U.S.
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(Check One)

[ ] Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

[X] Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2012**

Commission file number **1-35075**

WESTERN COPPER AND GOLD CORPORATION

(Exact name of registrant as specified in its charter)

British Columbia, Canada	**1000**	**98-0496216**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number (if applicable))	(I.R.S. Employer Identification Number (if Applicable))

Suite 2050 – 1111 West Georgia Street
Vancouver, British Columbia V6E 4M3
Canada
(604) 684-9497
(Address and Telephone Number of Registrant's Principal Executive Offices)

DL Services Inc.
701 Fifth Avenue, Suite 6100
Seattle, Washington 98104
(206) 903-5448
(Name, Address (Including Zip Code) and Telephone Number
(Including Area Code) of Agent For Service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	**Name of each exchange on which registered**
Common Shares, no par value	NYSE MKT

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

For annual reports, indicate by check mark the information filed with this Form:

[X] Annual Information Form [X] Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **93,782,503**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.
Yes X No __

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes __ No __

FORM 40-F

PRINCIPAL DOCUMENTS

The following documents, filed as Exhibits 99.1 through 99.3 hereto, are hereby incorporated by reference into this Annual Report on Form 40-F of Western Copper and Gold Corporation (the "Company" or the "Registrant"):

(a) Annual Information Form for the fiscal year ended December 31, 2012;

(b) Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2012; and

(c) Audited Consolidated Financial Statements for the fiscal years ended December 31, 2012 and 2011.

The Company's Audited Consolidated Financial Statements included in this Annual Report on Form 40-F have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Therefore, they are not comparable in all respects to financial statements of United States companies that are prepared in accordance with United States generally accepted accounting principles.

ADDITIONAL DISCLOSURE

Resource and Reserve Estimates

The Company's Annual Information Form for the fiscal year ended December 31, 2012, which is attached hereto as Exhibit 99.1, has been prepared in accordance with the requirements of the securities laws in effect in Canada as of December 31, 2012, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The definitions of these terms differ from the definitions of such terms for purposes of the disclosure requirements of the Securities and Exchange Commission (the "Commission") and contained in Industry Guide 7 of the Commission. Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101 and required by NI 43-101 to be used for disclosure of mineral resources. These terms, however, are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute "reserves" by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained and incorporated by reference into this Annual Report on Form 40-F that describes the Company's mineral deposits may not be comparable to similar information made public by issuers subject to the Commission's reporting and disclosure requirements applicable to domestic United States issuers.

Certifications and Disclosure Regarding Controls and Procedures.

(a) Certifications. See Exhibits 99.4, 99.5, 99.6 and 99.7 to this Annual Report on Form 40-F.

(b) Disclosure Controls and Procedures. As of the end of the Company's fiscal year ended December 31, 2012, an evaluation of the effectiveness of the Company's "disclosure controls and procedures" was carried out by the Company's management with the participation of the Chief Executive Officer and Chief Financial Officer, who are the principal executive officer and principal financial officer of the Company, respectively. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of the end of that fiscal year, as a result of the material weakness identified during the Company's assessment of its internal control over financial reporting, the Company's disclosure controls and procedures are not effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Commission rules and forms and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(c) Management's Annual Report on Internal Control Over Financial Reporting.

The required disclosure is included in the "Management's Report on Internal Control Over Financial Reporting" that accompanies the Company's Consolidated Financial Statements for the fiscal year ended December 31, 2012, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

(d) Attestation Report of the Registered Public Accounting Firm.

This Annual Report on Form 40-F does not include an attestation report of the Company's registered public accounting firm due a transition period established by the Jumpstart Our Business Startups Act of 2012 and transition rules established by rules of the Commission for newly public companies.

(e) Changes in Internal Control Over Financial Reporting.

During the fiscal year ended December 31, 2012, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Notices Pursuant to Regulation BTR.

None.

Identification of the Audit Committee.

The Company's board of directors has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the audit committee are: Robert Gayton, Robert Byford, and David Williams. The board of directors has determined that each member of the audit committee is "independent" within the meaning of Section 803(A) of the NYSE MKT Company Guide and "financially sophisticated" within the meaning of Section 803(B) of the NYSE MKT Company Guide.

Audit Committee Financial Expert.

The Company's board of directors has determined that Robert Gayton, a member of its audit committee, qualifies as an "audit committee financial expert" (as such term is defined in Form 40-F).

Code of Ethics.

The Company has adopted a code of business conduct (the "Code") that meets the requirements for a "code of ethics" within the meaning of Form 40-F and that applies to all of the Company's officers, directors and employees, including, without limitation, its principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. The Code is available for viewing on the Company's website, which may be accessed at www.westerncopperandgold.com.

During the fiscal year ended December 31, 2012, there were not any amendments to the Code or waivers, including implicit waivers, from any provision of the Code.

If any amendment to the Code is made, or if any waiver from the provisions thereof is granted, the Company may elect to disclose the information about such amendment or waiver required by Form 40-F to be disclosed, by posting such disclosure on the Company's website, which may be accessed at www.westerncopperandgold.com.

Principal Accountant Fees and Services.

The required disclosure is included under the heading "Additional Information—Audit Committee Information—External auditor service fees (by category)" in the Company's Annual Information Form for the fiscal year ended December 31, 2012, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

Pre-Approval Policies and Procedures.

(a) All audit, audit related, tax and non-audit services to be performed by PricewaterhouseCoopers LLP, the Company's external auditor, are pre-approved by the audit committee of the Company's board of directors. Before approval is given, the audit committee examines the independence of the external auditor in relation to the services to be provided and assesses the reasonableness of the fees to be charged for such services.

(b) Of the fees reported under the heading "Additional Information—Audit Committee Information—External auditor service fees (by category)" in the Company's Annual Information Form for the fiscal year ended December 31, 2012, filed as Exhibit 99.1 to this Annual Report on Form 40-F, none of the fees billed by PricewaterhouseCoopers LLP were approved by the audit committee of the Company's board of directors pursuant to the de minimis exception provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Off-Balance Sheet Arrangements.

The Company does not have any off-balance sheet arrangements.

Tabular Disclosure of Contractual Obligations.

($ Canadian)	**Payment due by period**						
Contractual Obligations	**Total**	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**
Office Lease	1,122,000	317,000	326,000	337,000	142,000	-	-

Mine Safety Disclosure.

Not applicable.

NYSE MKT Statement of Governance Differences.

As a Canadian corporation listed on the NYSE MKT, the Company is not required to comply with most of the NYSE MKT corporate governance standards, so long as the Company complies with Canadian corporate governance practices. In order to claim such an exemption, however, Section 110 of the NYSE MKT Company Guide requires that the Company provide to NYSE MKT written certification from independent Canadian counsel that the non-complying practice is not prohibited by Canadian law. In addition, the Company must disclose the significant differences between its corporate governance practices and those required to be followed by U.S. domestic issuers under the NYSE MKT's corporate governance standards.

The Company has included a description of such significant differences in corporate governance practices on its website, which may be accessed at www.westerncopperandgold.com. In addition, the Company has included a description of such significant differences below:

Shareholder Meeting Quorum Requirement: The NYSE MKT minimum quorum requirement for a shareholder meeting is one-third of the outstanding common shares. In addition, a company listed on NYSE MKT is required to state its quorum requirement in its bylaws. The Company's quorum requirement is set forth in its Articles and bylaws. A quorum for a meeting of shareholders of the Company is one person of the outstanding common shares present or represented by proxy.

Shareholder Approval Requirement: The Company will follow Toronto Stock Exchange rules for shareholder approval of new issuances of its common shares. Following Toronto Stock Exchange rules, shareholder approval is required for certain issuances of shares that: (i) materially affect control of the Company; or (ii) provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and have not been negotiated at arm's length. Shareholder approval is also required, pursuant to Toronto Stock Exchange rules, in the case of private placements: (i) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or (ii) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during the six month period.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking.

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process.

The Company has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of the Company shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the relevant registration statement.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 22, 2013.

Western Copper and Gold Corporation

By: /s/ Julien François
Name: Julien François
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for the fiscal year ended December 31, 2012
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2012
99.3	Audited Consolidated Financial Statements for the fiscal years ended December 31, 2012 and 2011
99.4	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
99.5	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
99.6	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of PricewaterhouseCoopers LLP
99.9	Consent of Conrad E. Huss, P.E.
99.10	Consent of Gary Giroux P. Eng.
99.11	Consent of Graham Greenaway, P. Eng.
99.12	Consent of Thomas Drielick, P.E.
99.13	Consent of Jesse Duke, P. Geo.
99.14	Consent of Michael Hester, F Aus IMM
99.15	Consent of Scott Casselman, P. Geo.
99.16	Consent of Jeff Austin, P. Eng.

WESTERN COPPER AND GOLD CORPORATION
(Formerly Western Copper Corporation)

ANNUAL INFORMATION FORM

For the year ended
December 31, 2012

2050 – 1111 West Georgia Street
Vancouver, British Columbia
V6E 4M3

Dated: March 22, 2013

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PRELIMINARY NOTES

In this Annual Information Form, Western Copper and Gold Corporation (formerly Western Copper Corporation), including all subsidiaries as the context requires, is referred to as "Western", the "Company", or "we". All information contained herein is as at March 18, 2013 unless otherwise stated.

Financial Statements

All financial information in this Annual Information Form ("AIF") is prepared in accordance with International Financial Reporting Standards ("IFRS").

This AIF should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto, as well as with the management's discussion and analysis for the year ended December 31, 2012. The financial statements and management's discussion and analysis are available at www.westerncopperandgold.com, under the Company's profile on the SEDAR website at www.sedar.com, and under the Company's profile on the EDGAR website at www.sec.gov/edgar.shtml.

Currency

All sums of money which are referred to in this AIF are expressed in lawful money of Canada, unless otherwise specified.

Disclosure of Mineral Resources

Disclosure about our exploration properties in this AIF uses the terms "Mineral Resources", "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", which are Canadian geological and mining terms as defined in accordance with National Instrument 43-101, standards of disclosure for mineral projects of the Canadian Securities Administrators, set out in the Canadian Institute of Mining (CIM) Standards. All disclosure about our exploration property conforms to the standards of U.S. Securities and Exchange Commission Industry Guide 7, *Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations* , other than disclosure of "Mineral Resources", "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" which are discussed below.

Cautionary Note to U.S. Investors concerning estimates of Measured Mineral Resources and Indicated Mineral Resources

This AIF may use the terms "Measured Mineral Resource" and "Indicated Mineral Resource". We advise U.S. investors that while such terms are recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. **U.S. investors are cautioned not to assume that any part or all of the Mineral Resources in these categories will ever be converted into Mineral Reserves.**

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources

This AIF may use the term “Inferred Mineral Resources”. We advise U.S. investors that while such term is recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this AIF and the documents incorporated by reference herein that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of any estimated future production, costs of production, and capital expenditures; project schedules; recommended work programs; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mineral exploration or mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Such statements are included, among other places, in this AIF under the headings “Development of the Business”, “Risk Factors” and “Mineral Properties” and in the documents incorporated by reference herein.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Western to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled “Risk Factors” in this AIF.

Although Western has attempted to identify important factors that could affect it and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements may prove to be inaccurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Western does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events unless required by applicable securities law.

The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, availability of equipment and personnel for required operations, the Company not experiencing unforeseen delays, unexpected geological or other effects, equipment failures, permitting delays, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements and other information contained herein concerning mineral exploration and our general expectations concerning mineral exploration are based on estimates prepared by us using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which we believe to be reasonable. The industries involve risks and uncertainties and are subject to change based on various factors.

CORPORATE STRUCTURE

Name, Address, and Incorporation

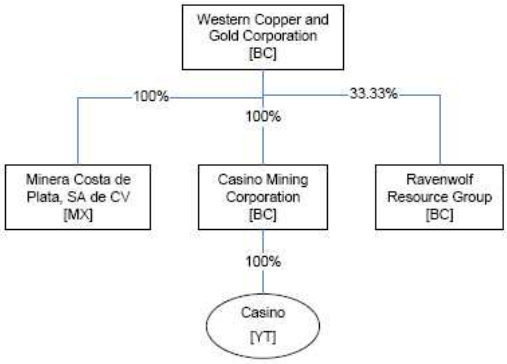
Western Copper Corporation was incorporated under the *Business Corporations Act* (British Columbia) on March 17, 2006. It changed its name to Western Copper and Gold Corporation on October 17, 2011.

The Company's principal office is located at Suite 2050 – 1111 West Georgia Street, Vancouver, BC V6E 4M3. Its registered office address is 10 th floor, 595 Howe Street, Vancouver, BC V6C 2T5.

On October 17, 2011, Western Copper Corporation ("Western Copper") completed a plan of arrangement (the "Arrangement") involving Western Copper, its shareholders and subsidiaries. The Arrangement involved, among other things: (i) a series of vertical short form amalgamations involving Western Copper and its wholly-owned subsidiaries to form the Company, (ii) a name change to "Western Copper and Gold Corporation", (iii) amendments to the Company's authorized capital resulting in an unlimited number of common shares and preferred shares, and (iv) certain exchanges of securities resulting in post-Arrangement common shares of the Company, common shares of Copper North Mining Corp. ("Copper North") and common shares of NorthIsle Copper and Gold Inc. ("NorthIsle") being distributed to shareholders of the Company in exchange for their pre-Arrangement common shares of Western Copper.

Intercorporate Relationships

The Company has the following subsidiaries:



GENERAL DEVELOPMENT OF THE BUSINESS

On December 22, 2010, Western issued 9,395,500 units at a price of $2.45 for gross proceeds of approximately $23 million. Each unit comprised one common share of the Company and half of one warrant.

On February 9, 2011, the Company's shares began trading on the NYSE MKT under the symbol: WRN.

On October 17, 2011, Western Copper completed a plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, Western Copper transferred the Carmacks Copper Project, the Redstone Project, and $2 million in cash to Copper North and the Island Copper property and $2.5 million in cash to NorthIsle in consideration for common shares of each respective company. Western Copper then changed its name to Western Copper and Gold Corp. ("Western") and distributed the common shares of Copper North and NorthIsle to Western's shareholders.

On December 21, 2012, Western completed a royalty sale with 8248567 Canada Limited (the "Purchaser"), an arms' length party, whereby the Purchaser cancelled its 5% net profits interest royalty in the Casino Project and paid Western US$32 million in exchange for a 2.75% net smelter returns royalty in the Casino Project (the "Transaction").

Western has the option to repurchase 0.75% of the NSR Royalty (resulting in a 2.00% remaining royalty) for the following amount:

a) US$39 million if the amount is paid on or prior to December 31, 2013; or

b) US$59 million if the amount is paid after January 1, 2014, but on or before December 31, 2017.

Other corporate developments are described throughout this AIF.

DESCRIPTION OF THE BUSINESS

General

Western is an exploration and development company that is directly engaged in the development of the Casino mineral property located in Yukon, Canada. The Casino property is host to one of the largest undeveloped porphyry deposits in Canada containing large amounts of gold, copper, and molybdenum in its one billion tonnes of reserves.

Western completed feasibility study on the Casino property in January 2013. Its current focus is on working towards its application for environmental assessment under the Yukon Environmental and Socioeconomic Assessment Act, the first step required to permit the Casino Project. The Company expects to submit the application by the end of 2013.

The Company does not have any producing properties and consequently has no current operating income or cash flow. Western is an exploration stage company and has not generated any revenues to date. Commercially viable mineral deposits may not exist on any of the Company's properties.

Trends

Other than noted above, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our operations, liquidity or capital resources, or that would cause reported financial information to not necessarily be indicative of our financial condition.

RISK FACTORS

The following is a brief description of those distinctive or special characteristics of the Company's operations and industry, which may have a material impact on, or constitute risk factors in respect of the Company's financial performance, business and operations.

