



Western Exploration
A Legacy of Discovery

WESTERN EXPLORATION, INC.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026.

DATED: MAY 19, 2026

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026****Management Discussion and Analysis**

This Management's Discussion and Analysis ("MD&A") compares the financial results of Western Exploration Inc. ("Western" or the "Company") for the three months ended March 31, 2026 with the comparable periods in 2025. This MD&A has been prepared as at May 19, 2026 and should be read in conjunction with the condensed interim consolidated financial statements for the three months ended March 31, 2026 as well as the audited consolidated financial statements for the years ended December 31, 2025 and 2024 and the MD&A for all relevant periods.

Financial information for the three months ended March 31, 2026 and 2025 set forth in this MDA has been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

All amounts are presented in US\$ unless otherwise stated.

History of the Company

Western, formerly Crystal Peak Minerals, Inc. ("CPM"), was originally incorporated in the Yukon Territory, Canada on June 25, 2015. The Company commenced trading on the TSX Venture Exchange (the "TSXV") under the symbol "CPM." Effective November 13, 2020, the listing of the Company's common shares was transferred from the TSXV to the TSX NEX Board as a result of the corporate restructuring in connection with a Reverse Take Over transaction (the "RTO"). The Company's registered and records office is located at Suite 2500, Park Place, 666 Burrard Street, Vancouver, British Columbia. The Company has an operations and project office in the United States at Suite 140, 121 Woodland Avenue in Reno, Nevada.

On December 22, 2021, the Company completed a reverse takeover ("RTO") of Crystal Peak Minerals Inc. ("CPM") pursuant to a statutory plan of arrangement under the Business Corporations Act (British Columbia), following CPM's continuance from the Yukon Territory. In connection with the RTO, the Company changed its name to Western Exploration Inc. and resumed trading on the TSX Venture Exchange under the symbol "WEX" on January 19, 2022. The Company also began trading on the OTCQX under the symbol "WEXPF" on February 14, 2022.

OVERVIEW

Western is principally engaged in the evaluation, acquisition and exploration of precious metal properties located in the state of Nevada. The Company's projects contain exploration targets ranging from early-stage exploration to advanced-stage resource delineation and expansion. The Company's business model is to build shareholder value through systematic project advancement while maintaining an opportunistic approach to the acquisition of additional precious metals properties. All the Company's projects are conducted pursuant to claims, leases, permits, and licenses granted by appropriate authorities or on fee land leased by the Company. In the future, when deemed appropriate certain projects may be pursued on a joint venture basis to share the associated risk and to assist in the project funding.

During the three months ended March 31, 2026, the Company continued to advance permitting activities at the Doby George deposit and ongoing exploration activities at the Gravel Creek and Wood Gulch areas of the Aura Project. The Company also completed equity financing during the quarter, which contributed to its financial position. These activities are consistent with the Company's strategy to advance the Aura Project and support planned exploration, engineering, and permitting activities.

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Western has an interest in one exploration project in Nevada, the Aura Project, which includes three main resource areas: Doby George, Gravel Creek, and Wood Gulch. The Company continues to advance its exploration efforts across the property.

The Aura Project is located approximately 100 kilometers north of Elko, Nevada, and 20 kilometers south of Mountain City, on public lands administered by the Humboldt-Toiyabe National Forest. The project comprises 709 unpatented lode mining claims totaling 12,848 acres and mineral leases on 2,296 acres of private land. Exploration activities are conducted under approved Plans of Operation valid through 2028 (Doby George) and 2029 (Wood Gulch-Gravel Creek). The property is subject to several net smelter return (NSR) royalties ranging from 1% to 2%.

The Company completed an updated NI 43-101 Technical Report on June 22, 2025. The report, *"PRELIMINARY ECONOMIC ASSESSMENT OF THE DOBY GEORGE GOLD DEPOSITS AND UPDATED RESOURCE ESTIMATE FOR THE GRAVEL CREEK GOLD-SILVER DEPOSITS, AURA GOLD-SILVER PROJECT, ELKO COUNTY, NEVADA"* has an effective date of June 17, 2025 and was filed on SEDAR+ and the company's website on June 25, 2025. The Company amended the Technical Report on October 1, 2025 to address some inconsistencies in capital cost estimate tables. The amendments did not change any of the capital or operating costs. The effective date of the report remained June 17, 2025 and the Amended Technical Report was filed on SEDAR+ on October 1, 2025.

Mineral Resource Estimate

The updated the mineral resource estimate for the Aura Project incorporates exploration results up to the end of 2024 and includes all drill campaigns.

Estimated Indicated and Inferred Resources – Aura Project

INDICATED	Tonnes	Au (g/t)	Au (ozs)	Ag (g/t)	Ag (ozs)	Aueq (g/t)	Aueq(ozs)
Doby George ₁	13,662,000	0.90	394,000			0.90	394,000
Wood Gulch ₂							
Gravel Creek ₃	1,331,000	5.04	216,000	78.7	3,367,000	5.95	254,000
Total	14,993,000	1.27	610,000	7.0	3,367,000	1.35	648,000
INFERRED	Tonnes	Au (g/t)	Au(ozs)	Ag (g/t)	Ag(ozs)	Aueq (g/t)	Aueq(ozs)
Doby George ₁	3,270,000	0.68	71,000			0.68	71,000
Wood Gulch	2,741,000	0.75	66,000	6.2	545,000	0.82	73,000
Gravel Creek ₃	3,933,000	4.52	571,000	76.9	9,726,000	5.39	683,000
Total	9,944,000	2.22	708,000	32.1	10,271,000	2.58	827,000

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1. The Effective Date of Wood Gulch-Gravel Creek mineral resources is May 27, 2025.
2. In-situ mineral resources are classified in accordance with CIM Standards.
3. The average grades of the tabulations are comprised of the weighted average of block-diluted grades within the underground shells and optimized pits.
4. The Gravel Creek Mineral Resources are reported using a cut-off grade of 3.0g AuEq/t. Gold equivalent values were calculated using metal prices of \$2,025 per oz for gold and US\$24 per oz for silver, and metallurgical recoveries of 95% for gold and 92% for silver. The AuEq calculation accounts for metal prices and recoveries only. The 3.0g AuEq/t cut-off grade was applied to constrain the reported resource to material with reasonable prospects for economic extraction.
5. The Au cut-off grade for Wood Gulch Mineral Resources is based on an Au price of \$2,150/oz, an average recovery of 66% Au, and cost assumptions including: \$3.02/t mining cost for open-pit mining, \$6.52/t processing cost, \$1.89/t processed G&A cost, and \$5.00/oz Au refining cost.
6. The Effective Date of Doby George mineral resources is January 27, 2025.
7. The project mineral resources are comprised of all model blocks at a cutoff grade of 0.17 g Au/tonne for all material within optimized pits.
8. The Au cut-off grade for Doby George Mineral Resources is based on an Au price of \$2,150/oz, an average recovery of 66% Au, and cost assumptions including: \$3.02/t mining cost for open-pit mining, \$6.52/t processing cost, \$1.89/t processed G&A cost, and \$5.00/oz Au refining cost. An average royalty of 3% has also been applied to cut-off grade determination.
9. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
10. There are no known factors related to metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which could materially affect the mineral resource estimates contained in this Press Release.
11. Rounding as required by reporting guidelines may result in apparent discrepancies between tonnes, grade, and contained metal content.
12. Mineral resources are not mineral reserves and do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The Resource Estimate for the Aura Project was prepared by Michael Lindholm CPG, and Kyle Murhpy, PE. of RESPEC Company LLC (RESPEC) in accordance with NI 43-101. NI 43-101 of the Canadian Securities Administrators – Standards for Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's continuous disclosure documents available at www.sedar.com for this detailed information, which is subject to the qualifications and notes therein.

The Technical Report recommended a 2 Phase exploration program for both Gravel Creek and Doby George. At the end of Phase 2, the Company will have completed a Pre-Feasibility level study for Doby George and a Preliminary Economic Assessment for the Gravel Creek deposit.

