

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

Western Exploration Inc. is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this offering, the issuer represents the following is true:

- The issuer has active operations, and its principal asset is not cash, cash equivalents or its exchange listing.
- The issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000 or 10% of the aggregate market value of the issuer's listed securities, on the date the issuer issues the news release announcing the offering.
- The issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The issuer will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.

MAY 9, 2023

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION



Western Exploration
A Legacy of Gold Discovery

Western Exploration Inc.

What are we offering?

**Type and
Number of
Securities
Offered:**

Western Exploration Inc. (the "**Company**" or "**Western Exploration**") currently anticipates offering a minimum of 1,774,193 units of the Company (the "**Units**") and up to a maximum of 3,646,000 Units at a price of \$1.55 per Unit, for minimum gross proceeds of \$2,750,000 and maximum gross proceeds of up to \$5,651,300 (the "**Offering**"). In connection with the Offering, up to 3,646,000 Units will be offered for sale in reliance on the "Listed Issuer Financing Exemption", representing the maximum allowable amount in accordance with Part 5A of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**").

Each Unit will be comprised of one variable voting share of the Company (each, a "**Variable Voting Share**") and one-half of one variable voting share purchase warrant of the Company (each whole warrant, a "**Warrant**"), to be offered by Echelon Wealth Partners Inc. and Canaccord Genuity Corp. (together, the "**Co-Lead Agents**"), on behalf of a syndicate of agents that includes Velocity Trade Capital (together with the Lead

Agent, the "**Agents**"), on a "best efforts" private placement basis. Each Warrant will entitle the holder thereof to purchase one Variable Voting Share (each, a "**Warrant Share**") at an exercise price of \$2.15 per Warrant Share for a period of 36 months from the date of issuance thereof, subject to adjustment in certain circumstances.

- Offering Price:** The Units will be offered at a price of \$1.55 per Unit.
- Minimum and Maximum Offering Size:** The size of the Offering is subject to a minimum of 1,774,193 Units (the "**Minimum Offering**") and a maximum of up to 3,646,000 Units (the "**Maximum Offering**"), for minimum gross proceeds of \$2,750,000 and maximum gross proceeds of \$5,651,300.
- Closing Date:** The Offering is expected to close on or about June 1, 2023, or such other date as the Company and the Lead Agent may agree.
- Exchange:** The Variable Voting Shares are listed for trading on the TSX Venture Exchange (the "**Exchange**") under the trading symbol "WEX". On May 8, 2023, being the last trading day before the date of this offering document, the closing price of the Variable Voting Shares on the Exchange was \$1.73 per Variable Voting Share.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Western Exploration is a mineral exploration company focused on the acquisition, exploration and development of precious metals and other mineral deposits in the State of Nevada. The Company's flagship asset is the 6,000 hectare Aura gold and silver project located in North Elko County, Nevada (the "**Aura Project**"). Previous exploration work completed at the Aura Project's most important mineral deposits, Doby George and Wood Gulch-Gravel Creek, has revealed an indicated resource of 652,271 Aueq ounces at 1.43 g/t and an inferred resource of 665,357 Aueq ounces at 1.71 g/t. Such mineral resource estimates are supported by a technical report titled "*2021 Updated Resource Estimates and Technical Report for the Aura Gold-Silver Project, Elko County, Nevada*" dated October 20, 2021 (with an effective date of October 14, 2021) prepared for Western Exploration by Mine Development Associates (the "**Technical Report**").

Further information regarding the business of the Company and the Aura Project can be found in the Company's most recent annual information form and the Technical Report, copies of which are available on SEDAR (www.sedar.com) under the Company's profile.

Recent Developments

On January 17, 2023, the Company announced the final results of its 2022 drill program at the Doby George deposit, one of three main mineral deposits located at the Aura Project. Drill results we're highlighted by: (i) intersects at 26.06 meters of 6.93 g/t Au and 12.34 meters of 4.57 g/t Au in drill hole DGC794; (ii) intersects at 30.94 meters of 2.07 g/t AuFA in drill hole DGC795; and (iii) intersects at 16.76 meters of 2.12 g/t Au in drill hole DGC796. The 2022 drill program was comprised of nine large diameter (PQ) core holes which were completed between July 26, 2022, and September 12, 2022.

On December 21, 2022, the Company completed a non-brokered private placement financing of an aggregate 814,286 units at a price of \$1.40 per unit for gross proceeds of \$1,140,000. Each unit is comprised of one Variable Voting Share and one-half of one Variable Voting Share purchase warrant of the Company.

