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

Management Discussion and Analysis
For the year ended
December 31, 2022

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, 2022, in comparison with the same period of last year. This MD&A has been prepared by management as of April 27, 2023 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, 2022, and 2021and 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 under the symbol WHY. The Company's most recent filings, including its audited financial statements and notes thereto for the years ended December 31, 2022, and 2021, are available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed through the internet at www.sedar.com.

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 TSX Venture Exchange (TSXV:WHY), was founded in 2003, and has its head office in Calgary, Alberta. It is 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 10.5 km west to southwest of the City of Rossland, British Columbia. The property is 5 km north of the US-Canada border, in the BC Trail Creek Mining Division. The Company issued its Preliminary Economic Assessment (“PEA”) on the Record Ridge South Magnesium 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.

Current Highlights

Industrial Quarry Permit

On February 14, 2019, the Company submitted a joint permit application for a *Mines Act* (British Columbia) permit and *Environmental Management Act* (British Columbia) permit (collectively, the “Initial Permit Application"”) proposing to develop and operate the Record Ridge Property (the “RRIMM Project”). The Initial Permit Application’s structure and content follow the guidance provided in the “Joint Application Information Requirements for Mines Act and Environmental Management Act Permits” (dated February 2016) prepared by the British Columbia Ministry of Energy and Mines (the “Ministry”) and the British Columbia Ministry of Environment (together with the Ministry, the “Ministries”) and associated draft Section 4 revision (dated March 22, 2018). In addition, the Initial Permit Application addresses the list of information requirements as per the Joint Information Requirements Table (“IRT”) that was developed and reviewed by the Mine Development Review Committee of the Major Mines Permitting Office, specifically for the RRIMM Project.

The Company began an extensive program of collecting environmental data in 2016 under the guidance and direction of Greenwood Environmental Inc. (“Greenwood”) and in close coordination with SRK Consulting (Canada) Inc. (“SRK”), who provided engineering oversight and mine planning related services for and on behalf of the Company. The Company's RRIMM Project team has participated with reviewers from the Ministries in the pre-application phase to determine the requirements and any specifics and methodologies that were or may be required for the Permit Application. The Permit Application will now be screened against the information required in its unique IRT and any changes or additional information requested will be considered by the Company.

The Company announced on February 15, 2022, that it has submitted its amended joint *Mines Act* (British Columbia) and *Environmental Management Act* (British Columbia) permit application, amending the Initial Permit Application (the “Amended Application”), to the Ministry for the development and operation of the RRIMM Project. The additional information provided to the Ministry in the Amended Application is in response to feedback received from the Ministry stemming from its review of the Initial Permit Application. The Ministry will review the Amended Application and determine if it meets the requirements to commence the detailed technical review phase, or if the Company needs to provide additional information.

The Company met with the Ministry on March 30, 2022, and May 3, 2022, to provide clarity and additional information stemming from the Amended Application. A meeting planned for July 5, 2022, was deferred pending a request from the Ministry to undertake additional work by the Company.

In July of 2022, the Ministry requested as part of the Amended Permit application screening process, additional geotechnical work to characterize the foundation conditions at the proposed waste rock storage facility, soil stockpile, and sediment pond, as well as to characterize soil conditions and the overburden thickness along the crest of the quarry. The test pit field investigation was completed in August and September, and the results are currently used by SRK to complete (i) detailed design drawings (issued for construction readiness) for the sedimentation pond and associated ditches (clean and contact water), and (ii) operations, maintenance, and surveillance manual as required by the Ministry.

As of March 31, 2023, the Company has submitted all material information, mine site engineering designs, and corresponding reports requested by the Ministry in response to its questions and comments of July 2022 stemming from its amended permit application for the RRIM Project. The Ministry has a multi-step permit review process where major issues are identified upfront, followed by a detailed technical review. The Company and its consultants met with the Ministry on April 21, 2023, to discuss the Ministry's feedback on the requested material that has been submitted by the Company and to determine the next steps to initiate the final detailed technical review. Pending guidance from the Ministry the Company will initiate a comprehensive constituent, stakeholder, and indigenous open-house engagement process.

