



western
COPPER AND GOLD

Western Copper and Gold Corporation

**Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025**
(Unaudited, Expressed in Canadian dollars)

Western Copper and Gold Corporation

Condensed Interim Consolidated Financial Statements

(unaudited)

(Expressed in Canadian dollars)

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

	Note	June 30, 2025	December 31, 2024
		\$	\$
ASSETS			
Cash and cash equivalents	3	17,798,278	14,202,317
Short-term investments	4	40,647,232	53,770,674
Marketable securities	5	2,408,894	1,079,200
Other assets		694,434	954,853
CURRENT ASSETS		61,548,838	70,007,044
Property, plant and equipment		50,000	37,868
Right-of-use assets		238,590	57,654
Exploration and evaluation assets	6	135,317,346	122,690,820
ASSETS		197,154,774	192,793,386
LIABILITIES			
Accounts payable and accrued liabilities		5,217,725	3,122,495
Current portion of lease obligation		123,434	33,408
CURRENT LIABILITIES		5,341,159	3,155,903
Lease obligations		123,655	27,231
LIABILITIES		5,464,814	3,183,134
SHAREHOLDERS' EQUITY			
Share capital	7	275,365,655	272,544,984
Contributed surplus		39,440,933	38,916,835
Deficit		(123,116,628)	(121,851,567)
SHAREHOLDERS' EQUITY		191,689,960	189,610,252
LIABILITIES AND SHAREHOLDERS' EQUITY		197,154,774	192,793,386

Approved by the Board of Directors/s/ Robert Chausse Director/s/ Klaus Zeitler Director

Western Copper and Gold Corporation

Condensed Interim Consolidated Financial Statements

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
			\$	\$	\$
Depreciation		16,821	51,134	33,382	102,868
Filing and regulatory fees		41,409	100,942	278,707	324,822
Office and administration		135,797	162,313	324,819	280,556
Professional fees		232,867	150,713	355,909	613,178
Share-based payments	9a	747,852	690,293	1,389,656	1,333,254
Shareholder communication and travel		204,494	234,834	353,665	420,516
Wages and benefits		681,165	1,859,954	1,417,790	2,401,614
CORPORATE EXPENSES		2,060,405	3,250,183	4,153,928	5,476,808
Foreign exchange loss		18,122	1,135	3,029	256
Interest income		(541,358)	(637,884)	(1,207,722)	(978,759)
(Gain) loss on marketable securities	5	(909,174)	426,680	(1,684,174)	149,160
LOSS AND COMPREHENSIVE LOSS		627,995	3,040,114	1,265,061	4,647,465
Basic and diluted loss per share		0.00	0.02	0.01	0.03
Weighted average number of common shares outstanding		200,143,421	187,821,573	199,619,460	177,464,534

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30,	Note	2025	2024
		\$	\$
Cash flows provided by (used in)			
OPERATING ACTIVITIES			
Loss and comprehensive loss		(1,265,061)	(4,647,465)
ITEMS NOT AFFECTING CASH			
Depreciation		33,382	102,868
Finance costs		3,147	5,972
(Gain) loss on marketable securities		(1,684,174)	149,160
Share-based payments		1,389,656	1,333,254
		(257,989)	1,591,254
Change in non-cash working capital items	13	(1,082,040)	368,118
Settlement of DSU's	9c	(77,348)	-
OPERATING ACTIVITIES		(2,682,438)	(2,688,093)
FINANCING ACTIVITIES			
Financings		-	54,282,153
Financing costs		-	(3,243,466)
Exercise of stock options	9a	429,500	3,465,000
Exercise of warrants		1,275,000	-
Lease payments		(30,626)	(123,636)
FINANCING ACTIVITIES		1,673,874	54,380,051
INVESTING ACTIVITIES			
Redemption (purchase) of short-term investments		13,362,123	(51,197,377)
Mineral property expenditures		(9,062,003)	(5,707,252)
Proceeds from sale of marketable securities		354,480	-
Purchase of property, plant and equipment		(50,075)	-
INVESTING ACTIVITIES		4,604,525	(56,904,629)
CHANGE IN CASH AND CASH EQUIVALENTS		3,595,961	(5,212,671)
Cash and cash equivalents – Beginning		14,202,317	25,971,261
CASH AND CASH EQUIVALENTS - ENDING		17,798,278	20,758,590

