



Western Gold Exploration Ltd.

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

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

(dated: November 29, 2022)

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For the Three and Nine Months Ended September 30, 2022

INTRODUCTION

This Management's Discussion and Analysis ("MD&A"), dated November 24, 2022, 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 consolidated financial statements for the year ended December 31, 2021 and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, and notes thereto. The financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IFRS" or "GAAP"). 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 17 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 Knapdale Gold Project license ("Knapdale")

and the Lagalochoan license ("Lagalochoan"). Knapdale is an early exploration stage project prospective for orogenic quartz-gold-silver lodes that comprises three contiguous sub- properties (Stronchullin prospect; Ormsary North and Ormsary South collectively the Allt Dearg prospect) and Besshi style VMS copper mineralization at the Gossan Burn prospect. Knapdale is in the parish of Knapdale South, which is approximately 70 km west of Glasgow. Lagalochoan, which is approximately 90 km northwest of Glasgow, is considered a copper-gold porphyry prospect for future exploration. The Company's focus is to develop and expand its Scottish exploration targets, including Knapdale, Lagalochoan and surrounding areas with emphasis on targeting historic mines and gold occurrences.

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.sedar.com, and on the Company's website at www.westerngoldexploration.com.

HIGHLIGHTS - 2022 to DATE

Lagalochoan Copper Gold Porphyry Project, Argyll, Scotland

National Instrument 43-101 Technical Report on the Lagalochoan Property:

On November 29, 2022, the Company has filed a National Instrument 43-101 - Standards of Disclosure for Mineral projects ("NI 43-101") compliant, independent Technical Report (the "Report ") on its Lagalochoan copper gold molybdenum porphyry prospect, located in Argyll, Scotland.

The Report titled "NI 43-101 Technical Report on the Lagalochoan Property, Argyll, Scotland" is dated 29 November 2022, with an effective date of 29 November 2022, and details the historical and recent exploration activities on the Lagalochoan property and recommendations for future work. The Report is prepared for the Company by Dr. Toby Strauss (CGeol) (EurGeol) of Merlyn Consulting and David Pym (CGeol) of LTI Advisory with contributions from Dr. Calum Lyell; it is available on SEDAR (www.sedar.com) and on the Company's website (www.westerngoldexploration.com);

The company has reinterpreted past exploration activities in the Lagalochoan area, Scotland, which forms part of the highly prospective Appalachian/Caledonian belt that transverses through North America, Greenland and parts of Scandinavia. As part of the recommendations from the technical report, the company has already relogged over 2,000m of drill core from the 2013 and 2018 drilling campaigns and carried out further Ionic Leach soil sampling across unexplored areas in Lagalochoan. Relogging will help build a consistent alteration and mineralization model to assist in vectoring towards more productive parts of the porphyry system. The assays for the Ionic Leach soil survey are expected to be returned by January 2023. The Lagalochoan NI 43-101 Technical Report proposes a two-phase exploration programme for the Lagalochoan property. Phase 1 exploration proposes to concentrate on gaining a better understanding of the deposit through completing data compilation, digitizing of historical data and through near-surface exploration of the various target types identified in the Technical Report. These include:

- 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.

Exploration work at Lagaloachan in 2022 has included:

- Completion of an Ionic Leach soil sampling programme, confirming and extending the results of historical deep overburden (DOB) sampling.
- Collection of 384 Ionic Leach soil samples over an area at Lagaloachan that has not previously been sampled. Completion of the analysis is expected over the next two months.
- Re-evaluation of historical drill results and exploration data, including the limited evaluation drilling completed in 2018-2019 by Lorne, prior to the Company acquiring such subsidiary. The drill results, exploration data and activities included:
 - Historic drill results from BP Minerals and Riofinex (circa 1984-89) were digitised.
 - All VTEM survey data (circa 2015) was reviewed and reinterpreted.
 - Specific core from the Eurasian Consolidated Minerals 2013 and Western Gold Exploration 2018 drilling campaigns were re logged and areas that had not been already sampled in mineralised areas were sampled and sent for assay.

