

# Western Atlas Resources announces extension of Lo Increible Project Acquisition Agreement with Gran Colombia Gold

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VANCOUVER, June 10, 2021 - [Western Atlas Resources Inc.](#) ("Western Atlas" or the "Company") (TSXV: WA), is pleased to announce that it has entered into an agreement with Gran Colombia Gold Corp. ("Gran Colombia") (TSX: GCM) dated June 9, 2021, to extend the outside date by which the acquisition from Gran Colombia of all of the outstanding shares of Medoro Resources International Ltd. ("Medoro") (the "Transaction") from October 9, 2021 to October 9, 2023 (the "Outside Date"). Medoro is an indirect wholly-owned subsidiary of Gran Colombia and holds the mining rights to the Lo Increible 4A and Lo Increible 4B concessions near the town on El Callao, Bolivar State, Venezuela.

## Medoro - Lo Increible Acquisition:

Under the October 7, 2019 share purchase agreement entered into between the Company and Gran Colombia (the "SPA"), the purchase price for the acquisition of Medoro is US\$20,000,000, to be satisfied by the issuance to Gran Colombia of 59,115,555 common shares of Western Atlas at a deemed price of C\$0.45 per share.

The SPA provides that the closing of the Increible 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 Increible Project (as defined below) by Venezuelan authorities of competent jurisdiction.

While Medoro holds the mining rights to the Lo Increible 4A and Lo Increible 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 consisting of one representative from each of Western Atlas and Gran Colombia was formed in order to manage the process of restitution to Medoro of the mineral rights to the Increible Project.

The Closing Triggers must occur no later than the Outside Date or the share purchase pursuant to the terms of the SPA will be terminated, unless Western Atlas and Gran Colombia agree otherwise.

The Transaction contemplated by the SPA was approved at the Company's annual general and special meeting of its shareholders on January 10, 2020. More information regarding the Transaction can be found in the Company's Information Circular dated December 5, 2019 and available on SEDAR at [www.sedar.com](http://www.sedar.com) and in the press releases issued on September 3 and October 10, 2019, respectively.

## About the Increible Project and Disclosure of Historical Resource Estimate

Western Atlas considers the resource estimate reported by SRK Consulting (UK) Ltd. ("SRK") for the Increible Project which is disclosed in this news release to be relevant and reliable, but notes that it is an "historical estimate" as defined in NI 43-101 of the Canadian Securities Administrators. Western Atlas further notes that:

1. The historical resource estimate was prepared in 2009.

2. The most recent site visit by the author of the technical report described in this news release was in 2008, and therefore the estimates it contains are not current.
3. The historical resource estimate uses the CIM Definitions in place at the time it was produced.
4. The economics of exploiting the resource will have changed since the historical resource estimate was prepared.
5. Ownership of the Incredible Project is currently no longer with Medoro Resources Ltd. (which merged with Gran Colombia in 2011), but with Gran Colombia's subsidiary Medoro.
6. No Qualified Person (as defined in NI 43-101) has done sufficient work to classify this as a "current mineral resource" and Western Atlas is not treating the historical mineral resource estimate as a current mineral resource estimate.
7. For the estimate to be reported as a current resource estimate, a site visit by a Qualified Person would need to be undertaken, further pit optimization and other work would need to be undertaken to confirm that the mineralization still has reasonable prospects to be mined, and ownership of the concession would also need to be confirmed.

## Introduction

Unless otherwise stated, the information that follows relating to the Incredible Project is derived from a report titled "Updated Independent Technical Review of the Incredible Gold Prospect, Bolivar State, Venezuela" (the "2009 Independent Technical Review") which was prepared by SRK for Medoro with an Effective Date of April 27, 2009.

The Qualified Person responsible for the above report was Dr. Mike Armitage, C.Eng., C.Geol., who remains a full time employee of SRK. Dr. Armitage has reviewed the text of this note and has confirmed that it provides a fair and reasonable summary of the 2009 Independent Technical Review, which contains the most recent estimates and data available to Western Atlas.

The Incredible Project is located in the El Callao area of the State of Bolivar, and comprises two adjacent concessions covering a total of 2,217 hectares which lie immediately to the north of, and adjacent to, [Crystallex International Corp.](#)'s La Victoria prospect and 3 kilometres north of the town of El Callao.