While adhering to the established permit process, the Company is also initiating a formal "request for proposal" process to invite interested groundworks contracting companies with expertise in mine site development and on-site road construction to submit their bids. Once a mining permit is granted to the Company, the Company plans to expedite mine site development and begin mining the ore to fulfill the terms as contemplated in letter of intent it signed with APA Galaxy Trade and Technology, LLC, and to generate cash flow.

Magnesium Hydrometallurgical Testing

In late 2017, the Company engaged Kingston Process Metallurgy Inc. ("KPM") of Kingston, Ontario to review the efficacies of a potential magnesium extraction process using hydrochloric, sulphuric and nitric acid leachates and to recommend a metallurgical process with a high magnesium recovery rate; a high leachate recovery rate; and, capable of producing a high-value commercial grade magnesia and magnesium hydroxide ("$Mg(OH)_2$") products from the Record Ridge serpentine. Based on its review, KPM recommended Hydrometallurgy based on hydrochloric acid.

On May 1, 2019, KPM reported its conclusions of its Stage 1 Pre-Feasibility Study ("PFS") report. The PFS Stage 1 testing focused on leaching and purification tests and the development of basic process data required to complete engineering design and economic analysis. Their report stated: "overall, the work has clearly demonstrated that it is possible to produce a high purity (>99%) magnesium chloride ("$MgCl_2$") solution from Record Ridge Property material using a commercially proven hydrochloric acid ("HCl") based treatment process. This solution would be suitable for the production of high value, high purity magnesium oxide ("MgO") and flame-retardant quality $Mg(OH)_2$using a commercially proven pyrohydrolysis. KPM recommended the Company proceed to Stage 2 of the PFS involving completion of the engineering design and costing.

On February 1, 2021, KPM initiated work on the first part of Stage 2 PFS, which included performing a set of laboratory scale experimental test work to validate the flowsheet from Stage 1 for the production of $MgO/Mg(OH)_2$ and saleable by-products. Stage 2 of the PFS was supported in part by advisory services and research and development funding from the National Research Council of Canada Industrial Research Assistance Program (NRC/IRAP). The specific objectives of this work were:

(a) to demonstrate that saleable MgO and $Mg(OH)_2$ products can be produced from ore at the Record Ridge Property;

(b) to investigate the production of various by-products from ore at the Record Ridge Property and specifically nickel chloride ("$NiCl_2$"), iron oxide ("Fe_2O_3") and silica ("SiO_2"); and

(c) to prepare a process flowsheet to show the operational integration and preliminary mass balance.

KPM conducted this metallurgical PFS work in close coordination with KON Chemical Solutions - a European process engineering and design company specialized in the processing of magnesium, and Tenova (Europe) ("Tenova"), a company specialized in the design and development of innovative technologies for the green and efficient recoveries of various metals and minerals. Tenova recently designed and installed an HCl based serpentine magnesium processing facility in Europe, which is currently in operation.

Testing was completed on March 31, 2021. The test work results validated the chemistry and process conditions proposed to produce high-purity MgO main product, in addition to SiO_2, Fe_2O_3, $NiCl_2$ and nickel oxide (NiO) by-products. A technical grade >98wt% pure MgO as well as high purity >99% MgO were achieved by 'static' roasting-washing-calcination process. Final results are expected shortly for the spray roasting process, successfully tested.

High-purity SiO_2 was produced as a by-product using chemical treatment of the initial leach residue. Fe solid residue was obtained in the Fe/Ni recovery section using the pyro-hydrolysis process from the solid filter cake obtained from the magnesium chloride purification stream. This was further calcined to produce a pure Fe_2O_3 by-product. Intermediate iron hydroxide FeO(OH) was obtained, which could prove to be a valuable by-product. Finally, $NiCl_2$ and NiO were also obtained in the subsequent tests. Although more test-work is recommended by KPM in the future to study and optimize the various by-products, the current test results showed the ability to obtain high-quality SiO_2, $Fe2O_3$ and $NiCl_2$/NiO products.

