | 0.11 | 2.67 | 1,676 | 68 | 88.9% |
| LD18-4 | 620.25 | 638.25 | 18.00 | 0.03 | 1.20 | 1,593 | 26 | 2.9% |
| LD18-6 | 186.20 | 241.50 | 55.30 | 0.10 | 4.10 | 1,236 | 55 | 6.8% |
| LD84-1 | 38.54 | 144.77 | 106.23 | 0.23 | 3.93 | 1,016 | 5 | 10.8% |
| LD84-1 | 146.77 | 241.41 | 94.64 | 0.16 | 2.98 | 1,576 | 11 | 14.9% |
| LD84-3 | - | 155.69 | 155.69 | 0.22 | 3.90 | 1,417 | 37 | 22.1% |
| LD84-8 | 2.00 | 105.30 | 103.30 | 0.18 | 3.85 | 1,769 | 23 | 18.3% |
| LD84-9 | 1.34 | 130.05 | 128.71 | 0.10 | 2.01 | 1,494 | 49 | 19.2% |
| LD84-15 | 1.88 | 294.35 | 292.47 | 0.12 | 3.62 | 1,961 | 47 | 57.4% |
| LD84-20 | 177.55 | 223.30 | 45.75 | 0.14 | 4.19 | 1,039 | 11 | 4.8% |
| LD84-22 | 115.00 | 198.20 | 83.20 | 0.10 | 2.28 | 1,211 | 45 | 10.1% |
| LD84-34 | 107.00 | 176.00 | 69.00 | 0.37 | 3.61 | 1,478 | - | 10.2% |

(1) Intersections are downhole intersections. Using a 0.1% Cu cutoff and 10% internal dilution. Estimated true widths vary from 20-60% of downhole intersect length. Cu % metres is calculated as copper grade x interval thickness, only intersections with a Cu% metre value >= 2 are displayed here. Drillhole collar locations are listed in Table 2 in the July 28, 2022 press release of the Company.

Lagalochan Report

On November 29, 2022, the Company issued the Lagalochan Report (available www.westerngoldexploration.com and on www.sedarplus.ca).

The Lagalochan property is centred 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 south east. The Lagalochan property (which is within the larger Lagalochan Project defined above) in this Technical Report refers to the 6.1 km² area 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 Lagalochan property is held by the Company through Lorne. The precious metal rights are optioned from the Crown Estate Scotland in exchange for a 4% Net Smelter Return (NSR) applying to gold and silver only. The option annual fees are currently an index linked £5,000 pa but from 1st August 2023 will be an index linked £7,500 pa. The option terminates on 31st July 2027. The non-precious metal mineral rights are held by private individuals, and the option agreement is for the right to purchase or “lease to work” all or part of the Lagalochan property. These rights are granted in exchange for an annual fee of £10,000 pa. If the lease option is exercised the lease lasts for a further 21 years from the exercised date and entitles the mineral rights holder to a 1% NSR. The option agreement with the Company commenced on 31st May 2012 and expires in 2028. The surface rights option agreement covers a 6.1 km² area which covers the entirety of the known copper gold stockwork mineralisation at Lagalochan. The option gives the right to take up a 50-year lease entitling the Company to establish a mine and associated infrastructure subject to appropriate planning and environmental permits. The option fee is currently a £20,000 index linked annual fee. If the option is exercised the surface rights holder is entitled to a 1% NSR on minerals mined, a 0.25% wayleave NSR on material mined outside the Lagalochan property passing through the Lagalochan property and a £125 per hectare fee on areas within the lease. The option agreement is valid until 25th July 2027. The area is sparsely populated, and the local economy is dependent on tourism, forestry, fish farming and upland sheep farming. A narrow, sealed road traverses the Lagalochan property giving year-round access and dirt forestry tracks provide poor to good quality access to much of the rest of the Lagalochan property.