Exploration for gold in Bolivar State dates back to before Venezuelan independence in 1811 and most likely prior to the Spanish occupation. The El Callao mining district itself is historically the most prolific gold producing region in Venezuela, with a recorded output of 6 million ounces since 1870.

Despite the El Callao district's impressive production history and Incredible's numerous artisanal workings, little modern exploration had taken place on the property until Bema Gold Co. commenced work in late 1993. This work included line cutting, soil and panel sampling, trenching, airborne magnetic and radiometric surveying, underground mapping and sampling, assaying, and limited metallurgical studies, structural studies and finally RC and diamond drilling.

The exploration carried out by Medoro largely comprised mainly of further infill drilling at the three key prospects of La Cruz, La Sofia and El Tapon. In total, the database used by Lions Gate Geological Consulting Inc. ("LGGC") to produce the historical mineral resource estimate included in the 2009 Independent Technical Report comprised of information from some 581 drillholes, representing some 90,000m of drilling in total.

In preparing the 2009 Independent Technical Review, SRK reviewed the above database and concluded that the data was of sufficient quality to support the historical mineral resources estimates prepared by LGGC.

LGGC's resulting historical mineral resource estimate is given in the tables below.

## Historical Measured Estimate

Deposit	Tonnes (Mt)	Grade (g/t Au)	Gold Content (Ounces x1000)
La Cruz -OP	3.08	2.4	240
La Cruz- UG	-	-	-
El Tapon	-	-	-
La Sofia	1.11	2.2	80
TOTAL	4.19	2.3	320

#### Historical Indicated Estimate

Deposit	Tonnes (Mt)	Grade (g/t Au)	Gold Content (Ounces x1000)
La Cruz -OP	3.18	1.6	160
La Cruz- UG	-	-	-
El Tapon	4.76	2.6	400
La Sofia	1.28	1.6	70
TOTAL	9.22	2.1	630

#### Historical Inferred Estimate

Deposit	Tonnes (Mt)	Grade (g/t Au)	Gold Content (Ounces x1000)
La Cruz -OP	0.26	1.1	10
La Cruz- UG	0.28	5.4	50
El Tapon	0.30	3.2	30
La Sofia	-	-	-
TOTAL	0.84	3.3	90

The historical mineral resource estimates prepared by LGGC were produced by the ordinary kriging of the available assay data into 3D block models produced for each deposit and following a statistical and geostatistical analysis of composited assay data to which top cuts were applied derived separately for each deposit based on an analysis the assay data available for each.

LGGC's resulting historical mineral resource estimate given in the table above was reported using the CIM Definitions that were in place as at the Effective Date of the 2009 Independent Technical Report. So as to ensure that only mineralization that had reasonable prospects to be developed was included in the estimate this was reported at a 0.5g/t Au block cut-off and assumed the mineralization would be mined by open pit mining, apart from a deep high grade zone at La Cruz, which LGGC and SRK considered had the potential to be exploited by underground mining, and which was reported using a 4.0g/t Au cutoff.

The historical open pit mineral resource was also restricted to mineralization within a certain depth from

surface which was determined by a pit optimization study carried out by SRK. Notably this assumed a gold price of USD\$750/ounce, a metallurgical recovery of 85%, unit mining, processing and administrative costs of USD\$2, USD\$10 and USD\$3 per tonne respectively and a slope angle of 45%.

SRK reviewed the methodology used by LGGC to derive the above estimates as these were being derived and was therefore confident that these were based on appropriate geological models and had been produced using sound block modelling and grade interpolation techniques. In addition SRK noted in its report that the Incredible Project as a whole had potential for the delineation of further deposits which following drilling will likely add to the historical mineral resources presented above and expressed the opinion that this was a significant prospect with excellent potential and which warranted further exploration/assessment.

Dr. Mike Armitage, C.Eng., C.Geol, is the Qualified Person as defined by National Instrument 43-101 and is responsible for reviewing and supervising the preparation of the scientific and technical disclosure in this news release.

#### About Western Atlas

The Company's common shares are 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., holds its interests in the Meadowbank project located in Nunavut, Canada.

#### 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, 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](http://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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