WESTERN MAGNESIUM CORP.
(formerly Nevada Clean Magnesium Inc.)
Management's Discussion and Analysis
For the Period Ended July 31, 2019

This management's discussion and analysis of Western Magnesium Corp. (the "Company", or "WMC", formerly "Nevada Clean Magnesium Inc.") contains analysis of the Company's operational and financial results for the period ended July 31, 2019. The following should be read in conjunction with the Company's consolidated financial statements for the period ended July 31, 2019 and audited consolidated financial statements for the year ended October 31, 2018. All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

September 27, 2019

JURISDICTION OF INCORPORATION AND CORPORATE NAME

The Company was incorporated under the Company Act (British Columbia) on March 24, 1966 as "Ft. Lauderdale Resources Inc.". The Company changed its name to Amcorp Industries Inc. on July 20, 1990, to Molycor Gold Corporation on May 17, 1996, to Nevada Clean Magnesium Inc. on April 16, 2012 and to Western Magnesium Corporation on May 14, 2019. On May 14, 2019, the Company discontinued from the jurisdiction of the Business Corporations Act (British Columbia) and domesticated under the General Corporation Law of the State of Delaware under the name "Western Magnesium Corporation (WMC)". WMC is a publicly traded company with its shares listed on the TSX Venture Exchange ("TSX-V") under the symbol "WMG.V", OTCQB market under the symbol "MLYF" and on Frankfurt exchange under the symbol "M1V". The Company has one wholly-owned subsidiary, Western Magnesium Corp. (formerly "Nevada Clean Magnesium USA, Inc.", name change on December 19, 2018), incorporated in the State of Nevada. Western Magnesium Corp. manages the exploration work on the Company's Nevada properties. The address of the Company's Canadian office and principal place of business is #900 – 580 Hornby street, Vancouver, British Columbia, V6C 3B6.

HIGHLIGHTS

On November 06, 2017, the Company announced preliminary "proof of concept" in the production of magnesium metal from its bench scale pilot furnace located in Northern British Columbia. The metal is a result from a partial test charge being conducted in order to identify any operational deficiencies prior to a full charge test of dolime material. The charge contained dolomite from the Company's Tami Mosi deposit located east of Ely, Nevada, and ferro silicon (the identified base case reductant material contained in the NI 43-101).

On January 23, 2018, the Company received the final assay report assessing the purity of the raw magnesium metal produced from its bench scale pilot furnace test program. In accordance with ASTM E1479-16 standards, the testing was analyzed via inductively coupled plasma (ICP) by Gateway Analytical located in Gibsonia, Pennsylvania, USA. This unrefined magnesium metal was found to have a very good metal purity capable of producing ASTM B92 grade metal with minimal treatment. No impurities were found which would impact food grade applications.

In July 2018, the Company contracted Industrial Surplus Ltd. ("ISL") located in Fort St John, British Columbia, to build the newly designed continuous silico-thermic reduction furnace.

Under the guidance of James Sever, P. Eng. on December 11, 2018, the technical team produced a magnesium ingot from dolomite secured from the Tami Mosi property. This completes the proof of concept stage which will allow the technical team to develop an efficient pilot furnace capable of producing 2 kilograms of magnesium metal per hour.

The company has also engaged Silvertip Design NW for the design drawings for the silicothermic reduction unit.

On May 13, 2019, the Company announced that it completed the Arrangement, pursuant to which the Company was discontinued from the jurisdiction of the Business Corporations Act (British Columbia) and domesticated under the General Corporation Law of the State of Delaware under the name "Western Magnesium Corporation". In connection with the name change, Western Magnesium has also changed its stock symbol to "WMG" on the TSX Venture Exchange.

On May 21, 2019, the Company engaged Gregory FCA as its public relations agency of record.

The Company announced that it retained a roster of leading American and Canadian professional services firms to support its commercialization of a proprietary, clean magnesium metal processing technology. These firms add to an already impressive list of in-house magnesium experts who have been developing a technology which produces magnesium metal through a continuous process that requires less labor and energy than competitive processes.

On June 11, 2019, the Company announced that it has issued an indication of interest to acquire a former smelter site in the state of Washington.

During fiscal 2019, the Company closed four financings for total proceeds of $3,074,208 to finance the Company's growth strategy and ongoing operations

On August 15, 2019, the Company appointed Robert R. Odle, Ph. D. as Chief Process Engineer. Dr. Odle will manage WMC's technical operations and direction, including execution of the Company's research and development programs supporting its proprietary technology for the production of low-cost, green magnesium metal.

In August 2019, the Company engaged the services of RHK Capital, a boutique investment banking firm specializing in small to medium-sized transactions, and Moody Capital, a full-service securities brokerage and investment banking firm to assist in a capital raise.

