



Western Gold Exploration Ltd.

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

**For the Year Ended
December 31, 2024**

(dated: April 28, 2025)

[NTD: table of contents needs to be updated]

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Western Gold Exploration Ltd.
Management's Discussion and Analysis
For the Year Ended December 31, 2024

INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**"), dated April 28, 2025, relates to the financial condition and results of the consolidated operations of Western Gold Exploration Ltd. ("**Western Gold**", "**WGLD**" or the "**Company**"), and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024 and notes thereto (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") and interpretations adopted by the International Accounting Standards Board ("**IASB**"). All results are presented in Canadian dollars ("**CAD**" or "**\$**"), unless otherwise stated. For the purposes of preparing our MD&A, we consider the materiality of information. We evaluate materiality with reference to all relevant circumstances, including potential marketsensitivity. 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 16 of this MD&A.

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

Western Gold is a mineral exploration company operating in Scotland through its wholly-owned subsidiary Western Gold Exploration (UK) Limited (“**WGE UK**”) and WGE UK’s wholly-owned subsidiary Lorne Resources Ltd. (“**Lorne**”) a Scottish registered company (registered no. SC419439) with its office in North Berwick, East Lothian, Scotland.

The Company is focused on the exploration of mineral properties in Scotland and discovering new opportunities across the underexplored Caledonian/Appalachian belt that is prospective for porphyry copper gold and molybdenum, epithermal gold, silver, lead and zinc, orogenic gold deposits and volcanogenic massive sulphide (VMS) zinc and copper deposits (see Figure 1).

Its principal focus is the **Lorne Project** (defined below), which includes the Lagalochan copper gold porphyry property located in Argyll, Scotland (“**Lagalochan**” or the “**Lagalochan Property**”), and the adjacent and nearby properties along the Lorne Fault Zone, including the Ardlochan property (“**Ardlochan**” or the “**Ardlochan Property**”). Unlike many porphyry exploration areas globally, the Lagalochan Property is well serviced with infrastructure and on the doorstep of major European markets. Glasgow is the nearest city and lies 85 km to the southeast of the Lagalochan Property. On November 29, 2022, the Company filed a National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* compliant, independent Technical Report (the “**Lagalochan Report**”) on the Lagalochan Property.

The Company is incorporated under the *Business Corporations Act* (Alberta) and is a TSX Venture Exchange (“**TSXV**”) Tier 2 mining company. The Company’s common shares are listed on the TSXV and trade under the symbol WGLD. The Company maintains its head office at The Lighthouse, St. Abbs Suite, Heugh Road, North Berwick EH39 5PX Scotland and its registered office at 1600, 421 - 7th Avenue SW Calgary, Alberta T2P 4K9.

Further information about Western Gold can be found in the Company’s regulatory filings, including the Company’s Management Information Circular, available on SEDAR+ at www.sedarplus.ca, and on the Company’s website at www.westerngoldexploration.com.

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

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

HIGHLIGHTS

Financing

On April 17, 2025, the Company announced that it intends to complete a non-brokered private placement of up to 14,285,714 equity units of the Company (“Units”) at a price of \$0.07 per Unit for gross proceeds of up to \$1,000,000. Each Unit will be 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 18 months from the date of issuance of the Warrant, at an exercise price of \$0.10 per share.

On June 24, 2024, the Company completed a non-brokered private placement issuing 17,765,428 common shares of the Company at a price of \$0.07 per share for gross proceeds of \$1,243,480. The Company’s share issuance costs of \$88,200 included \$66,051 in finders’ fees and \$22,149 in legal and regulatory fees.

Exploration & Evaluation

2023-2024 Drilling Campaign

In May 2024, the Company completed a drilling campaign focussed on the Lorne Project’s two main properties, Lagalochan and Ardlochan, which are 8km apart along the same geologically prospective corridor, termed the Lorne Fault Zone.

A total of 11 shallow holes were drilled, eight of which were targeting porphyry stockwork extensions and skarn mineralisation at the western margins of Lagalochan for a total length of 1,207m. In addition, three initial holes focused on the newly identified outcropping porphyry mineralisation at Ardlochan, identified during recent sampling (see the Company’s February 27, 2024 press release) for a total length of c. 221m.

