



West High Yield (W.H.Y.) Resources Ltd.

**Management Discussion and Analysis
For the year ended
December 31, 2024**

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Notice to Reader

This management's discussion and analysis ("MD&A") of West High Yield (W.H.Y.) Resources Ltd. (the "Company") contains an analysis of the Company's operational and financial results for the year ended December 31, 2024, in comparison with the same period of last year. This MD&A has been prepared by management as of April 11, 2025 and has been approved by the Company's Audit Committee. This MD&A should be read in conjunction with the Company's accompanying consolidated audited financial statements for the years ended December 31, 2024, and December 31, 2023 and notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "WHY" as well as the Frankfurt exchange under the symbol WHO. The Company's most recent filings, including its audited financial statements and notes thereto for the years ended December 31, 2024, and 2023, are available under the Company's profile on SEDAR+ ("SEDAR") and can be accessed through the internet at <https://www.sedarplus.ca>.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation concerning the business, operations and financial performance and condition of the Company. Statements containing forward-looking information include, but are not limited to, statements with respect to anticipated developments in the Company's operations in future periods; planned exploration activities; the adequacy of the Company's financial resources and other events or conditions that may occur in the future; estimated mineral resources; the ability of the Company to create value for its shareholders; the ability of the Company to meet expected financing requirements; the future price of magnesium; the drill results and related outlooks; the estimation of mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; capital expenditures; permitting time lines and permitting, mining or processing issues; information concerning the interpretation of drill results; success of exploration activities; environmental risks; methods to adjust the capital structure of the Company; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. Generally, statements containing forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". Statements containing forward-looking information are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such statements, including but not limited to risks related to: current global financial conditions; the need for additional financing and its availability on acceptable terms; the speculative nature of the mining industry; the ability to acquire and abide by necessary licenses, permits and government regulations; unforeseen title matters; environmental risks; competition for future acquisitions and investment; the significant influence of the principal shareholders; related party debt; economic viability of reserves; the ability to satisfy the financial needs required to maintain the Company's status as a going concern; the early stage of the Company's exploration and development operations; the Company's need to rely on technical experts, which may not be available; future dilution to existing shareholders; certain uninsured or uninsurable risks; future resource prices; adverse effects on share prices from factors beyond the Company's control; as well as other factors discussed herein. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those expected in statements containing forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is included herein, except in accordance with applicable securities laws.

Overview

The Company is a publicly traded junior mining exploration company listed on the TSXV, was founded in 2003, and has its head office in Calgary, Alberta. The Company is primarily focused on the acquisition, exploration, and development of mineral properties in Canada with its primary objective to develop its intermediate-advanced stage exploration Record Ridge South Magnesium Property (the "Record Ridge Property") located in RDKB-Lower Columbia/Old Glory - Area B 10.5 km west to southwest of the City of Rossland, British Columbia. The Record Ridge Property is 5 km north of the US - Canada border, in the British Columbia Trail Creek Mining Division. The Company issued its preliminary economic assessment (the "PEA") on its Record Ridge Industrial Mineral Mine(the "RRIMM Project") on June 4, 2013, which is available under the Company's profile on SEDAR. Highlights of the PEA are included below.

The Company retains 100% of the mineral rights to the Record Ridge Property, which consists of 29 contiguous mineral claims, eight crown-granted claims, and one privately owned claim totaling 8,972 hectares. The known magnesium mineralization is located within two of the mineral claims. The infrastructure for the proposed development of the Record Ridge Property is located on mineral tenures controlled by the Company.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern is dependent on the continued forbearance of the amounts due to related parties and the Company's ability to obtain financing to continue exploration and development of the mineral property. There is no certainty that the Company will be able to obtain the financing required to continue exploration and development activities or of the ongoing forbearance of related parties and other creditors. In addition, there is no certainty that the mineral property will contain economically recoverable reserves. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

1. COMPANY OPERATIONS/CORPORATE OVERVIEW

A public "Notice Of Application" (the "Public Notice"), which is a requirement in the Company's permit process as requested by the British Columbia Ministry of Energy, Mines and Low Carbon Innovation (the "EMLI"), was published on April 18, 2024, in the Rossland News. The Public Notice pertained to the submission of the Company's "Joint Mines Act and Environmental Management Act" permit application for the RRIMM Project that contains 10.6 million tonnes of magnesium and 16 million tonnes of silica. The permit application, filed with the British Columbia Chief Inspector of Mines, was required under Part 10.2.1 of the Health and Safety Reclamation Code for Mines in British Columbia.