History of Net Losses; Uncertainty of Additional Financing; Negative Operating Cash Flow

The Company has received no revenue to date from the exploration activities on its properties and has negative cash flow from operating activities. The Company incurred the following losses: (i) $22,005,813 for the year ended December 31, 2011 and (ii) $3,913,276 for the year ended December 31, 2012. As of December 31, 2012, the Company had an accumulated deficit of $86,086,902. In the event the Company undertakes development activity on any of its properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its exploration commitments, to fund administrative overhead and to maintain its mineral interests. The Company will need to raise sufficient funds to meet these obligations as well as fund ongoing exploration, advance pre-feasibility and feasibility studies, and provide for capital costs of building its mining facilities.

Mineral Exploration and Development Activities Inherently Risky

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into mineral deposits with significant value. Unusual or unexpected ground conditions, geological formation pressures, fires, power outages, labour disruptions, flooding, earthquakes, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing copper, gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of certain of the properties in which the Company has an interest could have an adverse effect on profitability in that infrastructure costs would be higher.

In addition, previous mining operations may have caused environmental damage at certain of the Company's properties. It may be difficult or impossible to assess the extent to which such damage was caused by the Company or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective.

Uncertainty of Mineral Resources and Mineral Reserves

The figures for Mineral Resources and Mineral Reserves with respect to the Casino Project disclosed in this Annual Information Form are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the prices of metals may render Resources and Reserves uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause any mining operation to be unprofitable in any particular accounting period.

Possible Loss of Interests in Exploration Properties; Possible Failure to Obtain Applicable Licenses

The agreements pursuant to which the Company acquired its interests in certain of its properties provide that the Company must make a series of payments in cash and/or common shares over certain time periods, expend certain minimum amounts on the exploration of the properties, or contribute its share of ongoing expenditures. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in those properties. Further, even if the Company does complete exploration activities, it may not be able to obtain the necessary licenses or permits to conduct mining operations on the properties, and thus would realize no benefit from its exploration activities on the properties. There is no assurance that further applications will be successful.

Title Risks

Although title to its mineral properties and surface rights has been reviewed by or on behalf of the Company, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available for mining claims in Canada, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties may be severely constrained. The Company has not conducted surveys of all of the claims in which it holds direct or indirect interests; therefore, the precise area and location of such properties may be in doubt. Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct work on the properties as permitted or to enforce its rights with respect to its properties.

Risks Associated with Joint Venture Agreements

In the event that any of the Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

Risks Relating to Statutory and Regulatory Compliance

The current and future operations of the Company, from exploration through development activities and commercial production, if any, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities, generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company has received all necessary permits for the exploration work it is presently conducting; however, there can be no assurance that all permits which the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company is not currently covered by any form of environmental liability insurance. See “Insurance Risk”, below.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

Environmental Laws and Regulations That May Increase Costs and Restrict Operations

All of the Company's exploration and potential development and production activities are subject to regulation by Canadian governmental agencies under various environmental laws. To the extent that the Company conducts exploration activities or new mining activities in other countries, it will also be subject to the laws and regulations of those jurisdictions, including environmental laws and regulations. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on our behalf and may cause material changes or delays in the Company's intended activities. Future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing it to re-evaluate those activities at that time.

Costs of Land Reclamation

It is difficult to determine the exact amounts that will be required to complete all land reclamation activities in connection with the properties in which the Company holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Company. There is a potential future liability for cleanup of tailings deposited on the mining license areas during previous periods of mining and reprocessing. It is not possible to quantify at this time what the potential liability may be and detailed assessments need to be made to determine future land reclamation costs, if any, due to this potential liability.

Assets in remote locations

The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's mineral projects. It is common in new mining operations to experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations or that the Company will successfully establish mining operations or profitably produce metals at any of its properties. Climate change or prolonged periods of inclement weather may severely limit the length of time in which exploration programs and development activities may be undertaken.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation and or development of the Company's properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation and or development of the Company's properties will be commenced or completed on a timely basis, if at all; that the resulting operations will achieve the anticipated production volume; or that the construction costs and ongoing operating costs associated with the exploitation and or development of the Company's properties will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

High Metal Prices Increasing the Demand For, and Cost Of, Exploration, Development and Construction Services and Equipment

The strength of metal prices over the past several years has encouraged increases in mining exploration, development and construction activities around the world, which has resulted in increased demand for, and cost of, exploration, development and construction services and equipment. The costs of such services and equipment may continue to increase if current trends continue. Increased demand for services and equipment could result in delays if services or equipment cannot be obtained in a timely manner due to an inadequate availability, and may cause scheduling difficulties due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development and/or construction costs.

First Nations

Consultation with First Nations groups is required of the Company in the environmental assessment, subsequent permitting, development, and operation stages of its proposed projects. Certain First Nations groups may oppose certain proposed projects at any given stage and such opposition may adversely affect the project(s) in question, the Company's public image, or the Company's share performance.

Canadian law related to aboriginal rights, including aboriginal title rights, is in a period of change. There is a risk that future changes to the law may adversely affect the Company's rights to its Canadian projects.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, including the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. From January 1, 2012 to December 31, 2012, the Company's shares traded in a range between $0.59 and $2.04 on the TSX. There can be no assurance that continual and significant fluctuations in the price of the common shares of the Company will not occur.

Changes in the Market Price of Common Shares may be Unrelated to its Results of Operations and Could Have an Adverse Impact on the Company

The Company's common shares are listed on the TSX and the NYSE MKT. The price of the Company's common shares is likely to be significantly affected by short-term changes in copper and gold prices or in its financial condition or results of operations. Other factors unrelated to the Company's performance that may have an effect on the price of the Company's shares include the following: a reduction in analytical coverage by investment banks with research capabilities; a drop in trading volume and general market interest in the Company's securities may adversely affect an investors' ability to liquidate an investment and consequently an investor's interest in acquiring a significant stake in the Company; a failure to meet the reporting and other obligations under relevant securities laws or imposed by applicable stock exchanges could result in a delisting of the Company's common shares and a substantial decline in the price of the common shares that persists for a significant period of time.

As a result of any of these factors, the market price of the Company's common shares at any given point in time may not accurately reflect their long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Metal Price Volatility

Factors beyond the control of the Company may affect the marketability of any ore or minerals discovered at and extracted from the Company's properties. Resource prices have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political trends, inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new and improved extraction and production methods. The effect of these factors cannot accurately be predicted.

The price of each of copper and gold has a history of extreme volatility. The price of the Company's common shares and the Company's financial results may be significantly adversely affected by a decline in the price of copper or gold. The price of each of copper and gold fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, by-product production levels from base-metal mines, and the political and economic conditions of major copper and gold-producing countries throughout the world.

From January 1, 2012 to December 31, 2012, the London PM price of gold ranged from approximately US$1,550 per ounce to approximately US$1,800 per ounce. Some factors that affect the price of gold include: industrial and jewelry demand; central bank lending or purchases or sales of gold bullion; forward or short sales of gold by producers and speculators; future level of gold production; and rapid short-term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Gold prices are also affected by macroeconomic factors including: confidence in the global monetary system; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the general level of interest rates; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted, and other major currencies; global political or economic events; and costs of production of other gold producing companies whose costs are denominated in currencies other than the U.S. dollar. All of the above factors can, through their interaction, affect the price of gold by increasing or decreasing the demand for or supply of gold.

From January 1, 2012 to December 31, 2012, the price of copper on the London Metal Exchange (" **LME**") has ranged from approximately US$3.30 per pound to approximately US$3.90 per pound. Some factors that affect the price of copper include: industrial demand; forward or short sales of copper by producers and speculators; future level of copper production; and rapid short-term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Copper prices are also affected by macroeconomic factors including: confidence in the global economy; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the strength of, and confidence in, the U.S. dollar, the currency in which the price of copper is generally quoted, and other major currencies; global political or economic events; and costs of production of other copper producing companies whose costs are denominated in currencies other than the U.S. dollar. All of the above factors can, through their interaction, affect the price of copper by increasing or decreasing the demand for or supply of copper.

Currency Fluctuations May Affect the Costs of Doing Business

The Company's activities and offices are currently located in Canada. Copper and gold are sold in international markets at prices denominated in U.S. dollars. However, some of the costs associated with the Company's activities in Canada may be denominated in currencies not directly related to the price of the U.S. dollar. Any appreciation of these currencies *vis-à-vis* the U.S. dollar could increase the Company's cost of doing business in these countries. In addition, the U.S. dollar is subject to fluctuation in value *vis-à-vis* the Canadian dollar. The Company does not utilize hedging programs to any degree to mitigate the effect of currency movements.

Future issuances of securities will dilute shareholder interests

Issuances of additional securities including, but not limited to, common stock pursuant to any financing and otherwise, could result in a substantial dilution of the equity interests of our shareholders.

Dependence on Management

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management team. See “Directors and Officers” in this Annual Information Form for details of the Company's current management. Investors must be willing to rely to a significant extent on their discretion and judgment. The Company does not maintain key employee insurance on any of its employees. The Company depends on key personnel and cannot provide assurance that it will be able to retain such personnel. Failure to retain such key personnel could have a material adverse effect on the Company's business and financial condition.

Competition

Significant and increasing competition exists for mineral deposits in each of the jurisdictions in which the Company conducts operations. As a result of this competition, much of which is with large established mining companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. The Company also competes with other mining companies in the recruitment and retention of qualified directors, officers and employees.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other resource companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the *Business Corporations Act* (British Columbia). From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. For a detailed list of roles played by directors and officers in other companies, see “Directors and Officers” in this Annual Information Form.

Effecting Service of Process on the Company's Directors

Since certain of the Company's directors live outside of Canada, it may not be possible to effect service of process on them and since all or a substantial portion of their assets are located outside Canada, there may be difficulties in enforcing judgments against them obtained in Canadian courts.

Insurance Risk

The mining industry is subject to significant risks that could result in damage to or destruction of property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company currently maintains insurance within ranges of coverage that it believes to be consistent with industry practice for companies at a similar stage of development. The Company carries liability insurance with respect to its mineral exploration operations, but is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Increased Costs and Compliance Risks as a Result of Being a Public Company

Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in the past few years. The Company anticipates that costs may continue to increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings,* National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and the conversion to International Financial Reporting Standards.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

We expect to be a "passive foreign investment company" for the current taxable year, which would likely result in materially adverse U.S. federal income tax consequences for shareholders who are U.S. persons.

We generally will be a "passive foreign investment company" (a "PFIC") under the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), if (a) 75% or more of our gross income is "passive income" (generally, dividends, interest, rents, royalties, and gains from the disposition of assets producing passive income) in any taxable year, or (b) if at least 50% or more of the quarterly average value of our assets produce, or are held for the production of, passive income in any taxable year. A shareholder who is a "U.S. person" (as such term is defined in the Code) should be aware that we believe that we were a PFIC during one or more prior taxable years, and based on current business plans and financial projections, we expect to be a PFIC for the current taxable year and for the foreseeable future. If we are a PFIC for any taxable year during which a U.S. person holds common shares of the Company, it would likely result in materially adverse U.S. federal income tax consequences for such U.S. person, including, but not limited to, any gain from the sale of our common shares would be taxed as ordinary income, as opposed to capital gain, and such gain and certain distributions on our common shares would be subject to an interest charge, except in certain circumstances. It may be possible for U.S. persons to fully or partially mitigate such tax consequences by making a "qualified electing fund election," as defined in the Code (a "QEF Election"). We currently intend to make available to shareholders who are U.S. persons, upon their written request: (a) information as to our status as a PFIC, and (b) for each year in which we are a PFIC, all information and documentation that a shareholder making a QEF Election with respect to us is required to obtain for U.S. federal income tax purposes. However, there is no assurance that the Company will satisfy the record keeping requirements that apply to a PFIC, or that the Company will continue to supply shareholders with the information that the shareholder is required to report under the rules applicable to making a QEF Election. Therefore, if the Company is a PFIC in any taxable year, there is no assurance that the shareholder will be able to make a QEF Election in respect of the Company's common shares. The PFIC rules are extremely complex. A U.S. person holding the Company's common shares is encouraged to consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

MINERAL PROPERTIES

The Company's Casino Project is located in the Yukon Territory in Canada.

Casino Project (Yukon, Canada)

The Casino Project is a material property for the purposes of National Instrument 43-101. The following is the summary from the technical report entitled "Casino Project, Form NI 43-101F1 Technical Report Feasibility Study, Yukon, Canada – Revision 1" (the "**2013 Feasibility Study**") dated January 25, 2013 and prepared by Conrad E. Huss, P. E., Thomas L. Drielick, P.E., Jeff Austin, P. Eng., Gary Giroux, P. Eng., Scott Casselman, P.Geo. Graham Greenaway, P. Eng., Michael G. Hester, FAus IMM, and Jesse Duke, P. Geo.; each of whom is a qualified person pursuant to National Instrument 43-101. The 2013 Feasibility Study is incorporated by reference in this AIF.

The complete 2013 Feasibility Study may be viewed under our profile at www.sedar.com or on our website at www.westerncopperandgold.com.

1 Summary

This report has been prepared by M3 Engineering & Technology Corporation ("M3") of Tucson, Arizona to summarize the work performed in the preparation of a feasibility study, supplementary to the Canadian Standard NI 43-101, previously issued for the development of the Casino property (the "Property") in the Yukon Territory in northern Canada for Casino Mining Corporation ("CMC"), a 100% owned subsidiary of Western Copper and Gold Corporation ("WCGC").

1.1 Key Data

The key details about this project are as follows:

1. Casino is primarily a copper and gold project that is expected to process 120,000 dry tonnes of material per day (t/d) or 43.8 million dry tonnes per year (t/y). Metals to be recovered are copper, gold, molybdenum and silver.

2. There are a total of 965 million tonnes of proven and probable mill ore reserves and 157 million tonnes of proven and probable heap leach reserves. Based on the economic analysis, the Property will produce the following over the life of the mine from heap leach and flotation:

    a. Gold – 5.72 million ounces
    b. Silver – 30.26 million ounces
    c. Copper – 3.58 billion pounds
    d. Molybdenum – 325 million pounds

3. The process will include a conventional single-line SAG mill circuit (Semi-Autogenous Ball Mill Crushing, or SABC) followed by conventional flotation to produce concentrate for sale. In addition to the concentrator, there will be a separate carbon-in-column facility to recover precious metals from oxide ore. Gold and silver bullion (doré) produced will be shipped by truck to metal refineries.

4. The Property will require the construction of a power plant and will generate its own electrical power using LNG to fuel the generator drivers. Additionally, the mine haulage vehicles and over-the-highway tractors which haul concentrates and LNG will utilize LNG as fuel.

5. The Property has several routes of access, including by the Yukon River, by aircraft, winter roads, and existing trails. A network of paved highways provides access to the region from the Port of Skagway, Whitehorse and northern British Columbia. Paved roads to the Property currently exist up to Carmacks. A new, all weather, gravel road will be constructed by the project to connect Casino to Carmacks via the existing Freegold Road. The new access road will, in general, follow the existing Casino Trail that will be upgraded to support trucking from Carmacks to Casino.

6. Fresh water will be sourced from the Yukon River.

7. The major milestones in the schedule are as follows:

    a. Full Notice to Proceed and construction start-up – first quarter 2016
    b. Heap Leach operation start-up – fourth quarter 2017
    c. Mill operation start-up – fourth quarter 2019
    d. Commercial Production – first quarter 2020

1.2 Property Description and Ownership

The Casino porphyry copper-gold-molybdenum deposit is located at latitude 62° 44'N and longitude 138° 50'W (NTS map sheet 115J/10), in west central Yukon, in the northwest trending Dawson Range mountains, 300 km northwest of the territorial capital of Whitehorse.

The area around Casino has been subject to increasing staking and exploration activity over the past few years. Two properties have defined reserves, the Carmacks Copper Project and the Minto Mine, both of which are discussed in Section 23, Adjacent Properties.

The project is located on Crown land administered by the Yukon Government and is within the Selkirk First Nation traditional territory and the Tr'ondek Hwechin First Nation traditional territory lies to the north. The proposed access road crosses into Little Salmon Carmacks First Nation traditional territory to the south.

