

**CLEANSING NOTICE UNDER SECTION 708A(12C)(e)
OF THE CORPORATIONS ACT 2001 (CTH)**

Western Gold Resources (ASX: WGR) (“**WGR**” or “the **Company**”) gives this notice under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (“**Act**”) as inserted by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82* (“**Cleansing Notice**”).

The Company advises that today it has issued 500,000 Convertible Notes. These Convertible Notes will be issued without disclosure to investors under Part 6D.2 of the Corporations Act.

The purpose of this Cleansing Notice is to enable the shares that may be issued on any future conversion of the convertible notes to be on-sold to retail investors without further disclosure. This Cleansing Notice is an important document and should be read in its entirety. Neither ASIC nor ASX takes any responsibility for the contents of this Cleansing Notice.

Background

The Company announced on 29 May 2024 that it has completed a capital raising through a \$500,000 share placement and a \$500,000 convertible note subscription. The Company has entered into convertible note deeds (“**Deeds**”) with a number of investors for the issue of 500,000 unsecured and unquoted convertible notes (“**Convertible Notes**”) each with a face value of \$1.00 per Convertible Note. A summary of the terms of the Convertible Notes as governed by the Deeds is set out below.

The Company issued the Convertible Notes in a single tranche to various investors having regard to the Company’s placement capacity under ASX Listing Rule 7.1

The Directors consider the issue of the Convertible Notes to be in the best interests of the Company’s shareholders (“**Shareholders**”). The Company opted to raise capital by way of Notes alongside the placement shares having regard to the timing in which the funding was required, general market conditions, and the Company’s financial position.

Contents of this Cleansing Notice

This Cleansing Notice sets out the following:

- a) the effect of the issue of the Convertible Notes on the Company;
- b) the rights and liabilities attaching to the Convertible Notes;
- c) the rights and liabilities attaching to the fully paid ordinary shares (“**Shares**”) that will be issued on the conversion of the Convertible Notes should such occur;
- d) any information that:

- i. has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- ii. is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - b. the rights and liabilities attaching to the Shares.

Effect of the issue on the Company

Effect of the issue on the Company

The principal effect of the issue of the Convertible Notes on the Company will be:

- a) to increase the Company's cash reserves by up to \$500,000 (before costs associated with the Convertible Notes, based on the face value of the Convertible Notes.
- b) to increase the number of unquoted convertible notes on issue from nil to 500,000;
- c) the Company having a liability for the aggregate face value of the Convertible Notes, being \$500,000, plus all capitalised and accrued interest;
- d) each Convertible Note will bear an interest at the rate of 12% per annum; and
- e) if the Convertible Notes are converted, the Company's indebtedness will reduce and its capital structure will change. The effect of the conversion of the Convertible Notes on the Company's capital structure is shown in the table below.

Pro-forma consolidated statement of financial position

Set out in the Annexure to this Cleansing Notice is a pro forma consolidated Statement of Financial Position as at 26 June 2024 for the Company based on the audited 31 December 2023 financial statements adjusted to reflect the Convertible Notes issue and has been prepared on the basis of the accounting policies normally adopted by the Company.

The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by the International Accounting Standards applicable to the Company's annual financial statements. The pro forma financial information is not audited. The classification and amounts of the allocations between debt and equity for the Convertible Notes may change in the future once they are subject to external valuation and audit.

Potential effect on capital structure

The capital structure of the Company as at the date of this Cleansing Notice, before the issue of the Convertible Notes is set out below:

Security	Number on issue
Shares	170,355,053
WGRAH: Options expiring 1 July 2024 (ex. price of \$0.25)	10,000,000
WGRAI: Performance Rights	34,000,00

The tables below show the potential effect of the issue of the Convertible Notes, and the potential effect of the conversion of the Convertible Notes as at the date of this Cleansing Notice:

Maximum effect of issue of the Convertible Notes

	Shares	% of Shares	Notes
Existing securities on issue	170,355,053	100%	-
Issue of Notes	-	-	500,000
Total	170,355,053	-	500,000

Maximum effect of conversion of the Convertible Notes (based on a 20% discount to the 5-day Volume Weighted Average Price ("VWAP") of the Shares as traded on the ASX on 19 June 2024).