A preliminary commercial scale flowsheet and mass and energy balance were prepared based on the test results. A potential commercial plant flowsheet was developed and a high-level mass and energy balance was calculated for a plant treating 60,000 t/y ore. KPM recommended that the project proceeds to the next stage which would include (i) optimization test-work focused on the SiO_2, Fe_2O_3, FeO(OH), and $NiCl_2$/NiO by-products, and (ii) conducting detailed PFS to support the next step in project commercialization.

A two-stage commercialization pathway was recommended by KPM. In the first stage, a semi-commercial demonstration plant of a capacity 2 t/h (~15,000 t/y) ore will be designed, built, and operated. The design will be based on an analogous plant operating in Europe and customized using the results of the recent experimental work with the Record Ridge ore. The work will be done in collaboration with Tenova, Austria, a company that recently designed and built a similar plant in Europe. The objectives of the demonstration plant are to optimize the process, to provide data for the design of the commercial scale plant, and to produce samples for product qualification. The demonstration plant will be cash flow positive, and the Company plans to keep it in operation until the successful commissioning of its first commercial plant. In the second stage, a full-scale commercial plant (i.e. >150,000 t/y ore) will be designed and built.

The Company plans to bring the project to the next PFS stage and asked KPM and its European consultants to prepare PFS report that will include:

(a) a detailed design and economic evaluation of the demonstration plant; and

(b) a high-level design and economic evaluation of the commercial plant.

KPM provided a PFS draft on June 3, 2022, that included project economics and plant design of the demonstration and commercial plants. KPM requested more information on the market and pricing of the relevant magnesium products that will be produced by the Company. The Company engaged TAK Industrial Mineral Consultancy (London, England) ("TAK") and Rotterdam Bulk Logistics (Rotterdam, Netherlands)

("RBL") on July 4, 2022, to conduct a market study (the "Study") for the proposed magnesium products it will produce at the demonstration and commercial plants. The objectives of the Study include, but are not limited to, the following:

(a) assessing the applications of various magnesium products that will be produced by the Company;

(b) identifying potential high-value markets in Europe, North America, and Asia for high purity magnesium products;

(c) determining current pricing for various relevant grades of magnesium products and discussing the outlook for pricing trends;

(d) identifying specifications of relevant magnesium products from existing producers; and

(e) analysing the logistics costs for breakbulk and/or container shipments on a CIF/CFR basis to various potential target destinations.

TAK and RBL completed the Study on September 6, 2022 to support the project economic analysis. The Company engaged Bumigeme Inc. (Montreal) on October 20, 2022, to conduct and co-author the Economic Analysis section of the PFS report, which was completed on November 16, 2022.

The Company announced on November 29, 2022, the completion and the results of its PFS for the development of its high-purity MgO industrial production plant, prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). KPM, in consultation with KON Chemical Solutions and Tenova (Austria), was mandated to prepare plan and capital estimates of the project and to provide detailed design and economic evaluation of a semi-commercial demonstration plant, in addition to a high-level design and economic evaluation of a commercial plant, while the financial model of the project was prepared by Bumigeme Inc. (Montreal), based on the MgO market study that was prepared for the Company by TAK Industrial Mineral Consultancy (UK).

Key PFS highlights:

- Robust Project Economics: Post-tax net present value ("NPV") (discount rate 5%) of $871.8 million and post-tax internal rate of return ("IRR") of 72.03% using a long-term magnesia ("MgO") baseline price of $1,500/metric tonne ("t") and an exchange rate of CAD$1.00 = US$0.73.
- Production profile: Annual average production of 86,500 tonnes of 98% purity MgO product at capacity.
- Low capital intensity: Initial capital expenditures ("CAPEX") of $205.4 million including mine preproduction, processing, and infrastructure (access roads and site preparation)
- Competitive cost profile and rapid payback: All-in-Sustaining Cost ("AISC") of $375/t of MgO product, a post-tax payback of 1.5 years, with $1,489 million cumulated cash flow and $871 million discounted cumulated cash flow over 20-year projected life of the project for the purposes of the PFS.
- Based on 250K tonnes per annum of ore throughout.