On September 12, 2019 the Company announced a non-brokered private placement with a U.S. based private investment firm. The private placement will provide the Company with US $5,000,000 to finance the Company's growth strategy and ongoing operations. The investment will be done at a premium to the current market price of the Company's shares. The private placement will consist of common shares at US$0.25 and share purchase warrants at US$0.42 for a period of two years.

OUTLOOK

The outlook for the Company is positive; however, while slowly improving, the mining and metals investment sector for junior companies remains very selective. The investment community shows interest in well-planned and solid projects with a bright economic future such as ours but are nervous to invest into pre-revenue generating companies due to the volatile global financial sector. The demand and uses for magnesium continues to expand and there is strong demand for a second producer within the USA. In light of this fact, Management continues to endeavor to source funding and maintain a steady path for proceeding with the development of the Company's largest asset, being the Tami Mosi magnesium project located in Nevada. Our proven, technically focused management team is dedicated to taking the magnesium project to full development.

MINERAL EXPLORATION PROJECTS

Analysis of mineral property costs

	Beaverdell Property	Silverado Property	Tami Mosi Property	Total
Balance, October 31, 2017	**$ 1**	**$ 1**	**$ 1,407,665**	**$ 1,407,667**
Foreign currency translation	-	-	27,574	27,574
License	-	-	18,439	18,439
Balance, October 31, 2018	**1**	**1**	**1,453,678**	**1,453,680**
License	-	-	20,041	20,041
Foreign currency translation	-	-	430	430
Balance, July 31, 2019	**$ 1**	**$ 1**	**$ 1,474,149**	**$ 1,474,151**

Nevada, USA Mineral Properties

Silverado Property

The Silverado property is located in the Pinto mining district of Nevada, consists of 3 patented mining claims totaling approximately 120 hectares, and is 100% owned by the Company. The property has been impaired to $1 and the Company has no current plans for this property.

Tami Mosi Magnesium Property, Nevada

The Company owns a 100% interest in the unpatented mining claims located in the Schell Creek Range, 6.5 miles south- east of the town of Ely. The property and is subject to a 2% net smelter royalty in favor of the originating vendors and consists of 81 unpatented mining claims totaling approximately 677 hectares and 4 quartz unpatented claims totaling approximately 33 hectares.

On August 22, 2007 the Company announced the start of a drill program. The program consisted of up to 25 holes, totaling 15,000 feet (4500 meters) in 25 reverse circulation rotary holes to test four target areas along a strike length of more than 3 miles (5000 meters). In February 2008, the Company announced the discovery of high grade manganese grading 35.2% Mn over 15 feet (4.60 meters) in hole # TM-07-003 during the Phase I drilling program.

An additional nine diamond drill holes were completed in May, 2008. The recognition of magnesium in the assays resulted in the discovery of the potential for magnesium development. The nine holes ranged from 27.5 meters (90 ft) grading 10.5% Mg (17.12% MgO), to 164.63 meters (540 ft) grading 11.4% Mg (18.60% MgO), reporting Mg values over 2,600 meter (8,500 ft) strike length. Most of the drill holes ended in mineralization. The deposit remains open to the north along strike and to depth.

The Company engaged Teck Cominco Global Discovery Labs to analyze a 9.2 meter (30 ft.) section of hole # TM 07- 13 from 270 – 300 feet (82.3 m – 91.5 m), for purity of the dolomite. Hole # TM 07-13 averaged 11.4% Mg (18.6% MgO) over 164.4 meters (540 ft.). Results returned a high purity form of dolomite that is virtually identical with the National Bureau of Standards (NBS), Standard 88B.

In news release dated October 7, 2009, the Company announced receipt of NI 43-101 updated resource report from Norm Tribe and Associates quoting 236,183,772 tonnes of an inferred resource at a grade of 10.0% Magnesium. The NI 43-101 resource study estimate at 8.0% Magnesium cut-off is summarized as follows:

RESOURCE CALCULATIONS FOR TAMI MOSI

SECTION	AREA Sq.m.	HORIZ. m.	VOLUME Cu.m.	TONNAGE Tonnes		GRADE % Mg	POUNDS Mg.
1	**43500N**	**72,450**	**100**	**7,245,000**	**20,575,800**	**12.12**	**5,486,331,312**
2	43200N	78,378	100	7,837,800	22,259,352	10.62	5,200,675,001
3	43100N	58,873	100	5,887,300	16,719,932	10.16	3,737,239,201
4	**4300N**	**62,513**	**100**	**6,251,300**	**177,53,692**	**12.22**	**4,772,902,557**
5	42700N	46,354	100	4,635,400	13,164,536	10.09	2,922,263,701
6	42600N	64,290	100	6,429,000	18,258,360	9.19	3,691,475,225
7	42500N	99,316	100	9,931,600	28,205,744	10.5	6,515,526,864
8	42000N	29,483	100	2,948,300	8,373,172	10.16	1,871,571,405
9	4200N	65,001	100	6,500,100	18,460,284	11.02	4,475,511,253
10	41800N	26,558	100	2,655,800	7,542,472	9.74	1,616,200,900
11	41800N	16,897	100	1,689,700	4,798,748	11.38	1,201,414,549
12	41300N	26,491	100	2,649,100	7,523,444	9.45	1,564,124,008
13	4100N	37,326	100	3,732,600	10,600,584	9.33	2,175,875,872
14	40900N	17,436	100	1,743,600	4,951,824	10.21	1,112,278,707