This drilling campaign confirmed there were multiple porphyry centres in the Lorne Porphyry District, which supported expanding the MT Survey (defined below) beyond the existing prospects.

On November 4, 2024, the Company announced the results of its recently completed 779-line km helicopter magnetotelluric geophysics survey (“**MT Survey**”) within the Lorne Copper-Gold Porphyry District, Argyll, Scotland (the “**Lorne Project**” or “**Lorne Porphyry District**”)

The survey identified strong depth and near-surface potential at both Lagalochan and Ardlochan prospects on the Lorne Project. A further possible porphyry target is identified to the north of Lagalochan. This is the first time airborne MT technology with depth penetration up to 1.5km has been used within the United Kingdom.

MT Survey Results

Lagalochan

- Existing drilling (totalling 11,090m over 56 holes has outlined low grade porphyry mineralisation at North Hill and is typified by drillhole LD13-01A (537m @ 0.18% Cu, 0.1 g/t Au from 2m). The survey shows mineralisation follows a conductivity-resistivity gradient, that extends significantly beyond the drilled area along a northwest-trending zone, suggesting porphyry mineralisation is more widespread than previously tested (see *Figure 3 and the Lagalochan Report* (which can be found here: [N1 43-101 Technical Report on Lagalochan on the Company’s website](#)).
- Conductivity increases below the depth of existing drilling, potentially indicating that porphyry sulphide mineralisation is also strengthening at greater depths which may correlate to better grades.
- The Company’s 2023-2024 drilling campaign intersected a sulphidic breccia which appears highly conductive in the survey (see *Figure 5*), indicating a second breccia/skarn target type parallelling the main porphyry zone has yet to be fully explored.

Ardlochan

- A 'classic porphyry' ring structure has been identified at Ardlochan (**see Figures 3**), characterised by a conductive ring centred on a resistive core, beneath a shallow surface resistive cap.
 - Recent shallow drilling that intersected porphyry style copper gold mineralisation appears to have been sited above and marginal to the conductive ring structure (**see Figure 3**)
 - The drilling did not extend deep enough to intersect the geophysical anomaly, but the copper gold mineralisation intersected in the drillholes and in surface rock chips may indicate leakage through the resistive cap zone of a more extensive porphyry system below.
- A magnetic-high overlaps central sections of the ring structure and is situated near previous drilling (c. 125m horizontal), which identified primary bornite-magnetite mineralisation and represents a hypogene porphyry core target zone.

OUTLOOK

The results of our MT Survey, when combined with our existing archive of ionic-leach soil, rock chip and diamond drilling data, will directly inform the development of next stage drilling and survey activities.

The Company's 2025 and 2026 exploration activities are expected to include shallow drilling (<500m depth) to test the potential for expanding drilling campaigns in two target areas of Ardlochan and gain a better understanding of the potential scale and value of the Ardlochan prospect. Additional analysis to refine potential targets at Lagalochan is expected to progress in 2025. The MT Survey, combined with historic drilling results indicated Lagalochan has three potential target areas based on findings of a high conductivity anomaly, a conductive-resistant gradient and a magnetic and resistivity anomaly.

In addition, the Company is currently reviewing and evaluating other prospective properties in areas both near and distal to the Lorne Porphyry District, with the intent of expanding its land position across Scotland. As part of this process, the Company has reevaluated both its owned and historic datasets at a regional level and conducted numerous reconnaissance, 'boots on the ground' fieldwork activities in the months following the Company's 2023-2024 drilling campaign.

Qualified Person

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

OVERVIEW OF PROJECTS

The Company believes there is unexplored potential in the region since it is in a globally important mineral province, the Caledonian/Appalachian belt, linking the UK with USA and Scandinavia/Greenland. The Company believes there is significant opportunity within this area and continues to review and evaluate other prospective Scottish properties in areas nearby existing licenses, with the intent of expanding its land package.