BC Gold Drilling Permit

On September 4, 2020, the Ministry granted the Company a drilling permit for the drilling of 22 individual 600 meter/holes (totaling up to 20,000 meters in aggregate) on the Company's Midnight gold claim (the "Midnight Gold Claim"), located in the Rossland Gold Camp (the "Gold Project"). The Rossland Gold Camp historically produced over 2.76 million ounces of recovered Gold and 3.52 million ounces of recovered Silver. Historical gold production, geological work, and 2009 drill hole results reinforce the high potential of the Company's Midnight Gold Claim and the planned Gold Project.

The Company announced on April 5, 2022, that drilling mobilization had commenced and further announced in its press release on May 3, 2022, that gold drilling started on April 30, 2022. All efforts of mobilization and drilling startup have gone according to plan with camp infrastructure in place, core cutting and logging underway, and samples being prepared for shipment to the assay lab. The Company is on track in relation to its planned drilling activities and looks forward to sharing assay results as soon as they become available.

The Company, using the analysis from its 2009 gold drill program (the "2009 Drill Program") (where it drilled 26-holes on its Midnight Gold Claim), noted that except for two holes (MN09-19 and MN09-26), all holes intersected a series of quartz veins and gold-bearing serpentinites with significant gold values, notably hole MN09-15, which returned a weighted average of 40.1 g/tonne over a true width of 2.3 m including 198 g/tonne Au for a true width of 0.8 m near surface (13.9 m in drill depth); and hole MN09-24, which returned a weighted average of 25.16 g/tonne over a true width of 3.6 m including 73.23 g/tonne Au for a true width of 1.2 m. Highlights of the 2009 Drill Program are depicted below.

Hole	Depth (m)	From	To	Width (m)	Grade Au (g/t)	Comments
MN 09-4	123	31.3	39.4	8.1	12.2	Listwanized serpentinite 8 g/t Ag including 85.48 g/t Au and 58.2 g/t over 1 m
MN 09-6	121	13.6	26.8	13.2	7.40	Mixed Qtz + listwanized serp. 4.4 g/t Ag including 38.21 g/tonne Au & 53.3 g/tonne Au over 0.6 m & 0.5 m, respectively
MN 09 - 15	106	13.9	18	4.1	40.11	Green serp. & soapstone (19.7 g/tonne Ag including 198 g/t Au over 0.8 m
MN 09-24	82	28.9	33.5	4.6	25.16	Mixed Qtz veins & serpentinite including 73.23 g/t Au over 1.5 m

The Company raised $2,500,000 in a flow-through private placement offering in December 2021, with the objective of using the proceeds to support the Gold Project during the period ending December 2022.

The 2022 drilling program at the Midnight Gold Claim was completed as of October 30, 2022 (the "2022 Drill Program"), resulting in a total of 6,202 metres of drilling having been carried out in 41 drill holes to a maximum depth of 513 metres. Logging and core cutting have finished for the season with a few of the last hole cores needing to be cut in the spring of 2023 once the weather allows access to the core logging and storage area. The Company has released gold results previously (see August 30, 2022, and September 20, 2022 news releases for more information) that reflect positive results for a number of identified intervals from the early holes located in the listwanized ultramafic rocks hosting the high-grade Baker Vein. These results only represent six (6) of the 41 holes. A total of 1,240 samples await processing at ALS Labs.

As previously released, the 2022 Drill Program yielded positive results in multiple intervals and zones. While the 2022 Drill Program of all planned holes was completed, core cutting, logging, and assaying of approximately 800 meters could not be completed due to inclement weather that forced operations to cease earlier than expected.
Based on previously released and forthcoming drill core results, the Company plans to further define the gold mineralization on its Midnight Gold Claim in order to allow the Company to proceed with a mineral resource estimate pursuant to NI 43-101.