Knapdale Gold Copper Project, Argyll, Scotland

Gossan Burn Copper Prospect – Drilling April to August 2022

- Exploration spending on Knapdale was £1,604,917 by July 29, 2022, thereby exceeding the work commitment of £1.5 million by July 29, 2022 pursuant to its prospecting agreement and resulting in the appropriate notice being provided to the landowners.
- The Company announced, on April 21, 2022, its plan to initiate a drill program at Gossan Burn, which is a new outcropping copper discovery along a trend of old copper workings from the 1860's located south of the Stronchullin orogenic gold vein system, where Western Gold carried out exploration drilling in 2021.
- The Company has identified the potential for Volcanogenic Massive Sulphide (VMS) mineralization of the Besshi style epitomized by the giant Windy Craggy deposit in British Columbia, Canada.
- Priority Drilling, who conducted the drilling program at Stronchullin in 2021, was engaged to drill at Gossan Burn. Drilling commenced the week of May 30, 2022 and was completed in August 2022
- 5 diamond drill holes were completed for an aggregate of 1,040 metres.
- Four of the holes were targeted at the outcropping Gossan Burn chalcocite mineralization and its strike extents as defined by the earlier 2022 soil sampling program. The fifth hole was targeted at an IP chargeability anomaly on the southern side of the interpreted cross fault which contained the outcrop mineralization.
- The overall drilling results were disappointing.
- The drilling for the most part reflected the modest values seen in the overlying soils. Neither of two holes aimed at the outcropping chalcocite mineralization intersected any significant grades, indicating the outcrop is a localized secondary enrichment along the late fault structure.
- Some weak semi-massive pyrite containing sub-economic grades of copper, lead and zinc were intercepted in the NE most hole, indicating a potential distal or unfocussed discharge style of VMS mineralisation.
- Some isolated Stronchullin style gold, silver, lead veins were intersected but values were modest, (see accompanying press release) indicating this style of mineralisation is more widespread than previously thought.

\$1,150,000 Non-brokered Private Placement

- On August 25, 2022, the Company completed a non-brokered private placement for gross proceeds of \$1,150,000 through the issuance of 7,666,646 equity units at a price of \$0.15 per

equity unit. Each equity unit is comprised of one (1) common share of the Company and one-half of one (1/2) common share purchase warrant of the Company (a "Warrant"). Each whole Warrant will entitle the holder to acquire one (1) common share of the Company for a period of 12 months from the date of issuance of the Warrant, at an exercise price of CAD\$0.25 per share.

Leadership Update

- Director, Mr. Willie McLucas sadly passed away at the beginning of July 2022.
- On August 16, 2022, Chelsea Hayes was appointed to the Board of Directors and joined the Company's Audit Committee.

OUTLOOK

Lagalochoan Exploration

- Exploration activities for Lagalochoan are planned to follow the recommendations of the Lagalochoan NI 43-101 Technical Report. The report includes recommendations around data collection, exploration procedures and further exploration work. It is noted that a number of these recommendations have already been initiated by the Company.
 - Data:
The Company plans to continue to review and digitize historical reports and new data to create a validated and usable database for more detailed interrogation and interpretation of the data.
 - Procedures:
 - o Relogging existing core to standardize the recognition and naming of various breccia units and alteration styles to enable better geological modelling.
 - o During the relogging process, some of the non-assayed samples be assayed, particularly from the Porphyry Breccia unit which is known to host higher-grade gold.
 - Exploration:
 - o A two-phase exploration programme is expected to be developed based on the recommendations in the Lagalochoan NI 43-101 Technical Report.
 - o Phase 1 exploration proposes to concentrate on gaining a better understanding of the deposit through completing data compilation, digitizing of historical data and through near-surface exploration of the following target types:
 - o Type 2a - Extensions to hypogene zones laterally within the RFP
 - o Type 2b - Extensions to hypogene zones laterally within the Dalradian and the lithic breccia systems
 - o Type 3 - Intermediate sulphidation epithermal type Ag, Pb, Zn ± Au, Cu veins
 - o Type - Gold dominant epithermal veins or gold rich intrusive phase
 - o Phase 2 exploration will explore for the depth extensions to the known mineralisation.

Knapdale Gold Copper Project – Gossan Burn Drilling Program

- The Company plans to evaluate the results of the 2022 drilling programme and determine the nature and extent of future work programmes in 2023.

Additional exploration targets

- The Company plans to continue its review and evaluation of other prospective properties in areas nearby existing licenses, with the intent of expanding its land package. If additional properties are confirmed and related agreements completed, appropriate announcements regarding such acquisitions and implications on exploration plans will be issued.