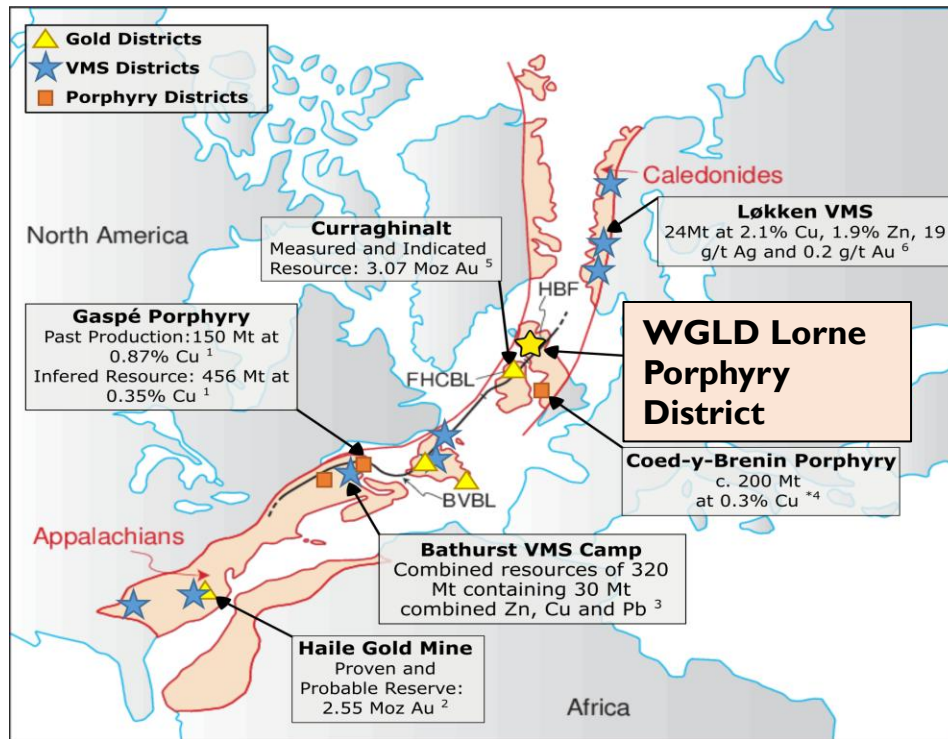


Figure 1: (Diagram modified from Chew et al. (2005): Caledonian/Appalachian belt (orange) before Atlantic rifting.)

For resources, reserves and data referenced in the figure on this slide please see [1] – Osisko Metals Incorporated, NI 43-101 Technical Report Gaspé Copper Project, Effective Date: April 12th, 2022. [2] – OceanaGold Corporation, NI 43-101 Technical Report Haile Gold Mine, Effective Date: December 31, 2021. [3] – Galley et al., (2007). [4] – British Geological Society, Minerals in Britain, Copper. *The reliability of this estimate is unknown and does not constitute a reserve or resource. It is provided here purely for academic illustration purposes. [5] – Dalradian Resources Inc, Technical Report for the Curraghinalt Gold Project, Effective date: May 10, 2018. [6] - Eilu, P. (ed.), (2012). WGLD have not independently verified the validity or accuracy any of these figures or reports.

The Lorne Project forms part of this belt in West Scotland and combines two properties – Lagalochan and Ardlochan. The associated Crown Lease is held by Company’s fully owned subsidiary, Lorne.

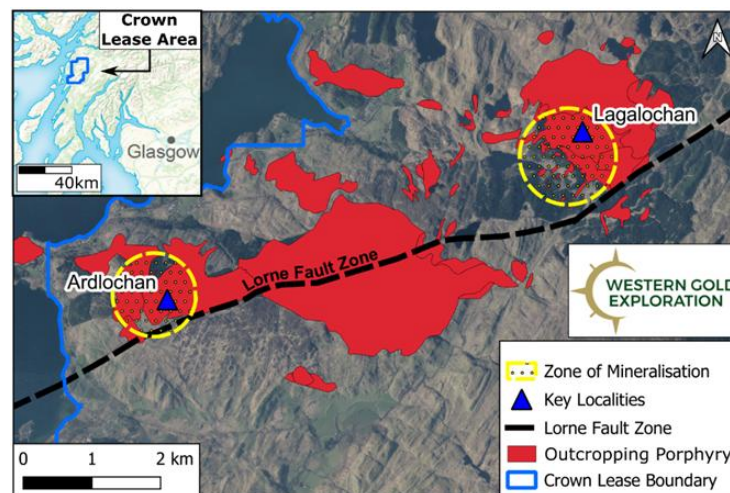


Figure 2: Aerial image of the Lorne Porphyry Complex, including both Lagalochan and Ardlochan porphyry centres.