The Lagalochan property comprises steep hills transected by numerous streams. The highest local point to the Lagalochan Property is Càrn Duchara with a peak of 491m, though elevations within the Lagalochan property are commonly between 150-250m of sea level. Several freshwater lochs occur throughout the area at elevations between 150-300m often at the headwaters of the various burns that drain the area. The Lagalochan property is covered by pine forests, grass, heather and bracken, and the terrain is commonly boggy, with outcrops occupying <10% of the area.

The conclusions in the Lagalochan Report included:

The porphyry mineralisation at Lagalochan discovered to date is an exceptionally well preserved and rare example of an undeformed, breccia dominated, high-K calc-alkaline, Silurian aged, telescoped porphyry system. Erosion levels are shallow with current land surface estimated to being less than 1km below the palaeo-surface at time of formation some +400 million years ago. Known hypogene Cu, Au, Ag, Mo mineralisation outcrops and forms a roughly 300m diameter circular potassic altered central stockwork cylinder that extends to > 550 m depth. A larger phyllic alteration zone overprints and surrounds the potassic core which is pervasive to a depth of 200m vertical and is present along faults down to at least 400m. The host RFP is not significantly mineralised outside of the “B” vein zones, unless in zones of late carbonate veining, where sphalerite and galena can be present. Proximal skarn and intermediate sulphidation epithermal vein systems represent minor parts of the known mineralisation.

If the Lagalochan property was in a proven porphyry terrain such as in the Americas or the Pacific, it would likely have received much more attention in recent years. While the bulk of the known mineralisation is sub-economic, (some of the bigger intersections into the stockwork average out over a +500m intersection of drill core, to 0.18% Cu and 0.1 g/t Au (see Table 7 & Table 9 of the Lagalochan Report), they are not far beyond the lower exploitable limit of some of the North American porphyry systems. Highland Valley Copper Mine operated by Teck Resources in British Columbia (“BC”), Canada in 2015 had a M&I resource of 1,008Mt @ 0.26% Cu, 0.01% Mo with no significant gold credits (Vancouver Mineral Development Office, 2015). The Gibraltar Mine in BC, Canada operated by Taseko Mines, has 2P (Proven + Probable) reserves of 706 Mt @ 0.25% Cu, 0.008% Mo with no significant gold credits (Weymark, 2022). Schaft Creek in BC, Canada, a JV with Teck Resources and Fox Copper, has a positive preliminary economic assessment (PEA) with M&I resources of 1,345.5 Mt @ 0.26% Cu, 0.16 g/t Au (Ghaffari et al., 2021). Lagalochan with < 10,000m of drilling to date, the majority from the 1980’s, is still not well explored either to depth or laterally for main-stage porphyry mineralisation. Additional target types such as porphyry related skarn and intermediate sulphidation epithermal vein systems have seen even less systematic exploration.

Knapdale Gold Copper Project

Knapdale was an early exploration stage project prospective for orogenic quartz-gold-silver lodes that comprises three contiguous sub-properties comprising the Stronchullin gold vein system and a separate copper project at Gossan Burn. The minerals rights extended to base metal exploration rights over 3,253 hectares, with right to lease, and gold exploration rights over 1,574 hectares, with conditional rights to lease.

The landowners granted exclusive surface access to Lorne for up to 15 years from 2018, with work commitments of £1.5 million before July 29, 2022, and £3 million in aggregate before July 29, 2024

The Company announced on December 30, 2022, that its evaluation of Knapdale had concluded that the poor results to date, combined with the opportunity to develop its Lagalochan property, did not justify any further investment in Knapdale. Consequently, the Company terminated its prospecting agreements for Knapdale.

The Company's termination of its prospecting agreement regarding Knapdale resulted in the write-off of \$2,639,711 in acquisition costs and cumulative exploration expenditures. The retrospective change in accounting policy for exploration and evaluation expenditures, resulted in an impairment charge on its exploration and evaluation properties of approximately \$553,050 in December 2022 and the recognition that \$2,086,661 in cumulative exploration expenses (including \$716,217 in expenses recorded in 2022) were related to the terminated Knapdale project.