The Casino Property lies within the Whitehorse Mining District and consists of 723 full and partial Quartz Claims and 85 Placer Leases acquired in accordance with the Yukon Quartz Mining Act. The total area covered by Casino Quartz Claims is 13,339.17 ha. The total area covered by Casino Placer Leases is 747.45 ha. CMC is the registered owner of all claims, although certain portions of the Casino property remain subject to royalty agreements. The claims covering the Casino property are discussed further in Section 4 of this document.

Figure 1-1 at the end of this section shows the site's location in Yukon Territory as well as other points of interest relevant to this Report. Figure 1-2 and Figure 1-3 show the roadway paths from the Yukon River to the proposed site facilities.

1.3 Geology

The geology of the Casino deposit is typical of many porphyry copper deposits. The deposit is centered on an Upper Cretaceous-age (72-74 Ma), east-west elongated porphyry stock, the Patton Porphyry, which intrudes Mesozoic granitoids of the Dawson Range Batholith and Paleozoic schists and gneisses of the Yukon Crystalline Complex. Intrusion of the Patton Porphyry into the older rocks caused brecciation of both the intrusive and the surrounding country rocks along the northern, southern and eastern contact of the stock. Brecciation is best developed in the eastern end of the stock where the breccia can be up to 400 metres wide in plan view. To the west, along the north and south contact, the breccias narrow gradually to less than 100 metres. The overall dimensions of the intrusive complex are approximately 1.8 by 1.0 kilometres.

The main body of the Patton Porphyry is a relatively small, locally mineralized, stock measuring approximately 300 by 800 metres and is surrounded by a potassically-altered Intrusion Breccia in contact with rocks of the Dawson Range. Elsewhere, the Patton Porphyry forms discontinuous dikes ranging from less than one to tens of metres wide, cutting both the Patton Porphyry Plug and the Dawson Range Batholith. The overall composition of the Patton Porphyry is rhyodacite, with phenocrysts falling into a dacite composition and the matrix being of quartz latite composition. It is more commonly made up of distinct phenocrysts of abundant plagioclase and lesser biotite, hornblende, quartz and opaques.

The Intrusion Breccia surrounding the main Patton Porphyry body consists of granodiorite, diorite, and metamorphic fragments in a fine-grained Patton Porphyry matrix. It may have formed along the margins, in part, by the stoping of blocks of wall rocks. An abundance of Dawson Range inclusions are prominent at the southern contact of the main plug, Wolverine Creek metamorphic rocks increase along the northern contact, and bleached diorite increases at the eastern contact of the main plug. Strong potassic alteration locally destroys primary textures.

1.4 Mineralization

Primary copper, gold and molybdenum mineralization was deposited from hydrothermal fluids that exploited the contact breccias and fractured wall rocks. Better grades occur in the breccias and gradually decrease outwards away from the contact zone both towards the centre of the stock and outward into the granitoids and schists. The main mineralization types are:

- **Leached Cap Mineralization (CAP)** – This oxide gold zone is gold-enriched and copper-depleted due to supergene alteration processes as well as the lower specific gravity of this zone relative to the other supergene zones. Weathering has replaced most minerals with clay. The weathering is most intense at the surface and decreases with depth.

- **Supergene Oxide Mineralization (SOX)** – This zone is copper-enriched, with trace molybdenite. It generally occurs as a thin layer above the Supergene Sulphide zone. Where present, the supergene oxide zone averages 10 metres thick, and can contain chalcanthite, malachite and brocanthite, with minor azurite, tenorite, cuprite and neotocite.

- **Supergene Sulphide Mineralization (SUS)** – Supergene copper mineralization occurs in an up to 200 metre-deep weathered zone below the leached cap and above the hypogene. It has an average thickness of 60 metres. Grades of the Supergene sulphide zone vary widely, but are highest in fractured and highly pyritic zones, due to their ability to promote leaching and chalcocite precipitation. The copper grades in the Supergene Sulphide zone are almost double the copper grades in the Hypogene (0.43% Cu versus 0.23% Cu).

- **Hypogene Mineralization** – Hypogene mineralization occurs throughout the various alteration zones of the Casino Porphyry deposit, as mineralized stock-work veins and breccias. Significant Cu-Mo mineralization is related to the potassically-altered breccia surrounding the core Patton Porphyry, as well as in the adjacent phyllically-altered host rocks of the Dawson Range Batholith. The pyrite halo in this mineralization is host to the highest Cu values on the property.

Native gold can occur as free grains in quartz (50 to 70 microns) and as inclusions in pyrite and/or chalcopyrite grains (1 to 15 microns). High grade smoky quartz veins with numerous specks of visible gold are also reported to exist.

1.5 Exploration Status

In 2009, Quantec Geoscience Limited of Toronto, Ontario performed Titan-24 Galvanic Direct Current Resistivity and Induced Polarization (DC/IP) surveys as well as a Magnetotelluric Tensor Resistivity (MT) survey over the entire grid. Magnetotelluric Resistivity results in high resolution and deep penetration (to 1 km) and the Titan DC Resistivity & Induced polarization provides reasonable depth coverage to 750 m.

In 2010, all Pacific Sentinel's historic drill core stored at the Casino Property was re-logged. The purpose of the re-logging was to provide data for the new lithology and new alteration models.

In 2011 and 2012, WCGC focused on geotechnical, metallurgical and baseline environmental studies, however certain of the drill holes were also drilled, logged and sampled for exploration purposes. In 2011, the program involved 41 drill holes for a total of 3,163.26 m. In 2012, six holes (228.07 m) were drilled for geotechnical purposes and 5 holes (1,507.63 m) were drilled for metallurgical sampling.

1.6 Development and Operations

1.6.1 Mining and Processing

A mine plan was developed to supply ore to a conventional copper sulphide flotation plant with the capacity to process ore at a nominal rate of 120,000 tonnes per day, or 43.8 million tonnes per year. Actual annual throughput will vary depending on the ore hardness encountered during the period. The mine is scheduled to operate two 12 hour shifts per day, 365 days per year.

Both sulphide copper-molybdenum ore and oxide gold ore will be processed. Copper-molybdenum ore will be transported from the mine to the concentrator facility and oxide gold ore will be transported from the mine to a crushing facility ahead of a heap leaching facility and a gold recovery facility.

Copper-molybdenum ore will be processed by crushing, grinding, and flotation to produce copper and molybdenum sulphide mineral concentrates. Copper concentrate will be loaded into highway haul trucks and transported to the Port of Skagway for ocean shipment to market. Molybdenum concentrate will be bagged and loaded onto highway haul trucks for shipment to market.

Oxide gold ore will be leached with an aqueous leach solution. Gold in the enriched (or pregnant) leach solution which will extracted by using carbon absorption technology to produce gold doré bars. The enriched leach solution will also be treated to recover copper and cyanide and produce a copper sulphide precipitate. The copper sulphide precipitate will be bagged and loaded onto highway haul trucks for shipment to market. Recovery methods are discussed more in depth in Section 17.

1.6.2 Metallurgical Testing and Metal Recoveries

Recent test work by METCON Research on the oxide cap material showed that good recoveries of gold and acceptable cyanide consumptions could be obtained by integrating the cyanide heap leach with the SART process. This process has been adopted for this feasibility study.

Flotation testing by G&T Metallurgical from 2008 to 2012 indicated that copper concentrate grades of 28% copper could be routinely achieved at good copper recoveries with a primary grind size of 80% passing 200 µm and a regrind of 80% passing 25 µm. Gold and silver will be recovered with the copper concentrate. Molybdenum will be recovered to a molybdenum concentrate in a separate flotation circuit.

The average metal recoveries expected from mill processing following the planned mill feed schedule are noted below:

- Copper recovery to copper concentrate, percent 86
- Gold recovery to copper concentrate, percent 67
- Silver recovery to copper concentrate, percent 53
- Molybdenum recovery to molybdenum concentrate, percent 71

The metal recoveries expected from oxide cap heap leach processing are based on:

- Gold recovery, percent 66
- Silver recovery, percent 26
- Copper recovery to SART precipitate, percent 18

1.6.3 Infrastructure

The region is serviced by paved all-weather roads connecting the towns of Carmacks and Whitehorse in the Yukon with the Port of Skagway Alaska. With the completion of the 132 km Casino access road, the project will have an all-weather access route through Carmacks to Whitehorse (approx. 380 km) and to the Port of Skagway (550 km). The Port of Skagway has existing facilities to store and load-out concentrates as well as facilities to receive bulk commodity shipments, fuels and connection to the Alaska Marine Highway. The Port of Skagway is developing plans to expand these facilities to better serve the expanding mining activity in the Yukon and Alaska.

The City of Whitehorse is the government, financial and commercial hub of the Yukon with numerous business and service entities to support the project, and represents a major resource to staff the project. Whitehorse has an international airport and provides commercial passenger and freight services for the region. The proposed new access road alignment is shown in Section 18.2 of this report.

A new airstrip will be constructed at the mine to accommodate appropriately sized aircraft. The existing airstrip will be razed in preparation for grading for process facilities.

1.6.3.1 Power

Electrical power to the mine will be developed in two phases. An initial power plant designated the Supplementary Power Plant will be constructed near the main workforce housing complex to provide power to the camp, to construction activities, and to the heap leach facilities that go into operation before the concentrator facility is operational.

The Supplementary Power Plant will consist of three internal combustion engines (ICE), dual fuel driven generators (capable of using both LNG and diesel) with a combined power output of 20.1 MW.

A Main Power Plant will be constructed at the Casino concentrator complex and will supply the electrical energy required for operation of the mine, concentrator, oxide ore treatment facilities and all infrastructure facilities. The primary electrical power generation will be provided by two gas turbine driven generators and a steam generator, operating in combined cycle mode (CCGT) to nominally produce 125 MW. Two internal combustion engine (ICE) driven generators will provide another 18.6 MW of power for black start capability, emergency power, and to complement the gas turbine generation when required. The gas turbines and the ICEs will be fueled by natural gas (supplied as liquefied natural gas, or LNG).

LNG will be transported to the site from Fort Nelson, British Columbia via tanker trucks and stored on-site in a large, 10,000 m^3 site-fabricated storage tank to supply the power plant. In addition to providing fuel for the power plants, the LNG facility will provide fuel for the mine haulage fleet and over the highway tractors used for hauling concentrates and LNG tankers. Distribution to the vehicles will be by two portable fueling stations and two mobile refuelers.

1.6.3.2 Water

The main fresh water supply will be supplied from the Yukon River. The water will be collected in a riverbank caisson and radial well system (Ranney Well) and pumped through an above-ground insulated 36" diameter by 17.4 km long pipeline with four booster stations to the 22,000 m^3 capacity freshwater pond near the concentrator. The design capacity of the fresh water collection and transfer system will be approximately 3,400 cubic meters per hour.

The fire water requirement is 341 m^3/h for two hours. This demand is satisfied by a fire reserve capacity of 682 m^3 in the lower portion of the freshwater pond that will be unavailable for other uses.

Potable water will be produced by filtering and chlorinating fresh water and will be stored and distributed separately.

Process water reclaimed from the tailings pond and from the plant will be collected in a 63,700 m^3 process water pond. The total process water supply to the plant required at design tonnage is 11,191 m^3/h. The total feed to the pond consists of 7,122 m^3/h combined thickener overflow, 3,228 m^3/h reclaim water from the tailings pond and 841 m^3/h fresh water makeup. Assuming the reclaim water system is not operating the plant can run for 19.7 hours with all other feed streams operating at the design rates.

1.6.4 Permits

The *Yukon Socioeconomic Assessment Board* (YESAB) will assess the Casino Project for environmental and socio-economic effects under the *Yukon Environmental and Socioeconomic Assessment Act* (YESAA). At the conclusion of the assessment, YESAB issues its recommendations to a decision body for consideration. For the Casino Project, it is expected that the designated decision body will be the Yukon Government.

After assessment, the project must secure certain permits and licenses. Mining related projects in the Yukon are regulated through territorial and federal legislation by various agencies, including government departments and independent quasi-judicial boards. The regulatory permitting and licensing processes are separate from YESAA. There is no single-window application process for regulatory permitting. Separate applications and information packages are required for each authorization and agency. The main pieces of legislation that will govern mining related activities for the Casino properties include:

- *Quartz Mining Act;*
- *Waters Act;*
- *Territorial Lands (Yukon) Act;*
- *Environment Act;*
- *Highways Act;*
- *Dangerous Goods Transportation Act;*
- *Fisheries Act;*
- *Yukon Occupational Health and Safety Act.*

Work on these permits is in progress. Environmental study results are detailed in Section 20 of this report.

1.7 Mineral Resource and Mineral Reserve Estimates

1.7.1 Metal Pricing

Table 1-1 shows a summary of metal pricing that has been used for this report. Long-term metal prices used in the financial model were converted from US dollars using a long term exchange rate of C$:US$ = 0.95 and are shown in Canadian dollars.

Table 1-1: Summary of Metal Pricing

	Copper	Gold	Molybdenum	Silver
Resources	$2.00/lb	$875.00/oz	$11.25/lb	$11.25/oz
Reserves	$2.75/lb	$1,300.00/oz	$14.50/lb	$23.00/oz
Financial Model	$3.16/lb	$1,473.68/oz	$14.74/lb	$26.32/oz

1.7.2 Mineral Resource

Table 1-2 summarizes the mineral resources for the Casino Project.

Table 1-2: Mineral Resource-Inclusive of Mineral Reserve

Supergene and Hypogene Zones (Mill Resource)	Cutoff CuEq (%)	Ore Mtonnes	Copper (%)	Gold (g/t)	Moly (%)	Silver (g/t)	CuEq (%)
Measured Mineral Resource							
Supergene Oxide	0.25	25	0.28	0.52	0.026	2.38	0.77
Supergene Sulphide	0.25	36	0.39	0.41	0.029	2.34	0.84
Hypogene	0.25	32	0.32	0.38	0.026	1.94	0.73
Total Measured Resource	**0.25**	**93**	**0.34**	**0.43**	**0.027**	**2.21**	**0.78**
Indicated Mineral Resource							
Supergene Oxide	0.25	36	0.23	0.21	0.019	1.44	0.46
Supergene Sulphide	0.25	216	0.24	0.22	0.019	1.72	0.50
Hypogene	0.25	711	0.17	0.21	0.023	1.65	0.45
Total Indicated Resource	**0.25**	**963.6**	**0.19**	**0.21**	**0.022**	**1.66**	**0.46**
Measured/Indicated Mineral Resource							
Supergene Oxide	0.25	61	0.25	0.34	0.022	1.83	0.59
Supergene Sulphide	0.25	252	0.26	0.25	0.021	1.81	0.55
Hypogene	0.25	743	0.17	0.22	0.023	1.66	0.46
Total Measured/Indicated Resource	**0.25**	**1057**	**0.20**	**0.23**	**0.022**	**1.71**	**0.49**
Inferred Mineral Resource							
Supergene Oxide	0.25	26	0.26	0.17	0.010	1.43	0.41
Supergene Sulphide	0.25	102	0.20	0.19	0.010	1.49	0.38
Hypogene	0.25	1568	0.14	0.16	0.020	1.36	0.37
Total Inferred Resource	**0.25**	**1696**	**0.14**	**0.16**	**0.019**	**1.37**	**0.37**
Leached Cap/Oxide Gold Zone (Heap Leach Resource)	Cutoff Gold (g/t)	Ore Mtonnes	Copper (%)	Gold (g/t)	Moly (%)	Silver (g/t)	CuEq (%)
Measured Mineral Resource	0.25	31	0.05	0.52	0.025	2.94	N.A.
Indicated Mineral Resource	0.25	53	0.03	0.33	0.017	2.36	N.A.
Measured/Indicated Resource	**0.25**	**84**	**0.04**	**0.40**	**0.020**	**2.57**	N.A.
Inferred Mineral Resource	0.25	17	0.01	0.31	0.008	1.93	N.A.
CuEq is based on metal prices of US$2.00/lb copper, $US875/oz gold, US$11.25/lb molybdenum, and US$11.25/oz silver and assumes 100% metal recovery.							