MT Survey Resistivity Map

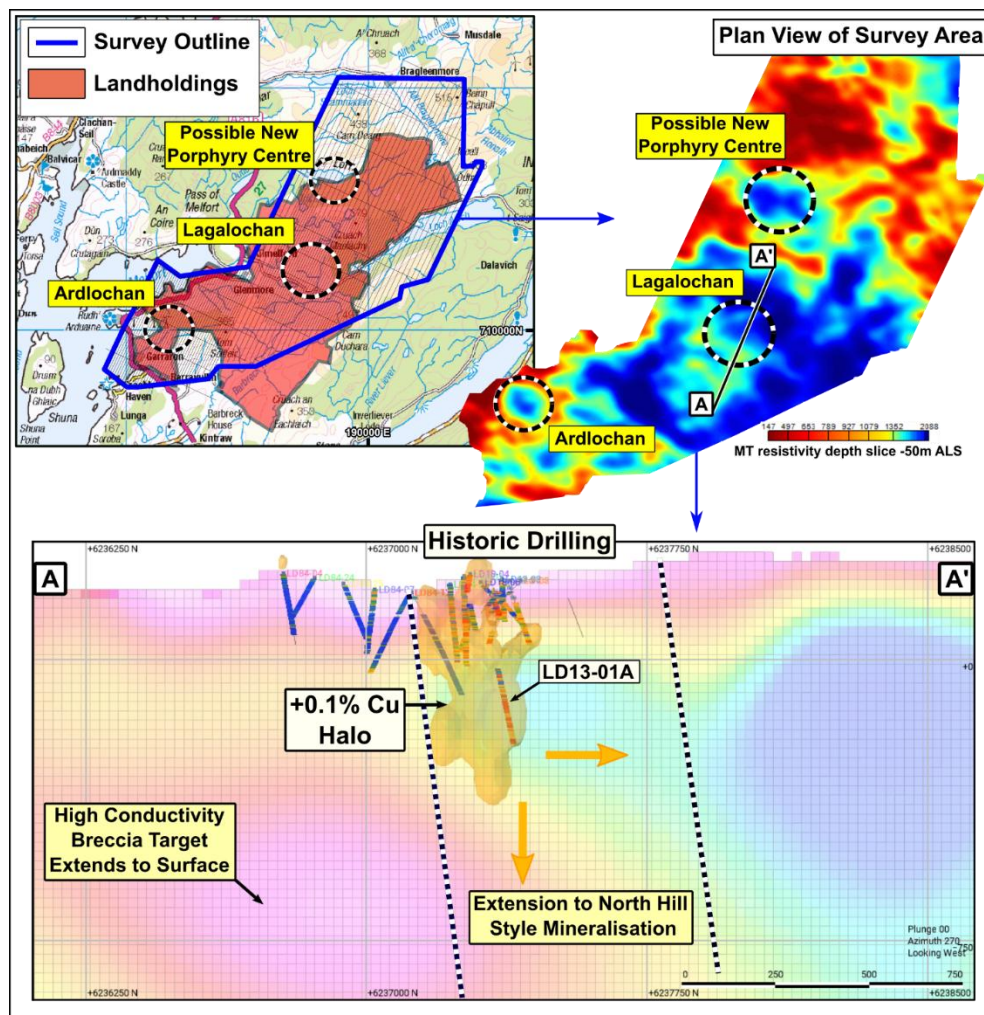


Figure 3: Resistivity map of an Airborne MT Geophysics survey of the Lorne Porphyry District, including cross section (A-A') through the Lagalochan Porphyry Centre. Add A-A' to cross section.

Lagalochan Property

Lagalochan is an early exploration stage copper-gold-molybdenum porphyry project located near Kilmelford, Scotland. The project 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/Caledonian 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.