On April 25, 2024 the Company announced the listing of the Company's common shares on the Frankfurt Stock Exchange (the "FSE") under the trading symbol "W0H", after which the Company's common shares were cross-listed on the TSXV in Canada and the FSE in Germany, aligned with the Company's strategy of introducing European investors and manufacturers to the advanced-stage development of the RRIMM Project. The FSE is one of the world's largest international trading centers (behind only the NASDAQ and NYSE) organized exchange-trading market in terms of turnover and dealings in securities and the electronic trading platform of the FSE, XETRA, has made it the world's second-largest fully electronic cash market responsible for approximately 90 percent of all securities traded in Germany with direct linkage to all other major European financial hubs.

On May 10, 2024, the Company announced it had signed a sponsorship agreement (the "Sponsorship Agreement") with GOLDINVEST Consulting GmbH ("GI"), a German internet marketing services firm. GI provides marketing and distribution services to communicate information about the Company to the German financial community and public. In consideration for the provision of the services by GI under the Sponsorship Agreement, West High Yield pays GI a fee of CAD\$25,000 in four (4) equal installments every three (3) months during the term of the Sponsorship Agreement. The term of the Sponsorship Agreement is for one

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(1) year, expiring on May 9, 2025, unless the parties desire to renew the terms and term of the Sponsorship Agreement thereafter.

(a) Industrial Quarry Permit Progress

On February 14, 2019, the Company submitted a joint permit application (the "Initial Permit Application") under the *Mines Act* (British Columbia) (the "Mines Act") and *Environmental Management Act* (British Columbia) (the "Environmental Management Act") for RRIMM Project development. This submission adhered to guidelines set by the EMLI and the British Columbia Ministry of Environment. The application also conformed to the Joint Information Requirements Table (the "IRT") crafted by the British Columbia Mine Development Review Committee.

On February 15, 2022, the Company submitted an amended Mines Act and Environmental Management Act permit application (the "Amended Permit Application") in response to Ministry feedback.

Meetings with EMLI on March 30 and May 3, 2022 provided additional clarity on the Amended Permit Application. In July 2022, EMLI requested screening and additional geotechnical assessments as part of the Amended Permit Application. The test pit investigation results from August to September 2022 guided SRK Consulting (Canada) Inc. ("SRK") in detailed design drawings and required operations materials.

In March, 2023, the Company submitted requested information and engineering designs to EMLI based on July 2022 feedback. An April 21, 2023 meeting with EMLI discussed the submitted material and outlined the next steps for the final detailed technical review.

In May 3, 2023, EMLI successfully completed the screening process for the Company's Initial Permit Application. Subsequently, EMLI accepted the Company's screened Initial Permit Application submissions and issued a "Terms of Reference and Work Plan" for the RRIMM Project which marked the Company's advancement into the final review phase of the permitting process.

To engage with the public and foster dialogue, the Company organized open houses in Rossland, British Columbia on May 17 and May 18, 2023 to discuss the RRIMM Project. The response from the public was enthusiastic, providing the Company with a valuable platform to directly interact with local participants who held diverse perspectives, interests, and concerns. In line with its commitment to open communication, the Company plans to continue this dialogue through EMLI's mine-permitting review process. This approach aims to bridge gaps, identify areas of mutual benefit, and advance Canada's strategic interests in critical minerals and climate change mitigation.

On June 22, 2023, the Company published an open letter to the Rossland community in its local newspaper, the Rossland News, to respond to community feedback collected during the open houses. This letter comprehensively addressed common issues and concerns expressed by the community, demonstrating the Company's responsiveness and commitment to meaningful engagement.

Furthermore, the Company launched a dedicated blog on its website, inviting all interested parties and stakeholders to actively participate in the permitting consultation process, which was an attempt for the Company to engage in a comprehensive and collaborative evaluation of the Project.

