



**Western Exploration**  
A Legacy of Discovery

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023.

DATED: APRIL 23, 2024

## **WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

### **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023**

#### **Management Discussion and Analysis**

This Management's Discussion and Analysis ("MD&A") compares the financial results of Western Exploration Inc., formerly Crystal Peak Minerals, Inc. (referred to as "Western" or the "Company") for the year ended December 2023 ("fiscal 2023") with the comparable year in 2022 ("fiscal 2022"). This MD&A has been prepared as at April 23, 2024 and should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2023 and the MD&A for all relevant periods.

Financial information for the year ended December 2023 and the year ended 2022 set forth in this MDA has been prepared in accordance with International Financial Reporting Standards ("IFRS") 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 February 19, 2021, Western entered into a definitive arrangement agreement with CPM which outlined a Reverse Take Over of CPM by the Company. The arrangement agreement was amended by the parties on July 12, 2021, October 12, 2021, and November 9, 2021. The transactions described in the arrangement agreement were affected pursuant to a statutory plan of arrangement (the "Arrangement") under Part 9, Division 5 of the Business Corporations Act (British Columbia) (the "BCBCA"), following the continuance of CPM from the Yukon Territory to British Columbia, which was required in order for the arrangement to proceed under the BCBCA. CPM shareholders voted to approve the arrangement on December 15, 2021 and Supreme Court of British Columbia issued the approval of the arrangement on December 17, 2021.

On December 22, 2021, the Company changed its name from Crystal Peak Minerals Inc. to Western Exploration Inc. in conjunction with the RTO and resumed trading on the TSXV at the opening of the market under the new symbol "WEX" on January 19, 2022. On February 14, 2022, the Company also began trading on the OTCQX under the symbol of "WEXPF".

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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 concurrently 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.

**Mineral Projects**

Western has an interest in one exploration project in Nevada, the Aura Project, and had, up until October 5, 2021, a residual interest for an NSR and an exploration success payment at a former project, the Trout Creek project.

The Aura project is at an advanced exploration stage with numerous drilling campaigns having been completed and mineral resource estimates stated. The company continues an active exploration effort at Aura and in 2023 commenced the Phase 2 exploration program after completing the Phase 1 exploration as proposed in the Technical Report. Phase 2 will require at least 18 months to complete with a proposed budget of approximately \$16M.

The Trout Creek project which was sold in 2019 was acquired from Doby George LLC in January 2019, for \$100,000 and subsequently sold to Marigold Mining Company ("Marigold") a subsidiary of SSR Mining with a future net smelter royalty of up to 1%, and a maximum top up payment based on new resources of up to \$4,000,000. The resulting sale of the property resulted in a gain of \$950,000. The future net smelter royalty and the top up payment were subsequently sold to Marigold for \$1,650,000 on October 5, 2021.

**Aura Project, Elko County, Nevada**

The Aura project is located one hundred kilometers north of the city of Elko and twenty kilometers south of Mountain City. The project is located on public lands within the Mountain City Ranger District of the Humboldt-Toiyabe National Forest. Exploration activities are conducted under the terms of approved Plans of Operation effective through 2028 and 2029 for Doby George and Wood Gulch-Gravel Creek, respectively. The project consists of 709 unpatented lode mining claims totaling 12,848 acres and mineral leases on 2,296 acres of fee land in nine different parcels. The property is subject to several NSR royalties of between 1 and 2%.

**Mineral Resource Estimate**

In May 2021, the Company updated the mineral resource estimate for the Aura Project to incorporate exploration results from the 2020 drill campaign. In addition, resources were reported at an \$1,800 gold price and were pit constrained at both Wood Gulch (Saddle and Southeast) and Doby George.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Estimated Indicated and Inferred Resources – Aura Project

<b>INDICATED</b>	<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Au (ozs)</b>	<b>Ag (g/t)</b>	<b>Ag (ozs)</b>	<b>Aueq (g/t)</b>	<b>Aueq(ozs)</b>
Doby George <sub>1</sub>	12,922,000	0.98	407,000			0.98	407,000
Wood Gulch <sub>2</sub>							
Gravel Creek <sub>3</sub>	2,079,000	3.72	249,000	59.6	3,986,000	4.58	305,943
<b>Total</b>	<b>15,001,000</b>	<b>1.36</b>	<b>656,000</b>	<b>59.6</b>	<b>3,986,000</b>	<b>1.48</b>	<b>712,943</b>
<b>INFERRED</b>	<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Au(ozs)</b>	<b>Ag (g/t)</b>	<b>Ag(ozs)</b>	<b>Aueq (g/t)</b>	<b>Aueq(ozs)</b>
Doby George <sub>1</sub>	4,999,000	0.73	118,000			0.73	118,000
Wood Gulch	4,359,000	0.66	93,000	5.8	808,000	0.74	104,543
Gravel Creek <sub>3</sub>	5,394,000	3.12	540,000	45.5	7,897,000	3.77	652,814
<b>Total</b>	<b>14,752,000</b>	<b>1.58</b>	<b>751,000</b>	<b>27.8</b>	<b>8,705,000</b>	<b>1.84</b>	<b>875,357</b>

\$1,800 Gold price, 70:1 Ag:Au ratio

1. Pit Constrained 0.2 g/tAu cutoff oxide, 0.3 g/tAu cutoff for mixed. 1.4 g/tAu for unoxidized

2. Pit Constrained 0.3 g/tAueq cutoff

3. 2.0 g/t Aueq cutoff

The Resource Estimate for the Aura Project was prepared by Derick Unger, CPG, Steven Ristorcelli, CPG, Peter Ronning, P.Eng. of Mine Development Associates (MDA) and Jack S. MacPartland, M.M.S.A. of McClelland Labs 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](http://www.sedar.com) for this detailed information, which is subject to the qualifications and notes therein.

In October 2021, the Company updated the Aura Project Technical Report to include up-to-date disclosure on various elements of the land status and property payments made during the period from the completion of the Technical Report in May, 2021 and the filing of Information Circular for the RTO on November 12, 2021. The mineral resources in this period did not change but the recommendations for Phase 1 and 2 explorations were amended to allow for additional surface work to be completed in Phase 1 based on the results from drilling completed at Gravel Creek in 2020. The current Technical Report is current and has an effective date of October 14, 2021.

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.

Phase 1 includes, among other things, the following, with the overall work program (as summarized in Table 1 below):

- In respect of the Doby George area:
  - Complete up to 2,134m (7,000ft) of PQ core drilling in 10-12 holes within the in-pit resource to acquire oxide, mixed and unoxidized mineralization for cyanide leaching test work and geotechnical information, while also confirming the historical-drill assay grades and the

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT’S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

geologic model. Four to eight of the holes will be completed in the West Ridge deposit and the remainder will be split between the Daylight and Twilight deposits (Estimated Cost: US\$1,471,000).

- Continued metallurgical testing to define the optimal heap-leaching conditions for oxidized material is planned using large-diameter columns. Mixed material, which has undergone very little metallurgical test work, will be tested. Unoxidized mineralization is untested and will receive little attention with respect to metallurgy. Large-diameter (PQ) core will provide sample material (Estimated Cost: US\$250,000).
- In respect of the Wood Gulch-Gravel Creek area:
  - Surface mapping, geochemical sampling and geophysics (IP and Resistivity) to define priority targets within the broad (1.5 x 4.0km) area of alteration within the Jarbidge volcanics north and northeast of Gravel Creek, and in between Gravel Creek and Wood Gulch, in preparation for 2022 exploration drilling (Estimated Cost: US\$170,000, including geologist time, geochemical sampling and geophysics).
  - Complete follow up metallurgical test work as recommended by McClelland Laboratories in 2020. This work will include testing concentrates with fine grinding and intense cyanidation to produce doré. Additional flotation test work will focus on minimizing arsenic contents in the precious metal concentrate (Estimated Cost: US\$50,000).

*Table .1 Crystal Peak Estimated Phase 1 Recommended Budget*

<b>PHASE 1</b>	<b>TOTAL</b>	<b>NOTES</b>
<b>PERMITTING, BOND, FEES</b>		
Reclamation Bond premiums	\$10,000	
Permitting and Bond	\$176,000	
County and BLM Claim Fees	\$125,000	
<i>Subtotal Permit-Bond-Fees</i>	<b>\$311,000</b>	<b>TOTAL PERMIT-BOND-FEES</b>
<b>DRILLING</b>		
<b>Doby George:</b>		
Access Road	\$50,000	<i>repair access road</i>
MET Drilling - PQ \$142/ft - \$464/m	\$994,000	<i>7,000ft (2,134m)</i>
<i>Subtotal DG Drilling</i>	<b>\$1,044,000</b>	<b>TOTAL DRILL Doby George</b>
<b>Drilling Support</b>		
General Drilling Expense+Assay \$23/ft - \$75/m	\$161,000	<i>7,000ft (2,134m)</i>
Road Construction drill support \$38/ft - \$125/m	\$266,000	<i>7,000ft (2,134m)</i>
<i>Subtotal Drilling Support</i>	<b>\$427,000</b>	<b>TOTAL DRILL SUPPORT</b>
<b>METALLURGY</b>		
Doby George	\$250,000	
Gravel Creek	\$50,000	
<i>Subtotal Metallurgy</i>	<b>\$300,000</b>	<b>TOTAL METALLURGY</b>
<b>Mountain City Field Costs</b>		
	\$160,000	
<i>Subtotal Capital</i>	<b>\$160,000</b>	<b>TOTAL CAPITAL</b>

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>PHASE 1</b>	<b>TOTAL</b>	<b>NOTES</b>
<b>EXPLORATION</b>		
Geological Expense	\$336,000	
Data management/manager	\$90,000	
Geophysics	\$150,000	
Geochemical Samples	\$20,000	
<i>Subtotal Exploration</i>	<b>\$596,000</b>	<b>TOTAL EXPLORATION</b>
<b>TOTAL BUDGET:</b>	<b>\$2,838,000</b>	<b>TOTAL BUDGET</b>