Gravel Creek

The Wood Gulch-Gravel Creek resources are associated with a cluster of epithermal, low-sulfidation, precious-metal deposits. Gravel Creek is the largest, extending roughly 800m in a north-south direction. The deposit as presently defined is 900m wide (east-west) and reaches 80m thick. Approximately 80% of the Gravel Creek deposit is hosted by the Frost Creek and Mori Road Formations, with the remainder within the Schoonover Formation. The entire Gravel Creek deposit is unoxidized and the silver to gold ratio at Gravel Creek is 15:1. There is significant vertical zonation with higher grades below about 1,800m above mean sea level, or about 400m below the surface. The zonation may be at least partly due to the locations of favorable structural and lithological controls.

A significant outcome of WEX's work has been a better understanding of the orientation and extent of the Gravel Creek mineralization and the development of a new geologic model. The current gold and silver domain modeling and subsequent resource estimation were based on the new geologic model and, as importantly, can be used to guide future drilling at Gravel Creek and elsewhere in the project area.

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The Gravel Creek mineral resources have been estimated to reflect potential underground extraction and processing by standard cyanide milling techniques. The underground resources at Gravel Creek are reported at a cutoff grade of 3.0g AuEq/t within a volume of continuous mineralization that may be reasonably expected to be underground minable. The gold equivalent grades in the block model were calculated using metal prices of \$2,025/oz gold and \$24/oz silver, and metal recoveries of 95% gold and 92% silver.

Some material in the Gravel Creek deposit has been classified as Indicated resources, as a result of the increased level of geological understanding, supporting QA/QC data, and a database with higher confidence. The small amount of Indicated relative to total resources is a reflection of the early stage of the project and the need for additional infill drilling.

Overall, the reported mineral resources increased at Gravel Creek between 2021 and 2025, despite the reporting at a higher cutoff grade to better reflect current mining costs. Inferred gold and silver ounces increased due to the addition of the hanging wall mineralization in the Jarbidge rhyolite. Due to the increased reporting cutoff grade, the grade of all gold and silver resources increased. However, the inferred grade also increased as a result of the higher-grade mineralization in the hanging wall expanded Jarbidge rhyolite. Indicated ounces decreased slightly with the increased reporting cutoff grade but increased slightly compared to the same cutoff grade in 2021.

At Wood Gulch, RESPEC optimized a series of pits assuming open pit mining and heap leach processing typical for similar deposits in Nevada. Multiple iterations were run at variable gold and silver prices, mining costs, processing costs and processing scenarios to determine what near-surface mineralization may meet the requirement of having reasonable prospects for eventual economic extraction.

All of the resources are classified as Inferred at Wood Gulch reflecting the inadequate understanding of geology, dominance of RC drilling, incomplete historical supporting data, little metallurgical test work, and lack of QA/QC. It is expected that the Inferred resources could be upgraded to Indicated with continued delineation drilling, detailed geologic studies, database validation and the acquisition of QA/QC data. There are no density measurements for material in either Saddle or Southeast.

Essentially all of the Saddle and Southeast deposits are in the Schoonover Formation with a small amount hosted by the overlying Wood Gulch unit. Most of the mineralization is oxidized. The silver-to-gold ratio at Wood Gulch is about 10:1.

In early 2025, the Company identified a new exploration target along the Tomasina Fault Zone, a 3.0 km-long untested structural corridor approximately 1 km west of Gravel Creek. The target exhibits similar geological, structural, and geochemical characteristics to Gravel Creek, including the presence of the Frost Creek tuff – a known host for wide zones of high-grade mineralization.

Drill testing of the Tomasina Fault Zone was the primary focus of the 2025 exploration program, together with further evaluation of the Jarbidge zone, to support ongoing assessment of the Gravel Creek project and its exploration potential.

In January 2026, the Company reported additional results from its 2025 reverse circulation drilling program targeting the Tomasina Fault Zone at the Wood Gulch–Gravel Creek area. The drilling identified hydrothermal alteration and localized quartz-sulfide mineralization along portions of the structural corridor, which is consistent with the interpreted geological model. The results contribute to the Company's understanding of mineralization controls within the Gravel Creek–Wood Gulch district and will be used to support planning of future exploration and resource delineation programs. Further drilling is required to assess the continuity, grade distribution, and potential economic significance of the mineralization.

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Three separate domains, West Ridge, Daylight, and Twilight were modelled at Doby George and contain 75%, 17%, and 8% of the total global resources at Doby George, respectively, at a fixed cutoff grade of 0.17g Au/t. Mineralization at West Ridge appears to be stratigraphically controlled on a west-dipping limb of the Doby George anticline. Mineralization at Daylight and part of Twilight is similarly controlled by stratigraphy, and dips south along the crest and east limb of the anticline. The geometry of gold at the south end of Twilight is sub-vertical, east-striking, crosses bedding, and is interpreted to be structurally controlled.

As noted previously, no resources were classified as Measured. The reasons for this were (1) the number of undocumented assays (12%), (2) 303 of the historical drill holes that do not have available QA/QC data, (3) the small amount and lack of spatially and geologically representative specific gravity data, (4) the predominance of RC drilling compared to core, and (5) persistent low bias in check assays. Offsetting the negative attributes of project data, Doby George drill-spacing is very dense, as demonstrated by the more than 99% of the Indicated blocks that have the maximum number of composites used to estimate grades.

There were only a handful of new holes drilled into the Doby George deposit area, which caused minimal changes to gold domains and the estimated resources in the block model. There was an overall decrease in overall tonnes (5.5%) and gold ounces (11.4%) in the 2025 mineral resources compared to those reported in Unger, et al. (2021). Because the model did not change, the decrease in the mineral resource estimate is due almost entirely to the increased mining costs and other factors that were applied to pit optimizations.

Results of check analyses and other QA/QC data indicate a risk associated with the historical assays. The original assay grades in WEX's database are on average 5% to 10% higher than their respective check assay grades from a referee laboratory. There is no information that indicates which data set, the original or checks, provides a better representation of the real gold grades in the deposit. This bias may be better understood or resolved through infill drilling, inter-campaign grade comparisons (twin-hole analyses), or QA/QC analysis of available legacy samples.

The continuity of higher-grade mineralization at Daylight is considered good, whereas lower-grade material exhibits more pronounced spatial variability. Similar relationships are found at West Ridge. Continuity of mineralization between sections in the stratabound portion of Twilight is evident, but not strong. Sections may not be oriented optimally perpendicular to structural and/or mineralization trends; however, the sub-vertical component of mineralization at the south end of Twilight strikes roughly east west and is properly represented in north-south sections.

During the first quarter of 2026, the United States Forest Service ("USFS") accepted the Company's Notice of Intent ("NOI") to submit a Mine Plan of Operations ("MPO") for the Doby George deposit. Acceptance of the NOI represents an initial step in the federal permitting process and allows the Company to proceed with baseline environmental, engineering, and technical studies in support of a future MPO submission.

In parallel, the Company continued preparatory activities related to its planned 2026 development program, including engagement with technical consultants, advancement of baseline environmental studies, and planning for future infill, geotechnical, and hydrological drilling. These activities are intended to support ongoing evaluation and advancement of the Doby George project.

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The PEA was completed by KCA of Reno, Nevada as lead independent consultant with Travis Manning, PE as the Qualified Person, and supported by RESPEC of Reno, Nevada on mineral resource estimation, mine planning and production scheduling, in accordance with NI 43-101. The PEA evaluated the potential development of Doby George as an open-pit, heap leach operation over a projected mine life of five years. The assessment included a base case using a gold price of \$2,150 per ounce and an upside case at \$3,000 per ounce.

Key results from the base case (*upside case*) include:

- After-tax Net Present Value (NPV) of \$70.7 million (\$211.2 million) at a 5% discount rate
- Internal Rate of Return (IRR) of 25.4% (62.2%)
- Life-of-Mine (LOM) average grade of 1.01 grams per tonne gold
- All-in Sustaining Costs (AISC) of \$1,152 per ounce (\$1,197 per ounce)
- Pre-production capital costs of \$115.2 million, excluding upfront working capital of \$12.4 million

Mining Methods

The PEA for the Doby George project envisions the use of conventional open-pit, truck-and-shovel methods for mining the Daylight, Twilight and West Ridge deposits with extraction of gold by cyanide heap-leaching. Waste material would be extracted using 92-tonne haul trucks and transported to designated waste rock storage facilities ("WRSF"s). Leach material would be mined from three pits, processed through a crusher and stacked on heap leach pad for leaching gold. Ultimate pit limits were developed using pit optimization techniques based on the block models of estimated mineral resources summarized above. Production schedules have been developed using the preliminary pit designs and the estimated mineral resources with these pit designs for a total expected mine life of five years after a one-year pre-production period.