On June 27, 2023, the Company held a meeting (the "MDRC Meeting") in Rossland, British Columbia, with the British Columbia Mining Development Review Committee (the "MDRC"). During this meeting, the technical review process for the RRIMM Project was introduced. To proactively address concerns and interests expressed through the ongoing public engagement, the Company proposed a range of RRIMM Project mitigation strategies including:

- exploring the feasibility of utilizing explosives in conjunction with mechanized equipment for ore extraction;

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- implementing enclosed environments for crushing equipment to effectively manage dust and noise emissions; and
- investigating the possibility, in collaboration with the British Columbia Ministry of Transportation and Infrastructure, of utilizing a trucking route along Highway 22 to North Port, Washington, as an alternative to passing through the City of Rossland.

On August 8, 2023, the Company achieved a significant milestone by signing a Cooperation Agreement with the Osoyoos Indian Band (the "OIB") for the Project, which is within the OIB's traditional territory. This collaboration emphasized the Company's commitment to sustainability, environmental practices, and Indigenous rights. The Cooperation Agreement highlighted the Company's dedication to responsible resource development and collaboration with Indigenous communities. Chief Clarence Louie of the OIB praised the Cooperation Agreement for protecting both the environment and the economic interests of the OIB, and the OIB independently reviewed the Company's Initial Permit Application and Amended Permit Application reinforcing confidence in the Company's commitment to responsible practices.

In an October 25, 2023 press release, the Company provided an update on the progress of its Initial Permit Application and announced that it submitted its Amended Permit Application for the RRIMM Project to EMLI and the British Columbia Ministry of Environment and Climate Change Strategy. The amendments in the Amended Permit Application included:

- substituting or augmenting the use of explosives with mechanized equipment for ore extraction for the RRIMM Project;
- implementing enclosed environments for crushing equipment to effectively manage dust and noise; and
- exploring the option with the British Columbia Ministry of Transportation and Infrastructure of utilizing a trucking route along Highway 22 to North Port, Washington, rather than passing through the City of Rossland

To date, the Company has continued to adhere to the industrial mineral mine permit application process as outlined by the MDRC and EMLI. The Company is in the advanced stage of the process, which is currently in the technical review stage. Comments have been forwarded to the MDRC and Company from the various committee members requiring additional information or clarification in advance of the permit being drafted.

As of August 9, 2024 the Company had addressed and closed the majority of the MDRC comments from the MDRC Meeting with the expectation that the balance of the comments will be closed in mid to late August. It is further anticipated the MDRC chair will hold local community meetings as needed in early September.

On May 15, 2024, the British Columbia Environment Assessment Office (the "EAO") initiated a public consultation period for 30 days that is NOT mandated by the British Columbia *Environmental Assessment Act* (the "EAA"). This was undertaken to allow for a ministerial review regarding the potential for an environmental assessment ("EA") of the RRIMM Project. This period closed on June 14, 2024, with comments received from various NGO representatives, First Nations, Indigenous, community, stakeholders, and the Company. Based on the current EAA thresholds, the proposed RRIMM Project is below the minimum requirement for an EA and as such should not be required to do so. The Company has completed all of the rigorous requirements of the MDRC process that largely would be duplicated by an EA and is unreasonable to delay and add additional costs to the project at this stage of the mining permit.

On August 15, 2024 the Company announced it had received notification from the British Columbia Environmental Assessment Office that it has now determined the RRIMM Project is subject to environmental assessment thresholds applicable to mineral mines, rather than industrial mineral projects, under the EAA. This occurred despite the RRIMM Project having been advancing in the regulatory process, with the knowledge of the EAO for years on the understanding and assumption that was not the case.

Because of this determination, the RRIMM Project would need to reduce operations to under 75,000 tonnes of ore production per year in order to not trigger an environmental assessment under the British

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Columbia Reviewable Projects Regulation. This is the case even though the RRIMM Project is nearing the completion of a very robust, multi-year process under a British Columbia Mine Development Review Committee, with extensive agency, local government, Indigenous, and public input.

On August 26, 2024, the Company met with EMLI to continue discussions regarding the mining permit process. During this meeting, the Company reaffirmed its commitment to pursuing a reduced volume mining permit at this stage. EMLI participants provided valuable insights into the options available to the Company, and outlined the next steps necessary for the Company to move forward with the RRIMM Project.