15	40900N	19,400	100	1,940,000	5,509,600	9.1	1,103,021,920
16	40800N	35,264	100	6,526,400	10,014,976	9.95	2,192,278,246
						TOTAL POUNDS Mg.	49,638,690,722
				TOTAL TONNES AND GRADE UNDILUTED	214,712,520	10.51	
				WITH 10% DILUTION AT THE LISTED GRADE	21,471,252	4.89	2,309,877,290
				DILUTED TONNAGE AND GRADE	**236,183,772**	**10.00**	**51,748,568,012**

RESOURCE CALCULATION

Pounds per 1%/Tonne 22.06
Density: 2.84 Tonnes per cubic meter

The Company engaged Hazen Research Inc. as Phase 1 Process Development Study for Exploitation of the Tami Mosi resource. The resource is a premium quality dolomite containing an estimated 236 million tonnes.

On September 15, 2010, the Company announced the results of Hazen Research Inc.'s Phase I Process Development Study for exploitation of the Tami Mosi Resource. Hazen's work included a review of technical literature for recovering magnesium from dolomite deposits and the work done on the drill core samples from the Tami Mosi testing its purity. Hazen's initial assessment indicates the high-quality dolomite is an ideal basis for the production of magnesium-based refractorys, magnesium metal, cement and/or agricultural products. The report outlines potential process routes for production of both high value products and the recovery of magnesium metal and recommends Nevada Clean Magnesium Inc. to develop to a full feasibility for exploiting the resource.

In December 2010, the Company engaged Wardrop, a Tetra Tech Company, to complete a Preliminary Economic Assessment for N1 43-101 magnesium production study. The work included project management, geology, mining, metallurgical processing, environmental considerations, financial analysis, capital and operating cost estimates. In January 2011, the Company retained James Sever and Robert Brown, two renowned experts in magnesium industry, to assist the Company with the completion of the preliminary economic assessment study for the Tami Mosi magnesium project.

In August 2011, the Company announced an updated block modeling and resource analysis completed by Wardrop Engineering that resulted in an estimated increase of the inferred resource to 412 million tonnes of dolomite at an average grade of 12.3% magnesium (Mg), using a 12% Mg cut-off grade, for a contained metal content of 111 billion pounds of Mg. This estimate was included into the NI 43-101 Preliminary Economic Assessment Study for the Tami Mosi Magnesium Project, dated September 15, 2011. The NI 43-101 compliant Report was filed with the Regulators on SEDAR.

On October 17, 2011 the Company received a paper from Alpha Omega Engineering Inc. of Spokane Washington, USA, titled "A Discussion Paper for Potential Areas of Improvement within Nevada Clean Magnesium Inc. Tami Mosi Magnesium Project and Possible Effects upon Projected Profitability". The Paper identifies eleven potential cost saving areas and increases to revenue streams to the current NI 43-101.

On June 17, 2013, the Company announced the acceptance and publication of a paper titled "Waste Heat Recovery Opportunities in a Magnesium Silicothermic Reduction Plant" by the TMS (The Minerals, Metals and Materials Society). The paper is authored by James Sever P. Eng., Chief Technical Officer of the Company, who is recognized as a qualified person as defined by NI 43-101. The paper defines and quantifies potential reductions to operating costs and carbon dioxide emissions through energy production, whereby low-grade waste heat is recovered during the operation of the proposed vertically integrated Tami Mosi Magnesium project.

The paper suggests the following:

- Generation of 43 MW of electrical energy for use in the Tami Mosi project;
- Reduce operating costs by $0.17 per lb. Mg ingot; and
- Reduce the carbon footprint by 51 metric ton per hour of operation.

Potential ancillary benefits identified include:

- Generation of water as a co-product will eliminate the need for external water for plant operation;
- Plant productivity improvement through double operating cycles without incurring additional capital need for expansion of the power plant; and
- Facilitation of permitting of the plant and operations.

Waste heat recovery, together with the confirmation of two cycles per day as presented at the 2012 International Magnesium Association (IMA) conference by The RIMA Group, are just two of the items from the opportunities document that could potentially reduce operating costs and increase revenues for the Tami Mosi Project.