Interest in the area commenced in the 1970's culminating with the British Geological Survey (BGS) doing the most significant work mainly in the Ardlochan area. Lagalochan was discovered in the 1980's, BP

minerals drilled 38 diamond holes into the outcropping North Hill mineralisation and surrounding areas. A minor gold exploration campaign was undertaken by Riofinex shortly thereafter, with no significant exploration follow-up until 2013 when Eurasian Consolidated Minerals (ECM) drilled four diamond holes and conducted a VTEM geophysical survey. The Company became involved with the project in 2018 and completed its acquisition of WGE UK and its subsidiary Lorne in October 2020.

Known mineralization is characterised by a quartz, chalcopyrite, molybdenum stockwork hosted in the Red Feldspar Porphyry (RFP) and is associated with potassic kspars biotite alteration overprinted by a late phyllic alteration event down to 300-400m below surface. Surface dimensions of the 0.1% grade contour for the stockwork zone at North Hill 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 November 29, 2022, the Company issued the Lagalochan Report (available www.westerngoldexploration.com and on www.sedarplus.ca).

Lagalochan - Drilling and Exploration Highlights

KEY RESULTS:

- ❖ **Stockwork Cu-Au Extension** (800m west of North Hill, WGLD002)
 - 1m @ 0.54% Cu, 0.26 g/t Au (from 79m)
 - 142.5m @ 0.10% Cu, 0.08 g/t Au (from 7.7m)
 - At 0.10% Cu cut-off:
 - 20m @ 0.19% Cu, 0.13 g/t Au (from 103m)
 - 31m @ 0.14% Cu, 0.11 g/t Au (from 69m)
- ❖ **High-Grade Epithermal Gold** (WGLD001)
 - 1.3m @ 20.8 g/t Au (from 109m)
 - 1.0m @ 8.49 g/t Au (from 52m)
 - Veins remain open at depth & along strike.
- ❖ **New Argillic Breccia Pipe** (WGLD004/5)
 - High sulphide content (up to 50%) & sporadic Cu-Au.
 - 29.3m @ 0.22 g/t Au (from 24.7m, 0.1 g/t Au cut-off).
 - Indicates strong fluid flow & potential deeper mineralization.
- ❖ **Skarn Mineralization** (WGLD006/7 and backpack drilling)
 - 130m @ 0.15 g/t Au (WGLD006).
 - Surface backpack drilling: **4.5m @ 1.78 g/t Au.**
 - Target remains untested by diamond drilling.