Memorandum of Understanding – Big Blue Technologies LLC

On October 25, 2022, the Company signed a non-binding memorandum of understanding (the "MOU") with Big Blue Technologies LLC ("BBT"), a U.S.-based technology company that has developed a green process to produce Mg ingots from MgO and Mg ores, that contemplates, among other things, working towards entering into a definitive exclusive license agreement (the "License Agreement") with BBT.

The MOU contemplates that the License Agreement shall, among other things, grant the Company an exclusive license (the "License") to BBT's intellectual property to build and operate a demonstrative Mg processing facility in Canada (the "Demo Processing Facility"). Upon the Company's successful completion of the Demo Processing Facility during the initial portion of the term of the License Agreement, the MOU further contemplates that BBT will extend the exclusive License to the Company during the remaining term of the License Agreement in order to build, operate and/or sublicense one or more commercial Mg processing facilities (the "Commercial Processing Facilities"), either by itself or through joint ventures with third parties, in North America, Central America, and South America.

In consideration of BBT granting the License to the Company, the MOU states that the License Agreement will provide BBT with a two (2%) percent royalty on the Company's gross revenues derived from each of the Commercial Processing Facilities constructed by the Company during a specified time period to be set forth in the License Agreement. The Company will issue a news release updating this information and providing more detail on the parties and finalized terms once the License Agreement has been entered into.

Brokered and Non-Brokered Private Placements

(a) On January 19, 2022, the Company completed a second tranche closing (the "Second Tranche Closing") of the drawdown equity financing facility (the "ELOC Facility") of up to a total of $12,000,000 (the "Total ELOC Amount") with Alumina Partners (Ontario) Ltd. ("Alumina"), totaling 925,925 units issued to Alumina at a price of $0.54 per unit for total gross proceeds of $500,000. Each unit issued under the Second Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of $0.8375 per common share for 36 months from the date of the Second Tranche Closing. Further details of the ELOC Facility are described under Note (xii).

(b) On February 14, 2022, the Company issued 200,000 common shares upon the exercise of outstanding stock options of the Company by a single option holder for total gross proceeds of $24,000.

(c) On March 11, 2022, the Company completed a third tranche closing (the "Third Tranche Closing") of the ELOC Facility, totaling 892,857 units issued to Alumina at a price of $0.56 per unit for total gross proceeds of $500,000. Each unit issued under the Third Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of $0.875 per share for 36 months from the date of the Third Tranche Closing.

(d) On April 25, 2022, the Company completed a fourth tranche closing (the "Fourth Tranche Closing") of the ELOC Facility totaling 724,637 units issued to Alumina at a price of $0.50 per unit for total gross proceeds of $ 362,319. Each unit issued under the Fourth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one common share at a price of $0.775 per share for 36 months from the date of the Fourth Tranche Closing.

(e) On May 20, 2022, the Company entered into a debt settlement agreement with an arm's length creditor of the Company whereby it agreed to convert $1,883,822 in debt owed to said creditor by issuing 3,139,370 common shares of the Company (the "Settlement Shares") at a deemed price of $0.60 per Settlement Share in full and final satisfaction of the debt owing to the creditor (the "Debt Settlement Transaction").

(f) On September 22, 2022, the Company completed a fifth tranche closing (the "Fifth Tranche Closing") of the ELOC Facility totaling 925,925 units issued to Alumina at a price of $0.27 per unit for total gross proceeds of $250,000. Each unit issued under the Fifth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one common share at a price of $0.45 per share for 36 months from the date of the Fifth Tranche Closing.