On October 10, 2014, the Company filed an amended 43-101 preliminary economic assessment and technical report of the Tami Mosi Magnesium Project dated effective September 15, 2011 and amended as of October 4, 2014. As a result of a review by the BCSC, the Company amended the 43-101 technical report as of October 4, 2014 to address the comments raised by the BCSC relating to including an after-tax based-case scenario, providing certificates of only qualified persons for all sections of the report, ensuring that the requirements for the disclosure of historical estimates have been met, ensuring that sections of the report have been updated to provide the specific disclosure required by the BCSC, and ensuring that the section on mineral resources has been revised to provide clarity on what is an inferred resource and what is a mineral reserve. There were no material differences between the mineral resources estimates regarding the Tami Mosi Magnesium Project set out in the original report and those set out in the amended report.

In November 2014, the Company announced that the Company's Board of Directors, after an internal review and analysis, determined that the NI 43-101 Preliminary Economic Assessment of the Tami Mosi Magnesium Project should be reviewed to consider additional potential project improvements. The original NI 43-101 Preliminary Economic Assessment was completed on September 15, 2011 and the Board believed that three potential opportunities which could significantly reduce operating costs and increase revenue on the Nevada Clean Tami Mosi Project had been sufficiently proven and thus should be considered for inclusion in in the amended NI 43-101 report, should the independent engineer and report writer determine the opportunities are available to the Company's operations.

On January 13, 2015 the Company announced it signed a License and Royalty Agreement with James Sever, P. Eng., to use Mr. Sever's unique knowledge and concepts for the Company's Tami Mosi and other properties for the commercial production of magnesium. In consideration for the license, the Company will pay to Mr. Sever a royalty in the amount of USD $0.003 per pound (USD $0.00661 per kilogram) of magnesium produced and sold by the Company where the condenser concept has been utilized and USD $0.0015 per pound of magnesium produced and sold from its properties without using the condenser concept. The initial term of the agreement ends on December 31, 2040, and is renewable.

On April 4, 2017 the Company announced the completion of the bench scale test furnace. This work was performed by Lindon Acres Enterprises of Fort St John, British Columbia. On October 17, 2017, the Company announced successful furnace preparations which is considered a major milestone in the testing of its bench scale pilot furnace.

On November 6, 2017, the Company produced magnesium metal from its bench scale pilot furnace that provided a preliminary "proof of concept". The charge contained dolomite from the Company's Tami Mosi deposit located east of Ely, Nevada and ferro silicon the identified base case reductant material contained in the NI 43-101. Test samples were submitted for analysis including the waste residue for specifications for the potential use as saleable co-products. All residue samples generated in this test were supplied to an interested international cement company for further testing and data analysis.

On January 23, 2018, the Company received the final assay report assessing the purity of the raw magnesium metal produced from its bench scale pilot furnace test program. The testing was analyzed by Gateway Analytical located in Gibsonia, Pennsylvania, USA in accordance with ASTM E1479-16 standards via inductively coupled plasma (ICP). This unrefined magnesium metal was found to have a very good metal purity capable of producing ASTM B92 grade metal with minimal treatment. No impurities which would impact food grade applications were found.

In July 2018, the Company contracted ISL located in Fort St John, British Columbia, to build the newly designed continuous silico-thermic reduction furnace.

In December 11, 2018, the technical team under the guidance of James Sever, P. Eng., has produced a magnesium ingot from dolomite secured from the Tami Mosi property. This completes the proof of concept stage allowing the technical team to develop an efficient pilot furnace capable of producing 2 kilograms of magnesium metal per hour.

The company has also engaged Silvertip Design NW for the design drawings for the silicothermic reduction unit.

British Columbia, Canada Mineral Properties

Beaverdell Property, Greenwood Mining Division

The Beaverdell property is located 3 kilometers southeast of Beaverdell, British Columbia, and is owned 100% by the Company.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS. The functional and reporting currency of the parent has been determined to be Canadian dollars as of July 31, 2019. The functional currency of the subsidiary has been determined to United States dollars.

The selected annual information for the years ended October 31, 2018, 2017 and 2016.

Years Ended:	**October 31, 2018**	October 31, 2017	October 31, 2016
Revenues	**$ -**	$ -	$ -
Expenses	**1,083,861**	935,457	683,958
Other expenses (recovery)	**-**	(48,840)	(161,008)
Net loss	**1,190,329**	886,618	522,950
Comprehensive loss		942,634	488,018
Basic and diluted loss per share	**(0.01)**	(0.01)	(0.00)
Total current assets	**262,190**	477,547	103,882
Total assets	**1,725,439**	1,997,079	1,552,542
Total current liabilities	**1,102,326**	1,026,858	1,173,069
Total long-term liabilities	**-**	385,775	427,625

RESULTS OF OPERATIONS

Period ended July 31, 2019 and 2018

The comprehensive loss for the period ended July 31, 2019 was $5,218,225 which compares to $593,717 in 2018. Net loss totaled $5,217,355 and $606,122 for the 2018. The significant fluctuations in costs are as follows:

Stock based compensation *(2019 - $1,637,001; 2018 – $38,707)*
The Company recorded non-cash stock-based compensation expense for 19,650,000 stock options which were granted in 2019 when 1,100,000 options were granted in the same period of 2018.