- As of December 31, 2023, approximately \$3 million has been committed to complete the Phase 1 exploration effort. The expenditures have focused on drilling activities at Doby George and field mapping and sampling activities at Wood Gulch and Gravel Creek. GoldSpot Discoveries Corp. has made significant progress with a full data compilation for an AI targeting effort over the entire Aura project and has expensed approximately CAD\$270k of the CAD\$350k budget. This work has been prepaid by the company. During the quarter the current Phase 1 exploration budget was completed. Thirty-three line kilometers of IP geophysics was completed by KLM Geoscience in July and column leach test work at Doby George was completed in December. Column test work conducted by McClelland Laboratories, Inc. ("MLI") of Reno, Nevada on PQ core from 2022 drilling returned (i) average leach recoveries of 65% (range 56.1% to 77.8%) for -50 mm (2 inch) feed size, and (ii) average recoveries of 72% (range 64% to 81.8%) for 80%-12.7 mm (1/2 inch) feed size. Cyanide consumption was low and expected to be below 0.4 kilogram NaCN/metric ton ("kgNaCN/mt") of ore for 12.7 mm crush size and hydrated lime consumption of between 0.7 to 2.0 kilogram/metric ton ("kg/mt") of ore during commercial leaching. "Load permeability" tests on residual leached 12.7 mm material indicated adequate permeability for commercial heap leach stack heights of up to 91 meters (300 feet) without any pretreatment agglomeration.

Phase 2 will be focused on advancing the Doby George deposits to Pre-Feasibility level and Gravel Creek to Preliminary Economic Assessment level. Exploration plans and budgets have been completed to commence Phase 2 and 1,500 meters of diamond drilling at Gravel Creek was completed up to the end of December, 2023.

Future drilling will focus on the 550-meter by 350-meter area where multiple intercepts with grades of over 5.0 g/t AuEq were recorded in widely spaced legacy holes. The results also provide additional support to justify further exploration of: (a) the coincident strong multi-element soil anomaly and density anomaly extending from Wood Gulch through Gravel Creek and continuing 2.0 kilometers to the north-east of the Gravel Creek resource area; and (b) the north-west trending density and chargeability anomaly with coincident multi-element soil anomaly extending 2.0 kilometers to the north-west of Gravel Creek.

Phase 2 would include the following work program, budgeted at US\$16.1 million as summarized in Table 3 below:

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

- In respect of the Doby George area:
  - At Doby George, the successful completion of Phase 1 should provide enough geological and metallurgical knowledge to advance the project to a Pre-Feasibility study (Estimated Cost: Approx. US\$1,000,000).
  - Metallurgical test work will be completed at both Doby George to at least a Pre-Feasibility level. The focus at Doby George will be to outline and optimize crush size, reagent needs and consumption, leach time and kinetics (Estimated Cost: Approx. US\$300,000).
  - Complete 3,330m (10,000') of RC drilling in 15 to 25 holes to extend the current limits of the resource by moderate step-outs of 30-60m at depth and on the periphery of the known mineralization (Estimated Cost: Approx. US\$1,210,000).
  
- In respect of the Wood Gulch-Gravel Creek area:
  - Complete 4,900m (16,000ft) of RC drilling testing favorable geologic-structural-geophysical target areas within both the "GAP" area between Wood Gulch and Gravel Creek resources and along the Tomasina Fault zone and other known geological, geochemical and geophysical targets around Gravel Creek (Estimated Cost: Approx. US\$1,936,000).
  - Complete 14,600 meters of diamond drilling in 12 to 18 drill holes in newly identified targets from above, and step outs of, the current resource area (Estimated Cost: Approx. US\$7,895,800).
  - The data collected through 2022 should be sufficient for completing a Preliminary Economic Analysis on the Gravel Creek deposit in 2023 (Estimated Cost: Approx. US\$250,000).
  - Additional flotation and gravity-recovery tests will be completed to better understand variations in recovery across different ore styles and blends and deliver a study on the grade and composition of final float concentration products (Estimated Cost: Approx. US\$200,000).

*Table 3 - Phase 2 Aura Project Recommendations and Budget*

<b>PHASE 2</b>	<b>TOTAL</b>	<b>NOTES</b>
<b>PERMITTING, BOND, FEES</b>		
Reclamation Bond premiums	\$9,500	
Permitting - Stantec -Doby Mine Plan	\$250,000	
Permitting - Stantec	\$75,000	
County and BLM Claim Fees	\$124,500	
<i>Subtotal Permit-Bond-Fees</i>	<b>\$459,000</b>	
<b>DRILLING</b>		
<b>Gravel Creek:</b>		
Access Road Repair	\$100,000	
Core -follow up on 2021 exploration	\$4,429,000	<b>32,800ft (10,000m)</b>
and GC stepout \$100/ft-\$328/m	\$1,500,000	<b>15,000ft (4,600m)</b>
Gap RC and Generative Holes \$60/ft-\$197/m	\$960,000	<b>16,000ft (4,900m)</b>

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023

PHASE 2	TOTAL	NOTES
<i>Subtotal GC Drilling</i>	<b>\$6,989,000</b>	<b>TOTAL DRILL Gravel Creek</b>
<b>Doby George:</b>		
Access Road	\$100,000	
RC Drilling – Generative \$60/ft - \$197/m	\$600,000	<i>10,000ft (3,300m)</i>
<i>Subtotal DG Drilling</i>	<b>\$700,000</b>	<b>TOTAL DRILL Doby George</b>
<b>Drilling Support</b>		
General Drilling Expense+Assay \$23/ft - \$75/m	\$1,697,000	<b>73,800ft (22,500m)</b>
Road <i>Construction</i> drill support \$38/ft - \$125/m	\$2,804,000	<b>73,800ft (22,500m)</b>
<i>Subtotal Drilling Support</i>	<b>\$4,501,000</b>	<b>TOTAL DRILL SUPPORT</b>
<b>METALLURGY</b>		
Doby George	\$300,000	
Gravel Creek	\$200,000	
<i>Subtotal Metallurgy</i>	<b>\$500,000</b>	<b>TOTAL METALLURGY</b>
<b>TECHNICAL STUDIES</b>		
<i>Doby George PFS</i>	\$1,000,000	
<i>Gravel Creek PEA</i>	\$250,000	
<i>Subtotal Technical Studies</i>	<b>\$1,250,000</b>	
<b>MTN CITY COSTS</b>		
<i>Field costs</i>	\$160,000	
<i>Subtotal Mtn. City</i>	<b>\$160,000</b>	
<b>EXPLORATION</b>		
Geological Expense	\$1,500,000	
<i>Subtotal Exploration</i>	<b>\$1,500,000</b>	<b>TOTAL EXPLORAATION</b>
<b>TOTAL BUDGET:</b>	<b>\$16,059,000</b>	<b>TOTAL BUDGET</b>

Between June and October 2022, the company completed the majority of the Phase 1 exploration field program. A total of 9 large diameter PQ core holes were completed at Doby George for a total of 1,138 meters. The purpose of the Phase 1 drill program was to:

- Validate and delineate current mineral resources.
- Locally assess for the expansion potential and structural controls on mineralization.
- Provide samples for metallurgical test work to outline leach kinematics, as well as mineralized material and waste rock characteristics; and expand upon geotechnical studies through additional test work.

The drill sites are listed below in Table 5. As of December 31, 2022 assay results for all of the drill holes had been received and are reported in Table 6. The assay results confirm past drilling results and locally indicate more continuous high grades in excess of 2 g/t Au. Cyanide soluble gold assay AuCN were completed on all assay intervals as an indication of the oxidation state of the mineralization. Samples with an AuCN:AuFA ratio of >80% are strongly oxidized. One hole, DG 796 tested an area of the deposit that had been classified as mixed to sulfide and the AuCN:AuFA of < 50% confirm that the mineralization was not oxidized.

The sample intervals have been composited for metallurgical test work that commenced in December, 2022. The test work includes:

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

- Heap Leach Testing
- Variability Composite Testing
- Column Test Drill Core Composite Testing
- Bottle Roll Tests
- Column Leach Testing
- Load/Permeability Testing
- Project Management/Final Reporting

Agitated cyanidation bottle roll test work was completed on 46 composites generated from samples collected during the 2022 PQ drill program, (refer to Table 5 for detailed test results).

- The composites ranged in grade from 0.17 g/t Au to 9.38 g/t Au and averaged 2.36 g/t Au and cyanide soluble gold-to-fire assay ratios (CN/FA) were generally above 80%.
- Average gold extraction of oxide mineralization of 69.3% from the agitated cyanidation bottle roll leach test work, (refer to Table 4 for detailed recoveries).
- The oxide composites generally did not contain detectable sulfur and composites from West Ridge Deep (Mixed) only contained approximately 0.07% to 0.2% sulfide sulfur.
- Reagent consumption was consistently low and is expected to be low for commercial heap leaching, averaging 0.12 kg/ton for cyanide and 0.9 kg/ton for lime.