A follow up meeting with MDRC took place on September 4, 2024 (the “Follow-Up MDRC Meeting”), to review the closed comments to date and to determine the next steps in the RRIMM Project permit process. At the Follow-Up MDRC Meeting, the Company provided an outline of the Amended Permit Application, which includes a reduction in the proposed tonnage. The updated approach presented involved reducing the RRIMM Project's annual tonnage to 63,500 metric tonnes to remain below 15% of the 75,000 metric tonnes annual threshold set by the EAO for reviewable projects for a mineral mine. In addition to minor adjustments to the overall mine plan for the RRIMM Project, the EMLI Meeting participants encouraged the Company to proceed with these revisions. As such, the Company and its consultants acted expeditiously in submitting amendments to its Amended Permit Application to the EMLI on September 17, 2024.

On October 10, 2024, the Company announced that it received updated written work plan timelines ([link to the timelines](#)) from the EMLI regarding the RRIMM permit process. While the EMLI indicated that these dates could be subject to adjustments, the Company is optimistic that the process is on track for a potential permit issuance by early December, 2024.

(b) Road Construction and Mine Site Development

In March 2024, the Company asked SNT Geotechnical Ltd. (“SNT”), of Nelson, British Columbia, to provide a detailed design for its mine access road from the Cascade Highway to the RRIMM Project site. SNT coordinated with SNT Engineering Ltd. and SRK, who provided a general mine plan and a preliminary road design. Afterward, both SNT and SNT Engineering Ltd. conducted a site survey to establish the road centerline and are currently working on the detailed road design. Once completed, the detailed design will be used by SKM and Sutherland Group of Companies (“SGC”) to provide their final proposal for road construction and mine site development.

In June 2024, the Company signed a letter of intent (the “LOI”) with Skemxist Solutions (“SKM”), an OIB limited partnership with SGC. The LOI contemplates the provision of road construction, site preparation, mining operations and various support services to the Company for its RRIMM Project.

In July 2024, SNT conducted terrain stability assessment (the “TSA”) field work for the final design of the RRIMM Project's mine access road. TSA evaluations are typically used to ensure that the road's construction, design, and usage do not negatively affect terrain stability, especially in areas with slopes, watercourses, or other sensitive geological features. The TSA included site analysis, design considerations, risk mitigation, and regulatory compliance, with the main objective of minimizing environmental impact.

On November 13, 2024, SNT provided the final TSA report for the mine access road at the Record Ridge Property, including the “geometric road design” by SNT Engineering.

Brokered and Non-Brokered Private Placements

On March 14, 2024, the Company completed its first tranche closing of a non-brokered private placement offering of units (“PP #1”) by issuing 2,114,000 units at a price of \$0.25 per unit for total gross proceeds of \$528,500. Each unit issued under the first tranche closing consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

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On April 18, 2024, the Company completed its second tranche closing of PP #1 by issuing 1,210,000 units at a price of \$0.25 per unit for total gross proceeds of \$302,500. Each unit issued under the second tranche closing consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

On May 10, 2024, the Company completed its final tranche closing of PP #1 by issuing 612,000 units at a price of \$0.25 per unit for total gross proceeds of \$153,000. Each unit issued under the final tranche closing consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

On August 9, 2024 the Company completed the only tranche closing of a new non-brokered private placement offering of units ("PP #2") by issuing 435,076 units at a price of \$0.33 per unit for total gross proceeds of \$143,575. Each unit issued under PP#2 consisted of one common share and one half of one share purchase warrant exercisable into one additional common share at a price of \$0.45 per common share for eighteen months from the date of the closing.

On September 26, 2024 the Company completed the first tranche closing of a new non-brokered private placement offering of units ("PP #3") by issuing 905,000 units at a price of \$0.20 per unit for total gross proceeds of \$181,000. Each unit issued consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.30 per common share for twelve months from the date of the closing.

On October 9, 2024 the Company completed the second tranche closing of PP#3 by issuing 1,125,000 units at a price of \$0.20 per unit for total gross proceeds of \$225,000. Each unit issued consisted of one common share and one of share purchase warrant exercisable into one additional common share at a price of \$0.30 per common share for twelve months from the date of the closing. Additionally, the Company also agreed to convert an aggregate of \$320,000 in debt (the "**Debt**") into 1,500,000 Common Shares (the "**Shares for Debt Transaction**") having a market value of \$225,000, resulting in a gain on debt settlement of \$75,000.