SELECTED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The Company, in accordance with TSXV policy 2.4, is a Tier 2 mining issuer. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its exploration and evaluation expenditures and administrative expenses. The accounting policy related to exploration and evaluation properties and expenses was changed in the year ended December 31, 2022. The retrospective change in accounting policy for the years ended December 31, 2020 and 2021 reduced the carrying value of exploration and evaluation properties and increased related expenses and losses.

The following table provides select financial information in CAD, after the retrospective change in accounting policy, that should be read in conjunction with the Financial Statements:

| | For Quarters ended: | Sep. 30, 2023 | Jun. 30, 2023 | Mar. 31, 2023 | Dec. 31, 2022 |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|
| Results of Operations: | | | | | |
| Net loss | | \$ 400,315 | \$ 398,428 | \$ 231,443 | \$ 1,142,030 |
| Comprehensive loss | | 432,467 | 424,639 | 208,339 | 1,110,662 |
| Basic and diluted loss per share ⁽²⁾ | | 0.011 | 0.012 | 0.006 | 0.032 |
| Financial Position – Select Items: | | | | | |
| Cash | | 1,556,230 | 220,385 | 515,814 | 781,511 |
| Working capital ⁽¹⁾ | | 1,545,140 | 195,791 | 516,973 | 719,084 |
| Exploration and evaluation properties | | 553,050 | 553,050 | 553,050 | 553,050 |
| Total assets | | 2,191,831 | 849,001 | 1,135,768 | 1,395,296 |
| Shareholders' equity | | 2,191,831 | 767,196 | 1,086,659 | 1,294,998 |

| For Quarters ended: | Sep. 30, 2022 | Jun. 30, 2022 | Mar. 31, 2022 | Dec. 31, 2021 |
|---|---------------|---------------|---------------|---------------|
| Results of Operations: | | | | |
| Net loss | \$ 656,068 | \$ 527,082 | \$ 237,905 | \$ 1,165 |
| Comprehensive (gain) loss | 666,952 | 535,758 | 252,174 | (8,192) |
| Basic and diluted loss per share ⁽²⁾ | 0.022 | 0.022 | 0.009 | 0.00 |
| Financial Position – Select Items: | | | | |
| Cash | 1,071,311 | 849,879 | 1,231,619 | 1,447,733 |
| Working capital ⁽¹⁾ | 1,299,561 | 899,179 | 1,434,937 | 1,687,111 |
| Exploration and evaluation properties | 1,106,100 | 1,106,100 | 1,106,100 | 1,106,100 |
| Total assets | 2,481,618 | 2,246,317 | 2,626,900 | 2,854,007 |
| Shareholders' equity | 2,405,662 | 2,005,280 | 2,541,037 | 2,793,212 |

(1) Working capital is a non-GAAP measure equal to current assets less current liabilities.

Discussion of Operations

In the three and nine months ended September 30, 2023 (“Q3 FY23” and “YTD Q3 FY23”, respectively), the Company incurred net losses of \$400,315 and \$1,030,192 respectively and compared to losses of \$656,068 and \$1,421,054 in the same periods in the prior year (“Q3 FY22” and “YTD Q3 FY22”, respectively). The reduction in expenses is primarily attributed to YTD Q3 FY22 spending on exploration and evaluation (“E&E”) on the Knapdale project leading up to the contractual milestone spending target at July 29, 2022. The E&E expense reduction was partially offset by the non-cash share-based compensation of \$105,179 in YTD Q3 FY23 (YTD Q3 FY22 – nil). Details of the E&E spending are shown in the table below.

The compensation cost of \$110,547 and \$252,189 in Q3 FY23 and YTD Q3 FY23 increased from the same period last year (\$40,068 and \$104,403, respectively) primarily due to the direct hiring of former E&E consultants. The higher compensation expenses were partially offset by lower related consulting fees.