*Table 4. Summary Results of Bottle Roll Tests at Doby George Variability Composites<sup>(1)</sup>*

Description	Drill Holes	Number of Composites	Au Recovery %			Head Grade, gAu/mt			Average Reagent Consumed, kg/mt	
			Average	Min.	Max.	Average	Min.	Max.	NaCN	Lime
West Ridge Oxide	DGC789	8	76.0	50.0	85.4	2.36	0.12	6.36	0.14	0.7
	DGC790	7	68.1	50.4	76.1	2.48	1.25	4.05	0.12	0.6
	DGC791	13	70.3	60.0	84.3	2.03	0.50	4.27	0.11	0.6
	All	28	71.4	50.0	85.4	2.24	0.12	6.36	0.12	0.6
West Ridge Deep Oxide	DGC796	1	68.2	68.2	68.2	1.57	1.57	1.57	0.12	0.6
West Ridge Deep Mixed	DGC796	2	16.7	1.4	31.9	2.06	1.39	2.73	0.20	0.6
Daylight Oxide	DGC792	5	69.3	35.0	85.8	2.58	0.61	5.20	0.10	1.8
	DGC793	4	54.5	20.5	81.6	1.30	0.44	2.34	0.12	1.7
	All	9	62.7	20.5	85.8	2.01	0.44	5.20	0.11	1.7
Twilight Oxide Mixed	DGC794	3	66.9	60.5	77.4	5.40	2.28	9.38	0.11	1.1
	DGC795	3	71.8	63.8	82.1	1.47	0.56	2.29	0.10	0.9
	All	6	69.3	60.5	82.1	3.43	0.56	9.38	0.11	1.0
<b>All Composites</b>	<b>All</b>	<b>46</b>	<b>67.0</b>	<b>1.4</b>	<b>85.8</b>	<b>2.33</b>	<b>0.12</b>	<b>9.38</b>	<b>0.12</b>	<b>0.9</b>

**Note:**

- (1) Bottle roll cyanide leach test was conducted on each composite at an 80% - 1.7 mm feed size, with a 1.0 g/L NaCN concentration and a 4 day leach cycle.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

*Table 5: 2022 Diamond Drill Hole Locations*

Drill Hole	Easting	Northing	Elevation	Azimuth	Dip	Depth (m)
DGC789	577,267	4,612,525	2,093	45	53	167.64
DGC790	577,626	4,612,300	2,055	140	55	104.24
DGC791	577,622	4,612,374	2,058	148	45	109.27
DGC792	578,370	4,612,480	2,027	0	55	82.9
DGC793	578,379	4,612,423	2,023	0	55	82.29
DGC794	578,222	4,612,097	1,966	285	54	118.87
DGC795	578,221	4,612,098	1,966	285	82	88.39
DGC796	577,404	4,612,379	2,103	55	69	283.47
DGC797	577,672	4,612,716	2,039	47	53	100.6

*Table 6: 2022 Diamond Drill Hole Intersections*

Hole	Area	From (m)	To (m)	Drill Width (m)	Est True Width (m)	AuFA (g/t)	AuCN (g/t)	AuCN/AuFA Ratio (3)
DGC 789 (2)	West Ridge	63.09	83.97	20.88	19.6	1.41	1.36	96%
and		89.15	112.78	23.63	22.2	3.27	2.94	90%
Including		89.15	96.47	7.32	6.9	5.27	4.67	89%
and		124.05	132.44	8.39	7.9	1.09	1.02	94%
DGC790 (2)	West Ridge	33.83	88.39	54.56	42.0	2.08	1.88	90%
Including		65.08	71.48	6.40	4.9	4.70	4.26	91%
DGC791 (3)	West Ridge	14.78	89.00	74.22	54.0	1.71	1.63	95%
Including		41.15	71.93	30.78	22.0	2.48	2.41	97%
DGC792 (3)	Daylight	5.90	46.30	40.40	40.0	2.18	1.82	83%
DGC793 (3)	Daylight	24.99	51.97	26.98	25.0	2.12	1.66	78%
and		58.22	77.42	19.20	18.0	1.46	1.04	71%
DGC794	Twilight	31.70	37.19	5.49	3.5	2.10	2.00	95%
and		52.27	78.33	26.06	19.0	6.93	5.56	80%
and		84.28	96.62	12.34	9.0	4.57	3.59	78%
and		101.50	107.90	6.40	5.0	1.66	1.45	83%
and		114.00	116.89	2.89	2.0	1.59	1.00	63%
DGC795	Twilight	18.90	33.38	14.48	12.0	1.30	1.25	96%
and		42.06	73.00	30.94	28.0	2.07	1.97	95%
DGC796	West Ridge Deep	197.21	221.44	24.23	23.0	0.87	0.02	2%
and		230.74	247.50	16.76	16.0	2.12	1.07	52%
and		250.55	265.79	15.24	14.0	1.30	0.41	32%
DGC797	West Ridge NE	85.34	90.83	5.49	5.5	1.24	1.22	98%

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT’S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

In addition to the diamond drilling the company completed surface geologic mapping and rock sampling around Gravel Creek and Wood Gulch. Rock geochemistry (70 samples) and detailed structural mapping on Discovery Hill above the Gravel Creek resource area provides additional evidence supporting the concept of NE-trending structures as a secondary ore control to the Gravel Creek system. Systematic mapping and sampling of veins and hydrothermal breccia dikes on Discovery Hill, approximately 400 meters vertically above the Gravel Creek deposit, has shown that mineralized samples show a strong preferred orientation of N50-85E/235-265SW, dipping over 80 meters to the NW or SE (see Table 4).

*Table 7. Select 2022 Rock Geochemical Results from Gravel Creek Discovery Hill and NE Badger areas\*. A complete list of assays is included in Appendix 1.*

AREA	Sample #	Au ppm	Ag ppm	Ag/Au ratio	As ppm	Sb ppm	Mo ppm	Azimuth *	Dip
DISCOVERY HILL	AU22-172	0.87	23.8	27	904	34	6	50	90
	AU22-136	0.80	31.3	39	452	43	4	50	80
	AU22-144	0.52	48.2	93	334	87	7	50	80
	AU22-169	0.70	22.1	32	630	85	14	55	75
	AU22-140	0.50	28.8	58	358	92	6	60	90
	AU22-146	0.67	41.7	62	625	156	8	65	90
	AU22-177	0.68	15.6	23	753	50	5	75	90
	AU22-170	0.98	92.2	94	781	186	160	85	80
	AU22-135	1.12	59.1	53	370	71	5	155	80
	AU22-141	0.55	34.4	63	532	81	8	235	80
	AU22-178	0.59	15.7	27	592	49	5	250	75
	AU22-182	0.54	22.3	41	792	45	5	255	80
	AU22-162	0.53	24.5	46	217	33	11	265	80
	AU22-159	0.66	21.7	33	456	92	12	270	85
	AU22-174	0.60	19.4	32	636	59	17	320	75
	AU22-155	0.57	17.9	31	443	80	226	325	40
	AU22-143	0.60	37.6	63	547	111	7	335	90
AU22-142	0.59	42.7	72	446	147	8	350	70	

\* Samples > 0.5 ppm Au, sorted by Azimuth (full set of sample assays in Appendix 1)

AREA	Sample #	Au ppm	Ag ppm	Ag/Au ratio	As ppm	Sb ppm	Mo ppm
N. BADGER	781634	0.23	36.4	158	416	34	351
	781636	0.22	8.4	38	627	44	4
	781638	1.62	19.4	12	1355	84	26
	781640	0.04	3.4	85	198	7	5
	781645	0.53	21.8	41	902	49	56
	781647	0.72	42.3	59	672	48	224
	781649	1.21	36.2	30	1130	73	46
	781651	0.09	3.0	33	150	6	5

All analyses by ALS Chemex: gold by AuAA23 and other elements by ME-ICP41

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Of broader exploration significance, the 2022 data gives additional support for the exploration potential associated with strong, multi-element soil anomaly, which extends 2.0 kilometers to the NE of the Gravel Creek area, parallel to a density anomaly which extends from Wood Gulch through Gravel Creek and to the NE. Rock outcrop/sub crop sampling of a small area of alteration and veining 1.0 kilometer NE of the Gravel Creek resource in the NE Badger area returned Au-Ag-As-Sb-Mo values comparable to the levels seen directly over the Gravel Creek deposit. The 1.61 g/t Au sample from the NE Badger anomaly is the highest-grade surface gold value collected to-date in the Jarbidge rhyolite and the highly anomalous Mo (up to 256 ppm) is suggestive of an up flow zone within the hydrothermal system (see Table 7).

In May, 2023, the composites in Table 4 were used to initiate 14 column leach tests at McClelland Laboratories in Reno, Nevada. Eight columns consisted of material crushed to 80% passing 12.7 millimeters and six columns were completed at 50 millimeters crush size.

All five oxide composites were amenable to simulated heap leach cyanidation treatment at both feed sizes evaluated. This includes composites from the West Ridge and Daylight areas. Gold recoveries obtained at the -50 mm feed size ranged from 56.1% to 77.8% and averaged 64.3% in 113 to 133 days of leaching. Crushing the composites to 80%-12.7 mm in size was effective in increasing gold recoveries. Gold recoveries obtained from the oxide composites at the -12.7 mm feed size ranged from 64.0% to 81.8% and averaged 71.6% in 114 to 134 days.

A single composite of material from the Twilight area was tested. That composite included a blend of oxide and mixed material. Gold recoveries obtained from the composite at the -50 mm and -12.7 mm feed sizes were 67.9% in 113 days and 72.9% in 120 days.

A single composite of deep mixed material from the West Ridge area was column tested at the -12.7 mm size. That material was not amenable to heap leaching at that feed size. The column test gold recovery was only 6.1% and leaching was complete in less than 30 days. This composite had an elevated sulfide sulfur content (0.47%) and relatively low CN/FA ratio (7.7% Au). Locking of gold in sulfide minerals may be the cause for the refractory nature of the material.