On December 8, 2022, the Company announced the initial results of its 2022 drill program at the Doby George deposit, one of three main mineral deposits located at the Aura Project. Drill results we're highlighted by: (i) intersects at 74.22 meters of 1.71 g/t Au and 30.78 meters of 2.48 g/t Au in drill hole DGC791; (ii) intersects at 40.39 meters of 2.18 g/t AuFA in drill hole DGC792; and (iii) intersects at 26.98 meters of 2.12 g/t Au and 19.20 meters of 1.46 g/t Au in drill hole DGC793.

On October 24, 2022, the Company amended its notice of articles to change the identifying name of its outstanding class of shares from "Common Shares" to "Variable Voting Shares" (the "**Share Nomenclature Change**"). The purpose of the Share Nomenclature Change is to clarify to current and prospective shareholders of Western Exploration that the outstanding class of listed shares of the Company is subject to a variable voting structure whereby the aggregate voting power of the shares held of record by United States residents can be reduced in certain circumstances to ensure that the Company can preserve its status as a foreign private issuer under United States securities law, thereby allowing the Company to significantly reduce compliance costs in the United States.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use the net funds from the Offering (approximately \$2,377,500 assuming Minimum Offering, or approximately \$5,075,709) assuming the Maximum Offering, along with currently available funds (approximately \$700,000), to advance the exploration and development of the Aura Project, as well as for general working capital purposes.

With the anticipated funding (indicative allocation of costs shown in the table below assuming the Minimum Offering and the Maximum Offering, the Company's priorities are to: (i) complete Phase 1 of the Company's exploration program, as recommended in the Technical Report (the "**Exploration Program**"); (ii) commence work on a pre-feasibility study in respect of the Doby George deposit; and (iii) commence the Phase 2 drill program at Gravel Creek, as recommended in the Technical Report.

The Company expects these events will occur within the following timeline, with the following costs related to each event:

Business Objective	Expected Timeline	Assuming Minimum Offering Only⁽¹⁾⁽³⁾	Assuming Maximum Offering⁽¹⁾⁽²⁾⁽³⁾
Completion of Phase 1 of Exploration Program ⁽³⁾	Q3 2023	\$1,000,000	\$1,000,000
Commencement of Pre-Feasibility Study (Doby George) ⁽⁴⁾	Q3 2023	–	\$500,000
Commencement of Phase 2 Drill Program at Gravel Creek ⁽⁵⁾	Q3 2023	–	\$2,100,000
Total		\$1,000,000	\$3,600,000

Note:

- (1) Assumes no sales to President's List Purchasers for which a reduced commission would be payable.
- (2) Work includes IP geophysics, soil geochemistry, metallurgy, drill core assaying, mountain city field costs and geology and interpretation. See below under the heading "*Use of Available Funds – How will we use the available funds?*".
- (3) All amounts included in the table above are presented in Canadian dollars and represent the Canadian dollar equivalent of certain costs included in the budget for Phase 1 and Phase 2 of the Exploration Program, as recommended in the Technical Report. Such amounts have been converted on the basis of US\$1.00 = C\$1.256, representing the same currency exchange rate used in the Technical Report.
- (4) Represents the partial cost of completing the pre-feasibility study for Doby George. The total cost for completing the pre-feasibility study is estimated to be equal to \$1,256,000 (US\$1,000,000), as recommended in the Phase 2 budget included in the Technical Report.
- (5) Represents the partial cost of completing the dill program at Gravel Creek. The total cost for completing the Phase 2 Gravel Creek drill program is estimated to be equal to \$8,778,184 (US\$6,989,000), as recommended in the Phase 2 budget included in the Technical Report.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the offering?

The following table discloses what the Company's available funds will be after the Offering, together with additional sources of funding:

		Assuming Minimum Offering Only	Assuming Maximum Offering
A	Amount to be raised by this offering	\$2,750,000	\$5,651,300
B	Selling commissions and fees	\$222,500 ⁽¹⁾	\$425,591 ⁽¹⁾
C	Estimated offering costs (e.g., legal, accounting, audit)	\$150,000	\$150,000
D	Net proceeds of offering: D = A - (B+C)	\$2,377,500	\$5,075,709
E	Working capital as at April 30, 2023	\$700,000	\$700,000
F	Additional sources of funding	–	–
G	Total available funds G=D+E+F	\$3,077,500	\$5,775,709

Note:

- (1) Includes an advisory fee of up to \$100,000 payable to Kilcona Capital.