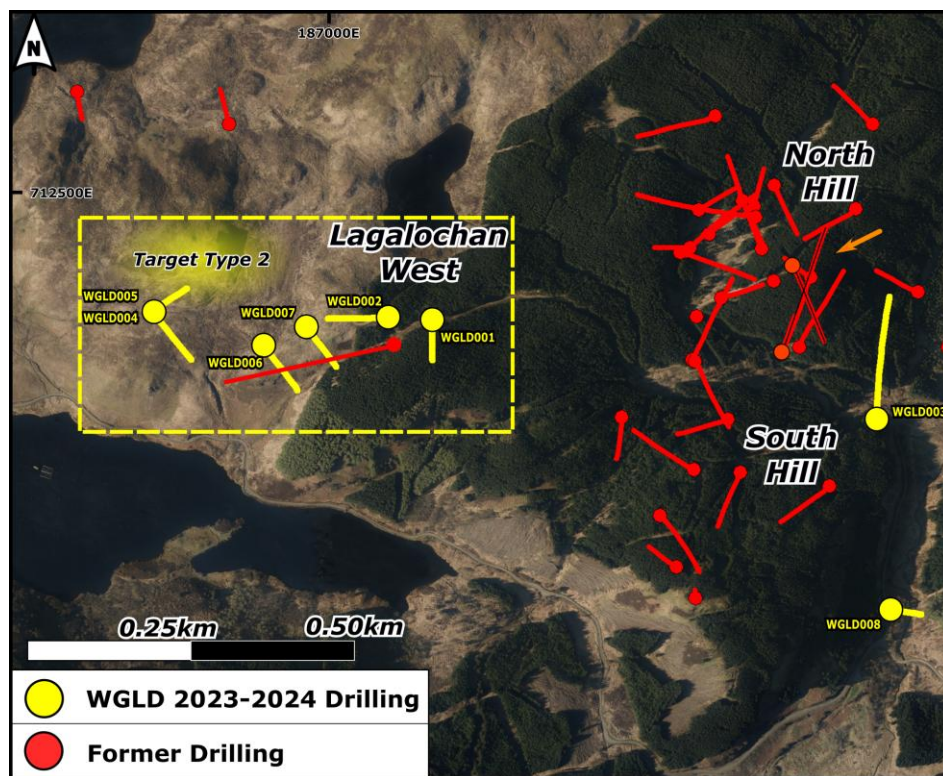


Figure 4: Aerial map of Q4 2023 drilling at Lagalochan West, relative to previous drilling at North Hill

Ardlochan Property – A Developing Porphyry Centre

In 2023, the Company secured access agreements for the Ardlochan project, located approximately 8km west of Lagalochan.

Ardlochan lies 8km to the west along a regional scale fault zone. In Q3 of 2023 the Company successfully completed new access agreements covering the Ardlochan property area. The company has encountered good surface indications of porphyry style mineralisation at Ardlochan beyond that encountered in the two historical BGS drillholes drilled in the 1970's in rock chips and soil samples over a wide area (see Figure 6 and press release dated February 27, 2024). In 2024 the company conducted their maiden drilling campaign, with good results detailed below. No previous geophysics apart from a VTEM aerial survey has been conducted over the Ardlochan area and the recently completed MT geophysical survey was the first glimpse of the depth potential for porphyry mineralisation at Ardlochan.

MT Survey – Ardlochan

A 'classic porphyry' ring structure has been identified at Ardlochan, characterised by a highly conductive ring centred on a resistive core. The ring structure sits beneath a resistive cap and begins to develop at +100m RL only 250m below surface and is spatially coincident with a magnetic-high anomaly. The Company's winter 2023-2024 drilling drilled above the southern margins of the ring structure and did not reach the level where the conductive ring starts to develop but did encounter porphyry style mineralisation from surface (see company press release dated 2nd May 2024). By analogy to Lagalochan, core potassic porphyry mineralisation should be inboard of this conductive ring zone, remains undrilled, and represents a strong drill target at relatively shallow levels.

Magnetite and bornite mineralisation were noted for the first time together in drill core at Ardlochan, strengthening the idea that the combined magnetic resistivity zone could represent hypogene porphyry mineralisation, hidden beneath a shallow intrusive cap.

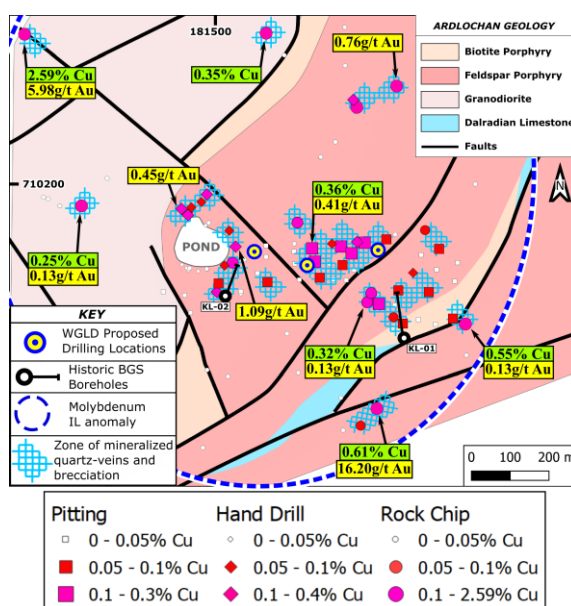


Figure 5: New geological map of Ardlochan, highlighting Cu-Au grades and zones of veining/brecciation

A total of three initial holes were drilled at Ardlochan in early 2024, for a total length of c. 221m., focused on the newly identified outcropping porphyry mineralisation identified during recent sampling (see February 27, 2024 Press Release)