Qualified Person

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

OVERVIEW OF PROJECTS

Lagalochan Property

Lagalochan is an early-stage exploration stage copper-gold porphyry prospect located in Kilmelford, Scotland. The mineral rights extend to base metal exploration rights over 612.5 hectares, with right to lease gold exploration rights over 118 km², with conditional right to lease (the "Lagalochan Project").

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 Gaspé 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.

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 NI 43-101 Technical Report

On November 29, 2022, the Company issued the Lagalochan NI 43-101 Technical Report (available www.westerngoldexploration.com and on www.SEDAR.com).

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 Lagalochoan. 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 Lagalochoan property passing through the Lagalochoan 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 Lagalochoan property giving year-round access and dirt forestry tracks provide poor to good quality access to much of the rest of the Lagalochoan property.

The Lagalochoan property comprises steep hills transected by numerous streams. The highest local point to the Lagalochoan Property is Cárn Duchara with a peak of 491m, though elevations within the Lagalochoan 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 Lagalochoan 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 Lagalochoan NI 43-101 Technical Report included:

The porphyry mineralisation at Lagalochoan 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 Lagalochoan 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 drillcore, to 0.18% Cu and 0.1 g/t Au (see Table 7 & Table 9 of the Lagalochoan NI 43-101 Technical 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). Lagalochoan 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 is 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 extend 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. Prospecting Agreements to work on these sub-properties were originally acquired by Lorne and include a Crown Charter 1907 rights to gold and silver at Stronchullin and Ormsary North sub-properties. The Prospecting Agreements include options to lease, which if exercised, give rights to mine and surface access. The Ormsary South sub-property Prospecting Agreements include surface access rights and base metal mining rights agreements. Mining rights to gold and silver are owned by the Crown.

The landowners have 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 Prospecting Agreements may be terminated by the landowners if the work commitment is not met. The option period for the Prospecting Agreements expires on January 28, 2033.

The Company has provided notice to the landowners, pursuant to the Prospecting Agreement, that £1,604,817 had been spent by July 29, 2022.

Annual option fee schedules to each of Ormsary and Stronchullin owners includes an annual access fee of £5,000 index linked since 2018, rising to £10,000 index linked in 2023 and £15,000 index linked in 2028. If the Company decides to exercise its option to acquire the exploration leases, the access fees will be replaced by a lease rent to each landowner of £40,000 per annum, index linked, and a royalty of 2% net realisable value on all base metals and 1.5% net realisable value of gold and silver, plus a share of any saving in royalty payable to the Crown for gold and silver. Royalty is payable to the Crown on all gold and silver extracted. This is likely to be 4% of net realisable value.

The Company plans to manage its exploration budget and take any additional actions needed to fulfill its commitments and maintain its licenses.

Knapdale is located within the Dalradian Supergroup ("Dalradian Belt") an emerging gold district with several significant gold projects being defined including:

- Curraghinalt, Northern Ireland, where Dalradian Resources aim to operate a mine subject to planning being granted; and
- Tyndrum, Scotland, where Scotgold Resources operate the Cononish Gold mine.

The Company's knowledge of Knapdale and its potential includes data obtained as follows:

- Acquisition by Lorne of the data from exploration activities from 2014 to 2018;
- Evaluation work conducted in 2017 and 2018;
- 2021 drilling campaign; and
- 2022 drilling campaign.

A summary of the data from the 2022 and 2021 drilling campaigns and from the 2014-2018 activities follows:

2022 Drilling Campaign, Gossan Burn Prospect:

The Company's most recent drilling campaign commenced in Q2 2022. Priority Drilling, who conducted the drilling program at Stronchullin in 2021, was engaged to drill at Gossan Burn area of Knapdale. 5 diamond drill holes were completed for an aggregate of 1,040 metres.

The overall drilling results were disappointing.

Results from the recently completed Gossan Burn drilling program comprising 5 diamond drill holes for a total of 1040m are reported here. Four of the holes were targeted at the outcropping Gossan Burn chalcocite

mineralization and its strike extents as defined by the earlier 2022 soil sampling program. The fifth hole was targeted at an IP chargeability anomaly on the southern side of the interpreted cross fault which contained the outcrop mineralization.