Indicated and Inferred gold mineral resources have been used to determine potentially mineable resources for the PEA. There are no silver mineral resources at the Doby George deposits and silver is not included in this PEA.

Mineral resource pit optimization parameters summarized in Table 1-3 were developed for the anticipated 7,500 tpd mineralized material mining and processing rate. Based on the resulting pit optimizations, pit designs were developed and phased for Daylight, Twilight, and Westridge. The resulting mineral resources and associated waste rock for the designed pits are summarized below.

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	Value	Units
Mining	\$3.00	\$/t Mined
Crushing & Conveying	\$1.49	\$/t Processed
Leaching	\$5.69	\$/t Processed
G&A per Year	\$5,223.00	k \$/yr
Processed per Day	7,500	t/ day
Processed per year	2,738	k t/yr
G&A per Tonne	\$1.91	\$/t Processed
Royalty	4%	NSR
Refining	45.00	\$/oz Au Recovered

In Pit Resources and Associated Waste Material

		Oxide		Mixed		Total		Mined Waste	Mined Total	Strip Ratio
		Indicated	Inferred	Indicated	Inferred	Indicated	Inferred			
Daylight Pit	K Tonnes	1,248	299	227	-	1,476	299	4,211	5,986	2.37
	g/t Au	1.27	0.74	1.12	-	1.25	0.74			
	K Oz Au	51	7	8	-	59	7			
Twilight Pit	K Tonnes	1,215	231	25	1	1,240	232	5,674	7,146	3.86
	g/t Au	0.92	0.68	0.58	0.43	0.91	0.68			
	K Oz Au	36	5	0	0	36	5			
West Ridge Pit	K Tonnes	6,414	1,294	428	21	6,842	1,314	34,274	42,431	4.20
	g/t Au	1.06	0.85	0.68	0.60	1.03	0.84			
	K Oz Au	218	35	9	0	227	36			
Total Project	K Tonnes	8,878	1,823	680	22	9,558	1,845	44,159	55,562	3.87
	g/t Au	1.07	0.81	0.83	0.59	1.05	0.81			
	K Oz Au	305	47	18	0	323	48			

Mine production scheduling was done using MineSched software (version 2024). Scheduling targets 2.7 million tonnes of leachable material per year. The production schedule for the life of mine ("LOM") was created using monthly periods so that appropriate lag times for gold recovery could be used for the process production schedule. The schedule was then summarized in yearly periods. The schedule was then summarized in yearly periods. The schedule assumes mining will utilize an equipment fleet with a maximum of six 92-tonne trucks, one 17 cubic meter front shovel and one 13 cubic meter front end loader as the primary mining equipment.

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		Units	Yr_-1	Yr_1	Yr_2	Yr_3	Yr_4	Yr_5	Total
Total Project	Material Above Cog	K Tonnes	179	2,749	2,625	2,719	2,738	394	11,403
		g Au/t	0.64	1.08	1.04	0.97	0.93	1.33	1.01
		K Ozs Au	4	96	88	85	81	17	370
	Ox_Wst	K Tonnes	2,659	11,457	16,080	10,397	2,839	116	43,548
	Mx_Wst	K Tonnes	-	167	41	2	319	83	611
	Total Waste	K Tonnes	2,659	11,623	16,121	10,399	3,158	198	44,159
	Total Mined	K Tonnes	2,838	14,372	18,746	13,117	5,895	592	55,562
	Strip Ratio	W:O	14.85	4.23	6.14	3.82	1.15	0.50	3.87

Recovery Methods

Test work results developed by KCA and others have indicated that the Doby George Resource is amenable to heap leaching for the recovery of gold. Based on a Mineral Reserve of 11.4 Mt and established processing rate of 7,500 tpd of ore, the Project has an estimated mine life of approximately 4.2 years.

Ore will be mined using standard open pit mining methods and delivered to the crushing circuit using haul trucks which will dump into a run-of-mine (ROM) stockpile located near the primary crusher. A front-end loader will feed material to a dump hopper from the ROM stockpile. The ROM ore will be crushed to a final product size of 80% passing 12.5mm (1/2") using a three-stage closed-circuit crushing plant. The crushing circuit will operate 7 days/week, 24 hours/day with an overall estimated availability of 75%.

The crushed product will be stockpiled using a stacking conveyor and reclaimed by vibrating, electromechanical feeders. Cement or pebble lime will be added to the reclaim material for agglomeration and pH control. Test work has shown that agglomeration with cement is not required, but as a precautionary measure, cement will be added during the first lift to ensure permeability is not compromised.

Ore will be stacked on the leach pad by retreat stacking uphill from the toe of the heap. Stacked ore will be leached using a drip irrigation system for solution application. After percolating through the ore, gold bearing pregnant leach solution drains by gravity to a pregnant solution pond where it will be collected and pumped to a set of carbon-in-columns (CICs) where gold will be removed by activated carbon.

Baren leach solution leaving the CICs will flow to a barren solution sump and then pumped to the heap leach pad for further leaching. Cyanide solution will be injected into the barren solution to maintain the desired cyanide concentration. Single-stage leaching is assumed with a 140-day leach cycle.

The adsorption circuit will consist of three trains of five CICs. Each column will contain 2 tonnes of carbon. Pregnant solution will flow up through the first column and exit from the top of the open tank into the next column. Once the carbon in the first column of a train reaches a loading of 2,500gAu/t, it will be advanced manually into the acid wash or the elution vessel. Each train will be advanced every 3 days, so there will be 1 strip per day.

The acid wash vessel will treat the carbon by circulating dilute hydrochloric acid at pH 2 through the vessel for several hours to dissolve carbonate scale. At the end of the acid wash cycle, residual acid will be neutralized with caustic, then the carbon will be transferred to the elution vessel.

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Gold on the carbon will be stripped with of strip solution at high temperature and pressure. The vessel pressure will be controlled with a valve and the temperature will be controlled with a boiler. The strip solution from the elution vessel will be used to preheat the incoming strip solution to the vessel before it flows to the electrowinning cells. Gold will be recovered from the strip solution onto the cathodes of the electrowinning cells as a sludge. The sludge will be removed using a high-pressure washer and dried in a filter press. The filter cake will be treated in a retort furnace to remove contained mercury. The dried mercury free cake will be mixed with fluxes in a furnace before it is poured into gold doré bars.

An event pond is included to collect contact solution from storm events. Solution collected will be returned to the process as soon as practical.

Heap Leach Pad Design

The heap leach pad for the processing of the Doby George resource at the Aura Project is designed to store 12Mt of ore, of which 5.5Mt will be placed within the Phase 1 stacking area and an additional 6.5Mt will be placed once the Phase 2 expansion is completed. The leach pad will be a single-use, multi-lift type leach pad and has been designed with a lining system approved by the state of Nevada.

Capital Costs

Capital costs for the process and administration components for the Doby George deposit at the Aura Project were estimated by KCA. Costs for the mining components were provided by RESPEC. The estimated costs are considered to have an accuracy of +/-25%. The total life of mine ("LOM") capital cost for Doby George is an estimated \$138 million and is summarized below.

Capital Costs Summary

Description	Cost (\$M)
Pre-Production Process Capital	\$97.6
Mining Pre-Production Capital	\$17.5
Subtotal Capital	\$115.2
Working Capital & Initial Fills ¹	\$12.4
Sustaining Capital - Mine & Process	\$10.5
Total	\$138.0

Operating Costs

Operating costs for the process and administration components for the Doby George deposit at the Aura Project were estimated by KCA. Costs for the mining components were provided by RESPEC. The estimated costs are considered to have an accuracy of +/-25%. The average LOM operating cost for Doby George is an estimated US\$22.24 per tonne of ore processed.