On November 14, 2024 the Company completed the final tranche closing of a new non-brokered private placement offering of by issuing 3,660,935 units at a price of \$0.20 per unit for total gross proceeds of \$732,187. Each unit issued consisted of one common share and one of share purchase warrant exercisable into one additional common share at a price of \$0.30 per common share for twelve months from the date of the closing. In connection with the Closing, the Company issued 10,000 non-transferable share purchase warrants (the "**Broker Warrants**") to one (1) arm's length broker (the "**Broker**"), equal to 2% of the number of Units issued under the Closing to subscribers introduced by the Broker, and paid the Broker a cash commission of \$2,000 (the "**Broker Commission**"), equal to 2% of the aggregate proceeds from the number of Units issued under the Offerings to subscribers introduced by the Broker. The value of the Broker Warrants was \$ Nominal.

On November 22, 2024, the Company issued 100,000 common shares from the exercise of 100,000 options at \$0.15 per option for an aggregate amount of \$15,000.

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2. Results of Operations

	Three months ended		Year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Head Office Expenses				
Office salaries and benefits	\$90,770	\$90,766	\$371,837	\$369,245
Legal, audit, and accounting	264,640	219,187	670,076	656,803
Promotion and investor relations	60,249	102,578	295,978	256,223
Travel	2,871	1,745	5,451	12,198
Other office costs	24,504	30,939	117,538	84,857
Total Head Office Costs	443,034	445,215	1,460,880	1,379,326
Exploration Expenses				
Accommodation and meals	-	405	923	7,412
Indigenous and First Nations	-	-	90	-
Assay	-	600	-	64,067
Pre-feasibility	-	-	-	-
Drilling	1,343	420	1,933	6,305
Geophysical surveys	-	-	13,000	-
Permitting	-	-	-	50,400
Reporting	10,500	10,975	58,508	22,650
Geochemical sampling survey	-	-	19,770	-
Legal	5,860	14,237	76,870	93,909
Consulting and labour	188,671	121,396	838,383	656,231
Freight and equipment transport	-	783	602	4,324
Field equipment supplies	-	1,236	1,453	6,053
Miscellaneous field office	1,513	719	3,176	4,630
Project management	-	-	513	3,900
GIC and data management	-	-	-	5,973
Core logging	-	-	-	42,675
Geology and mapping	-	-	-	38,436
Property and mineral taxes	3,000	-	6,645	3,824
Utilities	-	-	1,454	-
Total Exploration Costs	210,887	150,771	1,023,320	1,010,789
Interest and bank charges	398,206	99,138	670,037	261,958
Interest on long term debt	-	-	-	-
Interest and Bank Charges	398,206	99,138	670,037	261,958
Non-cash expenses				
Gain on debt settlement	(75,000)	-	(75,000)	-
Depreciation and amortization	2,500	3,180	12,010	18,749
Deferred income tax recovery	-	(11,996)	-	(11,996)
Stock based compensation	103,000	(17,247)	358,512	477,598
Accretion	250,398	-	853,581	-
	280,898	(26,063)	1,149,103	484,351
Total expenses	\$1,333,025	\$669,061	\$4,303,340	\$3,136,424

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3. SUMMARY OF QUARTERLY RESULTS

	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept.30, 2023	June 30, 2023	Mar.31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	-	-	-	-	-	-	-	-
Total assets	1,936,731	1,852,882	1,721,787	1,924,862	1,853,903	1,858,854	2,161,638	2,478,978
Total long-term liabilities	-	-	-	-	-	-	-	-
Working capital surplus(deficiency)	(7,836,067)	(7,823,731)	(7,140,332)	(6,562,098)	(5,790,578)	(6,037,583)	(5,461,881)	(4,948,455)
Head office expense	443,034	310,332	402,227	305,287	445,215	273,584	385,482	275,045
Exploration expense	210,887	356,070	305,490	150,873	150,771	247,590	429,528	182,900
Net loss	(1,333,025)	(1,010,470)	(1,036,023)	(923,822)	(669,061)	(580,414)	(874,656)	(1,012,293)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Note:

(1) Basic and diluted

All costs of exploratory work conducted on the Company's properties are expensed as incurred.