E&E expenses decreased Q3 FY23 and YTD Q3 FY23 compared to the prior year.

E&E expenses were incurred for the Knapdale and Lagalochan projects as indicated in the table below:

| Exploration and Evaluation Expenses | Knapdale | Lagalochan | Total |
|--|------------------|-------------------|------------------|
| Cumulative Expenses - December 31, 2021 | 1,370,044 | 1,682,245 | 3,052,289 |
| Consulting | 141,740 | 162,854 | 304,595 |
| Drilling and fieldwork | 347,830 | 385,386 | 733,216 |
| Lease rentals and other | 45,105 | 96,361 | 141,467 |
| Changes in the period | 534,677 | 644,601 | 1,179,277 |
| Cumulative Expenses – September 30, 2022 | 1,904,721 | 2,326,846 | 4,231,566 |
| Consulting | 1,090 | 88,377 | 89,466 |
| Drilling and fieldwork | 12,013 | 43,522 | 55,536 |
| Lease rentals and other | 25,628 | 27 | 25,654 |
| Research and development tax credits | 143,210 | 113,554 | 256,764 |
| Changes in period | 181,940 | 245,480 | 427,421 |
| Changes in 2022 | 716,617 | 890,081 | 1,606,698 |
| Cumulative Expenses before property termination - December 31, 2022 | 2,086,661 | 2,572,327 | 4,658,987 |
| Property exploration terminated | (2,086,661) | - | (2,086,661) |
| Cumulative expenses – December 31, 2022 | - | 2,572,327 | 2,572,327 |
| Consulting | - | 149,472 | 149,472 |
| Drilling and fieldwork | - | 254,555 | 254,555 |
| Lease rentals and other | - | 110,359 | 110,359 |
| Changes in the period | - | 514,386 | 514,386 |
| Cumulative expenses – September 30, 2023 | - | 3,086,713 | 3,086,713 |

In December 2022, the Company's interest in Knapdale was terminated, resulting in the write-off of \$2,086,661 in cumulative expenses, as indicated in the table above, and the exploration and evaluation property impairment charge of \$553,050.

Office and sundry expenses increased in YTD Q3 FY23 by \$12,611 to \$58,627 compared to the prior year, primarily due to increases of approximately \$6,197 for IT, \$3,674 for banking fees and \$2,740 in other expenses.

Professional fees of \$45,382 in YTD Q3 FY23 were approximately the same as the \$47,033 incurred in the prior year due to similar activity levels.

Regulatory and communication expenditures of \$47,123 in YTD Q3 FY23 increased by \$5,312 compared to YTD Q3 FY2022 due to higher share registrar expenses and shareholder meeting expenses.

Share-based compensation was \$105,179 in Q3 FY22 due to the incentive stock option grant in September 2023. There were no stock option grants in the comparative periods.

Foreign exchange losses in the current year resulted from a weaker CAD as the CAD/GBP month end exchange rates changed from \$1.6322 at December 31, 2022 to 1.6726 at March 31, 2023; \$1.6817 at June 30, 2023; and \$1.6564 at September 30, 2023. The CAD/GBP exchange rates in the prior year moved from 1.7097 at December 31, 2021 to \$1.5098 at September 30, 2022.

LIQUIDITY AND CAPITAL RESOURCES

Cash at September 30, 2023 was \$1,556,230 (December 31, 2022 - \$781,511) and working capital (non-GAAP measure equal to current assets less current liabilities) of \$1,545,141 (December 31, 2022 – \$719,084). The improved cash and working capital position at September 30, 2023 is directly attributed to the Private Placement that raised gross proceeds of \$1,897,400. The Private Placement will support planned drilling and other exploration activities and corporate operating costs. The Company continues to closely manage its cash while optimizing its operating activities leading.

