



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

**Management Discussion and Analysis  
For the year ended  
December 31, 2025**

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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, 2025, in comparison with the same period of last year. This MD&A has been prepared by management as of April 17, 2026 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, 2025, and December 31, 2024 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, 2025, and 2024, 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.

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**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.

**(a) 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.

**(b) Industrial Minerals Quarry Permit Progress**

The Company submitted its initial *Mines Act and Environmental Management Act* (British Columbia) permit application for the RRIMM Project in February 2019, followed by an amended application in February 2022 responding to EMLI feedback. Subsequent meetings and technical assessments in 2022–2023 led to the completion of the screening process in May 2023, advancing the RRIMM Project into the final review phase.

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On October 21, 2025, the Company received its final *Mines Act* permit from the British Columbia Ministry of Mines and Critical Minerals (the “Final Permit”), authorizing the development and operation of the RRIMM Project. The Final Permit represents a major milestone for the Company and marks the transition of RRIMM Project from a multi-year regulatory and technical evaluation phase into an executable development and mining project. With this approval, the Company has substantially de-risked the path to near-term production and advanced its strategic alignment with federal and provincial priorities for domestic critical mineral supply and onshore refining capacity.

The issuance of the Final Permit confirms:

- acceptance of the Company’s mine plan, environmental safeguards, and operational commitments following rigorous review;
- authorization to initiate site development, construction, and controlled extraction of industrial mineral ore from the RRIMM Project for offsite processing; and
- validation of WHY’s long-term technical work, responsible development approach, and the project’s potential contribution to Canada’s critical mineral security, including enabling future phases aimed at domestic value-added processing ambitions.

Following issuance of the Final Permit, the Company has initiated the standard post-permit compliance steps required before construction. These include submitting final engineering drawings for permitted site infrastructure, updating select environmental and operational management plans to reflect permit conditions, completing required environmental field studies and monitoring programs, and coordinating construction planning with the Osoyoos Indian Band (the “OIB”) and project contractors.

On December 2, 2025, The Company announced completion of the first stage of the reclamation bond by submitting the initial bond payment to British Columbia Ministry of Mines and Critical Minerals, fulfilling a key permit requirement.

The Company announced on March 9, 2026, that it received a draft access permit from the British Columbia *Ministry of Transportation and Transit* (“MOTT”) for highway access associated with the RRIMM Project. The draft permit outlined the proposed framework for controlled project access from the provincial highway system, including the Cascade Highway corridor.

Highway access is a critical infrastructure component for the RRIMM Project. It supports construction mobilization, transportation logistics, and future mining operations. The Company is working with MOTT to finalize permit conditions, including final engineering design, traffic safety measures, and operational parameters required for project access.

The Company and its consultants are working diligently to finalize and obtain the remaining supporting permits from the B.C. Ministry of Forests and the Ministry of Environment, as well as a water license from the British Columbia *Ministry of Water, Land and Resource Stewardship*. These approvals are required for the RRIMM Project to be fully permitted before proceeding to the construction phase.

These activities are progressing as expected and position the Company to begin site development in 2026. Management continues to view the transition from permitting to execution as well-defined and on schedule. In parallel, the Company is actively managing legal proceedings related to the RRIMM Project. A judicial review application has been filed in the Supreme Court of British Columbia challenging aspects of the permitting process. The Company believes the regulatory process has been thorough, robust, and appropriate, and is actively defending its position. The timing of the judicial review outcome is expected in 2026. Additionally, an injunction decision issued in March 2026 is expected to be appealed, with proceedings anticipated in April 2026. The Company will continue to provide updates as material developments occur.

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With this regulatory step achieved, the RRIMM Project has moved from permit risk to execution risk, enabling the transition toward early-stage operations, initial revenue generation, and engagement with commercial partners.

Collectively, these developments significantly de-risk the RRIMM Project and reinforce its positioning as one of the most advanced magnesium development assets in North America. The Company remains focused on executing its development strategy, advancing Indigenous partnerships through the OIB and Skemxist Solutions (“SKM”), and aligning the project with increasing government and market demand for secure, domestic critical mineral supply chains.

(c) Road Construction and Mine Site Development

In March 2024, the Company engaged 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 Consulting (Canada) Inc., 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 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 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.

(d) Initiating Processing Pilot Program

In January 2026, the Company initiated a pilot test of its proprietary metallurgical processing technology. It entered a contract with Process Research Ortech Inc. (“PRO”), to conduct the pilot at PRO’s laboratory facility in Mississauga, Ontario.

Pilot operations have commenced, with completion, including delivery of a final report, expected in Q2 2026. This program marks a key step between the laboratory-scale work previously completed at Kingston Process Metallurgy (“KPM”) in Kingston, Ontario, and future full-scale industrial implementation. It is designed to generate critical data to validate process performance, operating parameters, and scalability.