The supergene oxide, supergene sulphide, and hypogene zones are mill resources and are tabulated at a 0.25% copper equivalent cutoff grade. Measured and indicated supergene and hypogene resources amount to 1.06 billion tonnes at 0.20% copper, 0.23 g/t gold, 0.022% molybdenum, and 1.71 g/t silver. Inferred resources are an additional 1.7 billion tonnes at 0.14% copper, 0.16 g/t gold, 0.019% molybdenum, and 1.37 g/t silver.

The leach cap contains potential heap leach ore and is tabulated at a 0.25 g/t gold cutoff grade. Measured and indicated heap leach ore amounts to 84.0 million tonnes at 0.04% copper, 0.40 g/t gold, and 2.57 g/t silver. Inferred resources are an additional 17 million tonnes at 0.01% copper, 0.31 g/t gold, and 1.93 g/t silver.

1.7.3 Mineral Reserve

The mill ore reserve amounts to 965.2 million tonnes at 0.204% copper, 0.240 g/t gold, 0.0227% molybdenum, and 1.74 g/t silver. Heap leach reserve is an additional 157.5 million tonnes at 0.292 g/t gold and 0.036% copper. Table 1-3 presents the mineral reserve for the Casino Project.

Table 1-3: Mineral Reserve

Mill Ore Reserve:	**Ore Ktonnes**	**Tot Cu (%)**	**Gold (g/t)**	**Moly (%)**	**Silver (g/t)**
Proven Mineral Reserve:					
Mill Ore	91,602	0.336	0.437	0.0275	2.23
Probable Mineral Reserve:					
Mill Ore	729,777	0.203	0.235	0.0240	1.78
Low Grade Stockpile	143,828	0.122	0.139	0.0133	1.19
Total Probable Reserve	873,605	0.190	0.219	0.0222	1.68
Proven/Probable Reserve					
Mill Ore	821,379	0.218	0.258	0.0244	1.83
Low Grade Stockpile	143,828	0.122	0.139	0.0133	1.19
Total Mill Ore Reserve	965,207	0.204	0.240	0.0227	1.74
Heap Leach Reserve:	**Ore ktonnes**	**Gold (g/t)**	**Tot Cu (%)**	**Moly (%)**	**Silver (g/t)**
Proven Mineral Reserve	31,760	0.480	0.051	N/A	2.79
Probable Mineral Reserve	125,694	0.244	0.032	N/A	2.06
Total Heap Leach Reserve	157,454	0.292	0.036	N/A	2.21

1.8 Costs and Financial Data

1.8.1 Capital Cost Estimate

The initial capital investment for complete development of the project is estimated to be $2.456 billion total direct and indirect cost. Table 1-4 shows the capital cost breakdown.

Table 1-4: Capital Cost Estimate Summary

	(millions)
Direct Costs	
Mining Equipment & Mine Development	$454
Concentrator (including related facilities)	$904
Heap Leach Operation	$139
Camp	$70
Sub-Total	**$1,566**
Indirect Costs	$295
Infrastructure Costs	
Power Plant	$209
Access Road	$99
Airstrip	$24
Subtotal Infrastructure	$332
Contingency	**$218**
Owner's Costs	$44
Grand Total	**$2,456**

In addition to the above, the total life of mine sustaining capital is estimated to be $361.7 million. This capital will be expended during a 22 year period.

1.8.2 Operating Cost Estimate

Life of mine average operating cost is $8.52 per tonne for sulphide ore, which includes mining, concentrator plant and general and administrative costs. The life of mine average operating cost is $4.04 per tonne for oxide ore which includes processing only.

1.8.3 Financial Analysis

Net Income after Tax amounts to $6.7 billion for the life of the mine. The base case economic analysis (Table 1-5) indicates that the project has an Internal Rate of Return (IRR) of 20.1% after taxes with a payback period of 3.0 years.

Table 1-5 compares the base case project financial indicators with the financial indicators for other cases when the sales price, the amount of capital expenditure, operating cost, and copper recovery are varied from the base case values. By comparing the results of this sensitivity study, it can be seen that the project IRR's sensitivity to variation in metal sales price has the most impact, while variation of operating cost, variation of mill recovery, and variation of capital cost are approximately equal.

Table 1-5: Sensitivity Analysis (After tax figures)

	NPV @ 0%	NPV @ 5%	NPV @ 8%	NPV @ 10%	IRR	Payback Years
Base Case (LTP)	$6,651	$2,986	$1,830	$1,296	20.1%	3.0
SEC Prices	$7,848	$3,621	$2,287	$1,669	22.5%	2.7
Spot Prices*	$7,744	$3,597	$2,282	$1,672	22.7%	2.6
Base-Case Sensitivities						
Metals Price +10%	$8,157	$3,786	$2,407	$1,768	23.1%	2.6
Metals Price -10%	$5,146	$2,186	$1,253	$824	16.7%	3.5
Capex +10%	$6,499	$2,840	$1,689	$1,158	18.4%	3.2
Capex -10%	$6,804	$3,133	$1,972	$1,434	22.1%	2.7
Opex +10%	$6,103	$2,705	$1,631	$1,135	19.0%	3.1
Opex -10%	$7,200	$3,268	$2,029	$1,457	21.1%	2.9
Mill Recovery +5%	$7,304	$3,329	$2,075	$1,495	21.3%	2.8
Mill Recovery -5%	$5,998	$2,644	$1,585	$1,096	18.7%	3.1
$ in millions						

*Spot prices are on the last day of December 2012	Base Case		SEC Prices		Spot Prices*	
	Copper	$3.16	Copper	$3.67	Copper	$3.57
	Molybdenum	$14.74	Molybdenum	$14.67	Molybdenum	$11.80
	Gold	$1,473.68	Gold	$1.487.85	Gold	$1,657.50
	Silver	$26.32	Silver	$28.80	Silver	$29.95

1.9 Conclusions and Recommendations

The Casino mineral occurrence can be successfully and economically exploited by proven and conventional mining and processing methods under the conditions and assumptions outlined in this report. Overall, the main risk and key metric for financial success is metal pricing.

Opportunities exist to enhance the project economics including:

- Conversion of some of the inferred resource into measured and indicated.
- Sharing of infrastructure development costs with other parties.
- Optimize the process during the basic and detailed engineering phases.

To further enhance the project, M3 recommends that CMC perform the following:

- CMC should continue to further define the resource through exploration drilling, particularly in the more sparsely drilled area west of the main zone and deep drilling adjacent to the microbreccia pipe (approximately $2 million required).
- CMC should continue with the environmental studies and permitting efforts now underway (approximately $5 million required).
- CMC should continue with the engineering effort in support of permitting (approximately $1 million required).
- CMC should continue to monitor developments in the Yukon, northern British Columbia, and Alaska to be in a position to share infrastructure development (approximately $200,000 required).

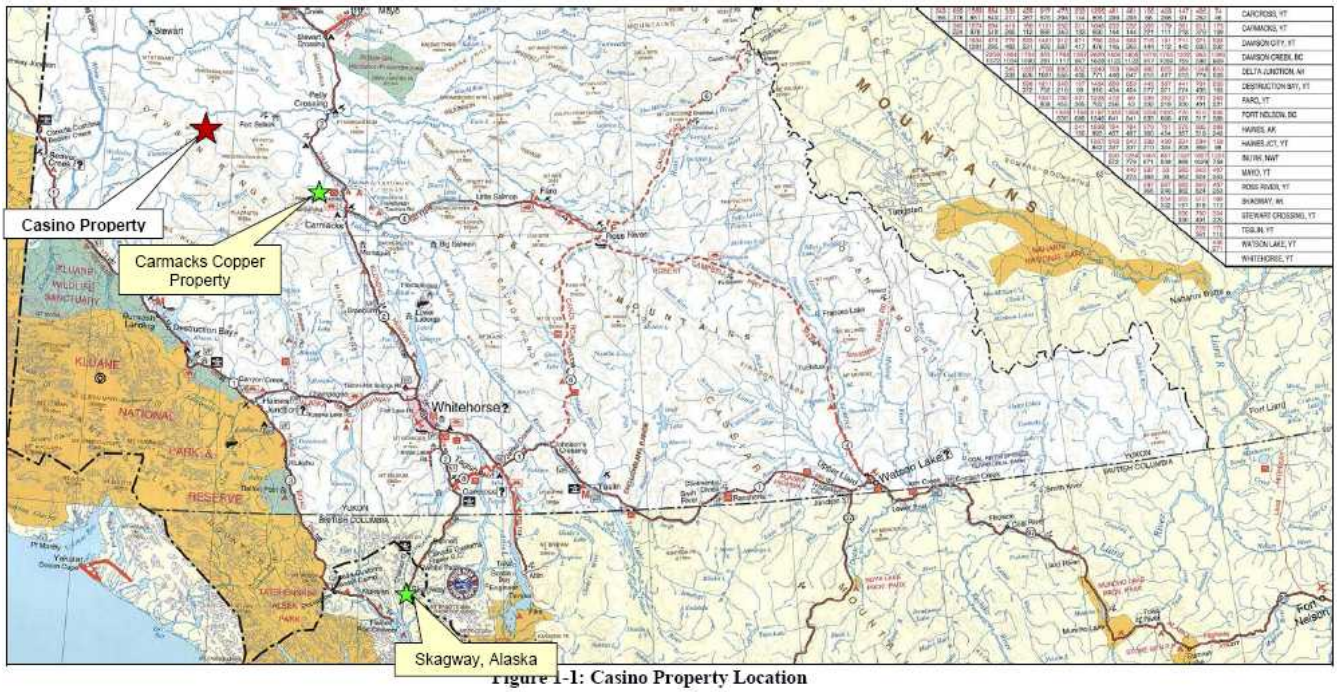


Figure 1-1: Casino Property Location

(Source: Yukon Highway Map, Yukoninfo.com)

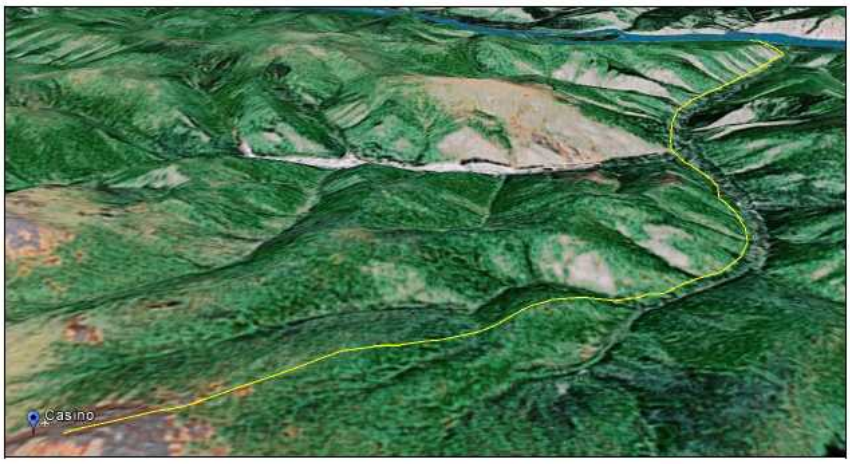


Figure 1-2: Road to Casino Concentrator Site from the Yukon River
(Source: M3)

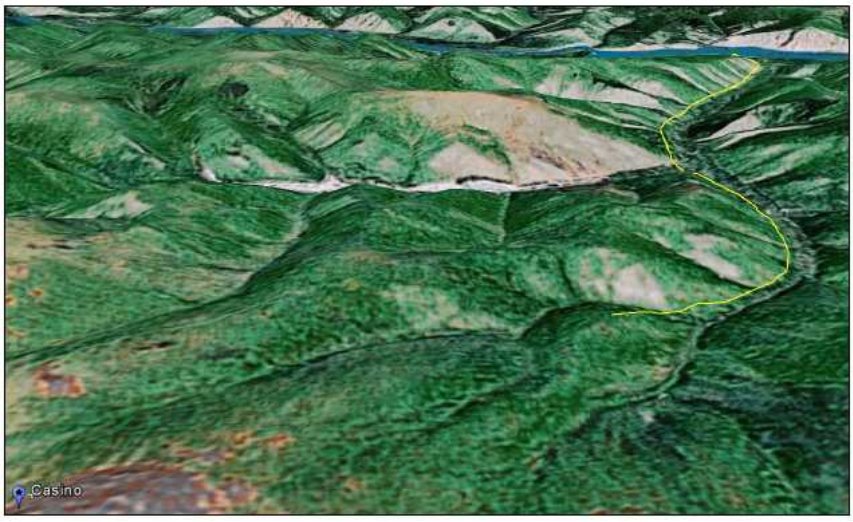


Figure 1-3: Path from Yukon River to Proposed Fresh Water Pond
(Source: M3)

Work Undertaken in 2012 and Work Plan for 2013

Baseline data acquisition and other permitting activities continued in 2012. Community meetings were held in Whitehorse and the Village of Carmacks in May, and Western met with the Selkirk and Little Salmon/Carmacks First Nations late in the fourth quarter 2012 and in early 2013. Western has prioritized engagement with communities, First Nations and other governments in preparation for formal submission of its application to the Yukon Environmental and Socio-economic Act Board ("YESAB") - the first step of the Yukon permitting process.

The Company will continue its permitting activities in 2013 with the goal of submitting its application to the YESAB in the fourth quarter of 2013.

DIVIDENDS

The Company has not paid any dividends on its common shares since its incorporation, nor has it any present intention of doing so. The Company anticipates that all available funds will be used to undertake exploration and development programs on its mineral properties.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized capital of the Company consists of the following:

1. Unlimited number of Common Shares without par value. As of the date of this AIF, there are 93,782,503 common shares outstanding.

   All of the issued common shares of the Company are fully paid and non-assessable. All of the common shares issued rank equally as to dividends, voting rights (one vote per share) and distribution of assets on winding up or liquidation. Shareholders have no pre-emptive rights, nor any right to convert their common shares into other securities. There are no existing indentures or agreements affecting the rights of shareholders other than the Notice of Articles and Articles of the Company; and

2. Unlimited number of Preferred Shares without par value, with the following special rights and restrictions: they may be issued in one or more series and the directors may from time to time fix the number and designation and create special rights and restrictions. Preferred shares would rank in priority, with respect of payment of dividends and distributions of assets on a liquidation, dissolution or winding-up of the Company, to shares ranking junior to the preferred shares including common shares. Preferred shares do not give the holders any right to receive notice of or vote at general or special meetings of the Company. As of the date of this AIF, there are no Preferred Shares outstanding.

Stock Options

The Company has a stock option plan pursuant to which the directors of the Company are authorized to grant stock options to directors, officers, employees, and consultants of the Company and its subsidiaries.

As at March 18, 2013, the following stock options were outstanding under the stock option plan:

Expiry Date	Number of stock options	Exercise price
June 24, 2013	445,000	$1.14
May 12, 2014	462,000	$0.55
October 19, 2014	100,000	$1.85
March 30, 2015	100,000	$1.74
July 16, 2015	731,667	$0.79
November 4, 2015	100,000	$1.50
July 6, 2016	1,475,000	$2.84
September 14, 2016	200,000	$2.84
July 12, 2017	1,610,000	$0.80
September 10, 2017	50,000	$0.84
January 15, 2018	100,000	$1.59
TOTAL	**5,373,667**	

MARKET FOR SECURITIES

The common shares of the Company are listed on the Toronto Stock Exchange under the symbol “WRN”. During the Company's most recently completed financial year, the Company’s common shares traded as follows:

Month	High	Low	Total Volume
January	1.88	1.58	3,447,948
February	2.04	1.65	3,611,892
March	1.93	1.41	1,804,782
April	1.43	1.18	2,016,761
May	1.27	0.85	1,295,186
June	0.92	0.70	1,719,353
July	0.79	0.59	1,343,604
August	1.03	0.61	1,260,278
September	0.98	0.65	3,238,869
October	0.77	0.65	1,109,795
November	0.73	0.61	781,863
December	1.46	0.68	2,978,000

PRIOR SALES

The Company issued the following securities which are not listed or quoted on a marketplace during the most recently completed financial year:

Grant Date	Number of Stock Options	Exercise Price
July 12, 2012	1,610,000	$0.80
September 10, 2012	50,000	$0.84

ESCROWED SECURITIES

None of the Company's securities are held under an escrow or similar arrangement.