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	LOM Total (US\$ M)	Per Tonne Processed (US\$)
Mining	153.0	13.42
Processing	77.2	6.77
G&A	23.4	2.05
TOTAL	253.6	22.24

Preliminary Economic Analysis

Based on the estimated production schedule, capital costs and operating costs, a cash flow model was prepared by KCA for the economic analysis of the Doby George part of the Aura project. The Doby George economics were evaluated using a discounted cash flow ("DCF") method, which measures the net present value ("NPV") of future cash flow streams. The results of the economic analyses represent forward-looking information as defined under applicable securities law. The results depend on inputs that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

Using a gold price of US\$2,150/oz, a period of six years including one year of investment and preproduction and five years for production, reclamation and closure, a processing rate of 7,500tpd, overall recoveries of 67% for gold, and the capital and operating costs estimated in this report, the proposed Doby George operation shows promising economics. The Base Case After-tax NPV for the Doby George Resource at the Aura Project is US\$70.7M with an IRR of 25.4% using a gold price of US\$2,150/oz. The base case life of mine (LOM) all in sustaining cost US\$1,152. This gives an after-tax net cash flow of US\$103.7M.

The Doby George Resource was also analyzed closer to spot gold price at US\$3,000/oz. At US\$3,000/oz gold, the after-tax NPV US\$211.2M with an IRR of 62.2%. The US\$3,000/oz LOM all in sustaining cost is US\$1,197, giving an after-tax net cash flow of US\$271.2M. The key results of the PEA are summarized below:

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Economic Analysis		
Internal Rate of Return (IRR), Pre-Tax	31.8%	
Internal Rate of Return (IRR), After-Tax	25.4%	
Average Annual Cashflow (Pre-Tax)	\$23.6	M
NPV @ 5% (Pre-Tax)	\$94.7	M
Average Annual Cashflow (After-Tax)	\$21.0	M
NPV @ 5% (After-Tax)	\$70.7	M
Pay-Back Period (Years based on After-Tax)	2.7	Years
Capital Costs		
Initial Capital	\$115.2	M
Working Capital & Initial Fills	\$12.4	M
LOM Sustaining Capital	\$10.5	M
Closure Costs	\$10.0	M
Operating Costs (Average LOM)		
Mining	\$13.42	per ton
Processing & Support	\$6.77	per ton
G&A	\$2.05	per ton
Total Operating Cost	\$22.24	per ton
All-in Sustaining Cost ¹	\$1,172	per oz
Production Data		
Life of Mine	4.2	Years
Total Tons to Crusher	11.40	K Tons
Grade Au (Avg.)	1.010	gpt
Contained Au oz	370,437	Ounces
Average Annual Gold Production	58,652	Ounces
Total Gold Ounces Produced	247,550	Ounces

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026***Sensitivity Analysis*

			NPV (US\$ x 1,000) at Specified Discount Rate		
	Variation	IRR	0%	5%	10%
Gold Price, US\$/oz					
75%	\$1,731 ²	5.0%	\$19,506	\$0	-\$14,276
90%	\$1,935	15.3%	\$61,177	\$35,054	\$15,558
100%	\$2,150	25.4%	\$103,686	\$70,683	\$45,776
110%	\$2,365	35.1%	\$146,482	\$106,563	\$76,213
140%	\$3,000 ¹	62.2%	\$271,213	\$211,160	\$164,956
Capital Costs (x 1,000)					
75%	\$98,812	40.8%	\$135,090	\$100,361	\$73,916
90%	\$117,655	30.7%	\$116,247	\$82,554	\$57,032
100%	\$130,216	25.4%	\$103,686	\$70,683	\$45,776
110%	\$142,778	20.8%	\$91,124	\$58,811	\$34,522
125%	\$161,621	15.0%	\$72,282	\$41,004	\$17,637
Operating Costs (x 1,000)					
75%	\$190,223	40.2%	\$167,093	\$124,148	\$91,362
90%	\$228,267	31.3%	\$129,049	\$92,069	\$64,011
100%	\$253,630	25.4%	\$103,686	\$70,683	\$45,776
110%	\$278,993	19.3%	\$78,323	\$49,296	\$27,542
125%	\$317,038	10.1%	\$40,278	\$17,217	\$190

Recommendations

The Aura project is host to two significant precious metal systems 100% controlled by Western Exploration. There are six drill-defined sub-deposits with current mineral resources at Wood Gulch, Gravel Creek and Doby George. In addition, exploration work through 2024 has identified multiple untested exploration targets with the quality and potential to host additional resources.

A two-phased exploration program is recommended for both Wood Gulch-Gravel Creek and Doby George to expand known deposits and evaluate new target zones. The current USFS Plans of Operation allow for drilling to begin around mid-July (with the exception of earlier access on the IL Ranch lease) and terminates in early November, when snow impacts safe access to the site.

Phase 1 exploration and expansion drilling includes a 13,400-meter RC program designed to increase the current Gravel Creek/Wood Gulch and Doby George resource footprints. The total program is budgeted at US\$6.45M. The cost estimate for the Phase I program is summarized below and includes:

- Wood Gulch Area: 6,700-meter RC drill program to test the intersection of the Tomasina Fault Zone with the favorable Frost Creek tuff, located down dip from near surface current resources in the Saddle and Wood Gulch zones.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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- Doby George Area: 6,700-meter RC drill program to expand current mineral resources, based on targeting both lateral and down dip extensions of mineralized trends in the resource block model and IP chargeability and aeromagnetic anomalies. The Phase 1 program is scheduled for the 2025-2026 field seasons.

A Phase 2 work program is recommended contingent on the success of the Phase 1 program. The Phase 1 program is scheduled for the 2025-2026 field seasons. A Phase 2 work program is recommended contingent on the success of the Phase 1 program.

Estimated Phase 1 Recommended Budget

Task	Qty	Unit	US\$ per unit	US\$
RC Drilling				
Wood Gulch	6,700	meter	\$195	\$1,307,000
Doby George	6,700	meter	\$195	\$1,307,000
Roads/Pads/Water Haul	13,500	meter	\$115	\$1,553,000
Assays	6,251	samples	\$110	\$688,000
Land Costs	709	claims	\$420	\$300,000
Environmental Base Line				\$75,000
Permitting and Bonding				\$400,000
Geology	12	months	\$40,000	\$480,000
Reporting	12	months	\$15,000	\$180,000
Field Camp and Supplies	12	months	\$13,500	\$160,000
Total				\$6,450,000

Phase 2 exploration would include 11,200 meters of RC drilling and 11,800 meters of core drilling in the Wood Gulch-Gravel Creek and Doby George project areas, utilizing one RC and two core and one RC drilling rigs to maximize efficiency during the field season. Infill drilling would be conducted in any area identified by Phase 1 drilling with potential to add to the total resources at the Aura project, in order to advance the new mineralization to at least an inferred resource category. Generative exploration drilling of untested priority targets will also continue. The Phase 2 program total budget is proposed at US\$13.53M and is summarized in Table 1-11. Priorities by area include:

- Wood Gulch: The priority is resource definition drilling of discovery areas along the Tomasina Fault Zone. Continued generative exploration drilling along the >4.0km-long prospective Tomasina Fault Zone, especially in the Hammer Head area.
- Gravel Creek: Oriented core would be drilled to 1) infill and expand the high-grade Jarbidge vein zone east in the hanging wall of the GC fault and 2) extend the Gravel Creek resource to the northeast and at depth along the GC Fault with step-out and infill drilling.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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- Doby George: Resource definition drilling of potential mineralization, if discovered during the Phase 1 program, would be conducted. Continued generative exploration targeting for both oxidized and non-oxidized gold mineralization, which is known to extend to depths of >700m below surface. The program will also combine exploration drilling with condemnation drilling in areas for the proposed footprints of haul roads, mine facilities and waste rock facilities, as outlined in the current PEA Technical Report

The Phase 2 program is scheduled for the 2026-2028 field seasons, depending on the availability of funding.