Q1 2024 SHALLOW DRILLING HIGHLIGHTS

- ❖ **WGLD009 (79m)** intersected a gold-rich zone of porphyry breccia and flow-banded dykes
 - **47.4m @ 0.38g/t Au** [from 31.8m] and remains open at depth
 - Hole highlighted gold-potential of the Ardlochan centre
- ❖ **WGLD010 (72m)** intercepted a potassic intrusion breccia with sporadic bornite-chalcopyrite-magnetite mineralization
 - **Up to 0.45% Cu, 1.64g/t Au** over 1m
 - Hole highlighted near-surface potential for potassic core of centre
 - Presence of magnetite-associated mineralization has become an important geophysical fingerprint for geophysics
- ❖ **WGLD011 (69m)** intercepted a highly silicified phyllitic country rock unit crosscut by a series of biotite-feldspar porphyry intrusive.
 - Sporadic B-vein stockwork intercepted

SELECTED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

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

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

For Quarters ended:	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Results of Operations:				
Net loss	\$ 269,805	\$ 661,936	\$ 213,235	\$ 590,817
Comprehensive loss	254,231	666,384	212,694	591,653
Basic and diluted loss per share	0.004	0.010	0.004	0.012
Financial Position – Select Items:				
Cash	318,410	582,398	1,096,654	318,225
Working capital ⁽¹⁾	288,775	573,173	1,229,364	285,209
Exploration and evaluation properties	553,050	553,050	553,050	553,050
Total assets	891,001	1,145,715	1,889,786	1,019,842
Shareholders' equity	848,726	1,134,105	1,792,297	850,090
For Quarters ended:				
	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Results of Operations:				
Net loss	\$ 668,861	\$ 400,315	\$ 398,428	\$ 231,443
Comprehensive loss	646,075	432,467	424,639	208,339
Basic and diluted loss per share	0.013	0.011	0.012	0.006
Financial Position – Select Items:				
Cash	834,607	1,556,230	220,385	515,814
Working capital ⁽¹⁾	873,261	1,299,561	899,179	1,434,937
Exploration and evaluation properties	553,050	1,106,100	1,106,100	1,106,100
Total assets	1,478,844	2,481,618	2,246,317	2,626,900
Shareholders' equity	1,440,071	2,405,662	2,005,280	2,541,037

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

The Company's expenses are summarized below:

Years ended	December 31, 2024	December 31, 2023
Expenses		
Amortization	6,859	9,104
Compensation	\$ 168,325	\$ 277,959
Exploration and evaluation ("E&E")	1,411,524	1,101,058
Office and sundry	53,689	81,757
Professional fees	76,106	72,793
Regulatory fees and communication	23,650	50,225
Share-based compensation	-	105,179
	1,740,153	1,698,074
Foreign exchange losses	1,225	1,528
Interest income	(5,585)	(555)
Net loss	1,735,793	1,699,047
Foreign exchange (gain) loss	(10,831)	12,473
Comprehensive loss	\$1,724,962	\$1,711,520

Comments on spending changes in the year ended December 31, 2024 ("FY2024") compared to the prior year ended December 31, 2023 ("FY2023"):

- Overall, the Company's comprehensive loss in FY2024 of \$1,724,962 increased by \$13,442 compared to the loss in FY2023 of \$1,711,520. Expenses in FY2024 of \$1,740,153 represent a year-over-year increase of \$42,079, before adjusting for non-cash items (amortization and share-based compensation), which result in an increase in cash expenses of \$149,503 compared to FY2023.
- Amortization expenses were lower in FY2024 because there were no additions to property, plant and equipment and the amortization method applied.
- Compensation expenses decreased by \$109,634 compared to FY2023 primarily due to increased allocation of CEO and geologists' salaries and consulting fees to support the increased E&E activities in 2024.
- E&E expenses increased by \$310,466 in FY2024 from FY 2023. The increases reflect the Q3 2024 MT Survey cost of \$456,000 and the drilling campaign initiated in late 2023 and completed in 2024.
- Office and sundry expenses of \$53,689 in FY2024 decreased by \$28,068 compared to FY2023. Savings include lower bank fees related to the UK switch to a payment technology company, lower travel expense, and increased allocation of expenses to E&E related to core storage, exploration site office and accommodation.
- Professional fees increased by \$3,313 in FY2024 compared to FY2023 primarily due to legal fees related to land access agreements and general corporate matters, and taxation compliance.
- Regulatory fees and investor relations decreased by \$26,575 FY2024 compared to FY2023. The higher expenditures in FY2023 were attributed to the August 2023 private placement and related corporate advisory and continuous disclosure expenses.