DIRECTORS AND OFFICERS

Name, Occupation, and Experience

The following table sets forth all current directors and executive officers as of the date of this AIF, with each position and office held by them in the Company and the period of service as such. Each director's term of office expires at the next annual general meeting.

Name and Position	Province and Country of Residence[1]	Director or Officer since
Dale Corman *Chairman, Director and Chief Executive Officer*	British Columbia, Canada	May 3, 2006
Robert Byford (2) (4) *Director*	British Columbia, Canada	September 22, 2009
Robert Gayton (2) (3) *Director*	British Columbia, Canada	May 3, 2006
David Williams (2) (3) (4) *Director*	Ontario, Canada	May 3, 2006
Klaus Zeitler (3) (4) *Director*	British Columbia, Canada	May 3, 2006
Paul West-Sells *President and Chief Operating Officer*	British Columbia, Canada	November 20, 2008
Julien François, *Vice President Finance and Chief Financial Officer*	British Columbia, Canada	May 3, 2006
Cameron Brown *Vice President Engineering*	Washington State, USA	July 16, 2010
Corey Dean *Corporate Secretary*	British Columbia, Canada	May 3, 2006

(1) The information as to country of residence and principal occupation has been furnished by the respective individuals.
(2) Denotes member of Audit Committee.
(3) Denotes member of Compensation Committee.
(4) Denotes member of the Corporate Governance and Nominating Committee.

The principal occupation of Robert Byford, Robert Gayton, David Williams, Klaus Zeitler, and Corey Dean is not acting as Director or Officer of the Company. Information as to the principal occupation of these Directors and Officer is described in the narratives below.

Dale Corman, B.Sc., P.Eng., has served as Chief Executive Officer, Director, and Chairman of the Board Directors since the Company's inception in 2006. From 1995 to 2006, he was Chairman of the Board of Directors and Chief Executive Officer of Western Silver Corporation. He has 30 years' experience as a senior corporate officer of publicly listed companies in Canada and the United States, as well as extensive expertise in mineral and geothermal exploration and development, property evaluation and acquisition, project financing, and corporate management. Mr. Corman received a B.S. in geology from Rensselaer Polytechnic Institute in Troy, New York, in 1961 and obtained Professional Engineer status in Ontario in 1972.

Mr. Corman is a Director of Spanish Mountain Gold [TSXV:SPA], NorthIsle Copper and Gold Inc. [TSXV:NCX], and Copper North Mining Corp. [TSXV:COL].

Robert M. Byford, FCA**,** has served as director in 2009. He is a former partner of KPMG LLP and Senior Vice President and Director of KPMG Corporate Finance Inc. He has a background in audit and tax and acquired significant experience with numerous public companies during his 39 years with KPMG and predecessor firms. In 1983, Mr. Byford became Managing Partner of the BC Region consulting practice and was a founding partner of the firm's Corporate Finance Practice. Mr. Byford has acted as lead financial adviser on a wide range of finance, divestiture and acquisition transactions in many industry sectors. He was an elected Governor of the Vancouver Stock Exchange and has been a frequent speaker on corporate governance, securities and corporate finance matters. He graduated from Simon Fraser University in 1969 and obtained his professional qualification as a Chartered Accountant in 1971. Mr. Byford was elected a fellow of the Institute of Chartered Accountants of British Columbia in 2009 for outstanding service to the community and this profession.

Robert Gayton, B.Comm., Ph.D., FCA, has served as Director, and Chairman of the Audit Committee since the Company's inception in 2006.

Dr. Gayton is a Chartered Accountant and holds a Ph.D. – Accounting/Finance from the University of California, Berkeley (1973). Dr. Gayton was a member of the Business School faculties at Berkeley and the University of BC from 1965 to 1974.

In 1974, Dr. Gayton left academia to join Peat Marwick Mitchell (now KPMG LLP) and establish their professional development program. He became partner in 1976 and transferred to the audit practice in 1979. In 1987, Dr. Gayton left the firm to join a client and since that time has acted as financial advisor/officer to various resource based companies.

He is currently a director and chair/member of the audit and other committees of the following companies: Amerigo Resources Ltd. [TSX:ARG], B2 Gold Corp. [TSX:BTO], Eastern Platinum Limited [TSX & AIM:ELR], Nevsun Resources Ltd. [TSX & NYSE MKT:NSU], and Silvercorp Metals Inc. [TSX & NYSE:SVM].

David Williams, LL.B., MBA, has served as Director since the Company's inception in 2006. Mr. Williams currently manages investments for his family holding company and is involved in a number of charitable organizations. He is a Director of Atlantis Systems Corp. [NEX:AIQ.H] and SQI Diagnostics [TSXV:SQD]. Mr. Williams holds a Master of Business Administration Degree from Queens University and a Doctor of Civil Laws Degree from Bishops University.

Klaus Zeitler, Ph.D., has served as Director since the Company's inception in 2006. Dr. Zeitler was the founder and CEO of Inmet from 1987 to 1996. Dr. Zeitler was Senior Vice President of Teck Cominco Limited from 1997 to 2002, and previously was on the Board of Directors of Teck Corp. from 1981 to 1997 and Cominco Limited from 1986 to 1996. Dr. Zeitler is President, CEO, and Director of Amerigo Resources Ltd. [TSX:ARG] and he is the Chairman and a Director of Los Andes Copper Ltd. [TSXV:LA], and of Rio Alto Mining Limited [TSX:RIO]. He is also a Director of Vena Resources Inc. [TSX:VEM].

Paul West-Sells, Ph.D., has served as President and Chief Operating Officer since March 2010. He joined the Company in 2006 as its Senior Metallurgist to provide metallurgical support to the Company's projects and to lead the advancement of the Casino Project through pre-feasibility engineering. Dr. West-Sells has 20 years' experience in the mining industry, and was at BHP Billiton, Placer Dome Inc. and Barrick Gold Corporation in a series of increasingly senior roles in research and development and project development. He holds a Ph.D. from the University of British Columbia in metallurgical engineering.

Julien François, CA has served as Vice President, Finance and Chief Financial Officer since the Company's inception in 2006. Prior to joining the Company, he was the Controller of Western Silver Corporation from 2005 to 2006. From 2000 to 2005, Mr. François worked in the audit practice at PricewaterhouseCoopers LLP. Mr. François graduated from the University of British Columbia in 2000 and obtained his professional qualification as a Chartered Accountant in 2004. He is also Chief Financial Officer of Copper North Mining Corp. [TSXV:COL].

Cameron Brown, P. Eng., has served as Vice President, Engineering since July 2010. From 2006 to 2010, Mr. Brown was the Company's Project Manager. Mr. Brown has 41 years' experience in mineral processing and has been responsible for plant maintenance, project management and engineering of major base and precious metal projects. He was formerly Project Manager for Western Silver Corporation and worked for 22 years for Bechtel Mining & Metals in various capacities including; Project Manager, Project Engineering Manager, and Manager of Engineering for Bechtel Mining & Metals (Global).

Corey Dean, B. Comm., L.L.B has served as Corporate Secretary since the Company's inception in 2006. Mr. Dean has practiced corporate, securities and natural resource law with a focus on corporate finance and mergers and acquisitions since 1981. He was educated at the University of British Columbia where he received his B.Comm. in 1979 and his LL.B. in 1980. Since 1987, he has been a partner of the firm of DuMoulin Black LLP, a law firm focused on corporate finance for public companies, and is currently managing partner of the firm. Mr. Dean has an extensive corporate and securities practice with particular emphasis on mergers and acquisitions as well as public and private financings and corporate governance matters. He has advised numerous clients in listing matters on stock exchanges and in cross border financings. He acts as counsel for corporate clients engaged in various industry sectors but primarily in mineral exploration, development and operations.

Mr. Dean is an officer of Bear Creek Mining Corporation [TSXV:BCM], Copper North Mining Corp. [TSXV:COL], and Rio Cristal Resources Corporation [TSXV:RCZ].

Control of Securities

As at March 18, 2013, the directors and executive officers of the Company as a group beneficially owned, directly or indirectly, or exercised control or direction over, and aggregate of 7,098,742 common shares of the Company, representing approximately 7.6% of the issued and outstanding common shares of the Company. In addition, the directors and executive officers of the Company as a group held 3,645,000 stock options for the purchase of common shares of the Company. The stock options are exercisable at prices ranging from $0.55 and $2.84 per common share and expire between 2013 and 2017. Of the total stock options held by directors and executive officers, 2,011,662 stock options had vested as at March 18, 2013.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, to the knowledge of the Company, none of the Company's directors or executive officers or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, at the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the disclosure above, an “order” means (a) a cease trade order, including a management cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Other than as disclosed below, to the knowledge of the Company, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is, at the date of this AIF, or has been within the ten years before the date this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

1. Robert Gayton was a director of Newcoast Silver Mines Ltd. at the date of a Cease Trade Order by the British Columbia Securities Commission on September 30, 2003 and by the Alberta Securities Commission on October 31, 2003 for failure to file financial statements. The orders were revoked on October 23, 2003 and March 25, 2004, respectively.

2. David Williams was a director of the reporting issuers when the following events occurred:

   On June 30 2010, Roador was delisted from the TSX Venture Exchange for failure to file financial statements. The Ontario Securities Commission and the British Columbia Securities Commission issued cease trade orders on Roador in early February 2011. Roador continues as a viable business and is in the process of seeking an alternate exchange listing. The cease trade orders are still in effect.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company and its properties are not currently subject to, and were not during the Company's most recently completed financial year subject to, any legal proceedings, nor are any proceedings known to be contemplated that involve a claim for damages in an amount that excluding interest and costs exceeds 10% of the current assets of the Company.

No penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority and the Company did not enter into any settlement agreements before a court in respect of securities legislation or with a securities regulatory authority during the most recently completed financial year or prior to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, to the knowledge of the Company, none of the following persons has had any material interest, direct or indirect, in any transaction during the Company's three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company:

(a) a director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly more than 10% of any class or series of the outstanding voting securities of the Company; and

(c) an associate or affiliate of any of the persons or companies referred to in the above paragraphs (a) or (b).

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. See "Risk Factors – Conflicts of Interest" and "Conflicts of Interest".

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent of the Company is Computershare at its offices in Vancouver, British Columbia, at 510 Burrard Street, Vancouver, BC, V6C 3B9, in Toronto, Ontario, and in Denver, Colorado, USA.

MATERIAL CONTRACTS

The Company has entered into the following material contracts, other than in the ordinary course of business:

- Net Smelter Returns Royalty Agreement dated December 21, 2012 between Western Copper and Gold Corporation, Casino Mining Corp., and 8248567 Canada Limited.
- Royalty Purchase Agreement dated December 20, 2012 between Western Copper and Gold Corporation, Casino Mining Corp., and 8248567 Canada Limited.
- Option Agreement dated July 2002 between CRS Copper Resources Corp. and Great Basin Gold Ltd.
- Amended and Restated Arrangement Agreement dated August 30, 2011 between Western Copper Corporation, NorthIsle Copper and Gold Inc., Copper North Mining Corp. and Others.

NAMES AND INTERESTS OF EXPERTS

The information of a scientific or technical nature regarding the Casino Project is based on the technical report entitled, "Casino Project, Form NI 43-101F1 Technical Report Feasibility Study – Revision 1, Yukon, Canada" dated January 25, 2013 and prepared by Conrad E. Huss, P. E., Thomas L. Drielick, P.E., Jeff Austin, P. Eng., Gary Giroux, P. Eng., Scott Casselman, P.Geo., Graham Greenaway, P. Eng., Michael G. Hester, FAus IMM, and Jesse Duke, P. Geo.; each of whom is a qualified person pursuant to NI 43-101.

To the best of the Company's knowledge, none of the above persons, held at the time of preparing the report, received after preparing the report, or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates in connection with the preparation or certification of the report prepared by such person. None of the above persons is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate of the Company.

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia. PricewaterhouseCoopers LLP report that they are independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, Canada.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee Charter, as approved by the Company's Board of Directors, is included in Schedule A of this AIF.

Audit Committee composition and relevant education and experience

The Audit Committee is comprised of Robert Gayton (Chair), Robert Byford, and David Williams. All three members are independent and are financially literate, as described in National Instrument 52-110 – Audit Committees ("**NI 52-110**"). Please refer to the "Directors and Officers" section of this AIF for a detailed description of each member's education and experience relevant to being a member of the Audit Committee.

Reliance on Certain Exemptions

Since the commencement of 2012, Western's most recently completed financial year, the Company has not relied on:

a. The exemption in section 2.4 of NI 52-110 (De Minimis Non- audit Services);
b. The exemption in section 3.2 of NI 52-110 (Initial Public Offerings);
c. The exemption in section 3.4 of NI 52-110 (Events Outside Control of Member);
d. The exemption in section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member); or
e. An exemption from of NI 52-110, in whole or in part, granted from Part 8 (Exemptions).

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

Since the commencement of 2012, Western's most recently completed financial year, the Company has not relied on the exemption in subsection 3.3(2) of NI 52-110 (Controlled Companies) or section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances).

Reliance on Section 3.8

Since the commencement of 2012, Western's most recently completed financial year, the Company has not relied on the exemption in section 3.8 of NI 52-110 (Acquisition of Financial Literacy) as all members of the Audit Committee are financially literate.

Audit Committee Oversight

At no time since the commencement of 2012, Western's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor, not been adopted by the Board of Western.

Pre-approval policies and procedures

All audit, audit related, tax, and non-audited services to be performed by the external audit firm are pre-approved by the Audit Committee. Before approval is given, the Audit Committee examines the independence of the external auditor in relation to the services to be provided and assesses the reasonableness of the fees to be charged for such services.

External auditor service fees (by category)

The following table sets forth the aggregate professional fees billed to the Company by its external auditor, PricewaterhouseCoopers LLP, during each year ended December 31, 2012 and 2011.

	Year ended December 31,	
	2012	**2011**
Audit Fees	$70,350	$101,500
Audit Related Fees	$1,800	$97,700
Tax Fees	$46,200	$46,870
All Other Fees	-	-
Total	**$118,350**	**$246,070**

Audit Fees are professional fees billed for the audit of the Company's annual consolidated financial statements, reviews of interim financial statements and attestation services that are provided in connection with regular statutory or regulatory filings.

Audit Related Fees are professional fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees". The total noted in the table above includes amounts billed for assurance services in connection with filings required for the Arrangement completed in 2011.

Tax Fees are professional fees billed for tax return preparation and advice related to tax compliance.

All Other Fees include fees billed for services other than disclosed in any other category.

ADDITIONAL INFORMATION

General

Information relating to the Company may be found under the Company's profile on the SEDAR website at www.sedar.com. The information available at www.sedar.com includes copies of the full text of the technical report prepared for the Company in respect to the Casino Project described herein.

Additional financial information is provided in the Company's audited annual consolidated financial statements and management's discussion and analysis as at and for the year ended December 31, 2012. This information is also available under the Company's profile on SEDAR at www.sedar.com.

Schedule A
Audit Committee Charter

A. PURPOSE

The Board of Directors of the Corporation has an overall responsibility to oversee the affairs of the Corporation for the benefit of the shareholders. The Committee is appointed by the Board to assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities are to:

- review the effectiveness of the overall process of identifying and addressing material, financial- related business risk and the adequacy of the related disclosure;
- monitor the integrity of the Corporation's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance;
- monitor the independence and the performance of the Corporation's external auditors;
- provide an avenue of communications among the external auditors, management and the Board of Directors;
- encourage adherence to, and continuous improvement of, the Corporation's policies, procedures and practices relating to financial matters at all levels; and
- maintain an effective complaints procedure.

