

Cassowary Completes Qualifying Transaction, Consolidation and Name Change to Western Gold Exploration Ltd.

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CALGARY, Oct. 27, 2020 - Western Gold Exploration Ltd. (formerly [Cassowary Capital Corporation Ltd.](#)) (TSXV: WGLD) (the "Company") is pleased to announce that it has completed its previously announced "Qualifying Transaction" (the "Transaction"), with the result that the Company is now a Tier 2 mining issuer under the policies of the TSX Venture Exchange (the "Exchange") and engaged in the exploration and development of its prospective mineral properties located in Argyll County in western Scotland, with a focus on gold and copper exploration and development.

Harry Dobson, Executive Chairman of the Company commented: "This is an exciting development for Western Gold Exploration, as it continues to assess the potential of the Stronchullin prospect and surrounding areas. The team is looking forward to exploring Scotland's Dalradian rock formations further, to establish a better understanding of the mineral deposits located throughout the belt."

Change of Name and Stock Symbol, Resumption of Trading

Trading in the common shares of the Company is expected to begin on the Exchange under the Company's new name "Western Gold Exploration Ltd." and new stock symbol "WLGD", on Thursday, October 29, 2020.

Qualifying Transaction

As a result of the Transaction, the Company acquired all the issued and outstanding shares of Western Gold Exploration Limited ("WGE") in exchange for 32,666,883 common shares of the Company (on a pre-Consolidation basis (as defined below)). This share exchange was based on shareholders of the Company (prior to the Transaction) and WGE shareholders holding, 30% and 70% of the outstanding common shares of the Company upon completion of the Transaction (before the Concurrent Financing (as defined below)), respectively, on a deemed valuation of the Company (prior to the Transaction) of CAD\$0.1225 per common share (on a pre-Consolidation basis) and a deemed valuation of WGE of CAD\$4 million.

The Company now holds, through its wholly-owned subsidiary WGE, interests in two mineral properties in Scotland: the Knapdale Property and the Lagalochan Property. See the Company's Management Information Circular dated September 21, 2020 (the "Circular") issued in connection with the Transaction for further information about the Company and its mining interests. A copy of the Circular can be obtained from the Company's SEDAR profile at www.sedar.com.

Conversion of Subscription Receipts

In connection with the completion of the Transaction, the escrow release conditions associated with the 11,333,331 subscription receipts (the "Subscription Receipts") issued by the Company on August 19, 2020 were satisfied (the "Concurrent Financing"). As a result, the Subscription Receipts were automatically converted for no further consideration into 11,333,331 common shares of the Company (on a pre-Consolidation basis (as defined below)) and the gross proceeds of the offering (CAD\$1.7 million) were released to the Company.

See the Company's August 21, 2020 press release for further information regarding the Concurrent Financing, and as disclosed therein in detail: (i) aggregate cash finder's fees of CAD\$25,500 are now payable by the Company as a result of completion of the Transaction; and (ii) the Subscription Receipts

purchased under the Concurrent Financing by Stuart Olley, a director of the Company, and Gordon Chmilar, a former director and officer of the Company, were automatically converted into 40,000 common shares and 16,666 common shares of the Company (each on a pre-Consolidation basis), respectively.

In addition, six (6) "Pro Group" members (as defined in Exchange Policy 1.1) who subscribed for an aggregate of 2,480,000 Subscription Receipts under the Concurrent Financing, had their Subscription Receipts automatically converted into 2,480,000 common shares of the Company (on a pre-Consolidation basis, which is 992,000 common shares of the Company upon completion of the Consolidation described below).

Consolidation

The Company also announces the consolidation of its share capital on a 2.5 for 1 basis (the "Consolidation"), such that the Company now has an aggregate of approximately 23,354,705 common shares issued and outstanding. Shareholder authorization to effect the Consolidation was approved at the Company's annual general and special meeting held on October 20, 2020.

As indicated above, the Company's common shares will continue to be traded on the Exchange, but under the new symbol "WGLD", on a post-consolidation basis and under a new CUSIP number 95827R101 / ISIN number CA95827R1010, beginning on Thursday, October 29, 2020.

A letter of transmittal has been mailed to all registered shareholders of the Company with instructions on how to exchange existing share certificates for new share certificates. Additional copies of the letter of transmittal can be obtained from Alliance Trust Company or by accessing the Company's SEDAR profile at www.sedar.com. Until surrendered, each certificate formerly representing common shares of the Company will be deemed for all purposes to represent the number of common shares to which the holder thereof is entitled as a result of the Consolidation.

No fractional shares were issued as a result of the Consolidation. Shareholders who would otherwise be entitled to receive a fraction of a common share were rounded down to the nearest whole number of common shares and no cash consideration will be paid in respect of fractional shares.

Further details with respect to the Consolidation are contained in the Circular.