Gold recovery rates were moderate, and with the exception of composite 4838-047, were not particularly sensitive to feed size. In the case of composite 4838-047, crushing from -50 mm to -12.7 mm in size significantly increased the gold recovery rate. In all cases gold extraction was progressing at a slow rate (~1%/month average). On average after 60 days of leaching, approximately 95% of the final gold recovery was completed for the 80%-12.7 mm feed size and 92% of the final gold recovery for the -50 mm feed size.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Table 8 Summary Metallurgical Results, Cyanide Leach Tests, Doby George Column Composites

Feed Size	Test Type*	Leach Time, Days	Au Rec., %	Gram Au/metric ton ore				Reagent Requirements, kilogram/metric ton ore	
				Extracted	Tail	Calculated Head	Avg. Head	NaCN Consumed	Lime Added
<b>4838-047, NW Ridge, DGC789, Oxide</b>									
-50 mm	CLT	113	77.8	1.12	0.32	1.44	1.54	0.41	0.9
80%-12.7 mm	CLT	114	81.8	1.35	0.30	1.65	1.54	0.78	0.9
80%-1.7 mm	BRT	4	85.5	1.30	0.22	1.52	1.54	<0.10	0.9
<b>4838-048, West Ridge Starter Pit - Upper, DGC790/DGC791, Oxide</b>									
-50 mm	CLT	113	56.1	1.05	0.82	1.87	1.77	0.46	0.8
80%-12.7 mm	CLT	114	64.0	1.26	0.71	1.97	1.77	0.82	0.8
80%-12.7 mm	CLT	114	68.1	1.28	0.60	1.88	1.77	0.86	0.8
80%-1.7 mm	BRT	4	71.9	1.23	0.48	1.71	1.77	0.26	0.8
<b>4838-049, West Ridge Starter Pit - Lower, DGC790/791, Oxide</b>									
-50 mm	CLT	113	60.2	1.12	0.74	1.86	1.73	0.50	0.7
80%-12.7 mm	CLT	120	70.1	1.29	0.55	1.84	1.73	0.81	0.7
80%-1.7 mm	BRT	4	77.1	1.31	0.39	1.70	1.73	0.20	0.7
<b>4838-050, Daylight, DGC792, Oxide</b>									
-50 mm	CLT	133	69.9	1.14	0.49	1.63	1.50	0.95	2.0
80%-12.7 mm	CLT	134	78.8	1.30	0.35	1.65	1.50	1.11	2.0
80%-1.7 mm	BRT	4	80.1	1.25	0.31	1.56	1.50	0.12	2.0
<b>4838-051, Daylight, DGC793, Oxide</b>									
-50 mm	CLT	120	57.4	0.89	0.66	1.55	1.32	0.75	1.9
80%-12.7 mm	CLT	120	66.7	1.00	0.50	1.50	1.32	1.05	1.9
80%-1.7 mm	BRT	4	65.5	0.91	0.48	1.39	1.32	0.14	1.9
<b>4838-054, Twilight, DGC794/DGC795, Oxide/Mixed</b>									
-50 mm	CLT	113	67.9	1.65	0.78	2.43	2.42	0.64	0.9
80%-12.7 mm	CLT	120	72.9	1.83	0.68	2.51	2.42	0.96	0.9
80%-1.7 mm	BRT	4	71.4	1.80	0.72	2.52	2.42	0.19	0.9
<b>4838-055, West Ridge Deep, DGC796, Mixed</b>									
80%-12.7 mm	CLT	30	6.1	0.06	0.93	0.99	0.99	0.18	1.1
80%-1.7 mm	BRT	4	3.2	0.03	0.91	0.94	0.99	0.26	1.1

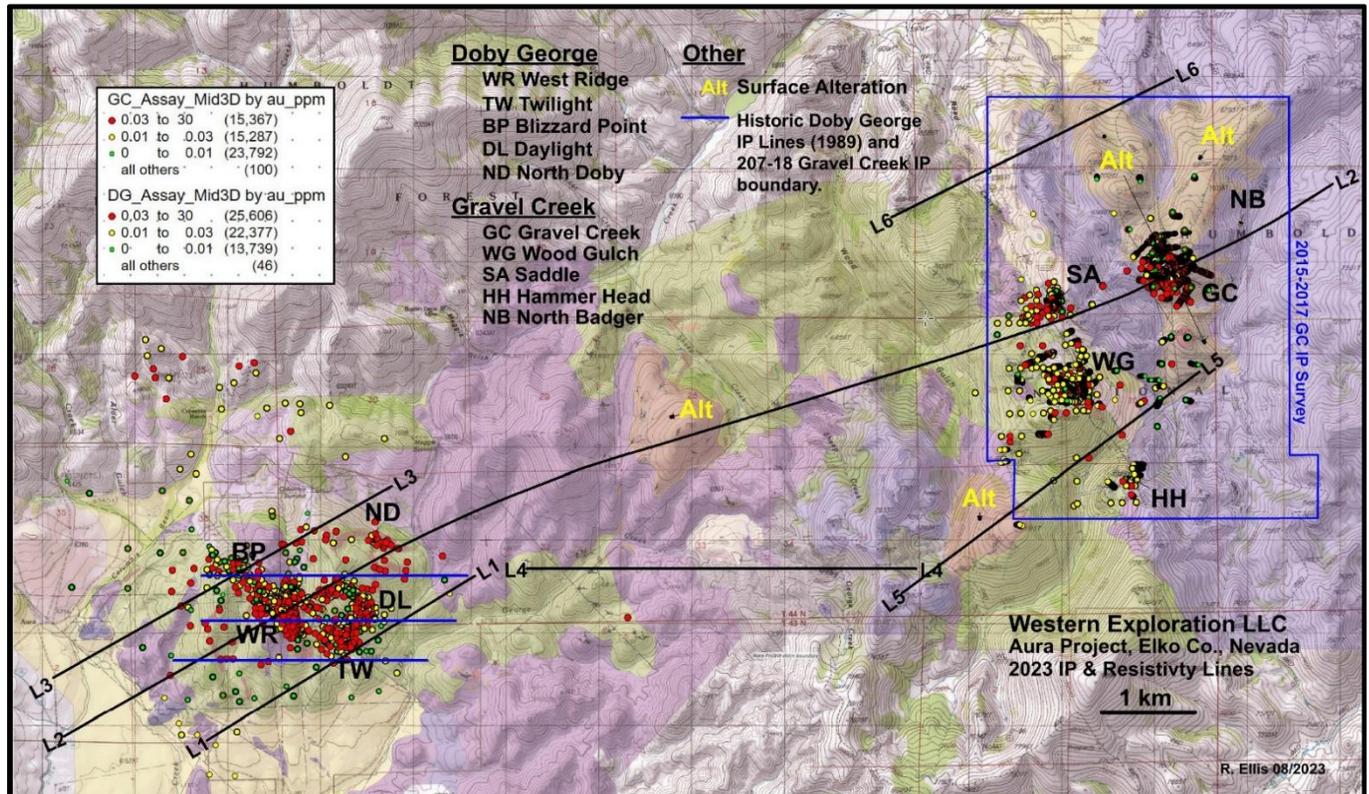
In July of 2023, KLM Geophysics initiated a 33.0 line-kilometers of Induced Polarization (IP) geophysics program to test extensions of mineralization in the Doby George and Wood Gulch/Gravel Creek resource areas, as well as new targets in the Maggie Summit area. The data derived from this program will provide

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

the Company with the information needed to better define future drill targets, with the goal of expanding the existing gold and silver resources across the project. The Company is currently incorporating geophysical data in its 3D geologic models. The location of the IP geophysics is shown below in Figure 1.

Figure 1: Location of Induce Polarization lines completed in Q3 -2023.



Between July and September 2023, the company completed a two-hole PQ diamond drill program. Two oriented core holes totaling 1,470 meters were completed to test the concept of a northeast (NE) trending mineralized vein corridor in the Jarbidge rhyolite extending NE from the Gravel Creek deposit, as recommended in Phase 2 of the Technical Report and as outlined in a press release dated March 06, 2023. Previous drilling, as reported in the Technical Report, intersected multiple high-grade Au-Ag bearing vein intercepts of up to **40.05 g/t Au** and **1951.0 g/t Ag** in the Miocene Jarbidge volcanics overlying and lateral to the Gravel Creek deposit. None of these Jarbidge-hosted intercepts have been included in previous resource estimates.

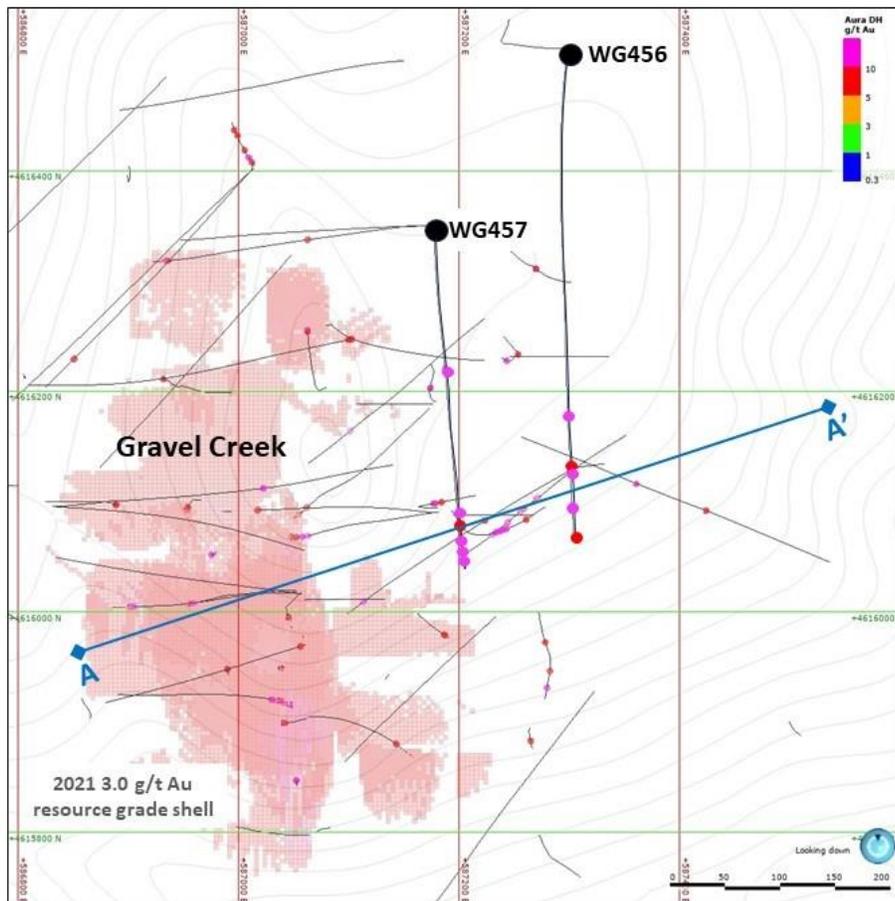
Holes WG456 and WG457 both intersected multiple quartz-pyrite-marcasite bearing vein, stockwork and hydrothermal breccia zones within the targeted structural corridor. The location of the drill holes is shown in Table 8 and Figure 2.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT’S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Table 9. Collar coordinates for Gravel Creek holes completed in Q3 – 2023.