B. COMPOSITION AND MEETINGS

The Committee shall be comprised of a minimum of three or more directors, as determined by the Board, each of whom shall meet the independence requirements of the relevant securities exchanges and regulatory agencies as may apply from time to time. Each member will be independent of management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment. All members of the Committee must be financially literate. Financially literate means that the member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

The Committee members shall be appointed by the Board at its first meeting following each annual shareholders' meeting. If the Committee Chair is not designated by the Board, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee meetings may be held in person, by telephone conference or by video conference. A majority of the members of the Committee present in person, by teleconferencing or by videoconferencing will constitute a quorum.

The Committee may invite the Corporation's external auditors, the Chief Financial Officer ("CFO"), and such other persons as deemed appropriate by the Committee, to attend meetings of the Committee. The Committee shall meet at least annually with management and the external auditors to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, a portion of each Committee meeting shall be held, in camera, without any member of management being present.

C. POWER AND AUTHORITY

The Committee shall have:

1. the power to conduct or authorize investigations into any matter within the scope of its responsibilities;

2. the right to engage independent legal, accounting or other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Committee;

3. the right at any time and without restriction to communicate directly with the CFO, other members of management who have responsibility for the audit process and external auditors; and

4. such other powers and duties as may be delegated to it from time to time by the Board.

D. RESPONSIBILITIES AND DUTIES - DETAIL

Review Procedures

The Committee shall:

1. review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Corporation-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;

2. review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation and the manner in which these matters are being disclosed in the financial statements; the appropriateness and disclosure of any off-balance sheet matters; and disclosure of related-party transactions;

3. meet at least annually with the external auditors separately from management to review the integrity of the Corporation's financial reporting processes, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Corporation with prior recommendations of the external auditors. The Committee shall review with management any matters raised by the external auditors and direct management to implement such changes as the Committee considers appropriate, subject to any required approvals of the Board arising out of the review;

4. discuss with management significant financial or other risk exposures and the steps management has taken to monitor, control and report such exposures;

5. review the Corporation’s annual audited financial statements and management discussion and analysis prior to public disclosure and make recommendations to the Board respecting approval of the audited financial statements;

6. review with management, the Corporation's interim financial results and management discussion and analysis prior to public disclosure. Discuss any significant changes to the Corporation's accounting principles and any items required to be communicated by the external auditors. If the statements are to be reviewed by the auditors, the Committee shall consult with the auditors as required during the process. The Committee shall make recommendations to the Board respecting approval of the interim financial statements or, if authorized to do so by the Board, approve the interim statements and MD&A; and

7. periodically assess the procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure of the statements themselves, and satisfy itself that those procedures are satisfactory. If the procedures are not considered satisfactory, the Committee should work with management to revise the procedures appropriately.

External auditors

1. The external auditors shall report and are accountable directly to the Committee. The Committee shall at least annually review the independence and performance of the external auditors. It shall recommend to the Board of Directors the external auditors to be approved at a shareholders' meeting and recommend to the Board any discharge of auditors when circumstances warrant. If the auditors are not to be reappointed, the Committee shall select and recommend a suitable alternative.

2. The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

3. The Committee is responsible for approving the fees and other significant compensation to be paid to the external auditors, and pre-approving, subject to ratification by the Board, any non-audit services that the auditor may provide. The Committee may delegate certain pre-approval functions for non- audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Committee for approval at its next meeting.

4. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the auditor's independence.

5. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

6. The Committee shall obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 Auditor Oversight and are in compliance with governing regulations.

E. DUTIES AND RESPONSIBILITIES - GENERAL

The Committee shall:

1. on at least an annual basis, review with the Corporation's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies;

2. annually prepare a report to shareholders to be included in the Corporation's annual information circular as required by applicable securities laws. The Chairman of the Committee, or other member appointed by the Chair, will review all disclosure documents to be issued by the Corporation relating to financial matters, including news releases, annual information forms and information circulars;

3. review and assess the adequacy of this Charter at least annually and submit it to the Board for approval;

4. annually evaluate the Committee's performance and report its findings to the Board;

5. maintain minutes of meetings and periodically report to the Board on significant results of the Committee's activities; and

6. perform any other activities consistent with this Charter, the Corporation's documents, and governing law, as the Committee or the Board deems necessary or appropriate.

F. COMPLAINTS PROCEDURE

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Committee for a period of three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

The following management discussion and analysis of Western Copper and Gold Corporation (along with its subsidiaries, "Western" or the "Company") is dated March 22, 2013, and provides an analysis of the Company's results of operations for the year ended December 31, 2012.

This discussion is intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as certain forward looking statements relating to its potential future performance. The information should be read in conjunction with the Western audited consolidated financial statements for the year ended December 31, 2012 and the notes thereto. The Company's accounting policies are described in note 3 of the audited consolidated financial statements for the year ended December 31, 2012. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise indicated.

Western is listed on the Toronto Stock Exchange ("TSX") and the NYSE MKT under the symbol: WRN. As at the date of this report, the Company had 93,782,503 common shares outstanding.

Additional information on the Company can be found in the Company's Annual Information Form ("AIF"), filed with Canadian regulators on SEDAR at www.sedar.com and with the United States Securities and Exchange Commission (the "SEC") at www.sec.gov on Form 40-F.

The operations of the Company are speculative due to the high-risk nature of the mining industry. Western faces risks that are generally applicable to its industry and others that are specific to its operations. Certain key risks affecting the Company's current and future operations are discussed in its AIF and Form 40-F. This list is not exhaustive. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. Such risk factors could materially affect the value of the Company's assets, and future operating results of the Company and could cause actual results to differ materially from those described in the forward looking statements contained in this management discussion and analysis. Reference is made to the discussion of forward-looking statements at the end of this document.

DESCRIPTION OF BUSINESS

Western Copper and Gold Corporation is a Canadian-based publicly-traded mineral exploration company with a primary focus of advancing its Casino deposit towards production. The Casino deposit contains significant gold, copper, and molybdenum contained in greater than one billion tonnes of reserves and an additional upside of 1.7 billion tonnes in an inferred resource. Located in the Yukon, the Casino deposit is one of the largest undeveloped copper-gold deposits in Canada.

CASINO PROJECT
FINANCING

On December 21, 2012, Western completed a royalty sale with 8248567 Canada Limited (the "Purchaser"), an arms' length party, whereby the Purchaser cancelled the 5% net profits interest royalty (the "NPI Royalty") on all claims comprising the Casino Project, other than the Casino B claims, and paid Western US$32 million in exchange for a 2.75% net smelter returns royalty (the "NSR Royalty") on the future sale of any metals and minerals derived from the Casino Project, other than the Casino B claims (the "Transaction").

The Purchaser had acquired the NPI Royalty, along with two other royalty interests, on August 10, 2012 from Strategic Metals Ltd. ("Strategic") for US$30 million. An additional US$6 million is due from the Purchaser to Strategic contingent on the Casino Project meeting certain permitting targets by December 31, 2016 (see Strategic's news release dated August 10, 2012, available on SEDAR, for more information).

Western has the option to repurchase 0.75% of the NSR Royalty (resulting in a 2.00% remaining royalty) for the following amount:

a. US$39 million if the amount is paid on or prior to December 31, 2013; or
b. US$59 million if the amount is paid on or after January 1, 2014 but on or before December 31, 2017.

The Company believes that the NSR Royalty sale was a superior financing option to a standard equity deal. Based on the Company's analysis, the valuation of the NSR Royalty represented a significant premium to the market valuation of the Company. The proceeds from the Transaction should provide Western with sufficient funds for the estimated period to permit the Casino Project without massively diluting current shareholders or unduly affecting the returns of the project.

FEASIBILITY STUDY

Summary

On January 7, 2013, the Company released the results of the feasibility study on its Casino Project and subsequently filed the technical report titled "Casino Project, Form NI 43-101F1 Technical Report Feasibility Study, Yukon, Canada – Revision 1" dated January 25, 2013 (the "Feasibility Study") on SEDAR on February 12, 2013. The Feasibility Study succeeds the pre-feasibility study dated May 17, 2011 and incorporates an updated reserve, significant updated engineering, particularly in the areas of energy supply, metallurgy and flow sheet design, and brings the engineering on the project to a feasibility study level. The following summary is qualified in its entirety by reference to the full text of the Feasibility Study, which is available under the Company's profile on SEDAR.

The Feasibility Study establishes the Casino Project as a robust copper-gold project with positive economics at conservative commodity prices. Globally over the past few years, very few projects of the size of Casino have been engineered to a feasibility study level and maintained attractive economics.

The following is a summary of key financial results at each price scenario used in the Feasibility Study. These results include the following assumptions:

- An exchange rate of US$1:$1 was used for capital and operating cost estimates.
- The exchange rate applied to each commodity price scenario is indicated below.
- All financial results include the NSR Royalty.
- Unless otherwise noted, all financial figures are calculated using the long term metal price scenario.

	Long Term	SEC	Spot
NPV after-tax (8% discount)	$1.83 billion	2.29 billion	2.28 billion
IRR after-tax (100% equity)	20.1%	22.5%	22.7%
Payback period (years)	3.0	2.7	2.6
Net Smelter Return ($/t milled)	22.59	24.62	24.27
Copper Cash Cost* (US$/lb)	(0.81)	(0.85)	(0.90)

*Net of byproduct credits.

The financial results of the Feasibility Study were calculated using three different metal price scenarios. Long term prices ("Long Term") were based on long term copper price projections from Wood Mackenzie and typical analyst projections of long term metal prices for the other metals. SEC pricing guidance uses LME three-year historical rolling average prices from December 31, 2012. Spot prices ("Spot") are the spot prices on December 31, 2012.

	Long Term	SEC	Spot
Copper (US$/lb)	3.00	3.67	3.57
Molybdenum (US$/lb)	14.00	14.67	11.80
Gold (US$/oz)	1,400.00	1,488.00	1,658.00
Silver (US$/oz)	25.00	28.80	29.95
Exchange Rate (C$:US$)	0.95	1.00	1.00

Operational Highlights

The Feasibility Study evaluates the development of the Casino deposit as a conventional open pit mine, concentrator complex, and heap leach operation. The initial production will focus on the deposit's oxide cap as a heap leach operation to recover gold and silver in doré form. The main sulphide deposit will be processed using a conventional concentrator to produce copper-gold-silver and molybdenum concentrates.

Operation	Nominal Throughput (tonnes per day)	Life of Mine (years)
Mill	120,000	22
Heap	25,000	18

Higher grade ore fed to the concentrator during the first four years of the concentrator operation, combined with a low strip ratio in these years, result in higher yearly cash flows during this period that contribute significantly to the project's financial performance and quick pay-back period.

	Years 1-4	Life of Mine
Average Annual Pre-tax Cash Flow ($millions)	773	531
Average Annual After-tax Cash Flow ($millions)	682	400
Average NSR ($/t ore milled)	31.59	22.59
Strip ratio	0.49	0.59

Key processing plant metrics:

	Years 1-4	Life of Mine
Average Annual Metal Production		
Copper (Mlbs)	245	171
Gold (kozs)	399	266
Silver (kozs)	1,777	1,425
Molybdenum (Mlbs)	15.3	15.5
Average Annual Mill Feed Grade		
Copper (%)	0.307	0.204
Gold (g/t)	0.371	0.240
Silver (g/t)	2.103	1.74
Molybdenum (%)	0.025	0.023
Recovery (Mill)		
Copper (%)	83.7%	86.4%
Gold (%)	67.7%	67.1%
Silver (%)	55.8%	53.4%
Molybdenum (%)	64.8%	70.7%
Recovery (Heap)		
Gold (%)	66.0%	66.0%
Copper (%)	18.0%	18.0%
Silver (%)	26.0%	26.0%
Annual Concentrate Production		
Cu (dry ktonnes)	395	275
Mo (dry ktonnes)	12	13
Average Concentrate Grade		
Copper Concentrate		
Cu (%)	28.0%	28.0%
Au (g/t)	27.3	25.6
Ag (g/t)	127.7	147.8
Molybdenum Concentrate		
Mo (%)	56.0%	56.0%

Most of the Casino Project's revenue is from copper (46%), but gold is a significant contributor to the project (34%); establishing the Casino Project as an attractive project from either a copper or gold perspective.

% of Revenue, by Commodity	Years 1-4	Life of Mine
Copper	48%	46%
Gold	37%	34%
Molybdenum	12%	17%
Silver	3%	3%

Mineral Reserves

The mineral resource estimate first reported in November 2010 was used unmodified for the Feasibility Study.

The Feasibility Study estimates a proven and probable mill ore reserve of 965 million tonnes and a proven and probable heap leach ore reserve of 157 million tonnes, as outlined below. Total contained metal in the combined proven and probable mineral reserve is equal to 4.5 billion pounds of copper, 8.9 million ounces of gold, 483 million pounds of molybdenum, and 65 million ounces of silver.

Proven & Probable	Tonnes (millions)	Copper (%)	Gold (g/t)	Moly (%)	Silver (g/t)
Mill Ore Reserve					
Proven Mineral Reserve	91.6	0.336	0.437	0.0275	2.23
Probable Mineral Reserve	873.6	0.190	0.219	0.0222	1.68
Total Proven & Probable (Mill)	965.2	0.204	0.240	0.0227	1.74
Heap Leach Reserve					
Proven Mineral Reserve	31.8	0.051	0.480	n/a	2.79
Probable Mineral Reserve	125.7	0.032	0.244	n/a	2.06
Total Proven & Probable (Heap)	157.5	0.036	0.292	n/a	2.21

Capital Costs

Total initial capital investment in the project is estimated to be $2.46 billion, which represents the total direct and indirect cost for the complete development of the Casino Project, including associated infrastructure and power plant. The following table shows how the initial capital is distributed between the various components. Sustaining capital for the project is estimated at $362 million.

CAPITAL COST	$ millions
Direct Costs	
Mining Equipment & Mine Development	454
Concentrator (incl. related facilities)	904
Heap Leach Operation	139
Camp	70
Subtotal Direct Costs	1,567
Indirect Costs	295
Infrastructure Costs	
Power Plant	209
Access Road	99
Airstrip	24
Subtotal Infrastructure	332
Contingency	218
Owner's Costs	44
TOTAL CAPITAL COST	2,456

Operating Costs

Operating costs at the Casino Project are expected to be typical for an operation of this scale. The combined mining and milling operating costs are $8.52 per tonne ore milled.

The mining costs per mill ore were estimated at $3.05. The operating costs for the milling operation are expected to average $5.47 per tonne of ore processed through the mill over the life of the mine. Heap leach operating costs are expected to average $4.04 per tonne of ore processed through the heap leach over the life of the heap leach.

Power and Infrastructure

Electrical power for the Casino Project will be provided by a gas fired power plant based on liquefied natural gas ("LNG") sourced from a new facility to be constructed by a third party near existing gas processing facilities currently in operation at Ft. Nelson, BC. The LNG supply chain used in the Feasibility Study is based upon various engineering studies undertaken by Western and its consultants and as a result of extensive discussions with potential third party suppliers in the Ft. Nelson area.

LNG will be hauled by over-the-highway tankers to an on-site LNG storage facility, then vaporized and fed to the power plant to generate electrical power.

The region is serviced by paved all-weather roads connecting the towns of Carmacks and Whitehorse in the Yukon with the Port of Skagway, Alaska. With the completion of the 132 km Casino access road, the project will have an all-weather access route through Carmacks to Whitehorse (approx. 380 km) and to the Port of Skagway (550 km). The Port of Skagway has existing facilities to store and load-out concentrates as well as facilities to receive bulk commodity shipments, fuels and connection to the Alaska Marine Highway. The Port of Skagway is developing plans to expand these facilities to better serve the expanding mining activity in the Yukon and Alaska.

A new airstrip will be constructed at the mine to accommodate appropriately sized aircraft. The existing airstrip will be razed in preparation for grading for process facilities.