Board, Management and Corporate Matters

The Board of Directors of the Company are as follows: Harry Dobson, Ross McLellan, Willie McLucas and Stuart M. Olley. Mr. McLellan has been appointed Chief Executive Officer and Mr. Jim O'Neill has been appointed Chief Financial Officer and Corporate Secretary.

Biographies of board members and management are available in the Circular.

Escrowed Securities

In accordance with the policies of the Exchange, an aggregate of 12,169,691 common shares in the capital of the Company (post-Consolidation) are held in escrow pursuant to escrow agreements with Alliance Trust Company, as escrow agent, or subject to similar resale restrictions (collectively, the "Escrowed Shares"). The Escrowed Shares will be released from escrow based on the Exchange's Value escrow schedule as follows: 10% upon issuance of the Exchange bulletin granting final approval for the Transaction (the "Final Bulletin"); 15% on the date that is six months after the date of the Final Bulletin; 15% on the date that is 12 months after the date of the Final Bulletin; 15% on the date that is 18 months after the date of the Final Bulletin; 15% on the date that is 24 months after the date of the Final Bulletin; 15% on the date that is 30 months after the date of the Final Bulletin; and 15% on the date that is 36 months after the date of the Final Bulletin.

Additional Information

Additional information about the Company and the Transaction is available on SEDAR at www.sedar.com under the Company's profile. The summary of the Transaction and Consolidation set out above is qualified in its entirety by reference to the description of the Transaction and Consolidation in the Circular.

Resumption of trading on the Exchange is subject to a number of conditions. There can be no assurance that trading shall resume as set out herein or at all. Investors are cautioned that, except as disclosed in the Circular or in this press release, any information released or received with respect to the Transaction or the resumption of trading may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release is not an offer of the Company's securities for sale in the United States. The Company's securities may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and applicable U.S. state securities laws. The Company will not make any public offering of its securities in the United States. The Company's securities have not been and will not be registered under the U.S. Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Early Warning Reporting

As a result of the completion of the Transaction and the conversion of the Subscription Receipts:

- Zila Corporation (c/o GMS, Le Ruscino, 14 Quai Antoine 1er, Monaco, MC98000) (a founding shareholder of the Company and a former shareholder of WGE) now owns and controls 3,336,005 common shares of the Company. Of these shares of the Company, 2,879,338 common shares were acquired by Zila Corporation in exchange for its former shareholdings in WGE (acquired at an effective price of \$0.30625 per share) and 56,666 common shares were acquired in connection with the Concurrent Financing (acquired at an effective price of \$0.375 per share). Zila Corporation held approximately 7% of the common shares of the Company before these transactions and now holds approximately 14.28% of the common shares of the Company. The Company is advised that Zila Corporation acquired these securities for investment purposes and has no present intention to acquire further securities of the Company, although it may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.
- Smaller Company Capital Ltd. (c/o 4 Lombard Street, London, EC3V 9HD, United Kingdom) (a founding shareholder of the Company and a former shareholder of WGE) and the owners of Smaller Company Capital Ltd. (collectively, "SCC") now collectively own and control 2,226,581 common shares of the Company. Of these shares of the Company, 1,426,581 common shares were acquired by SCC in exchange for their former shareholdings in WGE (acquired at an effective price of \$0.30625 per share). SCC held approximately 13.9% of the common shares of the Company before these transactions and now holds approximately 10.93% of the common shares of the Company. The Company is advised that SCC acquired these securities for investment purposes and has no present intention to acquire further securities of the Company, although they may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.

- Eurasian Consolidated Minerals Pty Ltd. (c/o Level 4, 100 Albert Road, South Melbourne VIC 3205) (a former shareholder of WGE) now owns and controls 2,509,139 common shares of the Company (acquired at an effective price of \$0.30625 per share). Eurasian Consolidated Minerals Pty Ltd. held no common shares of the Company before these transactions and now holds approximately 10.74% of the common shares of the Company. The Company is advised that Eurasian Consolidated Minerals Pty Ltd. acquired these securities for investment purposes and has no present intention to acquire further securities of the Company, although it may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.

The number of common shares of the Company and the effective prices set forth under this heading are all disclosed on a post-Consolidation basis. A copy of the early warning reports required to be filed by Zila Corporation, SCC and Eurasian Consolidated Minerals Pty Ltd. with applicable securities commissions in connection with this acquisition will be available for viewing under the Company's profile on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the resumption of trading and escrow of the common shares of the Company, the filing of early warning reports, exploration activities and results and other information concerning future events or the intentions, plans and future action of the Company described herein. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, as well as those risk factors discussed or referred to in the Company's annual Management's Discussion and Analysis for the year ended December 31, 2019 available at www.sedar.com, many of which are beyond the control of the Company. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

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SOURCE Cassowary Capital Corporation Ltd.

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