The results are expected to support the initiation of a feasibility study for the Company’s first commercial processing plant, planned to begin later in 2026.

(e) Grant of Multi-Year Area-Based Exploration Permit

In January 2026, the Company was granted a multi-year area-based exploration permit by the Ministry of Mining and Critical Minerals, valid for a five-year period. This permit authorizes the Company to conduct additional exploration activities, including drilling, on its mineral claims located outside the designated Record Ridge mining area, which is fully covered under the existing permit.

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(f) Signing Definitive Forward Sales Agreement with Galaxy Trade and Technology, LLC

The Company announced on March 12, 2026, that it executed a definitive forward sales agreement (the “Agreement”) with Galaxy Trade and Technology, LLC, a U.S.-based international magnesium supply company (“Galaxy”), for the purchase and sale of magnesium-rich serpentine ore (the “Ore”) produced from its RRIMM Project.

The Agreement stems from the letter of intent signed with Galaxy on December 7, 2022. It establishes a long-term commercial partnership, secures a committed market for the Ore, and supports the Company’s transition to mine development and production.

Under the Agreement, Galaxy will purchase Ore over an initial two-year period, with an option to extend the term to nine years. The Agreement requires an initial deposit of US\$5,000,000 to be placed in trust with the Company to fund initial deliveries. It also establishes a unit price of US\$500 per metric tonne during the initial period, representing potential annual revenue of more than US\$30,000,000 per year during the initial two years and production stage.

The Agreement marks a key milestone in the commercialization of the RRIMM Project and establishes the first long-term supply relationship for the Ore to be produced from the project.

(g) Litigation and Regulatory Proceedings

The Company is currently involved in legal proceedings relating to the RRIMM Project.

A judicial review application has been filed in the Supreme Court of British Columbia challenging the August 2025 determination of the Environmental Assessment Office that the RRIMM Project is not subject to an environmental assessment under the Environmental Assessment Act.

In connection with this application, the Court granted an injunction on March 11, 2026, preventing the Company from commencing ground-disturbing construction activities at the project site until the judicial review is heard and determined. The judicial review hearing has been accelerated and is scheduled to commence on May 5, 2026.

The Company applied for leave to appeal the interlocutory injunction decision. On April 15, 2026, a justice of the Court of Appeal denied the application for leave, noting that the issues raised were largely fact-specific and that an appeal would not advance the underlying proceedings in light of the scheduled judicial review. The injunction remains in effect pending the outcome of the judicial review.

The Company will not pursue further appeal and is actively advancing its position in the judicial review proceedings.

(h) Brokered and Non-Brokered Private Placements

On March 10, 2025, the Company completed the first tranche closing of a new non-brokered private placement offering of units (“PP #1”) by issuing 2,931,391 units at a price of \$0.23 per unit for total gross proceeds of \$674,220. 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 PP #1 by issuing 1,737,899 units at a price of \$0.23 per unit for total gross proceeds of \$399,717. 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.

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(i) Other Share Issuances

On June 2, 2025, the Company issued 50,000 common shares from the exercise of 50,000 share purchase warrants at \$0.30 per share purchase warrant for total gross proceeds of \$15,000.

On June 9, 2025, the Company issued 280,000 common shares from the exercise of 280,000 share purchase warrants at \$0.30 per share purchase warrant for total gross proceeds of \$84,000.

On August 21, 2025, the Company issued 2,400,000 common shares from the exercise of 2,400,000 options at \$0.12 per share for total gross proceeds of \$288,000 and issued 100,000 common shares from exercise of 100,000 share purchase warrants at \$0.30 per share purchase warrant for total gross proceeds of \$30,000. A loss of \$608,000 was recognized on the settlement of \$228,000 of debt relating to 1,900,000 of the options exercised.

On September 5, 2025, the Company issued 50,000 common shares from the exercise of 50,000 share purchase warrants at \$0.30 per share purchase warrant and 112,000 common shares from the exercise of 112,000 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$54,200.

On September 19, 2025, the Company issued 73,478 common shares from the exercise of 73,478 share purchase warrants at \$0.35 per warrant and 525,000 common shares from the exercise of 525,000 share purchase warrants at \$0.30 per share purchase warrant for total gross proceeds of \$183,217.

On September 26, 2025, the Company issued 570,000 common shares from the exercise of 570,000 share purchase warrants at \$0.30 per share purchase warrant and 43,478 common shares from the exercise of 43,478 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$186,222.

On October 3, 2025, the Company issued 225,000 common shares from the exercise of 225,000 share purchase warrants at \$0.30 per share purchase warrant for the total gross proceeds of \$67,500.

On October 9, 2025, the Company issued 725,000 common shares from the exercise of 725,000 share purchase warrants at \$0.30 per share purchase warrant and 583,304 common shares from the exercise of 583,304 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$421,656.