Salaries (2019 – $1,234,561; 2018 - $29,314)
During the period ended July 31, 2019, the Company hired seven executives under 5-year contracts and three employees, when there was only a president employed in 2018.

Consulting and shareholders communications (2019 - $910,484; 2018 - $305,426)
The increase in consulting and management fees in 2019 is a result of engagement various consultants, investor relation teams, and magnesium experts for shareholders awareness and assist in a capital raise.

Professional fees (2019 - $568,102; 2018 - $60,844)
The increase in professional fees represents the result of increased legal and audit services provided to the Company, which engaged a roster of leading American and Canadian professional services firms to support its commercialization of a proprietary, clean magnesium metal processing technology and assisted with re-domestication of the WMC in Delaware, USA.

Due diligence expense (2019 - $431,049; 2018 – $Nil)
The company is exploring the opportunity of acquiring a potential smelter site to become a center for magnesium metal production

Office and miscellaneous (2019 - $200,768; 2018 - $45,936)
In the first nine months of 2019, the Company increased operating activities and moved in the new office space which resulted in increased office and miscellaneous expenses.

Transfer agent and filing fees (2019 - $85,558; 2018 – $17,065)
During the period, the Company closed three private placements and re-domesticated under the General Corporation Law of the State of Delaware.

Foreign currency gain on transactions with subsidiary increased by $13,915 due to FX rate fluctuation.

Financial Position – July 31, 2019 and October 31, 2018

There was no significant change in the Company's financial position.

Current assets as at July 31, 2019 were $659,958 compared to $262,190 at October 31, 2018.

Exploration and evaluation assets were comparable and totaled $1,474,151 on July 31, 2019 and $1,453,680 as of October 31, 2018.

Current liabilities as at July 31, 2019 increased by net $463,287, over October 31, 2018.

Additional information on share issuances is contained under "*Liquidity and Capital Resources*".

Summary of Quarterly Results

Summarized results for the most recent eight quarters are as follows:

Quarters ended:	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018
Comprehensive loss	$3,084,966	$1,180,299	$952,962	$570,869
Basic and diluted loss per share	$0.01	$0.01	$0.00	$0.01

Quarters ended:	July 31, 2018	April 20, 2018	January 31, 2018	October 31, 2017
Comprehensive loss	$ 369,397	$208,210	$278,375	$ 123,369
Basic and diluted loss per share	$ 0.00	$0.00	$0.00	$0.01

(Fully diluted losses per share amounts have not been calculated as they would be anti-dilutive.)

Three months ended July 31, 2019 and 2018

During the third quarter of 2019, the Company reported a $3,054,430 loss and $3,084,966 comprehensive loss respectively vs $125,939 of loss and $106,133 comprehensive loss for the third quarter of 2019

The major increase due to the non-cash stock-based compensation expense of $1,300,638 for the options granted during the third quarter of fiscal 2019.

The other increases were $392,741 in consulting and shareholders communication, $515,905 in salaries, and $255,949 in professional fees as the Company, in addition to impressive list of in-house magnesium experts, engaged a roster of leading American and Canadian professional services firms in 2019 to support its commercialization of a proprietary, clean magnesium metal processing technology. Due diligence expenses of $317,037 were incurred on a potential smelter site. Office and miscellaneous expense increased by $95,724 and travel expense by $50,744 due to increase operating activity and new office space.

LIQUIDITY AND CAPITAL RESOURCES

Period ended:	July 31, 2019	October 31, 2018
Current assets	$ 659,958	$ 262,190
Exploration and evaluation assets	1,474,151	1,453,680
Equipment	114,865	6,069
Reclamation bonds	3,500	3,500
Current liabilities	1,532,280	1,102,326
Long term liabilities	-	-
Shareholders' equity (deficiency)	720,194	623,113
Working capital deficiency	(872,322)	(840,136)

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon the capital markets to finance its activities. However, there can be no assurance the Company will be able to obtain required financing in the future on terms acceptable to the Company. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, which will be derived from the exercise of stock options and warrants, and/or private placements.

As at July 31, 2019, the Company had a cash balance of $460,581 (October 31, 2018 - $239,807) and a working capital deficiency of $872,322 comparable to working capital deficiency of $840,136 as at October 31, 2018.

Operating activities used cash of $3,309,606 during first nine months of fiscal 2019, compared to $423,779 in 2018.

In the period ended July 31, 2019, the Company bought office furniture and equipment and renovated its new office space for a total of $120,384 and spent $20,041 on Tami-Mosi property.

The Company collected $3,614,805 (net of shares issue costs) in four private placements closed in the period ended July 31, 2019 and collected $56,000 of share subscription for the warrants exercised.

The Company does not generate revenue from operations and is dependent upon its ability to raise equity capital through the issuance of shares and exercise of warrants to pay ongoing operating expenses and the costs associated with its exploration and development activities. The Company expects this to continue for the foreseeable future.