(g) On December 22, 2022, the Company completed an initial tranche closing of a concurrent brokered private placement offering (the "Concurrent Offering") by issuing 1,570,000 flow-through units (the "Flow-Through Units") at a price of $0.50 per Flow-Through Unit for gross proceeds of $785,000 and 399,000 ordinary units (the "Ordinary Units") at a price of $0.42 per Ordinary Unit for gross proceeds of $167,580, representing aggregate gross proceeds of $952,580. Each Flow-Through Unit consisted of one common share issued on a flow-through basis and one-half of one common share purchase warrant (the "FT Warrants"). Each Ordinary Unit consisted of one common share and one common share purchase warrant (the "Ordinary Warrants"). One full FT Warrant, together with $0.70, entitles each holder to acquire one additional common share of the Company for a period of 18 months from the closing date. One full Ordinary Warrant, together with $0.70, entitles each holder to acquire one additional common share of the Company for a period of 24 months from the closing date. In connection with the closing of the Concurrent Offering, the Company issued 113,942 non-transferable share purchase warrants (the "Broker Warrants") to and as directed by GloRes Securities Inc. ("Broker"), equal to 6% of the number of Flow-Through Units and Ordinary Units issued under the Concurrent Offering to subscribers introduced by the Broker, and paid the Broker a cash commission of $55,056, being 6% of the aggregate proceeds from the number of Flow-Through Units and Ordinary Units issued under the Concurrent Offering to subscribers introduced by the Broker. The Broker Warrants have identical terms to the Ordinary Warrants. All securities issued in connection with the Concurrent Offering were subject to the standard four month and one day hold period from their date of issuance.

(h) During the year ended December 31, 2022, the Company issued 500,000 common shares upon the exercise of outstanding common share purchase warrants of the Company by a single warrant holder for total gross proceeds of $150,000 and the Company issued 200,000 common shares upon exercise of outstanding stock options of the Company by a single option holder for total gross proceeds of $24,000 in proceeds.

The following table sets forth selected annual financial information of the Company for, and as of the end of, each of the last three fiscal years. The selected financial information should be read in conjunction with the Company's annual financial statements and related notes thereto for the years ended December 31, 2022, 2021, and 2020.

Selected Annual Information

	2022	2021	2020
Revenues	$ -	$ -	$ -
Net loss	(3,811,879)	(2,569,821)	(1,352,530)
Net loss per share[1]	(0.05)	(0.04)	(0.02)
Total assets	2,850,455	4,397,510	1,637,482
Short term liabilities	5,859,692	6,155,362	5,108,929
Long term liabilities	-	1,801,705	1,606,867
Working capital deficit	(4,633,420)	(3,350,105)	(5,027,975)

Note:
(1) Net loss per share, basic and diluted

The Company had a net loss before taxes of $3,811,879 for the year ended December 31, 2022 (net loss of $2,569,821 for the year ended December 31, 2021). The Company has no commercial production at this time; therefore, it has no revenue from operations or sales.

During the year ended December 31, 2022, the Company incurred the following costs:

(a) The Company recorded head office costs of $1,413,671 (2021 - $974,910) including $367,354 in salaries expenses, and $676,128 of legal, audit, and accounting costs associated with general corporate matters.

(b) Included in the net loss for the year ending 2022 is $27,774 of stock-based compensation (2021 - $988,518). During the year ended December 31, 2022, the Company granted 80,000 options to consultants.

(c) The Company also incurred $2,581,838 (2021- $204,746) of exploration expenses associated with continued work on the environmental study, stakeholder engagement, and mine plan development as required by the Environmental Assessment Certification and permit processes set out by the BC Ministry of Mines.

The Company also engaged service firms to perform a series of hydrometallurgical tests on the Company's magnesium ore to evaluate magnesium and recovery alternatives. As of December 31, 2022, the Company has completed its commitment of $2,499,951 of qualifying expenditures in the gold drilling program.