Hole ID	East	North	Elev	Azimuth	Dip	Depth (m)
WG456	587,298	4,616,507	2,185	186.3	48.1	727.3
WG457	587,178	4,616,351	2,198	180.0	62.1	743.0

Figure 2. Plan map showing location of 2023 drill holes relative to +3.0 g/t Au Gravel Creek resource blocks.



The results from the 2023 drilling program identified a zone of high grade gold and silver values in the hanging wall to the east of the main Gravel creek resource.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

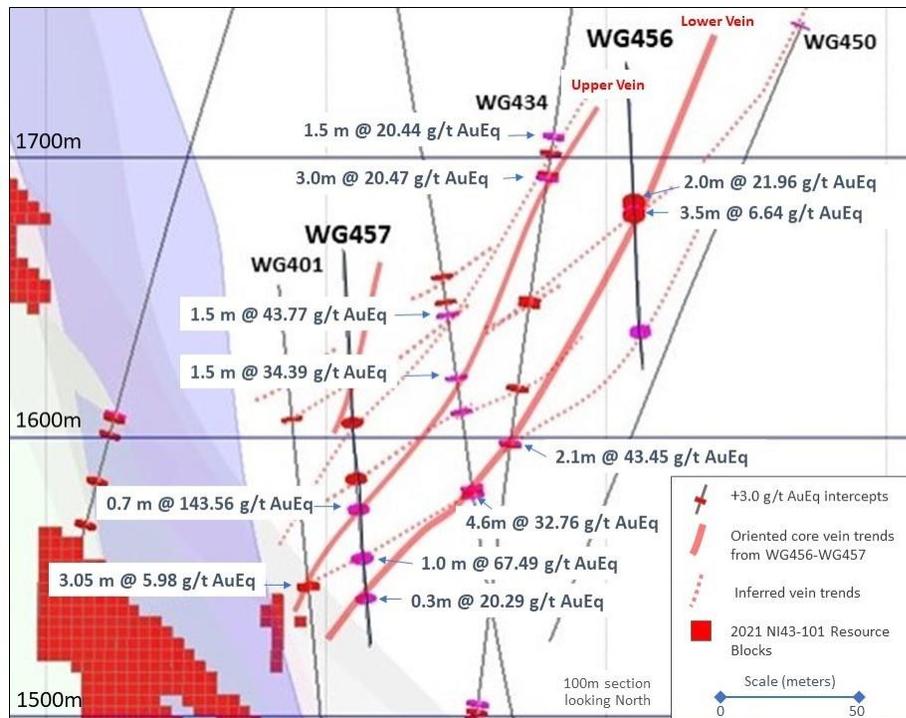
*Table 10. Mineralized Intercepts for WG456 and WG 457*

	<b>START</b>	<b>END</b>	<b>Interval<sup>(1)</sup></b>	<b>AuEq<sup>(2)</sup></b>	<b>Au</b>	<b>Ag</b>
<b>HOLE</b>	<b>m</b>	<b>m</b>	<b>m</b>	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>
<b>WG457</b>	<b>635.5</b>	<b>635.7</b>	<b>0.2</b>	<b>22.33</b>	<b>17.15</b>	<b>440.0</b>
<b>WG457</b>	<b>651.4</b>	<b>654.4</b>	<b>3.0</b>	<b>3.12</b>	<b>2.92</b>	<b>17.1</b>
<b>with</b>	<b>651.8</b>	<b>652.4</b>	<b>0.6</b>	<b>5.37</b>	<b>4.97</b>	<b>34.2</b>
<b>WG457</b>	<b>674.2</b>	<b>675.3</b>	<b>1.1</b>	<b>4.84</b>	<b>4.56</b>	<b>24.1</b>
<b>WG457</b>	<b>686.7</b>	<b>687.5</b>	<b>0.7</b>	<b>143.56</b>	<b>138.82</b>	<b>403.4</b>
<b>WG457</b>	<b>706.5</b>	<b>707.4</b>	<b>0.9</b>	<b>67.49</b>	<b>52.46</b>	<b>1278.0</b>
<b>WG457</b>	<b>723.0</b>	<b>723.3</b>	<b>0.3</b>	<b>20.29</b>	<b>19.50</b>	<b>67.4</b>
<b>WG456</b>	<b>625.6</b>	<b>629.1</b>	<b>3.5</b>	<b>6.64</b>	<b>4.59</b>	<b>174.6</b>
<b>with</b>	<b>625.6</b>	<b>628.0</b>	<b>2.4</b>	<b>7.82</b>	<b>5.37</b>	<b>208.1</b>
<b>WG456</b>	<b>631.1</b>	<b>633.1</b>	<b>2.0</b>	<b>21.96</b>	<b>12.77</b>	<b>780.9</b>
<b>with</b>	<b>631.1</b>	<b>632.2</b>	<b>1.1</b>	<b>31.95</b>	<b>19.60</b>	<b>1050.0</b>
<b>WG456</b>	<b>683.9</b>	<b>686.0</b>	<b>2.1</b>	<b>7.56</b>	<b>5.40</b>	<b>183.1</b>
<b>with</b>	<b>685.6</b>	<b>686.0</b>	<b>0.4</b>	<b>26.03</b>	<b>18.85</b>	<b>610.0</b>
WG377	541.0	542.5	1.5	43.77	24.30	1655.0
WG377	563.9	565.4	1.5	34.39	26.00	713.0
WG377	603.5	608.1	4.6	32.76	23.36	799.2
with	603.5	605.0	1.5	74.46	49.40	2130.0
WG434	477.0	478.5	1.5	20.44	13.05	480.0
WG434	490.7	493.8	3.0	20.47	12.02	549.0
WG434	588.3	590.4	2.1	43.45	29.59	900.6
with	589.5	589.8	0.3	87.48	68.30	1630.0
WG450	409.9	410.2	0.3	60.05	37.10	1951.0
WG401	562.3	563.8	1.5	17.17	12.65	384.0
WG401	635.5	638.6	3.0	5.98	5.68	25.5

Analysis and interpretation of oriented core data collected in 2023 by Oriented Targeting Solutions shows a complex array of intersecting veins, stockwork and hydrothermal breccias following steep to shallow north-west to north-east trends that mimic the known structural controls on mineralization. The strongest correlation between WG456-WG457 links mineralized structures to a north/north-west trending corridor, with moderate dips west/south-west towards the main GC Fault zone. Multiple intercepts along two sub-parallel veins zones show grades of over 20.0 g/t AuEq along a dip length of over 200 meters. Flow banded zones within the rhyolite show preferential steeply dipping north-east trends, which also appear to be controlling the emplacement of some veining and hydrothermal breccia zones., Figure 3.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Figure 3. Cross section through drill holes WG456, WG457 (A-A' section in Figure 2) and legacy holes showing continuity of high grade values along sub parallel structural zones interpreted from oriented core. The vein zones and subsidiary splays have +20.0 g/t AuEq grades on a dip length of potentially +200 meters (AuEq calculated at 85:1 Ag: Au; see Figure 3 for location reference and Table 1 for details).



On January 8, 2024 the company released the final drill results from its 2023 drill program at Gravel Creek. Two oriented core holes totaling 1,470 meters were completed to test the concept of a northeast (NE) trending mineralized vein corridor in the Jarbidge rhyolite extending NE from the Gravel Creek deposit, as recommended in Phase 2 of the Technical Report and as outlined in a press release dated March 06, 2023. Previous drilling, as reported in the Technical Report, intersected multiple high-grade Au-Ag bearing vein intercepts of up to **40.05 g/t Au** and **1951.0 g/t Ag** in the Miocene Jarbidge volcanics overlying and lateral to the Gravel Creek deposit. None of these Jarbidge-hosted intercepts have been included in previous resource estimates.

Holes WG456 and WG457 both intersected multiple quartz-pyrite-marcasite bearing veins, stockwork and hydrothermal breccia zones within the targeted structural corridor.