Two main styles of gold and base-metal mineralization were encountered:

- (1) The first mineralization style is associated with isolated, deformed quartz-albite $\pm$ pyrite-galena-chalcopyrite-sphalerite veins often with gold associated. The mineralization is similar to that encountered at the nearby Stronchullin gold prospect and is interesting in that it indicates this type of mineralization is much more widespread than previously thought. Individual gold grades were relatively low over a 1m interval with a maximum value of 1.67 g/t Au reported in GB22-3. However, the gold values mostly depended on isolated individual veins ranging from 1-10cm in thickness within an interval, meaning actual gold grades in the veins themselves must be relatively high. Veins tended to occur near bedding contacts between the quartzites and the schists and there were no structural or other features to indicate that their frequency may increase to yield potential economic values.
- (2) The second style of mineralization is limited in spatial extent, only encountered in GB22-5 (Figure 1), the furthest hole to the NE. Mineralization consists of two narrow (<50cm wide) zones of semi-massive pyrite $\pm$ chalcopyrite and minor associated quartz-sulphide veining within a amphibole altered deformed Dalradian schists. This style of mineralization was typically low grade, with sub-economic concentrations of copper (<0.5%), lead and zinc – no gold anomalies were detected here. This style of mineralization may represent the distal parts of a VMS system; however, ionic leach soil data suggest these anomalies do not extent significantly along strike.

The drilling for the most part reflected the modest values seen in the overlying soils. Neither GB22-1 or GB22-2a which were aimed at the outcropping chalcocite mineralization intersected any significant grades indicating the outcrop is a localized secondary enrichment along the late fault structure.

Below are the following: Figure 1: Drill hole locations for Gossan Burn; Table 1: Drill Hole Results; Table 2: Drill hole collar locations.

Figure 1: Drill hole locations for Gossan Burn:

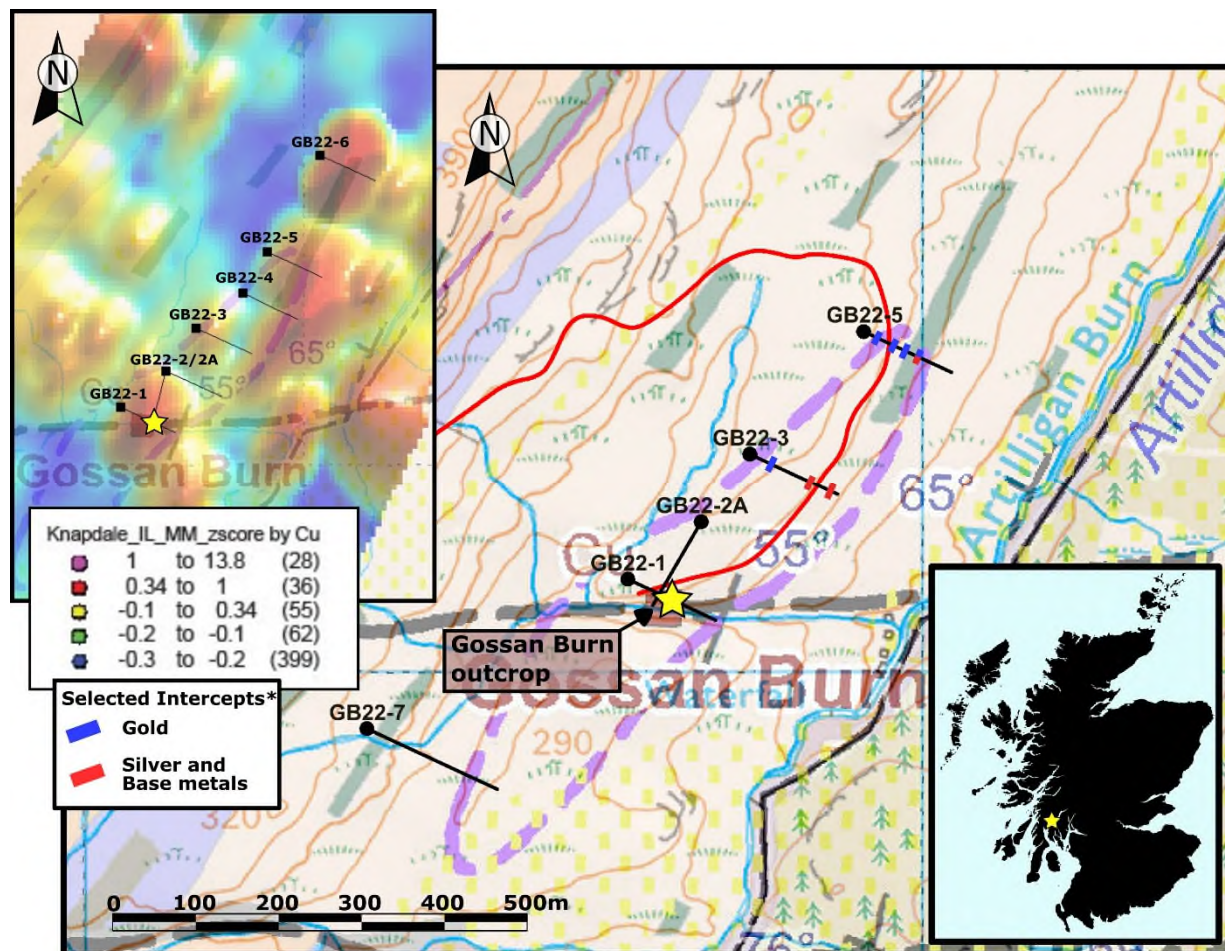


Table 2: Drill Hole Results

Intersections are downhole intersections. True widths are estimated as 70-90% of downhole intersect length. There were no significant assay results from holes GB22-1, GB22-2A and GB22-7.

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (ppm)	Pb (ppm)	Zn (ppm)
GB22-3	48.00	53.00	5.00	-	1.16	1249	125	3254
GB22-3	150.0	151.0	1.00	0.73	0.18	29.5	16	45
GB22-3	171.0	172.0	1.00	1.67	0.43	264	270	650
GB22-5	18.40	19.40	1.00	-	15.0	576	2150	153
GB22-5	33.00	35.00	2.00	0.17	2.03	1625	3660	4310
GB22-5	55.50	57.60	2.10	-	2.21	1580	1648	3083
GB22-5	116.5	118.5	2.00	0.67	4.06	421.5	4750	2420

Table 2: Drill hole collar locations.

Collar coordinates and in the British Geological Survey (BGS) grid system and were surveyed using a handheld GPS. Units are meters.

Hole ID	Easting	Northing	Elevation	Azimuth	Dip	Length
GB22-1	183648	676111	282	115	-50	179.3
GB22-2A	183738	676184	283	205	-50	200.4
GB22-3	183794	676262	288	115	-50	181
GB22-5	183930	676409	278	115	-50	180.5
GB22-7	183336	675932	308	115	-50	298

2021 Drilling Campaign, Stronchullin Gold Prospect:

The highlights of the 1,360 metres drilling campaign, as announced in the Company's September 10, 2021 press release, include the following

- Intersection in SD20-13 of 19.20 g/t gold + 1.19 g/t silver over 1.00m (true width ~0.80m) from 88.15m. The area extending north of SD20-13 for 250m towards hole SD20-12 is still regarded as a priority area for development of high-grade quartz-gold-base metal veins with the highest ranked DOB gold and base metal anomaly remaining untested.
- Extension of quartz-gold-base-metal vein mineralisation from hole SD17-6 to hole SD20-14 was confirmed with an intersection of 12.20 g/t gold + 20.4 g/t silver accompanied by highly anomalous base metal values over 1.00m (true width ~0.80m) from 56.90m. DOB sampling defined a subdued gold-bismuth anomaly which indicates a possible continuation of the vein system for 150-200m south of SD20-14. Combined with 2017-2018 drilling, 3 out of the 4 holes completed in the southern portion of Stronchullin, SD17-6, SD20-13 and SD20-14 intersected high grade (>10g/t) gold veins and the potential strike length of the inferred contiguous mineralized vein system south from hole SD20-12 is approximately 900m.
- Drilling to that date in the immediate vicinity of the historic Stronchullin gold mine confirmed continuity of the lode structure over a strike length of 100m and over a 100m vertical interval, however gold and base metal mineralization is erratically developed.

Full details of the 2021 drilling campaign are set forth in the Company's September 21, 2021 press release.

2014 to 2018 Activity

The Company acquired the rights to all data associated with Lorne's 2014-2018 exploration programs at Knapdale. The exploration work and database detail multiple deep till/soil, stream- sediment, panned concentrate, rock grab and trench rock sample surveys (n=1,059 total samples), a water monitoring program and a 2017-2018 drill program that drilled 10 drill holes. Collectively, the drill program intersected and cored a total of 1,216.0 m that include 751.5 m at the Stronchullin and 464.5 m at the Ormsary North sub-properties (Stronchullin and Allt Dearg prospects, respectively).