Estimated Phase 2 Recommendations Budget

Task	Qty	Unit	US\$ per unit	US\$
Diamond Drilling	11,800	meter	\$475	\$5,605,000
RC Drilling	11,200	meter	\$195	\$2,184,000
Roads/Pads/Water Haul	23,000	meter	\$95	\$2,185,000
Assays	9,745	samples	\$110	\$1,073,000
Land Costs	709	claims	\$420	\$300,000
Environmental base Line				\$120,000
Permitting and Bonding				\$200,000
Geology	24	months	\$40,000	\$960,000
Reporting	12	months	\$15,000	\$180,000
Metallurgy				
Doby George				\$200,000
Gravel Creek				\$200,000
Field Camp and Supplies	24	months	\$13,500	\$320,000
Total				\$13,527,000

2025 Exploration Program

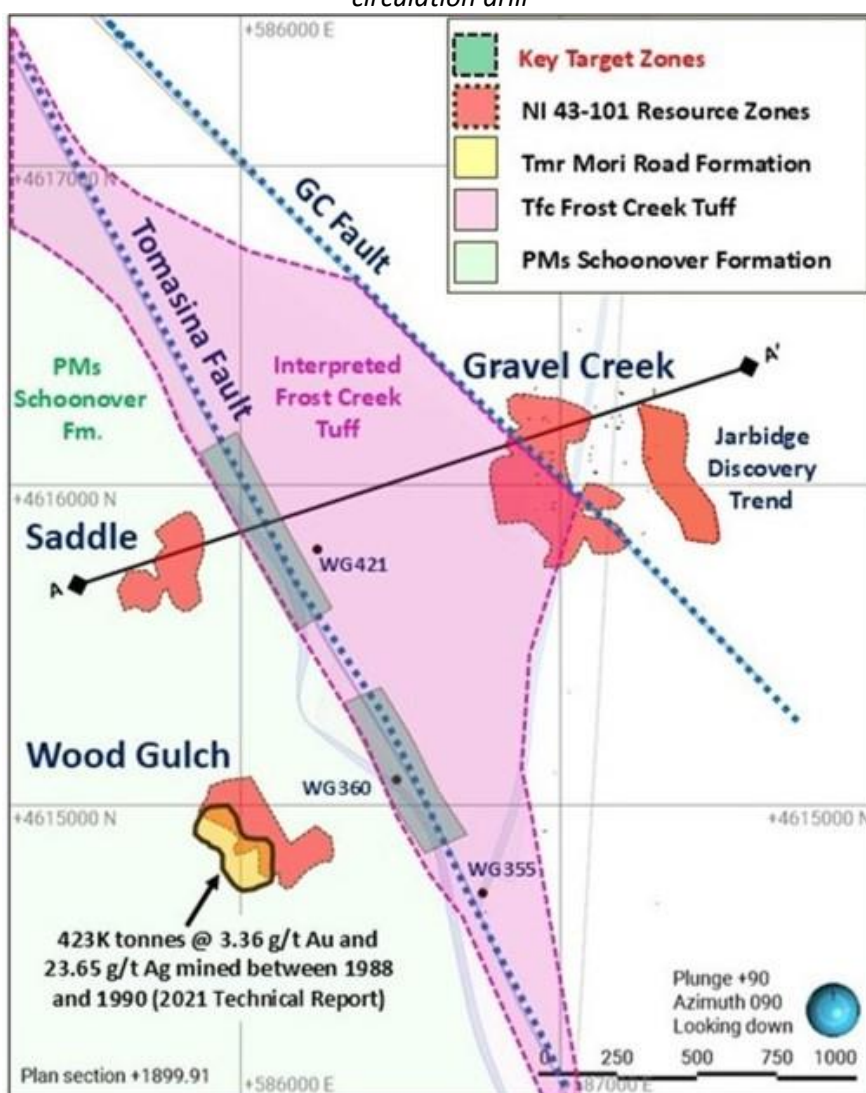
Phase 1 exploration at the Tomasina area adjacent the abandoned Wood Gulch mine in 2025 included an RC drill program. The drill program focused on evaluating a 1.3 km strike length of the Tomasina Fault zone, down dip from the current Wood Gulch and Saddle NI 43-101 resource areas.

The Wood Gulch Open Pit (previously mined in 1988 to 1990 by Homestake Mining Company) contained some of the highest-grade drill intercepts recorded on the Aura Property, including 13.72m @ 79.26 g/t AuEq (RC hole WG159), and 9.45m @ 26.56 g/t AuEq (core hole WG135); see news release of February 24, 2025 titled “*Western Exploration Expands Exploration Footprint at Gravel Creek with 3.0 Km Untested Structural Corridor at the Past Producing Wood Gulch Mine.*”

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Using the Gravel Creek model as an analogy, the 2025 drilling prioritized favorable targets where the Tomasina Fault crosscuts the Frost Creek tuff down dip from known surface mineralization in the Wood Gulch and Saddle resource zones. Geologic interpretation indicates that the Tomasina Fault intersects the highly favorable Eocene Frost Creek tuff at depths of 100-450 meters down dip from surface mineralization. The Frost Creek tuff has proven to be a very receptive host rock at Gravel Creek (1.0 km to the east), containing wide intercepts within the current resource, including 18.29 meters true width @ 9.67 g/t AuEq (RC hole WG391) and 20.43 meters true width @ 11.97 g/t AuEq (core hole WG443).

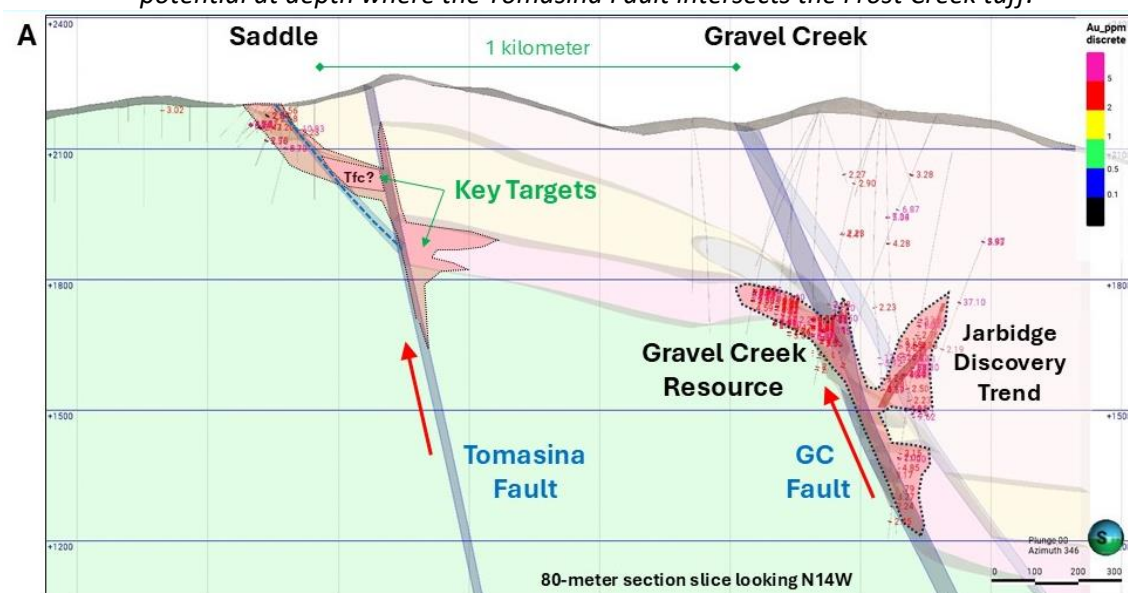
Location of Gravel Creek-Wood Gulch area NI 43-101 Resources in relation to the Tomasina Fault zone, the focus of 2025 reverse circulation drill



WESTERN EXPLORATION, INC.

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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Cross section from Saddle Zone to the Gravel Creek-Jarbidge resource areas, highlighting undrilled potential at depth where the Tomasina Fault intersects the Frost Creek tuff.



Drilling was completed on October 26, 2025. The RC program encountered difficulty with deviation, water inflow and down hole contamination that impacted at least three holes in the Saddle area. As the drilling has confirmed the presence of widespread alteration and local quartz and sulphide mineralization, additional drilling will be conducted with core drilling or RC drilling with core tails.