As the Company is in the exploration stage, its operations have been substantially funded by the issuance of common stock and mineral property earn-in agreements.

How will we use the available funds?

The following table provides a detailed breakdown of how the Company intends to use the available funds:

Description of intended use of available funds listed in order of priority ⁽¹⁾	Assuming Minimum Offering Only ⁽¹⁾⁽²⁾	Assuming Maximum Offering ⁽¹⁾⁽²⁾
Completion of Phase 1 of Exploration Program:		
IP Geophysics	\$250,000	\$250,000
Soil Geochemistry	\$25,000	\$25,000
Metallurgy	\$200,000	\$200,000
Drill Core Assaying	\$100,000	\$100,000
Mountain City Field Costs	\$175,000	\$175,000
Geology and Interpretation	\$250,000	\$250,000
Commencement of Phase 2 of Exploration Program:		
Pre-Feasibility Study (Doby George) ⁽³⁾	–	\$500,000
Drill Program (Gravel Creek) ⁽⁴⁾	–	\$2,100,000
Working capital and general corporate purposes, including salaries, legal, audit and public listing costs	\$2,077,500	\$2,175,709
Total	\$3,077,500	\$5,775,709

Note:

- (1) Assumes no sales to President's List Purchasers for which a reduced commission would be payable.
- (2) All amounts included in the table above are presented in Canadian dollars and represent the Canadian dollar equivalent of certain costs included in the budget for Phase 1 and Phase 2 of the Exploration Program, as recommended in the Technical Report. Such amounts have been converted on the basis of US\$1.00 = C\$1.256, representing the same currency exchange rate used in the Technical Report.
- (3) Represents the partial cost of completing the pre-feasibility study for Doby George. The total cost for completing the pre-feasibility study is estimated to be equal to \$1,256,000 (US\$1,000,000), as recommended in the Phase 2 budget included in the Technical Report.
- (4) Represents the partial cost of completing the dill program at Gravel Creek. The total cost for completing the Phase 2 Gravel Greek drill program is estimated to be equal to \$8,778,184 (US\$6,989,000), as recommended in the Phase 2 budget included in the Technical Report.

The Company's most recently filed audited annual financial statements and interim financial report each include a going concern note. The Company is an exploration stage mining company and has not yet generated positive cash flows from its operating activities, which may cast doubt on the Company's ability to continue as a going concern. The Offering is intended to permit the Company to advance the Aura Project towards the identification of a resource. It is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

The Company intends to spend the funds available to it as stated above. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Company spends in connection with each of the intended uses of proceeds will depend on a number of factors, including the Company's ability to execute on its business plan and financing objectives.

How have we used the other funds we have raised in the past 12 months?

On December 8, 2023, the Company completed a non-brokered private placement of an aggregate 814,286 units at a price of C1.40 per unit for aggregate gross proceeds of approximately \$1,140,000 (the "**December 2022 Offering**"). The net proceeds of the December 2022 Offering were used to advance the exploration and development of the Aura Project and for general corporate purposes.

FEEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

Agent Echelon Wealth Partners Inc. and Canaccord Genuity Corp., as co-lead agents, on behalf of a syndicate of agents that includes Velocity Trade Capital.

Commission In consideration for the services provided to the Company, the Company has agreed to (i) pay the Agents a cash fee equal to 7.0% of the aggregate gross proceeds of the Offering, and (ii) issue to the Agents such number of non-transferable broker warrants ("**Broker Warrants**") as is equal to 7.0% of the number of Units sold under the Offering. Each Broker Warrant will be exercisable to acquire one unit of the Company (each, a "**Broker Warrant Unit**") at a price of \$1.55 Broker Warrant Unit, for a period of 36 months following the Closing Date, subject to adjustment in certain events. Each Broker Warrant Unit will consist of one variable voting share of the Company (a "**Variable Voting Share**") and one-half of one Variable Voting Share purchase warrant of the Company, each whole warrant entitling the holder to purchase one Variable Voting Share at a price of \$2.15 per share at any time on or before that date which is 36 months after the Closing Date, subject to adjustment in certain events. Notwithstanding the foregoing, the compensation payable by the Company to the Agents for subscriptions received from subscribers included on a president's list to be formed by the Company (the "**President's List Purchasers**") shall be reduced to 3.5% in respect of the cash commission and 3.5% in respect of the Broker Warrants for the first \$3,000,000 of subscriptions received from such President's List Purchasers.