PERMITTING

Baseline data acquisition and other permitting activities continued in 2012. Community meetings were held in Whitehorse and the Village of Carmacks in May, and Western met with the Selkirk and Little Salmon/Carmacks First Nations late in the fourth quarter 2012 and in early 2013. Western has prioritized engagement with communities, First Nations and other governments in preparation for formal submission of its application to the Yukon Environmental and Socio-economic Act Board (“YESAB”) - the first step of the Yukon permitting process.

The Company expects to continue its permitting activities in 2013 with the goal of submitting its application to the YESAB in the fourth quarter of 2013.

CORPORATE ACTIVITIES

On October 4, 2012, the Company closed a non-brokered private placement of 500,000 flow-through common shares at a price of $0.80 per share for gross proceeds of $400,000. Certain insiders were involved in the private placement. The gross proceeds of the financing will be used to incur qualifying Canadian Exploration Expenses.

SELECTED ANNUAL FINANCIAL INFORMATION

The following annual information has been extracted from the Company's audited annual consolidated financial statements.

As at and for the year ended	31-Dec-12 $	31-Dec-11 $	31-Dec-10 $
Loss and comprehensive loss	3,913,276	22,005,813	4,037,115
Loss per share – basic and diluted	0.04	0.24	0.05
Exploration and evaluation assets	17,706,346	42,114,531	73,402,621
Cash, cash equivalents, and short-term investments	33,517,542	9,465,568	23,636,895
Total assets	51,634,275	52,114,445	97,449,751

Items that resulted in significant differences in the annual figures presented above are explained in the following narrative.

Loss and comprehensive loss

The loss and comprehensive loss reported for the year ended December 31, 2011 is largely due to the $19.7 million loss on distribution recorded as a result of the plan of arrangement (the "Arrangement") completed on October 17, 2011. Refer to the Western audited consolidated financial statements for the year ended December 31, 2012 for more information regarding the Arrangement.

Exploration and evaluation assets

In 2012, exploration and evaluation assets were reduced by the net proceeds from the sale of the NSR Royalty, described in more detail in the Casino Project section, above. The carrying value of exploration and evaluation assets also decreased in 2011 from 2010 due to the Arrangement. As part of the Arrangement, Western transferred the Carmacks Copper Project and the Redstone Project to Copper North Mining Corp ("Copper North") and the Island Copper property to NorthIsle Copper and Gold Inc ("NorthIsle"). Consequently, the Company reduced the carrying value of its exploration and evaluation assets by the carrying value of the transferred properties.

Cash, cash equivalents, and short-term investments

Cash is substantially higher as at December 31, 2012 as compared to December 31, 2011 because the the Company received gross proceeds of US$32 million from the sale of the NSR Royalty on December 21, 2012. Cash decreased during the year ended December 31, 2011 because the Company continued to spend cash to fund ongoing operations. In addition, pursuant to the Arrangement, the Company transferred $2 million to Copper North and $2.5 million to NorthIsle on October 17, 2011.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following quarterly information has been extracted from the Company's unaudited condensed interim consolidated financial statements.

As at and for the quarter ended	31-Dec-12 $	30-Sep-12 $	30-Jun-12 $	31-Mar-12 $
Loss and comprehensive loss	953,999	738,445	1,019,102	1,201,730
Loss per share – basic and diluted	0.01	0.01	0.01	0.01
Exploration and evaluation assets	17,706,346	47,528,131	45,938,009	43,734,281
Cash and short-term investments	33,517,542	3,441,580	5,184,195	7,574,938
Total assets	51,634,275	51,371,026	51,469,800	51,761,289

As at and for the quarter ended	31-Dec-11 $	30-Sep-11 $	30-Jun-11 $	31-Mar-11 $
Loss and comprehensive loss	19,096,053	1,473,417	748,943	687,400
Loss per share – basic and diluted	0.21	0.02	0.01	0.01
Exploration and evaluation assets	42,114,531	81,619,696	76,515,156	74,414,221
Cash and short-term investments	9,465,568	16,821,163	21,915,277	22,080,673
Total assets	52,114,445	99,185,859	99,092,973	96,875,640

Items that resulted in significant differences in the quarterly figures presented above are explained in the following narrative.

Loss and comprehensive loss

The loss for the three months ended December 31, 2012 is slightly elevated compared to the loss for the three months ended September 30, 2012 as a result of bonuses paid in the fourth quarter. Promotional activities and advertising also increased in anticipation of the release of the Feasibility Study compared to the three months ended September 30, 2012.

Western reported a loss of $19.1 million for the three months ended December 31, 2011. This quarterly loss includes a loss on distribution of $19.7 million as a result of the distribution of assets pursuant to the Arrangement completed on October 17, 2011. The impact of the loss on distribution was somewhat offset by an income tax recovery of $1.95 million. Plan of arrangement costs related to the Arrangement also contributed $161,000 to the loss incurred during the three months ended December 31, 2011.

Other than the loss on distribution discussed above, the Company also experienced higher than usual quarterly loss figures from September 30, 2011 to June 30, 2012 as a result of the high value assigned to stock options granted in July 2011 and the method used to amortize that value.

The determination of stock option value using the Black-Scholes option pricing model is correlated to the exercise price and the volatility of the underlying stock price. All other things being equal, the higher the exercise price, the higher the value assigned to the stock option. Each stock option granted in July 2011 has an exercise price of $3.11. The value assigned to each stock option is $2.13. In comparison, the stock options granted in July 2012 have an exercise price of $0.80 per share and have been assigned a value of $0.34 per stock option using the Black-Scholes option pricing model.

The value assigned to stock options is amortized over their vesting period (i.e. two years) on a graded basis, as required under International Financial Reporting Standards. This method heavily weights the amortization over the first 12 months; explaining much of the increase in loss and comprehensive loss from July 2011 to June 2012.

In addition to the items discussed above, the loss incurred during the three months ended September 30, 2011 is elevated because it includes $520,000 in costs relating to the Arrangement.

Exploration and evaluation assets

Expenditures incurred by the Company relating to its mineral properties are capitalized. As a result, the carrying value of exploration and evaluation assets should generally increase from period to period. As most field work relating to the Casino Project is performed from April to October due to weather considerations, the carrying value of exploration and evaluation assets typically sees larger increases during the second and third quarters of each year.

During the quarter ended December 31, 2012, Western received US$32 million in gross proceeds from the Transaction. This amount was recorded as a reduction to the carrying value of the Company's exploration and evaluation assets.

During the quarter ended December 31, 2011, Western distributed the Carmacks Copper Project, the Redstone Property, and the Island Copper Property to its shareholders pursuant to the Arrangement. As part of the accounting for the distribution, Western eliminated the carrying value of the assets no longer held by the Company. This amounted to a decrease in exploration and evaluation assets of $41 million.

Cash, cash equivalents, and short-term investments

For the most part, cash is used to fund ongoing operations that increase the carrying value of the Company's exploration and evaluation assets. Unless there is a significant financing transaction, cash, cash equivalents and short-term investments generally decrease from one period to the next.

Cash increased substantially during the quarter ended December 31, 2012 as a result of US$32 million received from the Transaction.

Cash decreased more than usual from September 30, 2011 to December 31, 2011 because the Company transferred $2 million cash to Copper North and $2.5 million cash to NorthIsle pursuant to the Arrangement.

Total assets

Because the Company capitalizes expenditures on its mineral properties as exploration and evaluation assets, no significant impact to total assets is expected unless Western completes a financing, distribution, or disposal.

Net cash proceeds received from the Transaction reduced the carrying value of exploration and evaluation assets. As such, there was no significant net change to total assets during the three months ended December 31, 2012.

Total assets decreased significantly during the three months ended December 31, 2011 as a result of the Arrangement. Pursuant to the Arrangement, Western distributed certain exploration and evaluation assets and cash to Copper North and NorthIsle. Consequently, exploration and evaluation assets decreased by $41 million and cash decreased by $4.5 million.

RESULTS OF OPERATIONS

	Three months ended December 31,		Year ended December 31,	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
CORPORATE EXPENSES				
Amortization	-	-	-	4,616
Filing and regulatory fees	6,812	19,500	190,801	246,569
Office and administration	53,179	50,866	211,776	247,690
Professional fees	64,108	62,063	278,653	328,142
Rent and utilities	28,798	22,418	106,155	181,374
Share-based payments	384,833	672,907	1,979,337	1,374,832
Shareholder communication and travel	104,406	63,289	372,492	356,465
Wages and benefits	359,336	290,604	981,085	1,037,470
LOSS BEFORE OTHER ITEMS	**1,001,472**	**1,181,647**	**4,120,299**	**3,777,158**
OTHER ITEMS				
Exploration tax credit	-	-	(145,789)	-
Foreign exchange loss (gain)	(39,072)	797	(34,202)	3,180
Interest income	(8,401)	(37,284)	(72,830)	(245,054)
Loss on distribution	-	19,734,629	-	19,734,629
Plan of arrangement costs	-	161,400	45,798	681,036
LOSS BEFORE TAXES	**953,999**	**21,041,189**	**3,913,276**	**23,950,949**
Income tax expense (recovery)	-	(1,945,136)	-	(1,945,136)
LOSS AND COMPREHENSIVE LOSS	**953,999**	**19,096,053**	**3,913,276**	**22,005,813**

3 MONTHS ENDED – DECEMBER 31, 2012

Western incurred a loss of $954,000 ($0.01 per common share) for the three months ended December 31, 2012 compared to a loss of $19.1 million ($0.21 per common share) over the same period in 2011. The scale and nature of the Company's administrative activity have remained generally consistent throughout these periods, but a number of items have led to a significant difference in the loss figures.

The large loss figure reported for the three months ended December 31, 2011 is in large part due to the $19.7 million loss on distribution recorded as a result of the plan of arrangement completed on October 17, 2011. In addition, the Company incurred $161,000 in costs relating to the Arrangement during the three months ended December 31, 2011. These amounts were offset by the $1.95 million income tax recovery that resulted from the Arrangement. For more information on the plan of arrangement, refer to Western audited consolidated financial statements for the year ended December 31, 2012 and the notes thereto.

Filing and regulatory fees decreased during the three months ended December 31, 2012 compared to the same period in 2011 due to reduced transfer agent activity.

Share-based payments during the quarter ended December 31, 2012 decreased by $288,000 as compared to the same period in 2011 due to the high value assigned to stock options granted in July 2011 and the timing of its amortization.

Rent and utilities decreased slightly due to cost sharing through the management company.

Shareholder communication increased by $41,000 during the three months ended December 31, 2012 compared to same period in 2011 due to increased promotion in preparation for the Feasibility Study released in January 2013.

Wages and benefits increased due to increased headcount and somewhat higher bonuses than in 2011.

The Company experienced an unusually large foreign exchange gain during the three months ended December 31, 2012 due to the movement in exchange rates between the Canadian and US dollar and its effect on the US$32 million received from the Transaction that was still mostly held in US dollars at year end.

Interest income decreased during the three months ended December 31, 2012 as compared to the same period in 2011 because the Company had lower interest bearing balances in 2012.

YEAR ENDED – DECEMBER 31, 2012

For the year ended December 31, 2012, Western incurred a loss of $3.9 million ($0.04 per common share). This compares with a loss of $22 million ($0.24 per common share) for the year ended December 31, 2011. The scale and nature of the Company's administrative activity have remained generally consistent throughout 2011 and 2012; however a number of items have experienced significant swings from one year to the next.

Filing and regulatory fees for the year ended December 31, 2012 are lower than over the same period in 2011 in large part due to the initial listing fee incurred to list on the NYSE MKT stock exchange in February 2011. This charge is not recurring.

2012 professional fees have decreased as compared to 2011 because in 2011 Western incurred professional fees on certain non-recurring items including legal fees relating to the Company's listing on the NYSE MKT and accounting fees relating to the transition to International Financial Reporting Standards. Legal fees were also generally higher in 2011.

The sharing of costs through the management company since the Arrangement in October 2011 has reduced some of the Western's overhead costs, such as rent and utilities, office and administration, and wages and benefits.

Share-based payments increased by $604,000 during the year ended December 31, 2012 compared to the year ended December 31, 2011 as a result of the large value attributed to the July 2011 stock option grant.

During 2012 the Company received an exploration tax credit of $146,000 for 2011 exploration expenditures on the previously owned Island Copper Property. This type of tax credit would normally be credited to the related exploration and evaluation asset, but since the Company disposed of the Island Copper Property as part of the Arrangement in 2011, the proceeds were recorded as a gain on the statement of loss.

Interest income decreased during the year ended December 31, 2012 as compared to the 2011 year-to-date figures because the Company had lower interest bearing balances throughout 2012.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended December 31,		Year ended December 31,	
	2012	2011	2012	2011
	$	$	$	$
CASH PROVIDED BY (USED IN)				
Operating activities	(59,673)	(476,546)	(1,360,791)	(2,975,224)
Financing activities	31,793,068	(4,500,000)	32,094,568	(2,089,631)
Investing activities	919,558	4,543,861	1,420,629	4,797,293
CHANGE IN CASH AND EQUIVALENTS	**32,652,953**	**(432,685)**	**32,154,406**	**(267,562)**
Cash and cash equivalents – beginning	864,589	1,795,821	1,363,136	1,630,698
CASH AND CASH EQUIVALENTS	**33,517,542**	**1,363,136**	**33,517,542**	**1,363,136**

The Company had $33.5 million in cash and cash equivalents as at December 31, 2012. As at December 31, 2011, cash and short-term investments totaled $9.5 million. The increase in cash is due to the US$32 million received from the Transaction.

As at December 31, 2012, Western had $32.3 million in working capital, which is sufficient working capital to fund the Company's anticipated corporate expenses through 2015 and continue advancing the Casino Project through the permitting phase. The Company will have to raise significant additional capital in order to build the Casino Project.

Western is an exploration stage enterprise. As at the date of this report, the Company has not earned any production revenue. It depends heavily on its working capital balance and its ability to raise funds through capital markets to finance its operations.

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is substantially dependent on its ability to raise funds necessary to acquire assets, perform exploration and development activities, and conduct its corporate affairs primarily through the issuance of its common shares. There is a risk that in the future the Company may not be able to raise the capital required to fund operations.

Operating activities

The significant components of operating activities are discussed in the Results of Operations section above.

Financing activities

During the three months ended December 31, 2012, the Company received US$32 million as a result of the Transaction. The Company also completed $400,000 from a private placement of flow-through shares during the three months ended December 31, 2012.

During the three months ended December 31, 2011, the Company completed the Arrangement that resulted in Western, among other things, transferring $2.0 million to Copper North and $2.5 million to NorthIsle.

During the year ended December 31, 2012, Western received $302,000 from the exercise of stock option compared to $2.7 million received from the same source during the year ended December 31, 2011.

Investing activities

Investing activities include both mineral property expenditures and purchases and redemptions of short-term investments. These numbers often off-set to a great degree; as a result, net investing activity figures are lower than one might expect if this figure contained only amounts invested in the Company's exploration and evaluation assets.

The Company expended $1.6 million on mineral property expenditures during the fourth quarter of 2012. This compares with $2.3 million during the same period in 2011. During the year ended December 31, 2012, Western incurred $6.7 million in exploration and evaluation costs as compared to $9.1 million over the same period in 2011.

The majority of the costs in both years relate to engineering studies (e.g. pre-feasibility, feasibility) and permitting work on the Casino Project. A summary of activities relating to the Casino Project is available under the Casino Project section at the beginning of this report.

During the three months ended December 31, 2012, the Company redeemed $2.6 million from short-term investments to pay for operating expenses and exploration and evaluation expenditures. This compares to $6.8 million during the three months ended December 31, 2011. During the year ended December 31, 2012, Western has redeemed $8.1 million in short-term investments, as compared to $13.9 million in 2011.

CONTRACTUAL OBLIGATIONS

The Company leases office space in Vancouver, British Columbia. The future minimum lease payments by calendar year are approximately as follows:

Year	$
2013	317,000
2014	327,000
2015	337,000
2016	141,000
Thereafter	-
TOTAL	**1,122,000**

The Company is required to use the proceeds received from the royalty sale for furthering the development of the Casino Project and for general working capital purposes; provided that the general working capital purposes of Western do not include the acquisition and development of any mineral properties unrelated to the Casino Project.