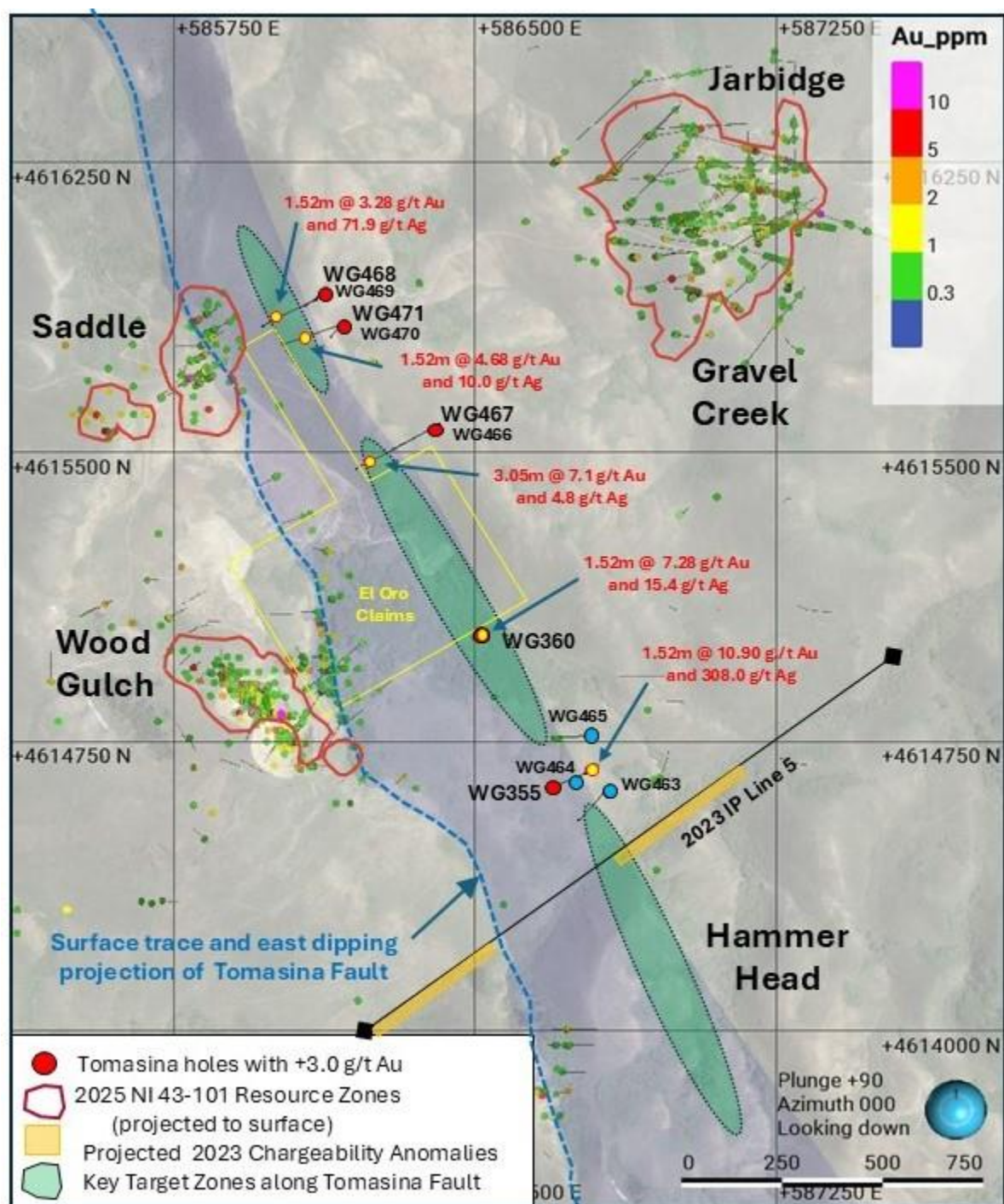
A total of 3,239 meters in nine widely spaced reverse circulation holes were completed in the Phase 1 Tomasina drill program to test the concept, with all assay results pending.

- Holes WG463-465 focused on a 200m stretch of the target zone southeast of the Wood Gulch area. Although locally strong alteration was observed in the overlying Miocene Jarbidge Rhyolite and basement Schoonover sediments, very little of the Eocene volcanic package was intersected. Additional drilling needs to be located further east to target the Frost Creek Formation at depth.
- Holes WG466 to WG471 targeted a 500m strike length of the Tomasina target down dip and southeast of the Saddle Resource Zone. Three of five holes intersected the Frost Creek tuff, with alteration extending into the Schoonover basement rocks in all five holes. The Frost Creek tuff is pervasively clay altered, with variable zones of silicification and disseminated pyrite. The Frost Creek tuff and underlying Schoonover Formation metasediments below the faulted unconformity are locally cut by irregular stockwork veining and hydrothermal breccia zones 1.5 to 10.0 meters in drill width containing quartz +/-pyrite-marcasite.

Results from the first five drill holes were reported on November 13, 2025 and the remaining holes were disclosed on January 6, 2026.

WESTERN EXPLORATION, INC.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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DRILL HOLE	SECTION	START (m)	END (m)	INTERVAL (m)	Au ppm	Ag ppm	HOST ROCK
WG463	T3675N	210.3	225.6	15.24	0.13	10.0	Miocene Jarbidge Rhyolite
WG464	T3800N	219.0	233.2	14.20	0.23	7.2	Eocene Frost Creek Tuff
WG465	T3900N	198.1	204.2	6.10	0.08	34.0	PM Schoonover Fm
WG466	T4760N	288.0	295.7	7.62	0.66	13.3	Eocene Frost Creek Tuff
with		294.1	295.7	1.52	1.72	49.5	Eocene Frost Creek Tuff
WG467	T4760N	292.6	336.8	44.20	0.38	1.7	Eocene Frost Creek Tuff
with		327.7	329.2	1.52	2.53	1.3	Eocene Frost Creek Tuff
WG467		344.4	347.5	3.05	7.10	4.8	Eocene Frost Creek Tuff
WG468	T5210N	381.0	400.8	19.81	0.45	11.0	PM Schoonover Fm
with		390.1	391.7	1.52	3.28	71.9	PM Schoonover Fm
WG469	T5210N	No Significant Intervals					
WG470	T5120N	362.72	388.62	25.91	0.26	3.2	Eocene Frost Creek Tuff
WG471	T5120N	304.80	320.04	15.24	0.86	4.1	PM Schoonover Fm
with		307.85	309.37	1.52	4.68	10.0	PM Schoonover Fm
WG471		420.63	425.20	4.57	1.62	15.5	PM Schoonover Fm
WG355 **	T4200N	269.75	294.13	24.38	1.43	35.0	Eocene Frost Creek Tuff
		268.75	271.27	1.52	10.90	308.0	Eocene Frost Creek tuff
WG360**	T3800N	211.84	237.74	25.90	0.91	11.1	Frost Creek/Schoonover
		228.60	230.12	1.52	7.28	15.4	PM Schoonover Fm

** Legacy results previously reported in a news release of the Company entitled; *Western Exploration Expands Exploration Footprint at Gravel Creek with 3.0 km Untested Structural Corridor at the Past Producing Wood Gulch Mine* dated February 24, 2025.

*** True widths are estimated at between 80% and 100% of interval width.

The 2025 RC drilling confirmed that significant hydrothermal alteration and local quartz-pyrite-marcasite veining extend along at least a 1.5 km strike length of the Tomasina Fault Zone, located 1.0 km west of the Gravel Creek area. Based on mapping, geochemical sampling, and drilling observations, the hydrothermal alteration zone across the Wood Gulch–Gravel Creek area has expanded to nearly 7.0 km in length and up to 2.4 km in width. While the alteration zone generally trends north–south, it is strongly influenced by northwest- and northeast-trending structures, including the Tomasina Fault, GC Fault, and a northeast-trending density anomaly beneath Gravel Creek.

Highly anomalous to locally higher-grade Au-Ag values support further evaluation of the +2.5 km Tomasina structural corridor. Future drilling will focus on structural zones in contact with the Frost Creek tuff and the Schoonover unconformity. Key targets include: (1) the prospective 500 m-long “GAP Zone” down-dip from the Wood Gulch Pit, bracketed by holes WG467 (3.0 m @ 7.1 g/t Au) and WG360 (1.52 m @ 7.28 g/t Au); and (2) the Hammer Head target southeast of the alteration plume intersected in WG463 and associated chargeability anomalies identified in 2023 IP Line 5. These targets will be prioritized alongside 2026 Gravel Creek–Jarbidge drilling, focusing on areas with the highest resource growth potential.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026****RESULTS OF OPERATIONS****Summary of Quarterly Results**

The following tables summarize information derived from the Company's financial statements for each of the eight most recently complete quarters.