Results of Operations

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Head Office Expenses				
Office salaries and benefits	**$90,755**	$87,000	**$367,354**	$348,000
Legal, audit, and accounting	**228,682**	226,856	**676,128**	524,861
Promotion and investor relations	**83,254**	43,936	**270,325**	84,886
Travel	**1,757**	852	**7,260**	2,066
Other office costs	**34,006**	3,515	**92,604**	15,097
Total Head Office Costs	**438,454**	362,159	**1,413,671**	974,910
Exploration Expenses				
Accommodation and meals	**1,586**	1,680	**12,328**	1,680
Assay	**79,503**	20,454	**115,789**	78,990
Pre-feasibility	**8,151**	-	**193,945**	-
Drilling	**378,023**	-	**1,534,956**	-
Consulting and labour	**114,438**	52,363	**497,783**	117,244
Freight and equipment transport	**6,953**	-	**19,185**	373
Freight equipment supplies	**37,524**	-	**173,610**	-
Miscellaneous field office	**3,910**	(567)	**7,720**	2,004
Property and mineral taxes	**500**	-	**3,711**	3,370
Travel and transportation	**4,219**	-	**22,811**	1,085
Total Exploration Costs	**634,807**	$73,930	**$2,581,838**	$204,746
Interest and bank charges	**93,673**	49,788	**257,247**	194,155
Interest on long term debt	**-**	50,820	**81,916**	194,838
Interest and Bank Charges	**$93,673**	$100,608	**$339,163**	$388,993
Non-cash expenses				
Depreciation and amortization	**5,480**	3,723	**22,741**	11,466
Deferred income tax recovery	**(416,659)**	-	**(416,659)**	-
Gain on settlement of debt	**(156,969)**	-	**(156,969)**	-
Stock based compensation	**27,774**	735,200	**27,774**	988,518
Foreign exchange (gain) loss	**-**	(300)	**320**	1,188
	$(540,374)	$738,643	**$(522,793)**	$1,001,172
Total expenses	**$626,560**	$1,275,340	**$3,811,879**	$2,569,821

Summary of Quarterly Results

	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	Mar. 31, 2021
	$	$	$	$	$	$	$	$
Total revenue	-	-	-	-	-	-	-	-
Total assets	**2,850,455**	3,324,236	4,337,849	4,551,703	4,397,510	1,802,819	1,688,856	1,623,424
Total long-term liabilities	**-**	-	-	1,854,000	1,801,705	1,750,886	1,701,499	1,653,507
Working capital surplus(deficiency)	**(4,633,420)**	(4,641,211)	(3,191,389)	(2,847,807)	(3,350,105)	(5,441,802)	(5,318,456)	(5,118,105)
Head office expense	**438,454**	319,711	376,453	279,053	362,159	156,737	289,800	166,214
Exploration expense	**634,807**	1,266,422	444,494	236,115	73,930	8,812	121,248	756
Net loss	**(626,560)**	(1,650,425)	(908,485)	(626,409)	(1,275,340)	(271,678)	(768,942)	(253,861)
Net loss per share (1)	**(0.01)**	(0.02)	(0.01)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)

Note:
(1) Basic and diluted

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

Liquidity and Capital Resources

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 Record Ridge South Property is proven to be an economically viable project.

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

As at December 31, 2022, the Company is indebted to Big Mountain Development Corp Ltd. (“Big Mountain”) in the amount of $3,747,637 (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 Company’s objective is to maintain a capital position in order to execute its business plan and maximize value for shareholders. Availability of capital is key to the future success of the Company and, as such, the Company strives to maintain strong relationships with the capital investment community. Methods employed to adjust the Company’s capital structure in the future could include any, all, or a combination of the following activities:

i) issuing new shares through a public offering or private placement;
ii) issuing convertible debt; or
iii) raising fixed or floating rate debt.

On December 15, 2021, the Company entered into a definitive agreement (the "Investment Agreement") for a drawdown equity financing facility (the "Facility") of up to CAD$12,000,000 with Alumina Partners (Ontario) Ltd. ("Alumina"), an affiliate of New York-based private equity firm Alumina Partners LLC. The Investment Agreement provides the Company with a financing facility over a period of 24 months (the "Term") during which the Company can draw down equity private placement tranches over the Term, with each tranche being in the amount of up to CAD$500,000. Each tranche will be comprised of units (the "Units") consisting of one (1) common share of the Company and one (1) Share purchase warrant at discounts between 15% and 25% of the market price of the shares. The exercise price of the warrants will be a 25% premium over the market price of the shares.

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 administrative costs and exploration costs to available cash resources. Spending is increased or decreased to match 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.