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY**

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity
		\$	\$	\$	\$
DECEMBER 31, 2023	166,091,245	216,289,331	38,084,656	(114,929,737)	139,444,250
Private placement	5,071,640	8,282,154	-	-	8,282,154
Private placement issuance costs	-	(133,845)	-	-	(133,845)
Equity offering	24,210,526	45,999,999	-	-	45,999,999
Equity offering costs	-	(3,109,621)	-	-	(3,109,621)
Exercise of stock options	2,750,000	4,685,480	(1,220,480)	-	3,465,000
Exercise of restricted share units	70,975	145,201	(145,201)	-	-
Share-based payments	-	-	1,439,380	-	1,439,380
Loss and comprehensive loss	-	-	-	(4,647,465)	(4,647,465)
JUNE 30, 2024	198,194,386	272,158,699	38,158,355	(119,577,202)	190,739,852
Private placement issuance costs	-	(76,318)	-	-	(76,318)
Equity offering costs	-	45,981	-	-	45,981
Exercise of restricted share units	196,932	416,622	(416,622)	-	-
Share-based payments	-	-	1,175,102	-	1,175,102
Loss and comprehensive loss	-	-	-	(2,274,365)	(2,274,365)
DECEMBER 31, 2024	198,391,318	272,544,984	38,916,835	(121,851,567)	189,610,252
Exercise of restricted share units	138,006	224,869	(224,869)	-	-
Exercise of warrants	1,500,000	1,626,000	(351,000)	-	1,275,000
Exercise of stock options	525,000	969,802	(258,302)	-	711,500
Exercise of deferred share units	-	-	(375,095)	-	(375,095)
Share-based payments	-	-	1,733,364	-	1,733,364
Loss and comprehensive loss	-	-	-	(1,265,061)	(1,265,061)
JUNE 30, 2025	200,554,324	275,365,655	39,440,933	(123,116,628)	191,689,960

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Notes to the Condensed Interim Consolidated Financial Statements
As at and for the six months ended June 30, 2025
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1. NATURE OF OPERATIONS

Western Copper and Gold Corporation (together with its subsidiaries, “Western” or the “Company”) is directly engaged in exploration, permitting and development of the Casino mineral property located in Yukon, Canada (the “Casino Project”).

The Company is incorporated in British Columbia, Canada. Its head office is located at 907-1030 West Georgia Street, Vancouver, British Columbia.

While Western has been successful in raising sufficient capital to fund its operations, if the Company successfully progresses through permitting to the development and construction stage for the Casino Project, the Company will need to raise additional funds to complete the development and construction of the Casino Project. There can be no assurance that it will be able to raise such project financing in the future.

2. BASIS OF PRESENTATION

a. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) as applicable to the preparation of interim financial statements under IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

These financial statements were approved for issue by the Company’s board of directors on August 7, 2025.

b. IFRS Pronouncements

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. Management is currently assessing the effect of these amendments on our financial statements.

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IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. Management is currently assessing the effect of this new standard on our financial statements.

b. Accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to exercise judgement in the process of applying its accounting policies and to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates. Differences may be material.

Judgment is required in assessing whether certain factors would be considered an indicator of impairment for the exploration and evaluation assets. We consider both internal and external information to determine whether there is an indicator of impairment present and accordingly, whether impairment testing is required. Where an impairment test is required, calculating the estimated recoverable amount of the cash generating unit for non-current asset impairment tests requires management to make estimates and assumptions with respect to estimated recoverable reserves or resources, estimated future commodity prices, expected future operating and capital costs, and discount rates.

Changes in any of the assumptions or estimates used in determining the recoverable amount could impact the impairment analysis. Management did not identify any impairment indicators during the six months ended June 30, 2025.

Judgment is required in assessing whether a mineral property is in the exploration and evaluation phase and should be classified as an exploration and evaluation asset or if the exploration and evaluation phase has been completed and the mineral property should be reclassified as property and equipment. We determined that although a feasibility study for the Casino Project has been completed, the Company has not yet received the necessary licenses and permits required to consider the exploration and evaluation stage to have been completed.

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3. CASH AND CASH EQUIVALENTS

A breakdown of the Company's cash and cash equivalents is as follows:

As of	June 30, 2025	December 31, 2024
	\$	\$
Cash	6,998,448	6,740,232
Cash equivalents	10,799,830	7,462,085
TOTAL	17,798,278	14,202,317

As at June 30, 2025, cash equivalents are comprised of cashable guaranteed investment certificates ("GICs") with a weighted average interest rate of 2.84% and term of 90 days (December 31, 2024 – 3.54% and 60 days).