Year	2026	2025	2025	2025
Quarter ended:	March 31	December 31	September 30	June 30
Net loss (\$)	(764,009)	(510,077)	(1,610,190)	(815,684)
(i) In total (\$'000s)	(764)	(510)	(1,610)	(816)
(ii) Per share (\$)	(0.01)	(0.01)	(0.03)	(0.02)

Year	2025	2024	2024	2024
Quarter ended:	March 31	December 31	September 30	June 30
Net loss (\$)	(740,738)	(1,380,503)	(3,086,177)	(676,435)
(i) In total (\$'000s)	(741)	(1,381)	(3,086)	(676)
(ii) Per share (\$)	(0.02)	(0.03)	(0.07)	(0.02)

Three months ended March 31, 2026 vs. three months ended March 31, 2025

For the three months ended March 31, 2026, the Company recorded a net loss of \$764K, compared to a net loss of \$741K for the same period in 2025. The higher loss was driven by an increase in general and administrative expenses, offset with a decrease in exploration and evaluation expenditures.

For the three months ended March 31, 2026, general and administrative expenses were \$479K, compared to \$423K in the same period of 2025. The increase is primarily due to higher strategic marketing consultant costs and conference-related expenses incurred during the current quarter to support investor awareness and corporate visibility initiatives.

Exploration and evaluation expenses for the three months ended March 31, 2026 were \$297K, compared to \$342K in the prior-year period. The decrease was primarily due to lower geological expenditures, which declined to \$146K from \$306K, as significant interpretation and technical work supporting resource estimates and economic studies was completed in 2025. This was partially offset by higher permitting expenditures of \$128K (2025 – \$8K), reflecting costs associated with advancing the Mine Plan of Operations process at the Doby George deposit following acceptance of the Company's Notice of Intent by the United States Forest Service. Drilling expenditures remained minimal and consistent with the timing of planned field activities.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026****Financing Activities**

On June 6, 2025, the Company completed a private placement of 7,150,000 units at a price of C\$0.70 per unit, for aggregate gross proceeds of \$3,646,500 (C\$5,005,500). Each unit consisted of one variable voting share and one-half of a variable voting share purchase warrant. Each whole warrant entitles the holder to purchase one variable voting share at an exercise price of C\$0.95 until June 6, 2028.

In connection with the offering, the Company paid commissions, advisory fees, legal fees and transaction costs totaling \$410,821 (C\$566,492), resulting in net proceeds received of \$3,235,679. The Company also issued 441,519 finders' warrants, each exercisable at C\$0.70 per share until June 6, 2028.

The Company used the proceeds from the June 2025 private placement to advance Phase 1 work at the Tomasina target, including a nine-hole (3,239 metre) reverse-circulation drill program, and for general corporate and working capital purposes.

On February 3, 2026, the Company completed a private placement of 9,780,000 units at a price of C\$0.92 per unit, for aggregate gross proceeds of \$6,559,547 (C\$8,997,600). Each unit consisted of one variable voting share and one-half of a variable voting share purchase warrant. Each whole warrant entitles the holder to purchase one variable voting share at an exercise price of C\$1.35 until February 3, 2028.

In connection with the private placement, the Company paid commissions, advisory fees, legal fees and transaction costs totaling \$554,216 (C\$760,208), resulting in net proceeds received of \$6,005,331. The Company also issued 557,127 finders' warrants, each exercisable at C\$0.92 per share until February 3, 2028.

The net proceeds from the February 3, 2026 private placement are being used to advance the Aura Project in Nevada and for general corporate purposes. Post-financing, the Company has focused on permitting and technical work at the Doby George deposit, including baseline studies, engineering activities, and preparation for planned 2026 drilling programs.

Off Balance Sheet Arrangements

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

Transactions with Related Parties**Major shareholders:**

To the knowledge of the directors and senior officers of the Company, as at March 31, 2026, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

	Number of common Shares	Percentage of outstanding shares
Golkonda LLC	19,969,391	32.0%
Agnico Eagle (USA) Ltd	6,299,334	10.1%

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026****Key Management Personnel**

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the three months ended March 31, 2026 and 2025, the Company paid, or accrued remuneration to key management of the Company as follows:

	Three months ended		Three months ended	
	March 31, 2026		March 31, 2025	
Salaries and fees	\$	55,300	\$	52,500
Stock-based compensation	\$	7,843	\$	23,528
	\$	63,143	\$	76,028

As at March 31, 2026, amounts totaling \$440,095 (December 31, 2025 - \$440,095) were due to a corporation controlled by a director of the Company. During the year ended December 31, 2025, the repayment terms of the payable were extended to January 1, 2027, bearing no interest.

Included in the funds received from the June 2025 private placement is a subscription from an officer of the Company. A portion of the funds, totaling \$61,507, was not applied to issued units and is recorded as a subscription liability payable to related party. During the three months ended March 31, 2026, the Company repaid \$61,507.

LIQUIDITY AND CAPITAL RESOURCES

Western has no operations that generate cash flow and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources, and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Western will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for precious metal exploration generally, a company's track record and the experience and caliber of a company's management.

The consolidated financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. Several adverse conditions indicate the existence of material uncertainty that may cast significant doubt on the validity of this assumption. The Company has incurred operating losses to date and is currently unable to self-finance any future operations. The Company's ability to continue as a going concern is dependent upon raising additional capital or evaluating strategic alternatives.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these consolidated financial statements, adjustments would be necessary in the consolidated statement of financial position classifications used. Such adjustments could be material.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026**

As of March 31, 2026, the Company had a working capital of \$5.6M, mainly comprising cash of \$5.7M, prepaid expenses of \$76K, receivables of \$19K, accounts payable and accrued liabilities of \$214K. The working capital position reflects the completion of equity financing during the quarter and provides the Company with sufficient liquidity to meet its short-term liabilities as they come due.

Management believes that existing working capital is expected to fund ongoing general and administrative expenses and planned exploration, permitting, and technical activities over the near term.

While the Company has been successful at raising capital in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

Cash and Financial Condition

The Company's capital is the shareholders' equity balance. The Company's objectives in managing its capital are to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its shareholders. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditure required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments, and exploration activities. As the Company is in the exploration stage, its operations have been substantially funded by the issuance of common stock and mineral property earn-in agreements. The Company is not subject to any externally imposed credit or capital requirements. However, the Company will continue to rely on such funding depending upon market and economic conditions at the time. There have been no changes in the Company's approach to capital management during the three months ended March 31, 2026.

Financial Instruments

The Company's financial instruments currently consist of cash and restricted cash which are classified as financial assets measured at amortized cost, accounts payable and accrued liabilities, and due to related parties, which are classified as financial liabilities measured at amortized cost. The carrying values of the Company's financial instruments approximate fair values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks including interest rate risk, liquidity risk and credit risk. The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

i. Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company is not exposed to material interest rate risk.

ii. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. The Company manages this risk by regularly monitoring and forecasting cash flows associated with operations, investment activities, and financing requirements, and by actively managing its capital structure. The Company does not currently generate revenue, and ongoing activities are funded through its existing cash balance and access to capital markets. As at March 31, 2026, the Company had cash of \$5,699,935 (December 31, 2025 - \$460,769), which management estimates will be sufficient to meet financial obligations due within the next twelve months. Future funding requirements

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026**

will depend on the scope and results of planned exploration activities and the Company's ability to obtain financing on terms it considers appropriate.

iii. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is mainly exposed to credit risk with respect to managing its cash and restricted cash. The Company's risk management policies require that significant cash deposits are held with U.S. FDIC insured banks. All investments must be less than one year in duration.

RISK FACTORS

As a company active in the mineral resource exploration and development industry, the Company is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental measures designed to comply with government regulations and ensure safe, reliable, and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All the Company's properties are still in the exploration stage. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines.

Unusual or unexpected formations, fires, power outages, labor disruptions, flooding, explosions, landslides, and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in mineral exploration activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to mine mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the attributes of the deposit, such as size, grade, and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. In the event that commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern."

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026***Competition*

The mining industry is intensely competitive in all of its phases and the Company competes with other companies with greater technical and financing resources than itself with respect to acquiring properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its principal source of operating working capital and the Company's ability to attract investment is largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets and its ability to compete for investor support of its projects.