Liquidity and Capital Resources

For the year ended December 31, 2024, the Company is indebted to Big Mountain Development Corp Ltd. ("Big Mountain") in the amount of \$5,826,597 based on multiple loans granted to the Company by Big Mountain (collectively, the "Big Mountain Loans"). Big Mountain is a related party of the Company, as Frank Marasco Jr., the Company's President and Chief Executive Officer, and Maria Marasco, a director of the Company, along with their family members, own 100% of Big Mountain. The Big Mountain Loans surpassed their maturity date at the end of 2023, and Big Mountain agreed to extend the expiry date of both loans to December 31, 2024 in consideration for the Company paying a loan extension fee to Big Mountain.

The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its property exploration and development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity and advances from a related party. Management monitors its financial position on an ongoing basis. Equity has been issued or debt from related and third parties has been obtained to finance the Company's operations, including its drilling programs. Significant capital will be required for the full development of commercial mining production if the Project at the Record Ridge Property is proven to be an economically viable project.

The Company defines its capital as shareholders' deficit and working capital deficit.

- (a) issuing new shares through a public offering or private placement
- (b) issuing convertible debt; or
- (c) raising fixed or floating rate debt.

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The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern is dependent on the forbearance of the amounts due to related parties and the Company's ability to obtain financing to continue exploration and evaluation of the mineral property and commercialize the mineral property. There is no certainty that the Company will be able to obtain the financing required to continue development activities.

Cash forecasts are done to match spending on general and administration costs and exploration costs to available cash resources. Spending is managed within available funds. The Company seeks capital through the offering of common shares or loans from related parties to fund general and administrative costs and exploration activities. The Company will have to raise additional capital through the issue of shares or other means to repay the amount due to Big Mountain or seek forbearance in connection with loans from Big Mountain.

For the year ended December 31, 2024, the Company had a working capital deficit of \$7,836,067 compared to a working capital deficit of \$ 5,790,578 at December 31, 2023.

The Company is authorized to issue an unlimited number of common shares without par value.

Off-Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Transactions with Related Parties

The Big Mountain Loans are the only transactions the Company currently has with related parties, and the particulars of the Big Mountain Loans are detailed in the table below.

During the year ended December 31, 2024, the maturity date of the 8% and 10% loans were amended to extend the maturity date to December 31, 2024. The amendment as assessed under IFRS 9 and was accounted for as an extinguishment of the original loans and recognition of the amended loans at their respective fair values resulting in a loss on extinguishment of \$633,933 which is recorded to contributed surplus as a capital transaction with the related party. Subsequent to the year ended December 31, 2024, the maturity date of these loans were further amended to extend the date to December 31, 2026.

The Company did not receive any additional loans from any of its directors during the year ended December 31, 2024.

	8% loan	10% loan	Total
Balance, December 31, 2022	1,765,788	750,000	2,515,788
Accrued interest	1,247,707	200,136	1,447,843
Balance, December 31, 2023	3,013,495	950,136	3,963,631
Debt extinguishment	(3,013,495)	(950,136)	(3,963,631)
Re-issuance	3,239,466	1,358,099	4,597,565
Accrued interest	245,640	129,811	375,451
Accretion	582,533	271,048	853,581
Balance, December 31, 2024	4,067,639	1,758,959	5,826,597

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The Company's interest expense on Big Mountain Loans were the following:

	Year ended	
	December 31, 2024	December 31, 2023
Interest on related party loans	375,451	215,994

Transactions with related parties are incurred in the normal course of operations and initially recorded at fair value.

Subsequent Events

On March 10, 2025 the Company completed the first tranche closing of a new non-brokered private placement offering of units by issuing 2,931,391 units at a price of \$0.23 per unit for total gross proceeds of \$674,220.33. Each unit issued consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

On March 25, 2025 the Company completed the final tranche closing of a new non-brokered private placement offering of units by issuing 1,737,899 units at a price of \$0.23 per unit for total gross proceeds of \$399,717.00. Each unit issued consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.35 per common share for twelve months from the date of the closing.

In early 2025, the United States government announced plans to impose a 25% tariff on most Canadian imports. These tariffs, initially set to take effect on February 4, 2025, were subsequently postponed and partially came into effect on March 4, 2025. Additional tariffs took effect on April 2, 2025. The Canadian government then announced retaliatory tariffs on imports from the United States as well as non-tariff measures.