SUBSEQUENT EVENTS

3,505,000 warrants at an average price of $0.07 were exercised subsequent to the period end. $56,000 was recorded in share subscription for the funds received prior to July 31, 2019.

On September 6, 2019, the Exchange approved the debt settlement of $57,500 to a non-arm's length party through the issuance of 328,571 common shares at a deemed price of $0.175.

In August 2019, the Company engaged the services of RHK Capital, a boutique investment banking firm specializing in small to medium-sized transactions, and Moody Capital, a full-service securities brokerage and investment banking firm to assist in a capital raise.

On September 12, 2019 the Company announced a non-brokered private placement with a U.S. based private investment firm. The private placement will provide the Company with US $5,000,000 to finance the Company's growth strategy and ongoing operations.

The investment will be done at a premium to the current market price of the Company's shares. The private placement will consist of common shares at US$0.25 and share purchase warrants at US$0.42 for a period of two years.

USE OF PROCEEDS FROM FINANCING

Date of financing	Actual use of proceeds
2018 financings: $565,650	Funds used for general working capital and furnace engineering
2019 financing: $3,614,805	Funds used for general working capital
2019 financing: up to $5,000,000	Funds will be used for pilot furnace engineering and general working capital

COMMITMENTS

On January 1, 2016, the Company signed a service agreement with Lodestar Management Group, LLC. ("Lodestar"), a US corporate logistics company, which was extended on January 1, 2017 and 2018 with the same terms. Lodestar will provide advisory, consulting, negotiation and other management services relating to corporate management, administrative and/or operational activities of the Company. The term of the contract is for one year and is renewable. The Company has agreed to compensate Lodestar in the amount of $2,500 per month by arrangement of the issuance of shares. The number of shares issued will be based on the share price on the day of issuance that is not lower than the $0.05 per share minimum requirement and will not exceed $2,500 in value. The shares will be issued on the last working day of each month for a period of twelve months. The Company issued 1,050,000 shares at a price of $0.05 as of October 31, 2018 and 150,000 shares at a price of $0.05 during the period ended July 31, 2019.

On October 28, 2018, the Company signed an agreement with Industrial Surplus Ltd (ISL) located in Fort St. John, British Columbia, to build the newly designed continuous silico-thermic reduction furnace. ISL will be issued a total of 2,500,000 shares of the Company as compensation for the services rendered and expenses incurred in the construction of the furnace, at a price of $0.05 of which 1,250,000 shares will be issued at the time of completed procurement of materials and 1,250,000 at the time of total furnace construction with complete instrumentation. The agreement also allows for storage of not less than one year with compensation being the issuance of 1,500,000 shares of the Company, which have been recorded as an obligation to issue shares at October 31, 2017 with a fair value of $75,000 and issued on February 5, 2018. On November 13, 2018, ISS remuneration was increased to 8,000,000 shares of the Company at a price of $0.05.

Capital Stock

As at July 31, 2019 and the date of this report, the Company had 273,399,847 and 277,234,076 common shares issued and outstanding, respectively.

On November 30, 2018, the Company closed the second tranche of non-brokered private placement, originally announced on September 14, 2018, comprising of 7,699,760 units for gross proceeds of $384,988. Each unit consists of one common share at a price of $0.05 and one common share purchase warrant exercisable into one common share for a period of two years at a price of $0.08. An acceleration clause is included with the warrants such that the Company has the right, on thirty days' written notice, to require a holder to exercise the warrants so long as the closing trading price of the Company's common shares on the Company's principal trading market exceeds $0.10 per share for at least ten consecutive trading days at any time prior to the date of the Call Notice. The warrants will terminate on the date that is thirty days from the date of the Call Notice in the event that the holder has not exercised the warrants in accordance with the terms of the Call Notice by such date. The Company paid a finder's fees of $24,071 in cash and 145,960 shares at a price of $0.05 in connection with the second tranche.

During the period ended July 31, 2019, the Company issued a total of 150,000 shares to Lodestar at a price of $0.05 for the services provided.

On January 23, 2019, the Company closed a non-brokered private placement for gross proceeds of $317,422 comprised of 6,348,435 units at a price of $0.05. Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share for a period of two years at a price of $0.08. An acceleration clause is included with the warrants such that the Company has the right, on thirty days' written notice, to require a holder to exercise the warrants so long as the closing trading price of the Company's common shares on the Company's principal trading market exceeds $0.10 per share for at least ten consecutive trading days at any time prior to the date of the Call Notice. The warrants will terminate on the date that is thirty days from the date of the Call Notice in the event that the holder has not exercised the warrants in accordance with the terms of the Call Notice by such date. The Company paid finders fees totaling $7,381 in cash, 597,001 shares at a price of $0.05 and 40,000 broker warrants fair valued $1,138 under the same terms as the financing warrants in connection to this closing.