In addition, the Company has agreed to pay Kilcona Capital an advisory fee of up to \$100,000.

Does the Agent have a conflict of interest?

To the knowledge of the Company, it is not a "related issuer" or "connected issuer" of or to the Agent, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PURCHASER'S RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with the Company, or

- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

Prospective investors and security holders can access the Company's continuous disclosure under the Company's profile on SEDAR at www.sedar.com and on the Company's website at <http://www.westernexploration.com>.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This offering document contains "forward-looking information" or "forward-looking statements" within the meaning of applicable securities legislation (collectively, "**forward-looking statements**"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved (or the negative of any of these terms and similar expressions)) are not statements of fact and may be forward-looking statements.

Forward-looking statements in this offering document include, but are not limited to, statements regarding the terms of the Offering, the ability of the Company to satisfy the Minimum Offering size; the use of proceeds of the Offering; the timing and ability of the Company to close the Offering; the timing and ability of the Company to receive necessary regulatory approvals; planned exploration programs and expenditures; expected results of exploration from each of the Company's mineral projects; the Company's ability to obtain required licences, permits, agreements with third parties and regulatory approvals required in connection with exploration plans, including, but not limited to, necessary permitting required to implement expected future exploration plans; the focus and results of the surface exploration program; the accuracy of results from prior exploration activities conducted at the Aura Project; and the ability to secure the required capital to conduct planned exploration programs, studies and the Company's objectives and strategies. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the future price of gold; anticipated costs and the Company's ability to fund its programs; the Company's ability to carry on exploration activities; the Company's ability to secure and to meet obligations under property agreements; the timing and results of drilling programs; the discovery of mineral resources and mineral reserves on the

Company's mineral properties; that political and legal developments will be consistent with current expectations; the timely receipt of required approvals and permits; the costs of operating and exploration expenditures; the Company's ability to obtain financing as and when required and on reasonable terms; that the Company's activities will be in accordance with the Company's public statements and stated goals; and that there will be no material adverse change or disruptions affecting the Company or its properties.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied. Certain material risk factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: failure to receive required regulatory approvals; the impact of general economic conditions; impacts arising from the global disruption caused by the COVID-19 outbreak; industry conditions; volatility of commodity prices; currency fluctuations; uncertainty and variations in the estimation of mineral resources and mineral reserves; health, safety and environmental risks; uncertainties related to title to mineral properties; competition from other industry participants; the lack of availability of qualified personnel or management; stock market volatility; and ability to access sufficient capital from internal and external sources.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actual results, performance or achievements not to be as anticipated, estimated or intended. For additional risk factors that could cause actual results, performance or achievements to differ materially from forward-looking statements, see the section entitled "*Risks Factors*" in the Company's management information circular dated November 12, 2021, a copy of which is available on SEDAR (www.sedar.com) under the Company's issuer profile.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward-looking statements contained in this offering document are made as of the date of such document only and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

U.S. Securities Law Matters

The Variable Voting Shares and Warrants comprising the Units being offered in the Offering have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except in compliance with, or pursuant to an available exemption from, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. "United States" and "U.S. person" have the meanings ascribed to them in Regulation S under the U.S. Securities Act. The Warrants may not be exercised within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except in compliance with, or pursuant to an available exemption from, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

The Agents agree that they will not offer or sell the Variable Voting Shares or Warrants comprising the Units within the United States or to, or for the account or benefit of, U.S. persons or persons in the United

States, except to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) or "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act) in transactions in accordance with the exemption from registration under the U.S. Securities Act provided by Section 4(a)(2) or Rule 506(b) thereunder. The Agents will offer and sell the Variable Voting Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Variable Voting Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made in compliance with Rule 144A or another exemption under the U.S. Securities Act.

Qualified Person

All scientific and technical content in this offering document has been reviewed and approved by Mark Hawksworth, General Manager of the Aura Project a, a "Qualified Person" within the meaning of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

CERTIFICATE

This offering document, together with any document filed under Canadian securities legislation on or after May 9, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Dated May 9, 2023.

(signed) "Darcy Marud"

Darcy Marud
Chief Executive Officer

(signed) "Curtis Turner"

Curtis Turner
Chief Financial Officer