Due to ongoing macroeconomic uncertainty, including potential shifts in international trade policies and supply chain dynamics, WHY Resources is closely monitoring geopolitical developments that could impact global demand and pricing for industrial minerals. As the Company approaches the final stage of securing its mining permit for the extraction and sale of serpentine ore, it continues to assess potential implications for its offtake arrangements with third-party trading partners. While the financial impact of these external factors cannot be quantified at this time, they may affect the timing and terms of future sales and revenue generation.

On February 20, 2025, the Company amended the Big Mountain Loan (Note 8) and extended the maturity dates for both the 8% and 10% loans to December 31, 2025.

CHANGES IN ACCOUNTING POLICIES

(a) New accounting pronouncements

IAS 1 Presentation of Financial Statements

Effective January 1, 2024, the Company adopted amendments to IAS 1 which clarify how conditions that an entity must comply within twelve months after the reporting period affect the classification of a liability with covenants as current or non-current and related disclosure. These amendments had no material impact on the Company's consolidated financial statements.

(b) Future accounting pronouncements

The Company reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that the following amendments are applicable to the Company but are not expected to have a material impact:

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Effective January 1, 2026, amendments to IFRS 9 and IFRS 7 provide:

- clarifications to the "solely payments of principal and interest" test to ensure consistent application while maintaining the principle-based approach;
- refinements to the treatment of modifications to financial assets and liabilities upon derecognition;
- guidance for the treatment of financial liabilities settled through electronic payment systems; and
- additional IFRS 7 disclosure requirements to support classification and measurement rules, including derecognition.

IFRS 18 Presentation and Disclosure in Financial Statements

Issued in April 2024 and effective January 1, 2027, IFRS 18 provides guidance to enhance transparency and comparability in financial reporting by introducing requirements for the structured presentation of profit or loss, aggregation and disaggregation of financial data, disclosures of management-defined performance measures ("MPMs") and clarity in the classification of operating, investing, and financing activities in the statement of cash flows. New disclosures must reconcile MPMs to IFRS measures, explaining their relevance and calculation.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Judgements

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

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Going Concern

The assessment of the Company's ability to execute its strategy for exploration involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is material uncertainty regarding the Company's ability to continue as a going concern.

Property Title

Although the Company takes steps to verify title of exploration and evaluation assets in which it has an interest, however, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected agreements.

Taxes

The Company applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

Mineral Properties

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Company's review considers the following:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Share-based compensation

- The recognition of expenses associated with the Company's stock option plan requires estimates of the fair value of stock options and warrants granted. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the options and warrants.

Deferred taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Modification versus extinguishment of financial liability

Judgement is required in applying IFRS 9 Financial Instruments ("IFRS 9") to determine the amended terms of the loan agreements are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liability.

(c) Cash

Cash includes cash balances with banks.

FINANCIAL INSTRUMENTS

Non-derivative financial instruments are comprised of cash and cash equivalents, restricted deposits, accounts receivable, accounts payable and accrued liabilities, due to related party and long-term debt. Non-derivative financial instruments are initially measured at fair value, then at amortized cost using the effective interest rate method.

The Company does not have significant exposure to interest rate risk. Accounts receivable is comprised predominantly of goods and services taxes and input tax credits.

OTHER MD&A REQUIREMENTS

Record Ridge Property

As at December 31, 2024 exploration and evaluation assets of the Company were \$1,508,364. No amortization is taken on the Company's mineral properties, as production on such properties has not commenced.

Exploration expenditures incurred by the Company prior to the determination of the feasibility of mining operations are expensed as incurred, (see details provided in previous sections.) Mineral property acquisition costs and exploration and development expenditures incurred subsequent to such determination, and to increase or to extend the life of existing production, are capitalized and amortized over the estimated life of such properties following the commencement of commercial production. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized on the unit-of-production method based upon estimated reserves as determined by independent consulting engineers. When there is little prospect of further work on a property being carried out by the Company or other indicators of impairment, the capitalized costs associated with the property are written down to their estimated recoverable amount.

Costs to acquire mineral leases, include direct legal costs are capitalized and in mineral properties. The amounts shown for exploration and evaluation assets represent costs incurred to date, less recoveries and write-downs, and are not intended to reflect present or future values.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Equity instruments issued and outstanding:

	April 12, 2025	December 31 2024	December 31 2023
Common Shares	105,908,922	101,239,632	89,477,621
Warrants	22,135,226	18,860,914	11,028,819
Stock Options	9,058,000	9,058,000	8,730,000
Fully diluted	137,102,148	129,158,546	109,236,440

RISK FACTORS

The Company's business is the exploration, development and production of mineral resources. As the Company's business is in an exploration phase, an investment in securities of the Company involves a high degree of risk. Shareholders of the Company should carefully consider all of the information in this document, including the following risk factors, as well as the usual risks associated with an investment in a business at an exploration stage. The risk factors discussed below do not necessarily include all risks associated with the business, operations and affairs of the Company.