The results from the 2023 drilling program identified a zone of high grade gold and silver values in the hanging wall to the east of the main Gravel creek resource, Table 1.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)****MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023***Table 1 : Summary Drill Hole Intercepts for WG456 and WG457 – Gravel Creek.*

	<b>START</b>	<b>END</b>	<b>Interval<sup>(1)</sup></b>	<b>AuEq<sup>(2)</sup></b>	<b>Au</b>	<b>Ag</b>
<b>HOLE</b>	<b>m</b>	<b>m</b>	<b>m</b>	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>
<b>WG457</b>	<b>635.5</b>	<b>635.7</b>	<b>0.2</b>	<b>22.33</b>	<b>17.15</b>	<b>440.0</b>
<b>WG457</b>	<b>651.4</b>	<b>654.4</b>	<b>3.0</b>	<b>3.12</b>	<b>2.92</b>	<b>17.1</b>
<b>with</b>	<b>651.8</b>	<b>652.4</b>	<b>0.6</b>	<b>5.37</b>	<b>4.97</b>	<b>34.2</b>
<b>WG457</b>	<b>674.2</b>	<b>675.3</b>	<b>1.1</b>	<b>4.84</b>	<b>4.56</b>	<b>24.1</b>
<b>WG457</b>	<b>686.7</b>	<b>687.5</b>	<b>0.7</b>	<b>143.56</b>	<b>138.82</b>	<b>403.4</b>
<b>WG457</b>	<b>706.5</b>	<b>707.4</b>	<b>0.9</b>	<b>67.49</b>	<b>52.46</b>	<b>1278.0</b>
<b>WG457</b>	<b>723.0</b>	<b>723.3</b>	<b>0.3</b>	<b>20.29</b>	<b>19.50</b>	<b>67.4</b>
<b>WG456</b>	<b>625.6</b>	<b>629.1</b>	<b>3.5</b>	<b>6.64</b>	<b>4.59</b>	<b>174.6</b>
<b>with</b>	<b>625.6</b>	<b>628.0</b>	<b>2.4</b>	<b>7.82</b>	<b>5.37</b>	<b>208.1</b>
<b>WG456</b>	<b>631.1</b>	<b>633.1</b>	<b>2.0</b>	<b>21.96</b>	<b>12.77</b>	<b>780.9</b>
<b>with</b>	<b>631.1</b>	<b>632.2</b>	<b>1.1</b>	<b>31.95</b>	<b>19.60</b>	<b>1050.0</b>
<b>WG456</b>	<b>683.9</b>	<b>686.0</b>	<b>2.1</b>	<b>7.56</b>	<b>5.40</b>	<b>183.1</b>
<b>with</b>	<b>685.6</b>	<b>686.0</b>	<b>0.4</b>	<b>26.03</b>	<b>18.85</b>	<b>610.0</b>
WG377	541.0	542.5	1.5	43.77	24.30	1655.0
WG377	563.9	565.4	1.5	34.39	26.00	713.0
WG377	603.5	608.1	4.6	32.76	23.36	799.2
with	603.5	605.0	1.5	74.46	49.40	2130.0
WG434	477.0	478.5	1.5	20.44	13.05	480.0
WG434	490.7	493.8	3.0	20.47	12.02	549.0
WG434	588.3	590.4	2.1	43.45	29.59	900.6
with	589.5	589.8	0.3	87.48	68.30	1630.0
WG450	409.9	410.2	0.3	60.05	37.10	1951.0
WG401	562.3	563.8	1.5	17.17	12.65	384.0
WG401	635.5	638.6	3.0	5.98	5.68	25.5

Analysis and interpretation of oriented core data collected in 2023 by Oriented Targeting Solutions shows a complex array of intersecting veins, stockwork and hydrothermal breccias following steep to shallow north-west to north-east trends that mimic the known structural controls on mineralization. The strongest correlation between WG456-WG457 links mineralized structures to a north/north-west trending corridor, with moderate dips west/south-west towards the main GC Fault zone. Multiple intercepts along two sub-parallel veins zones show grades of over 20.0 g/t AuEq along a dip length of over 200 meters.

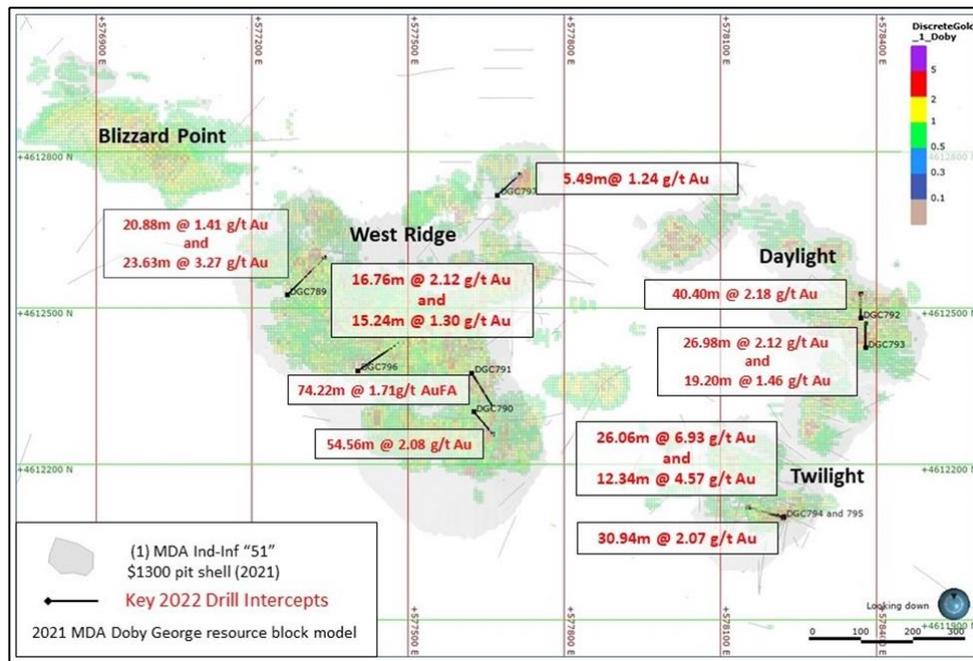
On January 17, 2024 the company released the results of a metallurgical program at Doby George. A detailed heap leach testing program was conducted on drill composites representing gold bearing oxide and mixed materials collected from the Doby George deposit with PQ drilling in 2022 (Figure 1 ). Agitated cyanidation bottle roll tests were conducted on a total of 46 drill core composites to obtain preliminary information regarding heap leach amenability and ore variability. The results of the bottle roll tests were reported in the Company's news release dated July 10, 2023 and entitled "*Western Exploration Reports*

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT’S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*Average of 69.3% Gold Extraction from First Round of Metallurgical Test Work at Doby George, Aura Project, NV". Based on the results of the bottle roll testing, a total of seven master (column test) composites were prepared for column leach testing. Five oxide and one blended oxide/mixed column leach tests were conducted at -50 mm (2 inch) and 80%-12.7 mm (1/2inch) feed sizes. A seventh composite, representing mixed material from deep within the West Ridge area, was tested at an 80%-12.7 mm feed size. The column tests were conducted to determine gold recovery, recovery rate, reagent consumptions and feed size sensitivity under simulated heap leaching conditions. Summary results are presented in Table 1 : Summary Metallurgical Results, Cyanide Leach Tests, Doby George Column Composites*

*Figure 1 :Location of 2022 PQ Metallurgical test holes and key intercepts, relative to resource zones and the modeled US\$1,300 grade shell for the Doby George deposit.*



*Table 1 : Summary Metallurgical Results, Cyanide Leach Tests, Doby George Column Composites*

Feed Size	Test Type*	Leach Time, Days	Au Rec., %	Gram Au/metric ton ore				Reagent Requirements, kilogram/metric ton ore	
				Extracted	Tail	Calculated Head	Avg. Head	NaCN Consumed	Lime Added
<b>4838-047, NW Ridge, DGC789, Oxide</b>									
-50 mm	CLT	113	77.8	1.12	0.32	1.44	1.54	0.41	0.9
80%-12.7 mm	CLT	114	81.8	1.35	0.30	1.65	1.54	0.78	0.9
80%-1.7 mm	BRT	4	85.5	1.30	0.22	1.52	1.54	<0.10	0.9
<b>4838-048, West Ridge Starter Pit - Upper, DGC790/DGC791, Oxide</b>									
-50 mm	CLT	113	56.1	1.05	0.82	1.87	1.77	0.46	0.8
80%-12.7 mm	CLT	114	64.0	1.26	0.71	1.97	1.77	0.82	0.8
80%-12.7 mm	CLT	114	68.1	1.28	0.60	1.88	1.77	0.86	0.8
80%-1.7 mm	BRT	4	71.9	1.23	0.48	1.71	1.77	0.26	0.8

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Feed Size	Test Type*	Leach Time, Days	Au Rec., %	Gram Au/metric ton ore				Reagent Requirements, kilogram/metric ton ore	
				Extracted	Tail	Calculated Head	Avg. Head	NaCN Consumed	Lime Added
<b>4838-049, West Ridge Starter Pit - Lower, DGC790/791, Oxide</b>									
-50 mm	CLT	113	60.2	1.12	0.74	1.86	1.73	0.50	0.7
80%-12.7 mm	CLT	120	70.1	1.29	0.55	1.84	1.73	0.81	0.7
80%-1.7 mm	BRT	4	77.1	1.31	0.39	1.70	1.73	0.20	0.7
<b>4838-050, Daylight, DGC792, Oxide</b>									
-50 mm	CLT	133	69.9	1.14	0.49	1.63	1.50	0.95	2.0
80%-12.7 mm	CLT	134	78.8	1.30	0.35	1.65	1.50	1.11	2.0
80%-1.7 mm	BRT	4	80.1	1.25	0.31	1.56	1.50	0.12	2.0
<b>4838-051, Daylight, DGC793, Oxide</b>									
-50 mm	CLT	120	57.4	0.89	0.66	1.55	1.32	0.75	1.9
80%-12.7 mm	CLT	120	66.7	1.00	0.50	1.50	1.32	1.05	1.9
80%-1.7 mm	BRT	4	65.5	0.91	0.48	1.39	1.32	0.14	1.9
<b>4838-054, Twilight, DGC794/DGC795, Oxide/Mixed</b>									
-50 mm	CLT	113	67.9	1.65	0.78	2.43	2.42	0.64	0.9
80%-12.7 mm	CLT	120	72.9	1.83	0.68	2.51	2.42	0.96	0.9
80%-1.7 mm	BRT	4	71.4	1.80	0.72	2.52	2.42	0.19	0.9
<b>4838-055, West Ridge Deep, DGC796, Mixed</b>									
80%-12.7 mm	CLT	30	6.1	0.06	0.93	0.99	0.99	0.18	1.1
80%-1.7 mm	BRT	4	3.2	0.03	0.91	0.94	0.99	0.26	1.1

\*CLT is Column Leach Test

BRT is Bottle Roll Test (previously reported in the Company's news release dated July 10, 2023 and entitled "Western Exploration Reports Average of 69.3% Gold Extraction from First Round of Metallurgical Test Work at Doby George, Aura Project, NV")

All five oxide composites were amenable to simulated heap leach cyanidation treatment at both feed sizes evaluated. This includes composites from the West Ridge and Daylight areas. Gold recoveries obtained at the -50 mm feed size ranged from 56.1% to 77.8% and averaged 64.3% in 113 to 133 days of leaching. Crushing the composites to 80%-12.7 mm in size was effective in increasing gold recoveries. Gold recoveries obtained from the oxide composites at the -12.7 mm feed size ranged from 64.0% to 81.8% and averaged 71.6% in 114 to 134 days.