Knapdale - Quality Assurance and Quality Control

Drill cores were geologically and geotechnically logged, photographed, split by core saw and sampled under the supervision of the Company's geologists. Half core of mineralised intersections was submitted to ALS Geochemistry's laboratory at Loughrea in Ireland for analysis of gold, base metals and a suite of trace elements. All assays were conducted on intervals of split core, on average 1m in length. Quality control was monitored by incorporation of assay standards and duplicates.

All analytical work has been completed at the ALS Geochemistry laboratory facility in Loughrea, Ireland. ALS Geochemistry is an internationally accredited lab and is ISO compliant (ISO 9001:2008, ISO/IEC 17025:2005). All drill core is prepared using the PREP 31B method and analyzed for gold using the Au-AA23 procedure (30gm fire assay with AAS finish: Lower Detection Limit 0.005ppm gold; Upper Detection Limit 10ppm gold). Any samples that returned over-limit values (>10ppm gold) were analyzed by the Au-AA25

Fire Assay procedure (0.01-100ppm gold). All drill coresamples are analyzed for silver, base metals and a comprehensive trace element suite using the ME-MS61L method following a four- acid digest.

Commercially available OREAS Certified Reference Materials and Blanks are routinely inserted into sample dispatches approximately every 25 samples. ALS Geochemistry also has its own QA/QC protocol using standards, blanks and duplicates.

SELECTED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The Company, in accordance with TSXV Policy 2.4, is a Tier 2 mining issuer. The Company has not recorded any revenues and depends upon share issuances to fund its exploration and evaluation expenditures and administrative expenses.

The following table provides select financial information in CAD that should be read in conjunction with the condensed interim consolidated financial statements for the period ended September 30, 2022:

For Quarters ended:	Sep. 30, 2022 \$	Jun. 30, 2022 \$	Mar. 31, 2022 \$	Dec. 31, 2021 \$
Results of Operations:				
Net loss	109,011	79,456	53,312	128,220
Comprehensive loss	119,895	88,132	67,581	118,865
Basic and diluted loss per share ⁽²⁾	0.004	0.003	0.003	0.004
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	1,687,112
Exploration and evaluation properties	5,337,667	4,790,610	4,342,983	4,158,389
Total assets	6,713,184	5,930,826	5,863,783	5,906,296
Shareholders' equity	6,637,228	5,689,789	5,777,920	5,845,501

For Quarters ended:	Sep. 30, 2021 \$	Jun. 30, 2021 \$	Mar. 31, 2021 \$	Dec. 31, 2020 \$
Results of Operations:				
Net loss	127,255	80,758	82,971	3,843,546
Comprehensive loss	125,096	83,510	82,286	3,589,087
Basic and diluted loss per share ⁽²⁾	0.005	0.003	0.003	0.48
Financial Position – Select Items:				
Cash	1,559,334	2,639,552	2,885,581	3,087,762
Working capital ⁽¹⁾	1,678,921	2,018,860	2,854,776	3,122,915
Exploration and evaluation properties	4,285,445	4,070,602	3,318,197	3,132,343

Total assets	6,025,829	6,235,157	6,279,399	6,316,234
Shareholders' equity	5,964,366	6,089,462	6,172,974	6,255,258

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

(2) Basic and diluted loss per share for Q4 2020 is based on the weighted average shares outstanding for the year ending December 31, 2020 of 9,181,146, which represents the post consolidation shares. EPS for Q1, Q2 and Q3 2020 are based on weighted average shares outstanding of 5,600,040.

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

Discussion of Operations

During the three and nine months ended September 30, 2022 ("Q3 2022" and "YTD 2022", respectively), the Company continued the process to advance its exploration and evaluation of its mineral properties in Scotland ("E&E"). The primary objective was to continue exploration of Knapdale and ensure the cumulative exploration investment in Knapdale exceeded £1,500,000 by July 29, 2022 pursuant to the Prospectors Agreement. By July 29, 2022, the Company had spent £1,604,817 and notified the landowners accordingly.