- Share based compensation FY2024 was nil, since there were no stock option grants in 2024 and stock options granted in prior years were fully vested in FY2023 or earlier.
- Interest income of \$5,585 FY2024 was generated by the guaranteed investment certificate deposit made on December 22, 2023, which was drawn down during the first six months of 2024.
- Foreign exchange losses are primarily due to the timing of converting and transferring CAD to GBP and the related timing of GBP payments by the subsidiary in the UK. GBP strengthened from December 31, 2023 to December 31, 2024 from \$1.6837 to \$1.8029 per GBP, or approximately 7.07% compared to the change in FY2023 from \$1.6322 to \$1.6837, or approximately 3.16%.

E&E expenses increased in FY2024 compared to the prior year.

E&E expenses were incurred for Lorne, including the Lagalochan and Ardlochan properties is summarized in the table below:

Exploration and Evaluation Expenses	Year ended December 31, 2024	Year ended December 31, 2023
Cumulative Expenses - Beginning	3,673,385	2,572,327
Consulting	343,627	250,352
Drilling and fieldwork	910,635	738,172
Lease rentals and other	157,262	110,359
Changes in the period	1,411,524	1,101,058
Cumulative Expenses – period end	5,084,909	3,673,385

- Consulting expenses for geological analysis and project support increased by \$93,275 in FY2024 compared to the prior year. The increase relates to support for the drilling campaign initiated in late 2023 and completed in April 2024 and the MT Survey conducted in August 2024.
- Drilling and field work expenses in FY2024 increased by \$172,463 in FY2024 compared to the prior year due to the combination of the completion of the 2023-2024 drilling campaign that was completed in April 2024 and the MT Survey expenditures incurred in August and September 2024. Expenses in FY2023 reflect the planning and initiation of the Lagalochan the drilling campaign, that continued to April 2024.
- Lease rentals and other expenses of increased by \$46,903 FY2024 compared to FY2023 due to increased property access fees related to the drilling campaign and additional land access agreements for Lorne, including the Ardlochan property.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at December 31, 2024 was \$318,410, (December 31, 2023 - \$834,607) and working capital (non-GAAP measure equal to current assets less current liabilities) of \$288,775 (December 31, 2023 – \$873,261). The decreases in cash and working capital position at December 31, 2024 from December 31, 2023 is directly attributed to the net proceeds of \$1,155,281 from the Private Placement that closed on June 24, 2024, which was largely offset by Q3 2024 E&E expenses of \$609,759 invested in the MT Survey and subsequent analysis. In addition, the Company used its funds for the drilling campaign completed in April 2024 and general operations during YTD2024.

MARKET TRENDS

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

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of December 31, 2024 and 2023, consist of cash, cash equivalents, accounts payable and accrued liabilities denominated in CAD, EUR 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. 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.

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 APRIL 28, 2025

On April 28, 2025, the Company had issued and outstanding common shares without par value of 67,848,445 common shares.

On April 28, 2025, the Company had 2,577,500 options outstanding with weighted average exercise price of \$0.29 per common share and remaining life of 2 years.

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 periods ended December 31, 2023 and 2024. As a Tier 2 mining issuer on the TSXV, the Company has access to additional capital, subject to capital market conditions and acceptable terms, to meet its funding requirements to support the exploration and evaluation activities related to the Lorne Project and other prospective licenses in Scotland.

RISK FACTORS

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

The Company's risk factors are consistent with those disclosed and referred to in the Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Refer to Note 2 – Basis of Preparation in the Financial Statements.

Refer to Note 3 – Accounting Policies in the Financial Statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

There was no change in the Company's internal controls over financial reporting that occurred during 2024 and to the date of this report 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 December 31, 2024 and April 28, 2025.