	Shares	% of Shares	Notes
Existing securities on issue	170,355,053	90%	-
Conversion of Notes	19,307,689	10%	-500,000
Total	189,662,742	100%	0

The Company notes:

- as at the date of this Cleansing Notice, no Convertible Notes have been converted;
- that the actual number and effect of the conversion of the Convertible Notes may differ as there is no floor price and the Company is unable to confirm what the ultimate Conversion Price (as defined below) will be. As such, the Convertible Notes may be highly dilutive if the market price of the Shares falls substantially as the Conversion Price (as defined below) is based on the market price of the Shares;

- c) the tables set out above are based on the assumption that the Company does not repay any of the outstanding amounts owed under the Convertible Notes prior to their conversion; and
- d) the tables set out above do not account for any rounding in the event the subscribers elect to convert some, but not all, of the Convertible Notes.

Potential effect on control of the Company

As at the date of this Cleansing Notice, a number of subscribers are already Shareholders. The level of ownership of Shares by these subscribers, if the relevant Convertible Notes are converted, will depend on the number of Convertible Notes that are converted to Shares and the number of Shares on issue at the time of conversion. However, based on the maximum number of Shares that the subscribers would each be entitled to on conversion having regard to the applicable Conversion price at the date of issue of the Convertible Notes and the current number of Shares on issue, the relevant interests are as follows:

Subscriber	Current relevant interest ¹	Relevant interest on conversion ²
Syracuse Capital Pty Ltd <Tenacity A/C>	8.72%	14.07%
Alissa Bella Pty Ltd <C&A Tassone S/F No 2 A/C>	4.55%	6.15%
Barbara Seiw-Hwa Heng	2.64%	4.25%

1. Relevant interest as at 19 June 2024.
2. Maximum effect of conversion of the Convertible Notes (based on a 20% discount to the 5-day VWAP of the Shares as traded on the ASX on 19 June 2024) and assumes conversion of all Convertible Notes.

Rights and liabilities attaching to the Convertible Notes

Key terms of the Convertible Notes are summarised as follows:

Key term	Description
Issue Amount	\$500,000 in aggregate
Issue Price	Face Value of \$1.00 per Convertible Note.
Interest Rate	12% per annum.
Maturity Date	Earlier of 12 months from the date of issue and the subscriber providing a notice that an Event of Default has occurred.
Conversion Terms	At the subscriber's election, the Convertible Notes may be converted into Shares (in whole or in part) at the Conversion Price at any time before the Maturity Date by providing a written conversion notice (" Conversion Notice ").

Key term	Description
	To the extent no Conversion Notice has been provided to the Company, the Company must repay the principal sum plus interest to the subscriber.
Conversion Price	The lesser of a 20% discount to the 5-day VWAP immediately preceding the date of the Conversion Notice or a 20% discount to the share-price achieved for a capital raising conducted during the term of the Convertible Note.
Quotation and Transfer	The Convertible Notes will not be quoted on ASX and are only transferable in certain circumstances where approved by the Company.
Event of Default	<p>The Deeds include the following events of default (in summary):</p> <ul style="list-style-type: none"> a) failing to pay any amount payable to the subscriber; b) the Company failing to comply with the terms of the Deeds, the Convertible Notes or any other relevant document ("Transaction Documents") which is unremedied; c) a winding up or insolvency event in the Company; d) a compromise or arrangement with creditors except for the purpose of a reconstruction, amalgamation, merge or consolidation on terms approved by the subscriber; e) all or any of the material provisions of the Transaction Documents do not have effect or ceases to have effect, becomes void, voidable, illegal, invalid or unenforceable other than by reason of equitable principles or laws affecting creditors' rights generally or is claimed by the Company or any other person to be any of these matters or any court proceedings are commenced to establish any of these matters; f) the Company receiving a demand for repayment of any indebtedness, any indebtedness of the Company not being paid when payment is due or a security interest granted by the Company is enforced; g) a material adverse change occurs; h) the inability for the Company to carry out the transactions contemplated in any of the Transaction Documents; or i) the Company ceasing to have the placement capacity pursuant to ASX Listing Rule 7.1 for the immediate issue of the Shares.

Key term	Description
Representations and Warranties, and covenants	The Company has provided the Noteholder with customary representations and warranties, as well as customary negative covenants.

Rights and liabilities attaching to the Shares

The Shares issued to the subscribers on the conversion of the Convertible Notes will rank equally in all respects with the Company's existing Shares.