4. SHORT-TERM INVESTMENTS

As at June 30, 2025, the Company had \$40,256,194 (December 31, 2024 - \$52,500,000) invested in Canadian dollar-denominated GICs, plus total accrued interest of \$391,038 (December 31, 2024 - \$1,270,674). The GICs had a weighted average interest rate of 3.25% and a term of 325 days (December 31, 2024 – 4.83% and 347 days). The GICs are issued by Schedule 1 chartered banks in Canada.

5. MARKETABLE SECURITIES

As at June 30, 2025, the Company held marketable securities with an aggregate fair value of \$2,408,894 (December 31, 2024 - \$1,079,200). The fair value of the marketable securities is determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy).

6. EXPLORATION AND EVALUATION ASSETS

a. Casino (100% - Yukon, Canada)

The Casino Project is a copper-gold porphyry deposit located in Yukon, Canada.

The Casino Property is subject to a 2.75% NSR on the claims comprising the Casino project in favour of Osisko Gold Royalties Ltd. ("Osisko Gold") pursuant to the Royalty Assignment and Assumption Agreement dated July 31, 2017 when 8248567 Canada Limited assigned to Osisko Gold all of its rights, title and interest in the 2.75% NSR.

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b. Exploration and evaluation expenditures

	Total
	\$
December 31, 2023	110,236,198
Claims and maintenance	23,376
Engineering	868,331
Exploration and camp support	437,632
Permitting	9,674,264
Salary and wages	1,289,677
Share-based payments	161,342
December 31, 2024	122,690,820
Engineering	693,993
Exploration and camp support	203,660
Permitting	10,316,408
Salary and wages	1,048,007
Share-based payments	364,458
June 30, 2025	135,317,346

7. SHARE CAPITAL**a. Authorized share capital**

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

b. Financing

On May 6, 2024, the Company completed a private placement with Rio Tinto Canada ("Rio Tinto") pursuant to Rio Tinto's subscription rights as a result of the bought deal public offering (the "Offering") completed on April 30, 2024 (see below). Rio Tinto acquired 2,609,890 common shares of the Company at a price of \$1.90 per common share for gross proceeds of \$4,958,791.

On April 30, 2024, the Company completed the Offering and sold 24,210,526 common shares at a price of \$1.90 per common share for gross proceeds of \$45,999,999. The Company incurred \$3,063,640 costs associated with the Offering.

On March 25, 2024, the Company completed a private placement with Rio Tinto pursuant to Rio Tinto's subscription rights as a result of the private placement completed on March 1, 2024 (see below). Rio Tinto acquired 239,528 common shares of the Company at a price of \$1.35 per common share for gross proceeds of \$323,363.

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On March 1, 2024, the Company completed a private placement with Sandeep Singh, the Company's Chief Executive Officer. Mr. Singh purchased 2,222,222 common shares of the Company at a price of \$1.35 per common share for gross proceeds of approximately \$3,000,000. The Company incurred \$210,162 in costs associated with the private placements.

8. WARRANTS

A summary of the Company's warrants outstanding, including changes for the periods then ended, is presented below:

	Number of warrants	Weighted average exercise price
		\$
DECEMBER 31, 2024	1,500,000	0.85
Exercised	(1,500,000)	0.85
JUNE 30, 2025	-	-

During the six-months ended June 30, 2025, 1,500,000 warrants were exercised at an exercise price of \$0.85 for gross proceeds of \$1,275,000. The fair value of the warrants as of the date of issuance of \$351,000 recorded in contributed surplus was reclassified to share capital upon exercise.

9. EQUITY INCENTIVE PLANS

The Company has three equity incentive plans consisting of a stock option plan (the "Option Plan"), a restricted share unit plan (the "RSU Plan") and a deferred share unit plan (the "DSU Plan") (collectively the "Equity Incentive Plans"). Pursuant to the Company's annual general meeting held on June 17, 2021, it was approved that the maximum aggregate number of common shares issuable under the Equity Incentive Plans cannot exceed 10% of number of common shares issued and outstanding.