On October 15, 2025, the Company issued 415,435 common shares from the exercise of 415,435 share purchase warrants at \$0.35 per share purchase warrant for the total proceeds of \$145,402.

On October 24, 2025, the Company issued 134,000 common shares from the exercise of 134,000 share purchase warrants at \$0.35 per share purchase warrant and 660,935 common shares from the exercise of 583,304 share purchase warrants at \$0.30 per share purchase warrant for total gross proceeds of \$245,181.

On October 29, 2025, the Company issued 525,000 common shares from the exercise of 525,000 share purchase warrants at \$0.30 per share purchase warrant and 1,080,000 common shares from the exercise of 1,080,000 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$535,500.

On October 31, 2025, the Company issued 75,000 common shares from the exercise of 75,000 share purchase warrants at \$0.30 per share purchase warrant and 143,487 common shares from the exercise of 143,487 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$72,720.

On November 7, 2025, the Company issued 1,200,000 common shares from the exercise of 1,200,000 share purchase warrants at \$0.30 per share purchase warrant for the total gross proceeds of \$360,000.

On November 14, 2025, the Company issued 180,000 common shares from the exercise of 180,000 share purchase warrants at \$0.30 per share purchase warrant for the total gross proceeds of \$54,000.

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On November 28, 2025, the Company issued 250,000 common shares from the exercise of 250,000 share purchase warrants at \$0.35 per share purchase warrant for the total gross proceeds of \$87,500.

**2. Results of Operations**

	Three months ended		Year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<b>Head Office Expenses</b>				
Office salaries and benefits	\$91,831	\$90,770	\$441,618	\$371,837
Legal, audit, and accounting	208,705	264,640	651,735	670,076
Promotion and investor relations	71,555	60,249	218,249	295,978
Travel	-	2,871	-	5,451
Other office costs	68,324	24,504	183,449	117,538
<b>Total Head Office Costs</b>	<b>440,415</b>	<b>443,034</b>	<b>1,495,051</b>	<b>1,460,880</b>
<b>Exploration Expenses</b>				
Accommodation and meals	-	-	-	923
Indigenous and First Nations	(5,765)	-	14,596	90
Drilling	-	1,343	4,196	1,933
Geophysical surveys	29,046	-	29,046	13,000
Permitting	12,371	-	12,371	-
Reporting	3,500	10,500	43,772	58,508
Geochemical sampling survey	20,678	-	31,678	19,770
Geological assays and analysis	836	-	7,947	-
Legal	22,331	5,860	38,624	76,870
Consulting and labour	273,418	188,671	560,865	838,383
Freight and equipment transport	-	-	122	602
Field equipment supplies	-	-	3,338	1,453
Miscellaneous field office	739	1,513	2,152	3,176
Project management	-	-	-	513
Property and mineral taxes	(101)	3,000	4,222	6,645
Utilities	852	-	2,307	1,454
<b>Total Exploration Costs</b>	<b>357,905</b>	<b>210,887</b>	<b>755,236</b>	<b>1,023,320</b>
Interest and bank charges	283,009	398,206	614,613	670,037
<b>Interest and Bank Charges</b>	<b>283,009</b>	<b>398,206</b>	<b>614,613</b>	<b>670,037</b>
<b>Non-cash expenses</b>				
Loss (Gain) on debt settlement	608,000	(75,000)	608,000	(75,000)
Depreciation and amortization	2,546	2,500	9,958	12,010
Deferred income tax recovery	-	-	-	-
Stock based compensation	132,684	103,000	157,239	358,512
Accretion	242,052	250,398	892,216	853,581
	<b>985,282</b>	<b>280,898</b>	<b>1,667,413</b>	<b>1,149,103</b>
<b>Total expenses</b>	<b>\$2,066,611</b>	<b>\$1,333,025</b>	<b>\$4,532,313</b>	<b>\$4,303,340</b>

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**3. SUMMARY OF QUARTERLY RESULTS**

	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sept.30, 2024	June 30, 2024	Mar.31, 2024
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total revenue</b>	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>3,333,697</b>	2,119,368	2,075,976	2,481,942	1,936,731	1,852,882	1,721,787	1,924,862
<b>Working capital surplus(deficiency)</b>	<b>(8,707,615)</b>	(8,357,225)	(8,255,048)	(7,836,067)	(7,836,067)	(7,823,731)	(7,140,332)	(6,562,098)
<b>Head office expense</b>	<b>440,415</b>	357,421	354,001	343,212	443,034	310,332	402,227	305,287
<b>Exploration expense</b>	<b>357,905</b>	143,664	168,360	85,307	210,887	356,070	305,490	150,873
<b>Net loss</b>	<b>(2,066,613)</b>	(846,270)	(876,698)	(742,732)	(1,333,025)	(1,010,470)	(1,036,023)	(923,822)
<b>Net loss per share</b> (1)	<b>(0.02)</b>	(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, 2025, the Company is indebted to Big Mountain Development Corp Ltd. ("Big Mountain") in the amount of \$7,163,879 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.