The rights attaching to Shares, including new Shares to be issued to the subscribers on conversion of the Convertible Notes are set out in the Company's constitution, and regulated by Australian Law, the ASX Listing Rules, and the general law. The Company's constitution is of the kind usually adopted by a public company listed on the ASX.

The following is a broad summary of the key provisions in the Constitution and the rights attaching to Shares. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available on www.westerngoldresources.com.au or from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements.

Key provision	Description
Voting Rights	Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders on a vote taken by a show of hands or by proxy, attorney or representative has one vote for every Share held by him or her. At any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is effectively demanded and the demand is not withdrawn.
Dividends	Shareholders are entitled to dividends as a result of their ownership of their Shares in accordance with the Constitution.
Rights on Winding Up	Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them. A liquidator may, with the sanction of a special resolution, distribute the assets of the Company among the Shareholders as the

Key provision	Description
	liquidator determines, but may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.
Transfer of Shares	A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the ASX Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in any usual or common form or in any other form approved by the Directors. The Directors may refuse to register any transfer of Shares, where the Company is permitted or required to do so by the ASX Listing Rules or the ASX Settlement Operating Rules or a Restriction Agreement.
Meetings and notice	Unless waived, each Shareholder is entitled to receive notice of and to attend general meetings for the Company in person or by proxy, attorney or representative and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution, the Corporations Act or the ASX Listing Rules.
Liquidation rights	The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders the whole or any part of the assets of the Company. The liquidator can with the sanction of a special resolution of Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any Shares or other securities in respect of which there is any liability.
Sale of Unmarketable Parcels	The Company may take steps in respect of unmarketable parcels of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their securities. The Company may only take steps to eliminate unmarketable parcels in accordance with the Constitution and the ASX Listing Rules .

Compliance with disclosure obligations

The Company is a “disclosing entity” under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules. Broadly these obligations require:

- a) the Company to notify ASX immediately of any information (subject to certain exceptions) of which it is or becomes aware which a reasonable person would expect

to have a material effect on the price value of its securities. That information is available to the public from ASX;

- b) the preparation of yearly and half-yearly financial statements and a report of the Company's operations during the relevant account period, together with an audit or review report prepared by the Company's auditor. These documents are lodged with ASIC and ASX.

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. Copies of all documents announced to the ASX can be found at www.asx.com.au or www.westerngoldresources.com.au.

The Company will provide free of charge to any person who requests it during normal business hours:

- a) the Annual Report for the financial year ended 30 June 2023 lodged with ASX on 22 September 2023 ("**Annual Report**");
- b) the Half Yearly Report for the period ending 31 December 2023 lodged with ASX on 26 February 2024; and
- c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report lodged with ASX on 22 September 2023 until the date of this cleansing notice:

Date	Announcement
22/09/2023	Appendix 4G & Corporate Governance Statement
28/09/2023	High Grade Graphite at Rullno Project Sweden
05/10/2023	9.5km strike added to Loberget
09/10/2023	Results of meeting
11/10/2023	Date of AGM and Closing Date for Director Nominations
16/10/2023	WGR Announcement Clarification
23/10/2023	Application for quotation of securities - WGR
23/10/2023	Application for quotation of securities - WGR
23/10/2023	Notification regarding unquoted securities - WGR
23/10/2023	Cleansing Notice
24/10/2023	WGR High Grade Graphite and REE presentation

Date	Announcement
24/10/2023	Change of Director's Interest Notice x 4
27/10/2023	Notice of Annual General Meeting / Proxy Form
27/10/2023	Quarterly Activities and Cash Flow Reports
22/11/2023	Acquisition Completion – High-Grade REE and Graphite Project
22/11/2023	Notification regarding unquoted securities - WGR
22/11/2023	Notification regarding unquoted securities - WGR
22/11/2023	Cleansing Notice
28/11/2023	Sandstone Gold – Lithium Project tenement granted – WA
29/11/2023	Results of Annual General Meeting and Board Change
29/11/2023	Final Director's Interest Notice
30/11/2023	Closer to Gold Production with Positive Head Leach Results
06/12/2023	Thick Graphite Mineralisation in Drill Core – Sweden
14/12/20223	Four Lithium bears claims staked – Sidensjö Project Sweden
18/12/2023	Four Lithium bears claims staked – addendum
30/01/2024	Quarterly Activities and Cash Flow Reports
07/02/2024	Historical Drilling 7.42% Cu and 28m @ 1.29% Cu – Sweden
12/02/2024	8 graphite targets and combined 30.8km strike – Sweden
15/02/2024	Production Scoping Study commenced at Gold Duke Gold Project
26/02/2024	Half Year Financial Report
29/02/2024	Notification of cessation of securities – WGR
05/04/2024	Unmarketable Parcel Sale Facility
09/04/2024	Diamon Drilling Commences at Gold Duke Project
30/04/2024	Quarterly Activities and Cash Flow Reports