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Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercially viable mineral resource.

The commercial viability of a mineral deposit is 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 mineral prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate. In addition, there is no assurance that the Company will be able to bring its magnesium mineral resource into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the required government permits required. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

Financial Needs to Maintain Going Concern Status

To date, the Company has not had any revenues from operations. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to continue exploration, development and commercialize of the Record Ridge South Property. There is no certainty that the Company will be able to obtain the financing required to continue its exploration and development activities. Equity financing and related party loans have historically been the Company's source of financing its operations. There can be no assurance that additional financing will be available to the Company, or, if it is, that it will be available on terms acceptable to the Company. If the Company is unable to obtain the financing necessary to support its activities, it may be unable to continue as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies, some of which have greater technical and financing resources than itself with respect to the ability to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities and for financing from third party investors. Competition in the mining industry could adversely affect the Company's prospects for mineral resource exploration in the future and cause the Company to fail to obtain appropriate personnel to pursue its objectives, the financing required to continue its exploration activities or further claims or properties to grow its business and operations.

Title to Properties

While the Company has investigated the title to the Record Ridge Property and all of its claims, the Company cannot guarantee that title to such property and claims will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers are often complex. The Company does not carry title insurance on its Record Ridge Property. A successful claim that the Company does not have title to its Record Ridge Property (or any portion thereof) could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

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Economic reserves development

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company's continued viability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production or from the proceeds from disposition of its mineral properties.

Related Party Debt

Related party debt is secured by the General Security Agreement and in the event of default by the Company, Big Mountain would be in a position to act on its security to obtain payment of the debt owed to it. The Company anticipates Big Mountain's continued support and expects that it will be able to negotiate annual renewals of its related party loans with Big Mountain or obtain additional financing from Big Mountain; however, should Big Mountain take actions which are not favorable to the Company, it may result in a material adverse effect on the business, operations or future prospects of the Company.

Commodity Pricing Risk

The Company is not currently producing and selling any mineral resources; however, a decrease in the interest of investors in magnesium (which may be caused by decreased commodity prices) could have a material adverse effect on the Company's ability to obtain ongoing financing and future off-takers.

Environmental Risk

Environmental regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations or inhibit the Company's ability to successfully act to develop its mineral resources.

Reliance on Technical Experts

Exploration and development involve securing the services of and reliance on technical experts, particularly in the areas of drilling, assay testing and analysis, metallurgy, geology, resource analysis and reporting. The Company's inability to obtain the services of such technical experts may have a material adverse effect on the Company's ability to proceed with its exploration and development plans.

Dilution to the Company's existing shareholders

The Company will likely require additional equity financing to be raised in the future. The Company may issue securities at terms more favourable than those at which existing shareholders acquired common shares of the Company to raise sufficient capital to fund the Company's business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial dilution, to present and prospective holders of common shares.

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Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business and operations is available on the Company's profile on SEDAR and on the Company's website at www.whyresources.com. Copies of the information can also be obtained by contacting the Company at (403) 660-3488 or by email to Frank Marasco Jr., the Company's President and Chief Executive Officer, at frank@whyresources.com.

Corporate Information

BOARD OF DIRECTORS:

Frank Marasco Jr., President and Chief Executive Officer
Patricia L. Nelson ⁽¹⁾ ⁽²⁾
Barry Baim, ⁽¹⁾ ⁽²⁾
Fouad Kamaledine
Maria Marasco

Notes:

- 1) Member of Audit Committee
- 2) Member of Compensation and Governance Committee

OFFICERS

Frank Marasco Jr.-President and Chief Executive Officer
Barry Balm - Corporate Secretary
Shelina Hirji, Chief Financial Officer

STOCK EXCHANGE LISTING:

TSX Venture Exchange
Trading Symbol: WHY

AUDITORS:

MNP LLP
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT:

TSX Trust Company,
Calgary, Alberta