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.

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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, 2025, the Company had a working capital deficit of \$8,707,615 compared to a working capital deficit of \$ 7,836,067 at December 31, 2024.

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 Company received loans from Big Mountain, a related party by nature of being a significant shareholder of the Company, as detailed in the table below. The loans are due on demand, bear annual interest at the below noted rates and secured by promissory notes and a general security agreement over all the assets of the Company.

The Company did not receive any additional loans from any of its directors during the year ended December 31, 2025.

	8% loan	10% loan	Total
Balance, December 31, 2023	3,013,495	950,136	3,963,631
Debt extinguishment	(3,103,495)	(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	1,758,958	5,826,597
Accrued interest	289,262	155,804	445,066
Accretion	605,187	287,029	892,216
<b>Balance, December 31, 2025</b>	<b>4,962,088</b>	<b>2,201,791</b>	<b>7,163,879</b>

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 was 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. During the year ended December 31, 2025, the maturity dates were further amended to extend the date to December 31, 2026. The amendment was assessed under IFRS 9 and was accounted for as a modification.

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

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

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	Year ended	
	December 31, 2025	December 31, 2024
Interest on related party loans	448,216	375,451

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

### **Subsequent Events**

On January 7, 2026, the Company completed a new non-brokered private placement offering of units by issuing 1,000,000 units at a price of \$0.50 per unit for total gross proceeds of \$500,000. Each unit issued consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$0.65 per common share for twelve months from the date of the closing.

On January 26, 2026, the Company completed another non-brokered private placement offering of units by issuing 1,000,000 units at a price of \$0.50 per unit for total gross proceeds of \$500,000. Each unit issued consisted of one common share and one-half share purchase warrant exercisable into one additional common share at a price of \$0.65 per common share for twelve months from the date of the closing.

On March 11, 2026, the Company issued 785,750 common shares from the exercise of 785,750 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$275,012.50.

On March 26, 2026, the Company issued 93,000 common shares from the exercise of 93,000 share purchase warrants at \$0.35 per share purchase warrant for total gross proceeds of \$32,550.

On April 15, 2026, Company issued 500,000 common shares from the exercise of 500,000 options at \$0.18 per option for total gross proceeds of \$90,000.

### **CHANGES IN ACCOUNTING POLICIES**

#### Future accounting pronouncements

#### **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instrument: Disclosures**

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective on January 1, 2026, but are not expected to have a material impact on the Company's financial statements. 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 18 Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1 and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals, and categories for income and expenses in the statement of income, as well as requiring disclosure about management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. It will be effective on January 1, 2027, with earlier adoption permitted, and it must be adopted on a retrospective basis. The Company is currently evaluating the impact on its financial statements.

## **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.

#### Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

#### 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

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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.

Determination of control over subsidiary

The Company applies judgment in assessing whether it controls an investee in accordance with IFRS 10 Consolidated Financial Statements, particularly in cases where the Company holds less than a majority of the voting rights. Control is assessed based on the Company's power over the investee, exposure or rights to variable returns, and the ability to use its power to affect those returns. In making this assessment, management considers, among other factors, the purpose and design of the investee, the relevant activities and how decisions about those activities are made, substantive rights held by the Company and other investors, voting patterns at previous shareholders' meetings, and the existence of any contractual arrangements. Changes in facts and circumstances may require a reassessment of whether control exists.

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.

***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

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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.

Cash and Cash Equivalents

Cash includes cash balances with banks. Cash equivalents include cash balances with banks and short term investments with maturities of three months or less.

Restricted deposits

Restricted deposits consist of cash balances that are subject to contractual or regulatory restrictions on use and are therefore not available for general operating purposes. Restrictions may arise from requirements under letters of credit, environmental obligations, or other contractual arrangements.

**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, 2025 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.

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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:

	<b>April 17, 2026</b>	<b>December 31 2025</b>	December 31 2024
Common Shares	119,688,789	116,310,039	101,239,632
Warrants	2,000,000	5,743,341	18,860,914
Stock Options	6,443,000	6,943,000	9,058,000
Fully diluted	128,131,789	128,996,380	129,158,546

**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.

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.

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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.

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.

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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.

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**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](http://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](mailto:frank@whyresources.com).

**Corporate Information**

**BOARD OF DIRECTORS:**

Frank Marasco Jr., President and Chief Executive Officer  
Patricia L. Nelson <sup>(1)</sup>/<sub>(2)</sub>  
Barry Baim, <sup>(1)</sup>/<sub>(2)</sub>  
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 Baim - 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