MARKET TRENDS

The Company's future financial performance is dependent on many external factors including the markets of certain precious and base metals. The markets for these commodities are volatile and difficult to predict as they are impacted by many factors including international political, social and economic conditions. These conditions, combined with volatility in the capital markets, could materially affect the future financial performance of the Company.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company does not have any off-balance sheet arrangements.

The Prospecting Agreements with the Knapdale landowners, which were in place for most of 2022, were terminated in December 2022 due to poor exploration results.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of September 30, 2023 and December 31, 2022, consist of cash and accounts payable and accrued liabilities denominated in CAD and GBP.

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, which is held in financial institutions in Canada and in the United Kingdom and the value added taxes (includes VAT in UK) collectible from government authorities in the UK. The Company has no significant concentration of credit risk arising from operations.

The Company's policy includes holding cash and periodically investing excess cash in fixed interest investment-grade short-term deposit certificates and overnight deposits in either Canada or the UK. Management believes the risk of loss to be minimal given the apparent financial strength of the financial institutions with whom the Company transacts.

Management believes that the credit risk concentration with respect to other receivables is minimal.

Interest rate risk is generally associated with the Company's cash balances, which, in the future, may be invested in fixed interest investment-grade short-term deposit certificates and overnight deposits. Future net cash flows from interest income on cash will be affected by interest rate fluctuations. The Company monitors prevailing interest rates and will take appropriate mitigating actions should interest rate risk become material.

Foreign currency risk is generally associated with financial instruments and transactions denominated in non-CAD currencies, such as GBP and EUR. The Company is presently exposed to some foreign exchange risk as it holds its assets and liabilities primarily in CAD and GBP. Since activities may result in future expenditures denominated in GBP and other currencies, the Company will monitor the applicable exchange rates and take the appropriate foreign currency risk mitigation measures.

SHARE CAPITAL AS AT NOVEMBER 28, 2023

On November 28, 2023, the Company had issued and outstanding common shares without par value of 50,083,018 common shares.

On November 28, 2023, the Company had 2,577,500 options outstanding with weighted average exercise price of \$0.29 per common share and remaining life of 3.6 years.

On November 28, 2023, warrants to acquire 149,000 common shares at an exercise price of \$0.20 per common share were outstanding.

CAPITAL MANAGEMENT

The Company manages capital through its financial and operational forecasting processes. The Company's capital management objectives, policies and processes remained unchanged from the year ended December 31, 2022. As a Tier 2 mining issuer on the TSXV, the Company has access to additional capital, subject to capital market conditions and acceptable terms, to meet its funding requirements to support the exploration and evaluation activities related to the Lagalochan project and other prospective licenses in Scotland.

RISK FACTORS

The Company's principal activity of mineral exploration and development is considered to be very high risk and the mining industry in general is intensely competitive in all its phases. Companies involved in this industry are subject to many and varied types of risks, including but not limited to, environmental, commodity prices, political and economic. Additional capital will be required to fund continuing operations and advance the exploration and development activities at Knapdale and for other prospective licences.

The Company's risk factors are consistent with those disclosed and referred to in the Company's Financial Statements and the audited consolidated financial statements for the year ended December 31, 2022.

SIGNIFICANT ACCOUNTING POLICIES

Refer to Note 2 – Basis of Preparation in the Company's Financial Statements and the audited financial statements for the year ended December 31, 2022. The Company changed its accounting policy related to exploration and evaluation properties and expenses in December 2022 and applied the change prospectively.

Refer to Note 3 – Accounting Policies in the Company's Financial Statements and in the audited consolidated financial statements for the year ended December 31, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for designing internal controls over financial reporting, or supervising their design, in order to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for reporting purposes in accordance with IFRS.

There was no change in the Company's internal controls over financial reporting that occurred during the three and nine months ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The control framework has been designed by management with assistance from accounting consultants. Based on a review of its internal control procedures at the end of the period covered by this MD&A, the conclusion of management is that the internal control over financial reporting is appropriately designed and operating effectively as of September 30, 2023.