Environmental and Government Regulation

Exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and/or archaeological sites and endangered or protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. The Company does not carry title insurance on its properties. A successful claim that the Company does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Government actions

The Company's exploration activities require permits from various governmental agencies charged with administering laws and regulations governing exploration, labor standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection, and other matters. Failure to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislated changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

There is no assurance that the government of any jurisdiction in which the Company holds properties will not change environmental regulations or taxation policies in a manner that would adversely affect the economic viability of those properties.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026****OUTSTANDING SECURITIES DATA**

The Company's authorized capital consisted solely of voting common shares without par value.

On October 24, 2022, the Company amended its notice of articles to change the identifying name of its outstanding class of shares from "Common Shares" to "Variable Voting Shares" to reflect that the outstanding class of listed shares of the Company are subject to a voting reduction to the shares held by residents of the United States to ensure that not more than 50% of the outstanding voting securities of the Company are held, directly, or indirectly, by residents of the United States.

Issued Share Capital

On February 3, 2026, the Company completed a best-efforts private placement issuing 9,780,000 units at C\$0.92 per unit for gross proceeds of C\$9.0 million. Each unit consists of one variable voting share and one-half of one warrant, with each whole warrant exercisable at C\$1.35 until February 3, 2028. The warrants are callable at the option of the Company if the volume-weighted average trading price of the Company's variable voting shares on the TSX Venture Exchange exceeds C\$1.70 for 20 consecutive trading days, commencing six months after issuance, in which case unexercised warrants expire 30 days following notice. The Company paid approximately C\$0.5 million in cash commissions and issued 557,127 broker warrants, exercisable at C\$0.92 until February 3, 2028.

A summary of the Company's issued share capital is as follows:

	Number of units/shares	\$ Value of units/shares
	Common Shares	Amount
Balance at December 31, 2024	45,432,798	52,701,189
Units issued for cash	7,150,000	2,453,254
Balance at December 31, 2025	52,582,798	55,154,443
Units issued for cash	9,780,000	4,953,898
Exercise of warrants	65,000	45,018
Balance at March 31, 2026	62,427,798	\$ 60,153,359

Share Purchase Warrants

On January 29, 2026, a total of 65,000 warrants with an exercise price of C\$0.95 and an expiry date of June 6, 2028 were exercised for gross proceeds of C\$61,750.

As of March 31, 2026, the following share purchase warrants of the Company were outstanding:

Total Warrants	Exercise Price (CAD)	Grant Date	Expiration Date	Weighted average remaining life (years)
1,468,666	\$2.15	2023-06-14	2026-06-14	0.21
9,506,581	\$1.00	2024-03-28	2027-03-28	0.99
801,886	\$1.36	2024-09-24	2026-09-24	0.48
4,890,000	\$1.35	2026-02-03	2028-02-03	1.85
557,127	\$0.92	2026-02-03	2028-02-03	1.85
3,510,000	\$0.95	2025-06-06	2028-06-06	2.19
441,519	\$0.70	2025-06-06	2028-06-06	2.19
21,175,779	\$1.16			1.36

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026****Stock Options**

The Company has established a rolling Stock Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than 5 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options vest at the discretion of the Board of Directors.

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price (CAD)
Balance at December 31, 2024 and 2025	3,011,025	1.92
Granted	70,000	1.10
Balance at March 31, 2026	3,081,025	1.90

On February 10, 2026, the Company granted 70,000 stock options to a consultant. The options have an exercise price of C\$1.10 per share, expire on February 10, 2029, and vest as to 50% on the grant date, 25% on the first anniversary, and 25% on the second anniversary of the grant date. The fair value of the options was estimated using the Black-Scholes option pricing model, with the following inputs: share price of C\$0.91, risk-free interest rate of 2.48%, expected dividend yield of 0%, expected volatility of 89.49% based on historical share prices of comparable companies, and an expected life of 3 years. The total fair value of the options on grant date was C\$34,159.

During the three months ended March 31, 2026, the Company recognized stock-based compensation expense of \$33,207 (2025 - \$54,657), respectively, related to vesting of stock options.

As of March 31, 2026, the following options of the Company were outstanding:

Outstanding Options	Exercisable	Exercise Price (CAD)	Grant Date	Expiration Date	Weighted average remaining life (years)
1,596,025	1,596,025	2.65	2022-06-08	2027-06-08	1.19
1,415,000	1,061,250	1.10	2024-08-05	2027-08-05	1.35
70,000	35,000	1.10	2026-02-10	2029-02-10	2.87
3,081,025	2,692,275	1.90			1.30

Compensation Options

In connection to a private placement on June 14, 2023, the Company issued 126,839 Compensation Options. Each Compensation Option is exercisable to acquire one unit of the Company (each, a "Compensation Option Unit") at a price of CAD\$1.55 per Compensation Option Unit, until June 14, 2026. Each Compensation Option Unit consists of one variable voting share of the Company and one-half of one variable voting share purchase warrant of the Company, each whole warrant entitling the holder to purchase one variable voting share of the Company at a price of CAD\$2.15 per share at any time until June 14, 2026. In addition, the Company also issued 22,493 Finder's Options. The Finder's Options were issued on substantially the same terms as the Compensation Options. The fair value of the Compensation Options and Finder's Options was determined to be \$96,866 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.50, risk free interest rate of 4.15%, an expected dividend yield of 0%, volatility rate of 88% based on historical share prices of comparable companies and an expected life of 3 years.

As at March 31, 2026, these Compensation Options and Finder's Options are still outstanding.

WESTERN EXPLORATION, INC.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2026

OUTLOOK

The Company continues to evaluate and discuss with other parties' potential gold and silver projects for possible acquisition, potential transactions, and corporate opportunities to add to its current portfolio of properties. In addition, the company is reviewing the results from past projects to determine how best to advance and explore its properties.

REDUCED VOTING RIGHTS OF UNITED STATES SHAREHOLDERS

The Corporation is considered a "foreign private issuer" ("FPI") under both the U.S. Securities Act of 1933 and the U.S. Securities Exchange Act of 1934, as amended, which allows the Corporation to avoid the additional costs associated with registration requirements in the United States. In order to preserve its status as an FPI, the Corporation's shareholders approved certain amendments to the Corporation's articles on December 15, 2021, which resulted in, among other things, limiting the aggregate voting power of Variable Voting Shares or other voting share capital of the Corporation held of record by residents of the United States in certain circumstances (the "Voting Reduction").

Pursuant to the Voting Reduction, if at any time, more than 50% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation is held of record by residents of the United States, then such Variable Voting Shares held of record by residents of the United States shall be deemed a separate series of Variable Voting Shares, which vote together with the Variable Voting Shares as a single class on all matters, and the vote attached to each Variable Voting Share held of record by residents of the United States shall be reduced proportionately such that no more fifty (50) percent of the aggregate votes attached to the all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation are held of record by residents of the United States. The determination of the percentage of the aggregate voting power held of record by residents of the United States shall be applied successively as many times as may be necessary to ensure that the aggregate voting power of all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation held of record by residents of the United States does not exceed fifty (50) percent of the aggregate voting power of all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation at any time. For greater certainty, if the aggregate voting power of all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation held of record by residents of the United States is less than fifty (50) percent, the voting rights of all holders of Variable Voting Shares (including residents of the United States) will be the same.

As at April 29, 2026, the record date of the 2026 Annual and Special General Meeting which is to be held on June 18, 2026, approximately 41,224,815 Variable Shares were held by residents of the United States, representing approximately 66% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares, and (ii) approximately 21,202,454 Common Shares were held by Canadian residents or residents of other international jurisdictions other than the United States (collectively, the "**Non-U.S. Shareholders**"), representing approximately 34% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares. Therefore, in order to preserve its status as an FPI, the Voting Reduction has the effect of proportionally reducing the voting power attached to each Variable Voting Share held by a resident of the United States equals 0.5143 of one vote. In other words, a holder of 100 Variable Voting Shares has 51 votes. This results in the aggregate voting power of all outstanding Variable Voting Shares held by such resident of the United States will be reduced from 41,224,815 votes to 21,202,453 votes, being less than 50% of the votes held by all Non-U.S. Shareholders.

WESTERN EXPLORATION, INC.**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026**

The Corporation has applied for certain exemptive relief from the Canadian Securities Administrators to enable its Common Shares and any Variable Voting Shares be treated collectively as if they were a single class for certain purposes, including for take-over bid and early warning reporting purposes and to permit the Corporation to refer to the Variable Voting Shares as "variable voting shares".

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labor. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.