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a. Stock Options and Share-based payments

Stock Options

Under the Option Plan, the exercise price of the stock options must be greater than, or equal to, the market value of the Company's common shares on the last trading day immediately preceding the date of grant. Stock options vest over a two year period from the date of grant unless otherwise determined by the directors. The maximum stock option term is 10 years. At June 30, 2025, the Company could issue an additional 1,991,717 stock options under the terms of the stock option plan. A summary of the Company's stock options outstanding and the changes for the periods then ended, is presented below:

	Number of stock options	Weighted average exercise price
DECEMBER 31, 2023	6,714,334	1.59
Granted	4,837,000	1.70
Exercised	(2,750,000)	1.26
Expired/Cancelled	(94,000)	2.09
DECEMBER 31, 2024	8,707,334	1.75
Granted	481,225	1.61
Exercised	(525,000)	1.36
JUNE 30, 2025	8,663,559	1.77

During the three and six months ended June 30, 2025, the Company recognized an expense in respect of stock options of \$244,192 and \$549,832, respectively, in the statement of loss and comprehensive loss (three and six months ended June 30, 2024 - \$207,485 and \$731,292, respectively). During the three and six months ended June 30, 2025, \$37,073 and \$73,306, respectively, was capitalized (three and six months ended June 30, 2024, \$15,804 and \$29,879, respectively) in the exploration and evaluation assets in relation to stock options.

On June 12, 2025, 200,000 stock options were exercised by a former director of the Company. The proceeds from this exercise were settled against the cash payable pursuant to a concurrent DSU settlement (Note 9c).

Stock options outstanding are as follows:

Stock options outstanding, by exercise price	Number of Stock options	Weighted average exercise price	Average remaining contractual life
		\$	years
\$1.11 - \$1.41	1,000,000	1.35	3.65
\$1.42 - \$1.66	4,514,559	1.61	1.11
\$1.67 - \$2.10	1,699,000	2.06	1.75
\$2.11 - \$2.22	1,450,000	2.19	2.79
JUNE 30, 2025	8,663,559	1.77	1.96

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The average share price for options exercised during the six months ended June 30, 2025, was \$1.36 (six months ended June 30, 2024 - \$1.93). Of the total stock options outstanding, 5,486,992 were vested and exercisable at June 30, 2025. The weighted average exercise price of vested stock options is \$1.77, and the average remaining contractual life is 1.96 years.

Share-based payments

During the six months ended June 30, 2025, the Company granted 481,225 (six months ended June 30, 2024 – 4,342,000) stock options to employees, directors and consultants. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average assumptions and resulting fair values are as follows:

Inputs and assumptions	Six months ended June 30, 2025	Six months ended June 30, 2024
Exercise price	\$1.61	\$1.71
Market price	\$1.61	\$1.49
Expected option term (years)	5.0	3.0
Expected stock price volatility	54.0%	46.7%
Average risk-free interest rate	3.15%	3.95%
Expected forfeiture rate	-	-
Expected dividend yield	-	-
FAIR VALUE PER OPTION GRANTED	\$0.80	\$0.47

b. Restricted Share Units

The Company granted restricted share units ("RSUs") in accordance with the RSU plan approved at the June 17, 2021 shareholders meeting. These RSUs vest in three equal tranches: Tranche one - on completion of 12 months from grant date, Tranche two – on completion of eighteen months from the grant date and Tranche three – on completion of twenty-four months from grant date. These RSUs are classified as equity-settled as these awards will be settled by issuing the shares and are valued at the market price of the Company shares on the date of grant. As at June 30, 2025, the Company could issue an additional 4,266,849 RSUs under the RSU Plan. A summary of the Company's RSUs outstanding and the changes for the periods then ended, is presented below:

	Number of shares issued or issuable on vesting
DECEMBER 31, 2023	631,576
RSUs Granted	444,541
RSUs Converted to common shares	(267,907)
RSUs Forfeited	(152,467)
DECEMBER 31, 2024	655,743
RSUs Granted	986,682
RSUs Converted to common shares	(138,006)
JUNE 30, 2025	1,504,419

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In relation to RSUs, the Company recognized an expense of \$273,419 and \$549,333 for the three and six months ended June 30, 2025, respectively (three and six months ended June 30, 2024 – \$219,531 and \$338,685, respectively) in the statements of loss and comprehensive loss. During the three and six months ended June 30, 2025, \$148,405 and \$291,152 respectively, was capitalized, (three and six months ended June 30, 2024 - \$17,831 and \$76,247, respectively) in the exploration and evaluation assets.

c. Deferred Share Units

Only directors of the Company are eligible for deferred share units ("DSUs") and each DSU vests immediately and is redeemed upon a director ceasing to be a director of the Company. DSUs are classified as equity-settled as these awards will be settled by issuing the shares and are valued at the market price of the Company shares on the date of grant. As at June 30, 2025, the Company could issue an additional 2,996,383 DSUs under the DSU Plan.

	Number of shares issuable
DECEMBER 31, 2023	472,600
DSUs Granted	185,700
DECEMBER 31, 2024	658,300
DSUs Granted	171,650
DSUs Settled	(197,444)
JUNE 30, 2025	632,506

In relation to DSUs, the Company recognized an expense of \$230,241 and \$290,491 for the three and six months ended June 30, 2025, respectively (three and six months ended June 30, 2024 - \$263,277) in the statements of loss and comprehensive loss.