In May 2022, the Company initiated its drilling campaign at the Gossan Burn copper prospect within its Knapdale Project. Five diamond drill holes were completed for aggregate drilling of 1,038 metres. E&E spending in Q3 2022 and YTD 2022 was \$547,057 and \$1,179,278, respectively, with majority of investment in drilling as indicated in the table above. In the three months ended September 30, 2021 ("Q3 2021"), the Company invested \$214,843 into E&E, primarily in a drilling campaign at the Stronchullin Prospect within its Knapdale Project. During the nine months ended September 30, 2021 ("YTD 2021") the aggregate E&E spending was \$1,153,102

The comprehensive loss for Q3 2022 was \$119,895 (Q3 2021 – \$125,096). The reduction in Q3 2022 compared to same period in 2021 is primarily attributed to lower property costs included in office and sundry expenses, which were partially offset by foreign exchange losses related to the weaker British pound sterling. Compensation expenses increased in Q3 2022 compared to Q3 2021 by approximately \$20,000, including non-recoverable HST. Increased compensation expenses were partially offset by lower professional fees.

The comprehensive loss for YTD 2022 was \$275,608 (YTD 2021 – \$290,892). Compensation costs

increased by \$44,000 over the YTD 2021 due to unrecoverable HST and increased activity in Q3 2022. Increased compensation expenses were partially offset by lower professional fees. Office and sundry expenses decreased in 2022 by \$39,000 compared to the prior year, primarily due to lower property costs and better utilization of the exploration site building.

The foreign exchange loss in 2022 is attributed to the impact of the lower CAD/GBP exchange rates on activities and funds held in Scotland. The exchange rate for CAD/GBP changed from \$1.7132 at December 31, 2021 to \$1.5098 at September 30, 2022, or down by 12.3%. The prior year comparisons are \$1.7219 at December 31, 2020 to \$1.7123 at September 30, 2021, or down by 0.6%

LIQUIDITY AND CAPITAL RESOURCES

Cash at September 30, 2022 totalled \$1,071,311 (December 31, 2021 - \$1,447,733). At September 30, 2022, the Company had working capital (non-GAAP measure equal to current assets less current liabilities) of \$1,299,561 (December 31, 2021 – \$1,687,112). The reduction in cash and working capital in the nine months ending September 30, 2022 is directly attributed to the investment in E&E and general and administrative expenses, which were offset by the non-brokered private placement for gross proceeds of \$1,149,997 that closed on August 25, 2022. Accounts payable and accrued liabilities at September 30, 2022 of \$75,956 (December 31, 2021- \$60,795) increased primarily due to the drilling campaign expenditures.

During the nine-months ended September 30, 2022, the Company invested \$1,179,278 in capitalized exploration and evaluation costs and incurred operating expenses of \$241,778 (YTD 2021 – E&E \$1,153,102; operating expenses \$290,892).

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

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 and the COVID-19 pandemic. 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 that are likely to have or are reasonably likely to have a material current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that have not been disclosed in the Financial Statements.

The Prospecting Agreements with the Knapdale landowners granted exclusive surface access to Lorne for up to 15 years from 2018, subject to various conditions including work commitments. These work commitments require spending of £1,500,000 before July 29, 2022, and £3,000,000 in aggregate before July 29, 2024. The Knapdale work commitment spent to July 29, 2022, was £1,604,817 (to December 31, 2021 - £1,225,000). The Prospecting Agreements may be terminated by landowners if the work commitment is not met. The option period under the Prospecting Agreements expires on January 28, 2033.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of September 30, 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 and HST in Canada) recoverable and research and development tax credits recoverable are collectible from government authorities in the UK and Canada. 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 24, 2022

At November 24, 2022, the Company had issued and outstanding common shares without par value of 34,271,351 common shares (at December 31, 2022 - 26,604,705 common shares).

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, 2021. The Company is a Tier 2 mining issuer on the TSXV, which facilitates the Company's processes to manage and obtain additional capital to meet its funding requirements to support the exploration and evaluation activities related to the Knapdale, Lagalochoan and other prospective licenses.

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 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.

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.

The Company's risk factors are disclosed and referred to in the Company's consolidated financial statements for the year ended December 31, 2021 and the related MD&A. There have been no changes in the risk management or in any of the risk management policies and risk factors since December 31, 2021.

SIGNIFICANT ACCOUNTING POLICIES

Refer to Note 3 – Accounting Policies in the Company's consolidated financial statements for the year ended December 31, 2021.

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 since the year ended December 31, 2021 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, 2022.