

Western Atlas Resources Inc.

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Western Atlas Resources Announces Financing, Gran Colombia Gold Participation, Letter of Intent for the Acquisition of a Venezuelan Asset and Board Change

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VANCOUVER, BRITISH COLUMBIA (September 3, 2019) – Western Atlas Resources Inc. (“**Western Atlas**” or the “**Company**”) (TSXV: **WA**), is pleased to announce a private placement (the “**Private Placement**”) to raise gross proceeds of between C\$3,000,000 and C\$5,000,000 in a mix of flow-through (“**FT**”) and non-flow through (“**NFT**”) units (the “**Units**”), with Gran Colombia Gold Corp. (“**Gran Colombia**”) (TSX: **GCM**) purchasing NFT Units for minimum proceeds of C\$1,400,000 and up to 19.9% of the issued and outstanding common shares of Western Atlas post closing of the Private Placement.

In addition, on August 31, 2019, Western Atlas entered into a letter of intent (“**LOI**”) with Gran Colombia whereby Western Atlas will acquire from Gran Colombia all of the outstanding shares of Medoro Resources International Ltd. (“**Medoro**”), an indirect wholly-owned subsidiary of Gran Colombia (the “**Share Purchase**”). Medoro holds mining rights to the Lo Incredible 4A and Lo Incredible 4B concessions near the town on El Callao, Bolivar State, Venezuela (the “**Incredible Acquisition**”).

Western Atlas and Gran Colombia are currently working on a definitive agreement with respect to the Share Purchase (the “**Definitive Agreement**”). The transaction is subject to the approval of the shareholders of Western Atlas and the approval of the TSX Venture Exchange.

The LOI further contemplates that upon closing of the Private Placement, the board of directors of Western Atlas will be reconstituted such that Michael Galego Dacosta will be replaced by Miguel de la Campa. A new board position will be created and an additional nominee of Gran Colombia will be nominated for election to the board of Western Atlas at its next annual general meeting.

“This is great opportunity for Western Atlas and we are very enthusiastic to partner up with Gran Colombia. The participation of Gran Colombia in the Western Atlas’ financing together with the potential Incredible Acquisition will reshape and strengthen the Company. Not only will we be able to execute on the drilling program at our Meadowbank Project and benefit from Gran Colombia’s technical support but we aim to be at the forefront of the future rebuilding and development of Venezuela. We expect this will add tremendous value to our shareholders. We also take this opportunity to thank Michael Galego for his support and contribution to Western Atlas over the course of the past two years and welcome Miguel de la Campa to the Company’s board. De la Campa who was, among others, the President and co-founder of Bolivar Gold brings vast knowledge about operating in Venezuela,” commented Fabio Capponi, Chief Executive Officer of Western Atlas.

The Private Placement:

The proposed Private Placement will consist of the sale of flow-through units (“**FT Units**”) and non-flow-through units (“**NFT Units**”) at a price of C\$0.10 per FT Unit and C\$0.085 per NFT Unit.

The FT Units will consist of one flow-through common share and one-half (1/2) of one non flow-through common share purchase warrant, with each whole warrant exercisable for one additional Western Atlas Share at a price of C\$0.20 for a period of two years from the closing of the Private Placement.

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The NFT Units will consist of one non-flow-through common share and one-half (1/2) of one non-flow-through common share purchase warrant, with each whole warrant exercisable for one additional Western Atlas Share at a price of C\$0.20 for a period of two years from the closing of the Private Placement.

Proceeds from the Private Placement shall be used by Western Atlas for the drilling at Western Atlas's Meadowbank gold project in Nunavut, Canada, seeking restitution of the Incredible Project (as defined below) and for general and administrative expenses.

Under the terms of the LOI, Gran Colombia may purchase additional NFT Units provided that at closing of the Private Placement, it will hold no more than 19.9% of the voting rights attached to all outstanding voting securities of Western Atlas after giving effect to the closing of the Private Placement but without giving effect to the exercise of any warrants comprising part of the NFT Units purchased by it. Gran Colombia shall not exercise warrants acquired by it in the Private Placement to the extent that such exercise would result in it holding (in aggregate) 20% or more of any of the voting rights attached to all outstanding voting securities of Western Atlas until Western Atlas has obtained shareholder approval for Gran Colombia becoming a "control person" of Western Atlas and the approval of the TSXV.