On March 29, 2019, the Company closed a non-brokered private placement for gross proceeds up to $587,523.20 comprising of 11,750,464 units at a price of $0.05 per unit. Each unit consists of one common share at a price of $0.05 and one common share purchase warrant exercisable into one common share for a period of two years at a price of $0.08. An acceleration clause is included with the warrants such that the Company has the right, on thirty days' written notice, to require a holder to exercise the warrants so long as the closing trading price of the Company's common shares on the Company's principal trading market exceeds $0.10 per share for at least ten consecutive trading days at any time prior to the date of the Call Notice. The warrants will terminate on the date that is thirty days from the date of the Call Notice in the event that the holder has not exercised the warrants in accordance with the terms of the Call Notice by such date. The Company paid finders fees totaling $37,767.27 in cash, 218,287 shares at a price of $0.05 in connection to this closing.

On May 13, 2019, the Company closed a non-brokered private placement for gross proceeds of $1,735,750.75 comprised of 34,715,000 units at a price of $0.05 per unit. Each unit consists of one common share at a price of $0.05 and one common share purchase warrant exercisable into one common share for a period of two years at a price of $0.08. An acceleration clause is included with the warrants such that the Company has the right, on thirty days' written notice, to require a holder to exercise the warrants so long as the closing trading price of the Company's common shares on the Company's principal trading market exceeds $0.10 per share for at least ten consecutive trading days at any time prior to the date of the Call Notice. The warrants will terminate on the date that is thirty days from the date of the Call Notice in the event that the holder has not exercised the warrants in accordance with the terms of the Call Notice by such date. In connection with this financing the Company paid a finder's fees of $126,900 in cash. $576,877 of share subscription was received as of July 31, 2019.

During the period ended July 31, 2019, 600,000 options at a price of $0.05 and 10,344,687 warrants at an average price of $0.07 were exercised.

Warrants

As at July 31, 2019 and the date of this report, the Company had 76,307,653 and 73,201,966, respectively, outstanding share purchase warrants enabling the holder to purchase common shares of the Company, with a weighted-average exercise price of $0.07 per share.

During the period, 60,551,254 warrants were issued at a price of $0.08, 1,640,000 expired at a price $0.05 and 10,344,687 exercised at an average exercise price of $0.07. Subsequent to July 31, 2019, 3,505,000 warrants were exercised at an average price of $0.07.

As at July 31, 2019, the following common share purchase warrants were outstanding:

Expiry date	Exercise price	Weighted Average Life (years)	October 31, 2018	Granted	Exercised	Expired/ Cancelled	July 31, 2018
December 22, 2018	$ 0.05	-	1,640,000	-	-	1,640,000	-
February 21, 2022	$ 0.05	2.56	2,005,200	-	(500,000)	-	1,505,200
March 27, 2022	$ 0.05	2.66	4,205,000	-	(758,800)	-	3,446,200
May 9, 2022	$ 0.05	2.78	7,104,886	-	(1,086,260)	-	6,018,626
August 14, 2022	$ 0.05	3.04	1,470,000	-	(100,000)	-	1,370,000
May 7, 2020	$ 0.07	0.77	3,100,000	-	-	-	3,100,000
October 4, 2020	$ 0.08	1.18	8,216,000	-	(800,000)	-	7,416,000
November 30, 2020	$ 0.08	1.34	-	7,699,760	(760,409)	-	6,939,351
January 23, 2021	$ 0.08	1.48	-	6,388,435	-	-	6,388,435
March 29, 2021	$ 0.08	1.66	-	11,750,464	(3,562,418)	-	8,188,046
May 13, 2021	$ 0.08	1.79	-	34,712,595	(2,776,800)	-	31,935,795
TOTAL			**27,741,086**	**60,551,254**	**(10,344,687)**	**1,640,000**	**76,307,653**
Weighted average exercise price			**$ 0.06**	**$ 0.08**	**$ 0.07**	**$ 0.05**	**$ 0.07**

Stock Options

As at July 31, 2019 and the date of this report, the Company had outstanding stock options 30,530,000, enabling the holder to purchase common shares of the Company. During the period ended July 31, 2019, the Company granted 9,600,000 stock options at a price of $0.05 and 10,050,000 at a price of $0.12 to directors, officers and consultants of the Company. 600,000 options at a price of $0.05 were exercised during the period and 11,267,000 expired.

