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CASSOWARY CAPITAL CORPORATION LIMITED

CASSOWARY ANNOUNCES \$1.7 MILLION CLOSING OF NON-BROKERED PRIVATE PLACEMENT IN CONNECTION WITH PROPOSED QUALIFYING TRANSACTION TO BECOME GOLD EXPLORATION COMPANY

For Immediate Release

Calgary, Alberta

August 21, 2020

Cassowary Capital Corporation Limited (TSXV: BIRD.P) ("**BIRD**" or the "**Company**") is pleased to announce that it has closed its previously announced non-brokered private placement (the "**Private Placement**") offering of subscription receipts of the Company (the "**Subscription Receipts**"), representing an aggregate of 11,333,333 Subscription Receipts for gross proceeds of CAD\$1.7 million. Each Subscription Receipt has been issued at a price of CAD\$0.15.

The Private Placement is being completed in conjunction with the previously announced proposed "Qualifying Transaction" (the "**Transaction**") pursuant to the policies of the TSX Venture Exchange (the "**Exchange**"), with the result that the Company will acquire Western Gold Exploration Limited ("**WGE**"). Upon completion of the Transaction, the combined entity (the "**Resulting Issuer**") will continue the business of WGE and initially will be engaged in the exploration and development of prospective mineral properties located in Scotland, with a focus on gold and copper exploration and development.

Each Subscription Receipt will, upon satisfaction of certain escrow release conditions, automatically convert, without any further action or further consideration from the Subscription Receipt holder, into one (1) common share of BIRD and, immediately thereafter, upon completion of the Transaction, will be subject to Consolidation (assuming the Consolidation is approved by BIRD shareholders as described below). If the escrow release conditions are not satisfied by 4:00 pm (Calgary time) on November 30, 2020 (unless otherwise extended in accordance with the terms of the subscription receipt agreement which governs the Subscription Receipts), then the Subscription Receipts will immediately become null and void and the escrow agent shall distribute the escrowed proceeds and accrued interest to the holders of the Subscription Receipts, together with their pro rata share of interest earned thereon.

As previously announced, it is also proposed that concurrent with the completion of the Transaction, the common shares of the Resulting Issuer be consolidated on the basis of one (1) post-consolidation share for each two and one-half (2.5) pre-consolidation shares (the "**Consolidation**"). A special resolution for the approval of the Consolidation will be put to BIRD's shareholders for consideration at BIRD's shareholder meeting in connection with the Transaction.

All of the securities of the Company issued in connection with the Private Placement will be subject to a hold period of four months and a day.

The net proceeds of the Private Placement will be used with a view to developing the business of the Resulting Issuer and for general working capital purposes.

In connection with the Private Placement, the Company has agreed to pay (i) Haywood Securities Inc. a cash finder's fee equal to 3% of the gross proceeds raised in respect of the aggregate sales to subscribers under the Private Placement that were introduced by Haywood Securities Inc. (up to CAD\$5,250); (ii) Canaccord Genuity Corp. a cash finder's fee equal to 5% of the gross proceeds raised in respect of the aggregate sales to subscribers under the Private Placement that were introduced by Canaccord Genuity Corp. (up to CAD\$12,375); and (iii) Richardson GMP Limited a cash finder's fee equal to 6% of the gross proceeds raised in respect of the aggregate sales to subscribers under the Private Placement that were introduced by Richardson GMP Limited (up to CAD\$7,875). These cash finder's fees are payable by the Company upon completion of the Transaction.

See the Company's press releases dated June 1, 2020, June 19, 2020, July 20, 2020 and August 12, 2020 for further information regarding the Transaction. BIRD will issue additional news releases related to the Transaction and other material information as it becomes available.

Related Party Disclosure

Under the Private Placement, Stuart Olley, the CEO and a director of the Company purchased 40,000 Subscription Receipts at a subscription price of \$6,000. In addition, Gordon Chmilar, the CFO and a director of the Company, purchased 16,666 Subscription Receipts at a subscription price of \$2,500. Their participation in the Private Placement constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction* ("MI 61-101"), which has been adopted by the Exchange pursuant to its Policy 5.9 - *Protection of Minority Security Holders in Special Transaction*. These transactions are exempt from the formal valuation and minority shareholder approval requirements of such instrument and policy, pursuant to subsections 5.5(a), 5.5(b), 5.5(c), 5.7(a) and 5.7(b) of MI 61-101 as the fair market value was not more than 25% of market capitalization, the distribution of securities was for cash and the fair market value not more than \$2,500,000.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement because the details of the participation therein by related parties of the Company were not settled until shortly prior to closing of such transactions and the Company wished to close on an expedited basis for sound business reasons.

For further information, please contact:

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Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or

received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: *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 structure, terms, conditions and proposed timing for completion of the Transaction and the Consolidation; the ability of BIRD and WGE to complete the Transaction and the Consolidation; the satisfaction of escrow release conditions and the conversion or cancellation of the Subscription Receipts; the use of proceeds of the Private Placement; the Resulting Issuer's future business operations and results; the receipt of all necessary shareholder, Exchange, securities regulatory authority and other third party consents and approvals; and the anticipated composition of the board of directors and management of the Resulting Issuer. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors, which may cause the 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, competitive, political and social uncertainties; the impact of COVID-19 on the parties to the Transaction and the world economy; delay or failure to receive shareholder or regulatory approvals; and the results of continued development, marketing and sales. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, forward-looking statements are inherently unreliable and, therefore, readers should not place undue reliance on forward-looking statements. BIRD disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.*