The Big Mountain Loans (as described above) resulted in the Company issuing to Big Mountain, as security for repayment of the Big Mountain Loans, promissory notes and first charge general security agreement over all of the existing and future assets of the Company (the "Security"). Pursuant to the security, in the event of a default by the Company on the Big Mountain Loans, Big Mountain may take actions to recover monies owing to it, which may include the seizure and sale of the Company's assets.

On December 31, 2022, the Company had a working capital deficit of $4,633,420 compared to a working capital deficit of $3,350,105 on December 31, 2021.

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 detailed above and, in the table, below.

On April 29, 2021 (as noted above), the Company received an additional advance of credit (the "Additional Advance ") forming part of the Big Mountain Loans in the principal amount of $750,000. The Additional Advance has a term of 12 months and will bear interest at the rate of 10% per annum. The Additional Advance is secured by the previously executed Security.

The Company did not receive any additional loans from any of its directors during the year ended December 31, 2022.

During the year ended December 31, 2021, the Company received a loan from one of its directors in the amount of $38,000. This loan was subsequently repaid. Furthermore, during the year ended December 31, 2021, the Company repaid all amounts outstanding on the loans from directors.

	December 31, 2022	**December 31, 2021**
Loan due December 31, 2022, bears interest at 8%	**$1,700,000**	$1,700,000
Advance on loan (8%)	**65,788**	65,788
Advance on loan (10%)	**750,000**	**750,000**
Accrued interest at end of year	**1,231,849**	1,015,650
Amount owed pursuant to Big Mountain Loans	**$3,747,637**	$3,531,438
Amount owed pursuant to Directors' Loans	**-**	193,260
Repayment of loan	**-**	(193,260)
Due to Related Party	**$3,747,637**	$3,531,438

Interest on related party loans is as follows:

	Year ended	
	December 31, 2022	December 31, 2021
Interest on related party loans	**$216,200**	$192,352
	$216,200	$192,352

Subsequent Events

On January 18, 2023, the Company completed a second tranche closing of the Concurrent Offering by issuing 309,530 Ordinary Units at a price of $0.42 per Ordinary Unit for total gross proceeds of $130,003. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.70 per share for 24 months from the date of closing.

On January 26, 2023, the Company completed the final tranche closing of the Concurrent Offering by issuing 159,523 Ordinary Units at a price of $0.42 per Ordinary Unit for total gross proceeds of $67,000. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.70 per share for 24 months from the date of closing.

On February 3, 2023, the Company's board of directors approved and authorized a grant of 1,748,000 stock options to various directors and consultants of the Company effective February 3, 2023. All options are vested on their date of grant. One option entitles the holder thereof to purchase one common share at a price of $0.45 per share for a period of five (5) years from the Option grant date.

Financial Instruments

Non-derivative financial instruments are comprised of cash and cash equivalents, restricted deposits, accounts receivable, accounts payable and accrued liabilities, due to a 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 South Property

As of December 31, 2022 exploration and evaluation assets were $1,508,364. No amortization is taken on the mineral properties as production has not commenced.

Exploration expenditures incurred 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 the property 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:

	Apr.26 2023	**Dec.31 2022**	Dec.31 **2021**
Common Shares	84,421,574	83,952,521	74,287,307
Warrants	7,627,406	7,158,352	3,349,454
Stock Options	8,355,000	6,607,000	7,002,000
Fully diluted	100,403,980	97,717,873	84,638,761

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.

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.

Risk Factors

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 that 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. The 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 the exploration, development, and commercialization 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 South 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 a 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 South Property. A successful claim that the Company does not have title to its Record Ridge South 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.

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 the necessary financing to complete the development of the properties, and upon future profitable production or from the proceeds from the 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 that 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.

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 at www.sedar.com 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 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)
Maria Marasco
1) Member of Audit Committee
2) Member of Compensation and Governance Committee

OFFICER
Frank Marasco Jr.-President and Chief Executive Officer
Shelina Hirji, Chief Financial Officer

STOCK EXCHANGE LISTING:
TSX Venture Exchange
Trading Symbol: WHY

AUDITORS:
KPMG LLP
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT:
TSX Trust Company,
Calgary, Alberta