As at July 31, 2019, the following options were outstanding:

Expiry date	Exercise Price $	Weighted Average Life (years)	Number of options October 31, 2017	Granted	Exercised	Expired/ Cancelled	Number of options July 31, 2019
August 12, 2023	0.05	4.04	4,010,000	-	-	(230,000)	3,780,000
January 9, 2019	0.11	-	5,700,000	-	-	(5,700,000)	-
May 9, 2019	0.08	-	400,000	-	-	(400,000)	-
May 29, 2019	0.08	-	800,000	-	-	(800,000)	-
June 3, 2020	0.05	0.84	2,250,000	-	-	(1,250,000)	1,000,000
February 11, 2021	0.05	1.54	1,600,000	-	(300,000)	-	1,300,000
August 16, 2021	0.05	2.04	2,000,000	-	(300,000)	-	1,700,000
March 27, 2022	0.05	2.66	3,487,000	-	-	(1,487,000)	2,000,000
May 1, 2022	0.05	2.75	1,100,000	-	-	(800,000)	300,000
May 24, 2019	0.05	-	300,000	-	-	(300,000)	-
April 19, 2023	0.05	3.72	1,100,000	-	-	(300,000)	800,000
December 5, 2023	0.05	4.35	-	9,600,000	-	-	9,600,000
May 22, 2024	0.12	4.81	-	10,050,000	-	-	10,050,000
TOTAL			**22,747,000**	**19,650,000**	**(600,000)**	**(11,267,000)**	**30,530,000**
Weighted average exercise price			**$ 0.07**	**$0.09**	**$ 0.05**	**$ 0.08**	**$ 0.07**

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Key management compensation

During the period ended July 31, 2019, the Company has hired, under 5 year contracts, seven executives, being President & Chief Operating Officer, Chief Executive Officer, Chief Financial Officer, President of Corporate Affairs, Executive Chairman, Chief Permitting Officer, and Investor Relations Manager with the total annualized salary is $2,149,600.

During the period ended July 31, 2019, the Company incurred salaries, management and consulting fees totaling $1,415,391 (2018 - $203,933) to directors, officers and the companies owned by those individuals.

During the period ended July 31, 2019, the Company recorded share-based payments of $1,310,464 (2018 – $62,388) for options granted to directors and officers of the Company.

The remuneration of the key management personnel for the period ended July 31, 2019 and 2018 was as follows:

	Short-term employee benefits	Share-based payments	Total
Period ended July 31, 2019			
Directors and officers	$ 1,415,931	$ 1,310,464	$ 2,726,395
Period ended July 31, 2018			
Directors and officers	$ 203,933	$ 62,388	$ 266,321

As at July 31, 2019, the balance owing to related parties is $764,782 (October 31, 2018- $795,711).

The balances referred to above are non-interest bearing, unsecured, receivable or payable on demand with no specific terms for repayment and have arisen from the provision of services and expense reimbursements or advances described.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

- Determination of functional currency;
- Asset carrying values and impairment charges;
- Impairment of exploration and evaluation assets;
- Capitalization of exploration and evaluation assets;
- Mineral reserve estimates;
- Estimation of decommissioning and restoration costs and the timing of expenditure;
- Income taxes and recoverability of potential deferred tax assets; and
- Share based payments.

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our Consolidated Financial Statements for the period ended July 31, 2019 and year ended October 31, 2018.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of precious metal properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund ongoing activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties where sufficient geologic or economic potential are noted and if financial resources exist to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts receivable, reclamation bond, accounts payable and accrued liabilities, and due to related parties.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The Company does not have any asset backed commercial paper.

Credit risk

The Company's main exposure to credit risk relates to its cash. Cash balances are held in Canadian and US chartered banks. The Company determined that is has limited exposure to credit risk related to receivables since these amounts are not material.

Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at July 31, 2019, the Company had cash of $460,581 to settle current liabilities of $1,523,280 which fall due for payment within twelve months of the statement of financial position date. The Company's cash is invested in business accounts which are available on demand. Management has determined that the Company will require additional financing to meet its obligations during fiscal 2019, and is actively engaged in raising funds via a private placement of units and convertible notes.

Market risk

The market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rate fluctuations. This is not a significant risk to the Company.

Foreign exchange risk

The Company's exposure to fluctuations in foreign exchange rates is limited.

OTHER RISK FACTORS

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and properties, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in undeveloped areas and the availability of infrastructure such as surface access, skilled labor, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity. The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company's exploration and development activities require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

The Company's activities are subject to extensive federal, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

The market price of securities of many companies, particularly exploration and development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation. Further, certain of the directors and officers are involved in other copper exploration companies and other companies that are developing mines. As a result, conflicts of interest may arise and officers and directors cannot devote 100% of their time to the Company.

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

APPROVAL

The board of directors has approved the disclosure contained in this MD&A.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Western Magnesium Corporation does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

MANAGEMENT

The following comprise key management and directors:

Edward Lee – Executive Chairman, Director
Barrie Fraser – President, Chief Operating Officer, Director
Sam Ataya – Chief Executive Officer, Director
Kristina Khersonski - Chief Financial Officer

Lisa Maxwell –President, Corporate Affairs
Frank Halliday – Chief Permitting Officer, Director
James Sever – Chief Technical Officer, Director
Steve Thorlakson – Independent Director
Jeff Wilson – Independent Director
Robert Brown – Independent Director
Michael Pickholz – Independent Director