During the six months ended June 30, 2025, 197,444 deferred share units were settled by way of cash, rather than the issuance of shares. The aggregate cash payment owing of \$359,348 was net against the cash proceeds receivable from a concurrent option exercise of \$282,000 (Note 9a), resulting in a net cash payment to the holder of \$77,348.

10. KEY MANAGEMENT COMPENSATION

The Company's key management includes its directors and officers. The remuneration of key management was as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Salaries and director fees	\$ 556,331	\$ 1,568,638	\$ 1,096,639	\$ 2,097,228
Share-based payments	700,068	639,261	1,345,305	1,294,106
KEY MANAGEMENT COMPENSATION	1,256,399	2,207,899	2,441,944	3,391,334

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Share-based payments represent the fair value on grant date of stock options, RSUs and DSUs previously granted to directors and officers during the periods presented above. Salaries and share-based payments for certain officers are capitalized in exploration and evaluation assets and the balance is recognized in the statement of loss and comprehensive loss.

During the three and six months ended June 30, 2025, the Company recorded a bonus accrual of \$181,501 and \$363,003, respectively, which is recorded in salaries and director fees above. There was no bonus accrual recognized during the three and six months ended June 30, 2024.

All related party transactions are disclosed in the above Key Management Compensation section. There were no additional related party transactions.

11. SURETY BONDING

The Company holds a surety bonding arrangement with a third-party (the "Surety") in order to satisfy bonding requirements in the Yukon Territory. The total value of the Surety is \$786,777 of which \$nil is collateralized on the balance sheet as at June 30, 2025 (December 31, 2024 - \$nil).

12. SEGMENTED INFORMATION

The Company's operations are in one segment: the acquisition, exploration, and future development of mineral resource properties. All interest income is earned in Canada and all assets are held in Canada.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash working capital items

For the six months ended June 30,	2025	2024
	\$	\$
Change in other assets	178,489	(193,205)
Change in accrued interest	(238,681)	201,680
Change in accounts payable and accrued liabilities related to operations	(1,021,848)	359,643
CHANGE IN NON-CASH WORKING CAPITAL ITEMS	(1,082,040)	368,118

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14. CAPITAL MANAGEMENT

The Company considers capital to be equity composed of share capital, contributed surplus, and deficit. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop mineral resource properties.

The Company monitors its cash position on a regular basis to determine whether sufficient funds are available to meet its short-term and long-term corporate objectives, and makes adjustments to its plans for changes in economic conditions, capital markets and the risk characteristics of the underlying assets.

To maintain its objectives, the Company may attempt to issue new shares, seek debt financing, acquire or dispose of assets or change the timing of its planned exploration and development projects. There is no assurance that these initiatives will be successful.

There was no change in the Company's approach to capital management during the period. Western has no debt and does not pay dividends. The Company is not subject to any externally imposed capital restrictions.

15. FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity, credit, and market risk from the use of financial instruments. Financial instruments consist of cash and cash equivalents, short-term investments, marketable securities, certain other assets, and accounts payable and accrued liabilities.

a. Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company uses cash forecasts to ensure that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in redeemable GICs, which are highly liquid investments and available to discharge obligations when they come due. The Company does not maintain a line of credit.

b. Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and short-term investments. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company uses a restrictive investment policy. Cash and cash equivalents and short-term investments are held with high quality financial institutions. Substantially all cash and cash equivalents and short-term investments held with financial institutions exceeds government-insured limits. We have established credit policies that seek to minimize our credit risk by entering into transactions with investment grade credit worthy and reputable financial institutions. The carrying amount of financial assets, other than marketable securities, recorded in the financial statements represents Western's maximum exposure to credit risk.

Western Copper and Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

As at and for the six months ended June 30, 2025

(unaudited – prepared by management)

(Expressed in Canadian dollars)

c. Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Marketable securities are adjusted to fair value at each balance sheet date. A 10% fluctuation in value of its publicly traded marketable securities rate would have a minimal impact on the Company's loss and comprehensive loss.

As at June 30, 2025, the carrying amounts of cash and cash equivalents, short-term investments, marketable securities and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments. The fair value of the marketable securities is determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy).

d. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's financial assets and liabilities are not exposed to interest rate risk due to their short-term nature and maturity. Cash and equivalents and short-term investments are subject to fixed interest rates. The Company is not subject to interest rate risk.