Date	Announcement
23/05/2024	Completion of Unmarketable Parcel Sale Facility
27/05/2024	Trading Halt
29/05/2024	Share Placement and Convertible Note Subscription Secured
29/05/2024	Proposed issue of securities - WGR
29/05/2024	Proposed issue of securities - WGR
04/06/2024	Diamond Drilling Completed at Gold Duke Project
11/06/2024	Application for quotation of securities – WGR
11/06/2024	Cleansing Notice

Excluded information

As at the date of this Cleansing Notice there is no information:

- a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
- b) that is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - ii. the rights and liabilities attaching to the Shares.

For the purpose of ASX Listing Rule 15.5, the Board has authorised for this announcement to be released. Appendix 3G is lodged with respect to the Convertible Notes issued.

AUTHORISED FOR RELEASE ON THE ASX BY THE COMPANY'S BOARD OF DIRECTORS

Gary Lyons
Chairman
E: garylyons@heiniger.com.au

Warren Thorne
Managing Director
E: warrent@westerngoldresources.com.au

Annexure – Pro Forma Consolidated Statement of Financial Position

	WGR Audited 31.12.23	Post Bal Date Events	Total Post Bal Date Events	Proforma Adj	Pro-forma Balance Sheet
Current Assets					
Cash and cash equivalents	\$ 941,455	-\$ 370,191	\$ 571,264	\$ 500,000	\$ 1,071,264
Trade and other receivables	\$ 20,096	\$ 30,340	\$ 50,436	\$ -	\$ 50,436
Prepayments	\$ 7,203	\$ -	\$ 7,203	\$ -	\$ 7,203
Total Current Assets	\$ 968,754	-\$ 339,851	\$ 628,903	\$ 500,000	\$ 1,128,903
Non-Current Assets					
Exploration and evaluation expenditure	\$ 1,583,000	\$ -	\$ 1,583,000	\$ -	\$ 1,583,000
PPE	\$ 12,943	\$ 22,502	\$ 35,445	\$ -	\$ 35,445
Total Non-Current Assets	\$ 1,595,943	\$ 22,502	\$ 1,618,445	\$ -	\$ 1,618,445
Total Assets	\$ 2,564,697	-\$ 317,349	\$ 2,247,348	\$ 500,000	\$ 2,747,348
Current Liabilities					
Trade and other payables	\$ 102,383	\$ 261,337	\$ 363,720	\$ -	\$ 363,720
Convertible Note	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Provisions	\$ 23,020	\$ 7,106	\$ 30,126	\$ -	\$ 30,126
Total Current Liabilities	\$ 125,403	\$ 268,443	\$ 393,846	\$ 500,000	\$ 893,846
Non-Current Liabilities					
Provisions	\$ 38,798	\$ -	\$ 38,798	\$ -	\$ 38,798
Total Non-Current Liabilities	\$ 38,798	\$ -	\$ 38,798	\$ -	\$ 38,798
Total Liabilities	\$ 164,201	\$ 268,443	\$ 432,644	\$ 500,000	\$ 932,644
Net Assets	\$ 2,400,496	-\$ 585,792	\$ 1,814,704	\$ -	\$ 1,814,704
Equity					
Issued capital	\$ 18,956,800	\$ 470,000	\$ 19,426,800	\$ -	\$ 19,426,800
Cost of issued Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	\$ 2,319,000	\$ -	\$ 2,319,000	\$ -	\$ 2,319,000
Accumulated losses	-\$ 18,875,304	-\$ 1,055,792	-\$ 19,931,096	\$ -	-\$ 19,931,096
Total Equity	\$ 2,400,496	-\$ 585,792	\$ 1,814,704	\$ -	\$ 1,814,704