A single composite of material from the Twilight area was tested. That composite included a blend of oxide and mixed material. Gold recoveries obtained from the composite at the -50 mm and -12.7 mm feed sizes were 67.9% in 113 days and 72.9% in 120 days.

A single composite of deep mixed material from the West Ridge area was column tested at the -12.7 mm size. That material was not amenable to heap leaching at that feed size. The column test gold recovery was only 6.1% and leaching was complete in less than 30 days. This composite had an elevated sulfide sulfur content (0.47%) and relatively low CN/FA ratio (7.7% Au). Locking of gold in sulfide minerals may be the cause for the refractory nature of the material.

Gold recovery rates were moderate, and with the exception of composite 4838-047, were not particularly sensitive

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)****MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

to feed size (Error! Reference source not found.-Error! Reference source not found.). In the case of composite 4838-047, crushing from -50 mm to -12.7 mm in size significantly increased the gold recovery rate. In all cases gold extraction was progressing at a slow rate (~1%/month average). On average after 60 days of leaching, approximately 95% of the final gold recovery was completed for the 80%-12.7 mm feed size and 92% of the final gold recovery for the -50 mm feed size.

**RESULTS OF OPERATIONS**Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Year:	2023	2023	2023	2023	2022	2022	2022	2022
Quarter Ended:	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
Net income (loss):	\$(893,089)	\$(2,045,644)	\$(890,317)	\$(718,407)	\$(675,904)	\$(2,188,709)	\$(1,917,057)	\$(602,065)
(i) in total (000s)	\$(893)	\$(2,046)	\$(890)	\$(718)	\$(675)	\$(2,189)	\$(1,917)	\$(602)
(ii) per [shares ]	\$(0.03)	\$(0.06)	\$(0.03)	\$(0.02)	\$(0.02)	\$(0.07)	\$(0.06)	\$(0.02)

Three months ended December 31, 2023 vs. three months ended December 31, 2022

For the three months ended December 31, 2023, the Company recorded a net loss of \$893k, compared to a net loss of \$676k in the three months ended December 31, 2022. The change was primarily due to an increase in exploration and evaluation expenditures of \$309k partially offset by a decrease in general and administrative expenses of \$148k.

For the three-month period ended December 31, 2023, general and administrative expenses were \$495k compared to 637k in the prior year. The principal components include:

- Office and general of \$259k (\$112k – 2022): The change was primarily driven by increase in investor relations, marketing and investor services expenses in 2023.
- Stock based compensation of \$65k (\$196k – 2022): This was due to the vesting of stock options and RSU's granted in previous periods.

Exploration expenditures for the three months period ended December 31, 2023 were approximately \$368k which is in line with budget and approximately a \$309k increase from the prior period. The largest expense was related to a loss on revaluation of reclamation provision of \$115k and geological activities of \$130k, which is related to geologic consulting, data management and field costs related to the Aura project.

Year ended December 31, 2023 and December 31, 2022

For the year ended December 31, 2023, the Company recorded a net loss of \$4.547M, compared to a net loss of \$5.384M in the year ended December 31, 2022. The decrease in loss was primarily due to a

## **WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

### MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023

decrease in general and administrative expenditures of \$1.289M partially offset by an increase in exploration and evaluation expenditures of \$255k.

For the year ending December 31, 2023 general and administrative expenses totaled \$2.166M versus \$3.454M for the year 2022. The principal components include:

- Stock based compensation of \$484k (\$1.473M – 2022): This was due to the vesting of stock options and RSU's granted in previous periods.
- Office and general of \$1.058M (\$864k – 2022): The change was primarily driven by increase in investor relations, marketing and investor services expenses in 2023.
- Legal and regulatory costs of \$209k (\$519k – 2022): The Legal and regulatory fees, in the prior year was tracking above budget due to increased costs for the closing of the RTO, the public listing of the company on the TSX-V and OTCQX exchanges in Q1 -2022 and the preparation and filing of the Company's AIF and the preparation of a corporate prospectus in Q2 – 2022.

Exploration expenditures for the year ended December 31, 2023 were approximately \$2.411M which is in line with budget and approximately a \$255k increase from the year ended December 31, 2022. The largest expense was related to drilling activities of \$1.127M and geological activities of \$734k, which is related to geologic consulting, data management and field costs related to the Aura project.

#### Financing Activities

On January 27, 2022, the Company settled an outstanding debt of \$352,752 (CAD\$448,394) to a legal advisor by issuing 169,205 units, each comprised of one common share and one common share purchase warrant exercisable into one additional common share at a price of CAD\$3.975 for a period of 24 months from the date of issuance. On the date of settlement, the fair value of the common shares was determined to be \$339,440. The fair value of the warrants was determined to be \$127,146 on the date of settlement, estimated using the Black Scholes pricing model using a fair value share price of CAD\$2.55, risk free interest rate of 1.27%, an expected dividend yield of 0%, volatility rate of 91% based on historical share prices of comparable companies and an expected life of 2 years. In connection with the settlement, a loss on settlement of debt totaling \$113,834 was included in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2022.

On June 8, 2022, a total of 62,500 RSU's were exercised into 62,500 common shares of the Company at no additional cost. Upon exercise, the fair value of RSU's amounting to \$82,237 was transferred from contributed surplus to share capital.

On December 21, 2022, the Company completed a non-brokered private placement financing, issuing a total of 814,286 units each at a price of CAD\$1.40 for gross proceeds of CAD\$1,140,000 (USD \$837,496). Each Unit is comprised of one variable voting share of the Company and one-half of one Variable Voting Share purchase warrant of the Company. The Company incurred legal fees of \$3,389 in relation to the financing. Under the terms of the warrants, each warrant shall entitle the holder to purchase one common share of the Company at a price of CAD\$1.96 up until December 21, 2024. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of the warrants was determined to be \$120,070 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.40, risk free interest rate of 3.72%, an expected dividend yield of 0%, volatility rate of 76% based on historical share prices of comparable companies and an expected life of 2 years.

On June 14, 2023, the Company completed its "best efforts" private placement offering of an aggregate

## **WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

### MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023

2,937,332 units (the "Units") at a price of CAD\$1.55 per Unit for aggregate gross proceeds of CAD \$4,552,864.60 (USD 3,423,989) (the "Offering"). Each 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 variable voting share purchase warrant, a "Unit Warrant"), with each Unit Warrant entitling the holder thereof to acquire one variable voting share of the Company (each, a "Warrant Share") at a price of CAD \$2.15 per Warrant Share at any time until June 14, 2026, subject to adjustment in certain circumstances. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of the warrants was determined to be \$668,890 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.

The Offering was completed pursuant to the terms of an agency agreement dated June 14, 2023, among the Company and a syndicate of agents (collectively, the "Agents"). In consideration for the services provided by the Agents in connection with the Offering, the Company paid an aggregate cash commission of \$147,854 and issued an aggregate 126,839 non-transferable compensation options (the "Compensation Options") to the Agents. Each Compensation Option is exercisable to acquire one unit of the Company (each, a "Compensation Option Unit") at a price of \$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 \$2.15 per share at any time until June 14, 2026. In addition, in consideration for the provision of certain finder services to the Company in connection with the Offering, the Company also paid an aggregate cash finder's fee of \$26,220 and issued an aggregate 22,493 finder's options (the "Finder's Options"). The Finder's Options were issued on substantially the same terms as the Compensation Options. The Company also incurred share issuance costs of \$134,138 for this financing.

#### 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 December 31, 2023, 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:

	<b>Number of common Shares</b>	<b>Percentage of outstanding shares</b>
Golkonda LLC	19,969,391	58.0%
Agnico Eagle (USA) Ltd	5,442,191	15.8%

#### Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning,

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)****MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 year ended December 31, 2023 and 2022, the Company paid, or accrued remuneration to key management of the Company as follows:

	<b>Year Ended December 31, 2023</b>	<b>Year Ended December 31, 2022</b>
Salaries and fees	\$210,000	\$203,750
Stock-based compensation (i)	\$317,239	\$963,279

- (i) As at December 31, 2023, \$nil (December 31, 2022 - \$nil) was due to key management of the Company and the amount were included in due to related party.
- (ii) As at December 31, 2023, directors were owed \$nil (December 31, 2022 - \$nil) and this amount was included in accounts payable and accrued liabilities.
- (iii) On June 8, 2022, the Company granted 1,115,000 options and 20,000 RSU's to directors and officers of the Company.

As at December 31, 2023, amounts totaling \$440,095 (December 31, 2022 - \$440,095) were due to a corporation controlled by a director of the Company. During the year ended December 31, 2023, the repayment terms of the payable were extended to January 1, 2025, bearing no interest.

**LIQUIDITY AND CAPITAL RESOURCES**

Western has no operations that generate cash flows 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 a 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.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)****MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

The working capital of the Company as at December 31, 2023 is approximately \$530k, consisting entirely of cash holdings. The working capital is being used to fund the completion of the Phase 1 exploration program and corresponding General and Administration expenses of the company. The Phase 1 exploration program, as recommended by the technical report, totals approximately \$2.84M. The Phase 1 exploration program was completed at the end of the month ending December 31, 2023 approximately \$3.0M has been committed to the program.