Western Atlas will seek such approval from its shareholders at a special meeting of its shareholders to be held by no later than 90 days following closing of the Private Placement (the "**Special Meeting of Shareholders**"). For the avoidance of doubt, the closing of the Private Placement shall not be conditional upon the receipt of such shareholder approval unless required by the TSXV.

Incredible Acquisition:

The purchase price for the acquisition of Medoro shall be US\$20,000,000 (the "**Purchase Price**") to be satisfied by the issuance to Gran Colombia of 59,115,555 Western Atlas Shares (the "**Consideration Shares**"), representing a deemed price of C\$0.45 per Western Atlas Share (the "**Share Price**").

The closing of the Incredible Acquisition will take place upon the occurrence of both the following events (together the "**Closing Triggers**"):

1. the current government of Venezuela being replaced by an internationally recognized and democratically elected government; and
2. completion of the lawful transfer and registration of transfer to Medoro (or to one or more of Medoro's Venezuelan subsidiaries) of the Incredible Project (as defined below) by Venezuelan authorities of competent jurisdiction.

While Medoro holds the mining rights to the Lo Incredible 4A and Lo Incredible 4B concessions, it is unable to use the rights due to actions by the Venezuelan government which will require Medoro to complete the process of restitution which is the second of the two Closing Triggers described above. A working committee (the "**Committee**") consisting of one representative from each of Western Atlas and Gran Colombia will be formed in order to manage the process of restitution to Medoro of the mineral rights to the Incredible Project. The Definitive Agreement will provide that, at the direction of the Committee, Gran Colombia and Medoro will take all actions necessary for the restitution to Medoro of the Property, including, without limitation, hiring consultants, issuing of powers of attorney and, negotiating terms for the restitution of such rights.

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The Closing Triggers must occur no later than the second anniversary of the date of the closing of the Private Placement (the “**Deadline**”). Should the Closing Triggers not occur by the Deadline, the Share Purchase will be terminated.

Each of Western Atlas and Gran Colombia shall take such reasonable steps as are required to obtain TSXV approval for the timely completion of the Share Purchase, including obtaining any shareholder approvals required in connection therewith. Western Atlas will seek any approval required from its shareholders no later than the date of the next annual general meeting of Western Atlas’s shareholders, anticipated to be in January 2020 and which shall be held no later than May 10, 2020.

About Miguel de la Campa:

Mr. de la Campa is currently the Vice Chairman of Gran Colombia and has been involved in the financing and development of mining, oil and other resource projects in the United States, Latin America, Europe and Africa for the last thirty years. Previously, Mr. de la Campa was the Executive Co-Chairman and a director of Pacific Exploration & Production Corporation, the President and co-founder of Bolivar Gold Corp., a director of Petromagdalena Energy Corp. and a co-founder of Pacific Stratus Energy. He holds a BSFS in International Economics and a Masters Degree in Political Economics from Georgetown University.

About Western Atlas

The Company is publicly listed on the TSX Venture Exchange under the symbol WA. Western Atlas is focused on the acquisition and development of scalable precious metals projects in premier mining jurisdictions. Western Atlas’s wholly-owned subsidiary, 5530 Nunavut Inc., which was incorporated under the laws of Nunavut, and registered under the *Business Corporations Act* (Northwest Territories) on November 24, 2016, holds its interest in the Meadowbank project located in Nunavut, Canada.

For further information, please visit our website at www.westernar.com or contact:

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Cautionary Statement Regarding Forward-Looking Information

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to the Company’s objectives, goals or future plans; the receipt of the requisite approvals with respect to the business and operations of the Company. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation,

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legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in Western Atlas's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although Western Atlas believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, Western Atlas disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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