The supporting General and Administration budget for the Company in 2023 is approximately \$1.5M. In the year ended 2023, approximately \$1.68M was spent.

A detailed comparison of expenses compared to the Use of Proceeds, provided from the private placement financing in October 2021 as outlined in the Information Circular of November 12, 2021 are shown below.

<b>(all amounts are approximate, expressed in Canadian dollars)<sup>(1)</sup></b>	<b>Prior Disclosure</b>	<b>Actual Spent</b>	<b>Remaining</b>	<b>Total</b>	<b>Variance</b>
Diamond drilling (Gravel Creek)	\$0	\$0	\$0	\$0	Nil
Diamond drilling (Doby George) <sup>(2)</sup>	\$1,900,000	\$1,376,095	\$0	\$1,376,095	\$(523,905)
Geophysics <sup>(2)</sup>	\$187,500	\$225,452	\$0	\$255,452	\$37,952
Soil Geochemistry (Gravel Creek) <sup>(2)</sup>	\$25,000	\$0	\$0	\$0	\$25,000
Metallurgy (Gravel Creek and Doby George) <sup>(2)</sup>	\$375,000	\$346,151	\$0	\$375,000	\$(28,849)
Geological Expense and Data Management <sup>(2)(3)</sup>	\$523,500	\$523,500	\$0	\$523,500	\$0
General and administrative expenses <sup>(2)(4)</sup>	\$2,000,000	\$2,962,507	\$0	\$2,962,507	\$962,507
Property Costs <sup>(2)</sup>	\$155,625	\$157,770	\$0	\$157,000	\$2,145
Permitting Costs <sup>(2)</sup>	\$231,875	\$146,347	\$	\$146,347	\$(127,275)
Mountain City Field Costs <sup>(5)</sup>	\$0	\$200,960	\$0	\$200,960	\$200,960
Unallocated working capital <sup>(5)</sup>	\$287,034	\$253,425	\$33,609	\$287,034	\$0
<b>TOTAL</b>	<b>\$5,685,534</b>	<b>\$6,212,207</b>	<b>\$33,609</b>	<b>\$6,245,816</b>	<b>\$560,282</b>

## Notes:

- (1) All dollar amounts are presented in Canadian dollars and are based on an exchange rate of C\$1.256 for each US\$1.00, based on the exchange rate used the management information circular of the Company dated November 12, 2021 (the "Circular").
- (2) Variance represents difference between the amount disclosed by the Corporation in the Circular and the amount provided in the recommended budget set forth in the Aura Technical Report, resulting from the conversion of United States dollars into Canadian dollars.

## **WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

### **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023**

- (3) Geological expense and data management include approximately C\$422,016 in geological expenses and C\$113,040 in data management.
- (4) The Circular provided for C\$2,500,000 in general and administrative expenses for which \$500,000 in working capital was allocated. Accordingly, the amount included above has been reduced to C\$2,000,000 such that only the net proceeds of the Subscription Receipt Financing are included above.
- (5) Mountain City field costs were not included in the Circular but are included in the Exploration Program budget. As such, \$200,960 in unallocated working capital has been allocated to the Mountain City field costs."

During the year ended 2023, exploration expenditures towards Phase 2 of the recommended exploration program consisted of:

Diamond Drilling - Gravel Creek	\$1,126,548
Permitting	\$ 46,021
Geological	\$ 283,825
Property Costs	\$ 125,613

As at the date of this MD&A, the Company expects its existing capital resources to support planned Phase 1 exploration activities and short-term contractual commitments, however, the Company will need to raise additional funds in order to meet the Company's commitments due after the completion of the Phase 1 exploration activities. 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 expenditures 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 member units 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 year ended December 31, 2023.

#### **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,

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing, and financing activities and through management of its capital structure. As of December 31, 2023 and 2022, all the Company's financial liabilities are either due immediately or have contractual maturities of less than 90 days.

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.

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 particular 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."

*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

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)****MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

**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**

34,449,689 common shares issued and outstanding as at December 31, 2023.

During the years ended December 31, 2023 and 2022, the Company issued the following shares:

	<b>Common Shares</b>		<b>Amount</b>
<b>Balance - January 1, 2022</b>	<b>30,435,126</b>	<b>\$</b>	<b>45,764,078</b>
Shares issued in settlement of debt	169,205		339,440
Exercise of restricted stock units	62,500		82,237
Units issued for cash	814,286		714,037
<b>Balance - December 31, 2022</b>	<b>31,481,117</b>		<b>46,899,792</b>
Units issued for cash	2,937,322		2,350,010
Exercise of restricted stock units	31,250		41,116
<b>Balance - December 31, 2023</b>	<b>34,449,689</b>	<b>\$</b>	<b>49,290,918</b>

**Share Purchase Warrants**

As of December 31, 2023, the following share purchase warrants of the Company were issued and outstanding:

<b>Total Warrants</b>	<b>Strike Price</b>	<b>Grant Date</b>	<b>Expiration Date</b>
169,205	CAD\$3.975	2022-01-27	2024-01-27
407,143	CAD\$1.96	2022-12-21	2024-12-21
1,468,661	CAD\$2.15	2023-06-14	2026-06-14
2,045,009			

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

On May 15, 2023, 748,668 share purchase warrants priced at CAD\$2.67 expired.

On October 13, 2023, 2,248,936 warrants priced at CAD\$3.975 expired.

**Restricted Stock Units**

The Company has established a Restricted Share Unit Plan (the "RSU Plan"). Under the RSU Plan, together with any other share compensation arrangement. The Board may in its own discretion, at any time, and from time to time, grant RSUs to any employee, director or consultant of the Company or its subsidiaries, other than persons conducting investor relations activities, from time to time by the Board, subject to the limitations set forth in the RSU Plan. The Board may designate one or more performance periods under the RSU Plan.

On June 8, 2022, the Company granted a total of 125,000 RSU's, of which 62,500 RSU's vested immediately, with the remaining 62,500 vesting equally on the first and second anniversary from the date of grant. Each RSU is exercisable into one variable voting share of the Company at no additional cost. On the date of grant, the fair value of RSU's granted was determined to be \$164,464 based on the fair market trading price of the Company's common shares. During the year ended December 31, 2023, \$38,441 of stock-based compensation expense was recognized in the relation to the vesting of RSU's (December 31, 2022 - \$117,024).

Following is a summary of changes in RSU's outstanding for the year ended December 31, 2023:

<b>Balance, January 1, 2022</b>	<b>-</b>
Granted	125,000
Exercised	(62,500)
<b>Balance - December 31, 2022</b>	<b>62,500</b>
Exercised	(31,250)
<b>Balance as of December 31, 2023</b>	<b>31,250</b>

**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.

On June 8, 2022, the Company granted a total of 1,596,025 options to directors, officers, employees and consultants of the Company. Under the terms of the options, a total of 50% of the options are to vest immediately, 25% vesting on June 8, 2023 and the remaining vesting on June 8, 2024. The fair value of the options was determined to be \$1,905,154 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.65, risk free interest rate of 3.18%, an expected dividend yield of 0%, and volatility rate of 157%. During the year ended December 31, 2023, \$445,298 of stock-based compensation expense was recognized in the relation to the vesting of options (December 31, 2022 - \$1,355,608).

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)****MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Following is a summary of changes in stock options outstanding for the year ended December 31, 2023:

	Amount	Weighted Average Exercise Price
<b>Balance, January 1, 2022</b>	-	-
Granted	1,596,025	C \$2.65
<b>Balance - December 31, 2022 and 2023</b>	<b>1,596,025</b>	<b>C \$2.65</b>

As at December 31, 2023, the weighted average remaining life of stock options outstanding is 3.14 years and 1,197,019 stock options are vested and exercisable.

**Compensation Options**

In connection to the Offering dated 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 \$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 \$2.15 per share at any time until June 14, 2026. In addition, in consideration for the provision of certain finder services to the Company in connection with the Offering, 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 warrants 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.

**SUBSEQUENT EVENTS**

On January 27, 2024, 169,205 warrants with an exercise price of CAD\$3.975 expired.

On March 28, 2024, the Company closed its non-brokered private placement of units (the "Units") in the capital of the Company (the "Offering"). The Offering consisted of the issuance of 9,348,086 Units at a price of CAD\$0.70 per Unit, for aggregate gross proceeds of approximately CAD\$6,543,659. Each Unit consists of one variable voting share of the Company (each, a "Share") and one variable voting share purchase warrant of the Company (each whole variable voting share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one variable voting share of the Company (each, a "Warrant Share") at a price of CAD\$1.00 per Warrant Share at any time on or before the date which is 36 months after the closing date of the Offering (the "Closing Date"), subject to adjustment in certain events.

In connection with the Offering, the Company has paid certain parties finder's fees in the form of an aggregate of CAD\$110,946.80 in cash and has issued 158,495 variable voting share purchase warrants (each a "Finder's Warrant"). Each Finder's Warrant entitles the holder to purchase one Share at CAD\$1.00 for 36 months.

**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

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 a 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 than 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 the end of the fourth quarter of 2022, approximately 22,590,339 Variable Shares are held by residents of the United States, representing approximately 71.75% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares, and (ii) approximately 8,890,239 Common Shares are held by Canadian residents or residents of other international jurisdictions other than the United States (collectively, the "**Non-U.S. Shareholders**"), representing approximately 28.25% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares. Therefore, in order to preserve its status as a 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 0.393 of one vote. In other words, a holder 100 Variable Voting Shares has 39.3 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 22,592,357 votes to 8,878,796 votes, being less than 50% of the votes held by all Non-U.S. Shareholders.

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".

**WESTERN EXPLORATION, INC. (Formerly, Crystal Peak Minerals Inc.)**

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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.