The Company must spend approximately $190,000 on qualifying Canadian exploration expenditures by December 31, 2013. Otherwise, Western is required to pay the investors who purchased flow-through shares the difference between the amount of tax benefit that they would have realized had the Company incurred all expenditures renounced in February 2013 by December 31, 2013 and the amount that the investors actually realized.

The Company has no off-balance sheet arrangements, no capital lease agreements and no long term obligations other than those described above, and throughout this document, or in the description of exploration and evaluation assets contained in the notes to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Company had related party transactions with Ravenwolf Resource Group Ltd. ("Ravenwolf"), a private company owned equally by Western, NorthIsle, and Copper North. Ravenwolf provides administration, accounting and other services to its owners on a cost-recovery basis. The related party transactions incurred during the years presented were in the normal course of operations.

Amounts charged by Ravenwolf were categorized as follows:

For the year ended December 31,	2012	2011
	$	$
Filing and regulatory fees	1,655	-
Office and administration	119,655	13,657
Rent and utilities	106,154	22,419
Shareholder communication and travel	26,842	19,457
Wages and benefits	914,257	135,929
Other assets	4,241	-
Exploration and evaluation assets	273,239	59,462
	1,446,043	**250,924**

At December 31, 2012, the Company's accounts payable includes $12,600 due to Ravenwolf for corporate and administrative costs. This amount is non-interest bearing, unsecured and payable on demand.

The Company's related parties also include its directors and officers. The remuneration of directors and officers was as follows:

For the year ended December 31,	2012	2011
	$	$
Salaries and director fees	905,013	896,259
Share-based payments	1,588,780	1,238,971
	2,493,793	**2,135,230**

Share-based payments represent the fair value of stock options previously granted to directors and officers that was recognized during the periods presented above.

SIGNIFICANT ACCOUNTING ESTIMATES

Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, the fair value of assets distributed pursuant to the plan of arrangement, and income and mining taxes. Differences may be material.

Exploration and evaluation asset

The carrying amount of the Company's exploration and evaluation asset represents costs net of write-downs to date and does not necessarily reflect present or future values. Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral properties.

The Company's asset are reviewed for indication of impairment at each balance sheet date. If indication of impairment exists, the asset's recoverable amount is estimated.

Environmental rehabilitation

Minimum standards for site reclamation have been established by various governmental agencies that affect certain operations of the Company. The determination of reclamation costs requires assumptions with respect to future expected costs and legislation in effect at that time. Changes in these assumptions could have a material effect on the amount required to be recognized as an environmental rehabiliation provision.

Share-based payments

The fair value of share-based payments and warrant issuances is calculated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions including the expected price volatility of the Company's shares and the expected life of the option. Changes in the subjective input assumptions can materially affect the fair value estimate.

RECENT ACCOUNTING PRONOUNCEMENTS

Unless otherwise stated, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013. The Company does not expect these standards and amendments to have a significant impact on its financial statements.

IFRS 9 *Financial Instruments* was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through the consolidated comprehensive income (loss). IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through the consolidated comprehensive income (loss) or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the consolidated comprehensive income (loss) to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

IFRS 10 *Consolidated Financial Statements* requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation –Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 12 *Disclosure of Interests in Other Entities* establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 *Fair Value Measurement* is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. Based on the current facts and circumstances, the Company does not expect to be materially affected by the application of this standard.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for designing, establishing, and maintaining a system of disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which the annual filings are being prepared and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The Chief Executive Officer and the Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2012. As a result of the material weakness identified during the assessment of internal control over financial reporting, as described below, management has also concluded that its disclosure controls and procedures were not effective as at December 31, 2012.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for designing, establishing, and maintaining a system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

The Company designed its system of internal control based on the Internal Control-Integrated Framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Chief Executive Officer and the Chief Financial Officer assessed the design and the operating effectiveness of the Company's internal control over financial reporting as of December 31, 2012.

Based on that assessment, management concluded that, as at December 31, 2012, the Company's internal control over financial reporting was not effective due to the existence of a material weakness. A material weakness existed in the design of internal control over financial reporting caused by a lack of adequate segregation of duties in the financial close process. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements, and should also be considered a material weakness in its disclosure controls and procedures.

Management has concluded, and the audit committee has agreed that taking into account the present stage of Western's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time.

FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity, credit, and currency risks from the use of financial instruments. Financial instruments consist of cash and cash equivalents, short-term investments, certain other assets, and accounts payable and accrued liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company uses cash forecasts to help ensure that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due. The Company does not maintain a line of credit.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and short-term investments. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company uses a restrictive investment policy. It deposits cash and cash equivalents in Canadian chartered banks and purchases short-term investments that are guaranteed by Canadian governments or by Canadian chartered banks. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents Western's maximum exposure to credit risk.

Currency risk

Currency risk is the risk that the Company will lose significant purchasing power to operate its business as a result of changes in currency rates. The Company typically raises funds in Canadian dollars. The majority of the Company's expenditures are incurred in Canadian dollars. To limit its exposure to currency risk, the Company aims to maintain funds in the currency that matches that of the costs incurred. Historically, Western has not held significant amounts denominated in currencies other than the Canadian dollar.

In December 2012, the Company closed a significant royalty transaction, the proceeds of which were denominated in US dollars. Western still had significant financial instruments denominated in US dollars at December 31, 2012. As at December 31, 2012, a 1% change in the exchange rate between the Canadian and US dollar would have resulted in an unrealized gain or loss of approximately $319,000.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains certain forward-looking statements concerning anticipated developments in Western's operations in future periods. Statements that are not historical fact are forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995 and forward looking information as that term is defined in National Instrument 51-102 ("NI 51-102") of the Canadian Securities Administrators. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Forward-looking statements and information (referred to herein together as "forward-looking statements") are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. These forward-looking statements are set forth principally under the heading "Casino Project" and elsewhere in Management's Discussion and Analysis and may include statements regarding perceived merit of properties; mineral reserve and resource estimates; capital expenditures; feasibility study results, exploration results at the Company's property; budgets; work programs; timelines; strategic plans; market price of precious and base metals; or other statements that are not statement of fact. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Western and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

Western's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Western does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from Western 's expectations include uncertainties involved in fluctuations in gold, copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and First Nations in the exploration and development of the property and the issuance of required permits; the need to obtain additional financing to develop the property and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risks and uncertainties disclosed in Western's Annual Information Form, Western's annual report on Form 40-F, and other information released by Western and filed with the applicable regulatory agencies.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING RESOURCE AND RESERVE ESTIMATES

The Company's management discussion and analysis has been prepared in accordance with the requirements of the securities laws in effect in Canada as of December 31, 2012, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The definitions of these terms differ from the definitions of such terms for purposes of the disclosure requirements of the Securities and Exchange Commission (the "Commission") and contained in Industry Guide 7 of the Commission. Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101 and required by NI 43-101 to be used for disclosure of mineral resources. These terms, however, are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute "reserves" by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained and incorporated by reference into this management discussion and analysis that describes the Company's mineral deposits may not be comparable to similar information made public by issuers subject to the Commission's reporting and disclosure requirements applicable to domestic United States issuers.



western
COPPER AND GOLD

Western Copper and Gold Corporation
(Formerly Western Copper Corporation)
(An exploration stage company)

Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

(Expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Western Copper and Gold Corporation (the "Company") have been prepared by management in accordance with International Financial Reporting Standards and contain estimates based on management's judgment.

Management maintains an appropriate system of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and proper records are maintained. Further information on the Company's internal control over financial reporting and its disclosure controls is available in management's report on internal control, which follows.

The Audit Committee of the Board of Directors has met with the Company's independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board of Directors for approval.

The Company's independent auditors, PricewaterhouseCoopers LLP, have audited the Company's consolidated financial statements on behalf of the shareholders and their report follows.

March 22, 2013

<u>/s/ Dale Corman</u>	*<u>/s/ Julien François</u>*
Dale Corman Chief Executive Officer	Julien François Chief Financial Officer

Management's Report on Internal Control over Financial Reporting

The management of Western Copper and Gold Corporation (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities and Exchange Act of 1934, in Rule 13a-15(f) and 15d-15(f) thereunder, defines this as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the Company's assets that may have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2012. In making this assessment, the Company's management used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework.

During the year ended December 31, 2012, and to the date of this report, there has been no change to internal controls that would have a material effect on internal controls over financial reporting.

Based on our assessment, management has concluded that, as at December 31, 2012, the Company's internal control over financial reporting was not effective due to the existence of a material weakness. A material weakness existed in the design of internal control over financial reporting caused by a lack of adequate segregation of duties in the financial close process. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements and should also be considered a material weakness in its disclosure controls and procedures.

Management has concluded, and the Audit Committee has agreed, that taking into account the present stage of Western Copper and Gold Corporation's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the material weakness at this time.

March 22, 2013

/s/ Dale Corman	*/s/ Julien François*
Dale Corman Chief Executive Officer	Julien François Chief Financial Officer

March 22, 2013

To the Shareholders of Western Copper and Gold Corporation

We have audited the accompanying consolidated financial statements of Western Copper and Gold Corporation, which comprise the consolidated balance sheets as at December 31, 2012 and December 31, 2011, the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Western Copper and Gold Corporation as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

CONSOLIDATED BALANCE SHEETS

	Note	December 31, 2012 $	December 31, 2011 $
ASSETS			
Cash and cash equivalents		33,517,542	1,363,136
Short-term investments	5	-	8,102,432
Other assets		383,038	452,289
CURRENT ASSETS		33,900,580	9,917,857
Property and equipment		27,349	82,057
Exploration and evaluation assets	6	17,706,346	42,114,531
ASSETS		**51,634,275**	**52,114,445**
LIABILITIES			
Accounts payable and accrued liabilities		1,623,669	1,192,197
CURRENT LIABILITIES		1,623,669	1,192,197
LIABILITIES		**1,623,669**	**1,192,197**
SHAREHOLDERS' EQUITY			
Share capital	7	104,603,488	103,747,315
Contributed surplus		31,494,020	29,348,559
Deficit		(86,086,902)	(82,173,626)
SHAREHOLDERS' EQUITY		**50,010,606**	**50,922,248**
LIABILITIES AND SHAREHOLDERS' EQUITY		**51,634,275**	**52,114,445**
Commitments	10		

Approved by the Board of Directors

/s/ Robert J. Gayton Director *

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the year ended December 31,	Note	2012 $	2011 $
CORPORATE EXPENSES			
Amortization		-	4,616
Filing and regulatory fees		190,801	246,569
Office and administration		211,776	247,690
Professional fees		278,653	328,142
Rent and utilities		106,155	181,374
Share-based payments		1,979,337	1,374,832
Shareholder communication and travel		372,492	356,465
Wages and benefits		981,085	1,037,470
LOSS BEFORE TAXES AND OTHER ITEMS		**4,120,299**	**3,777,158**
OTHER ITEMS			
Exploration tax credit		(145,789)	-
Foreign exchange loss (gain)		(34,202)	3,180
Interest income		(72,830)	(245,054)
Loss on distribution	4	-	19,734,629
Plan of arrangement costs	4	45,798	681,036
LOSS BEFORE TAXES		**3,913,276**	**23,950,949**
Income tax expense (recovery)	13	-	(1,945,136)
LOSS AND COMPREHENSIVE LOSS		**3,913,276**	**22,005,813**
Basic and diluted loss per share		0.04	0.24
Weighted average number of common shares outstanding		93,398,131	92,505,747

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended December 31,		2012	2011
		$	$
Cash flows provided by (used in)	**Note**		
OPERATING ACTIVITIES			
Loss and comprehensive loss		(3,913,276)	(22,005,813)
ITEMS NOT AFFECTING CASH			
Amortization		-	4,616
Income tax expense (recovery)	13	-	(1,945,136)
Share-based payments		1,979,337	1,374,832
Loss on distribution	4	-	19,734,629
ITEMS NOT AFFECTING CASH		1,979,337	19,168,941
Change in non-cash working capital items		573,148	(138,352)
OPERATING ACTIVITIES		**(1,360,791)**	**(2,975,224)**
FINANCING ACTIVITIES			
Net proceeds from royalty sale	6	31,406,744	-
Issuance of common shares and warrants	7	400,000	-
Share issuance costs	7	(13,676)	(317,715)
Exercise of stock options	8	301,500	2,728,084
Distribution pursuant to plan of arrangement	4	-	(4,500,000)
FINANCING ACTIVITIES		**32,094,568**	**(2,089,631)**
INVESTING ACTIVITIES			
Redemption (purchase) of short-term investments		8,100,000	13,900,000
Mineral property expenditures		(6,679,371)	(9,102,707)
INVESTING ACTIVITIES		**1,420,629**	**4,797,293**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**32,154,406**	**(267,562)**
Cash and cash equivalents – Beginning		1,363,136	1,630,698
CASH AND CASH EQUIVALENTS - ENDING		**33,517,542**	**1,363,136**

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of Shares	Share Capital $	Contributed Surplus $	Deficit $	Shareholders' Equity $
DECEMBER 31, 2010	**91,487,836**	**99,352,358**	**29,271,320**	**(34,359,602)**	**94,264,076**
Fair value of distributed assets	-	-	-	(25,808,211)	(25,808,211)
Exercise of stock options	1,514,667	2,728,084	-	-	2,728,084
Transfer of stock option value	-	1,666,873	(1,666,873)	-	-
Share-based payments	-	-	1,744,112	-	1,744,112
Loss and comprehensive loss	-	-	-	(22,005,813)	(22,005,813)
DECEMBER 31, 2011	**93,002,503**	**103,747,315**	**29,348,559**	**(82,173,626)**	**50,922,248**
Private placement	500,000	400,000	-	-	400,000
Share issuance costs	-	(13,676)	-	-	(13,676)
Exercise of stock options	280,000	301,500	-	-	301,500
Transfer of stock option value	-	168,349	(168,349)	-	-
Share-based payments	-	-	2,313,810	-	2,313,810
Loss and comprehensive loss	-	-	-	(3,913,276)	(3,913,276)
DECEMBER 31, 2012	**93,782,503**	**104,603,488**	**31,494,020**	**(86,086,902)**	**50,010,606**

1. NATURE OF OPERATIONS

Western Copper and Gold Corporation ("Western" or the "Company"), formerly Western Copper Corporation, is an exploration stage company that is directly engaged in exploration and development of the Casino mineral property located in Yukon, Canada.

The Company is incorporated in British Columbia, Canada. Its head office is located at Suite 2050, 1111 West Georgia Street, Vancouver, British Columbia.

The Company will have to raise additional funds to complete the development of its mineral property. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

2. BASIS OF PRESENTATION

a. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under the historical cost convention. The policies applied in these financial statements are based on IFRS in effect as at December 31, 2012.

These financial statements were approved for issue by the Company's board of directors on March 22, 2013.

b. Accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, the fair value of assets distributed pursuant to the plan of arrangement, and income and mining taxes. Differences may be material.

The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves and the Company's ability to secure and maintain title and beneficial interest in the properties, to obtain the necessary financing to continue the exploration and future development of the properties, or to realize the carrying amount through a sale or partial disposal.

3. ACCOUNTING POLICIES

a. Summary of significant accounting policies

The Company's principal accounting policies are outlined below:

(i) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

(ii) Presentation currency

The Company's presentation currency is the Canadian dollar ("$"). The functional currency of Western and its significant subsidiaries is the Canadian dollar.

(iii) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statement of loss.

(iv) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The fair value of stock options granted by the Company is treated as compensation costs in accordance with IFRS 2 - *Share-based Payments*. The fair value of such awards is calculated using the Black-Scholes option pricing model. These costs are charged to the statement of loss or, if appropriate, are capitalized to exploration and evaluation assets over the stock option vesting period with an offsetting entry to contributed surplus. The Company's allocation of share-based payments is consistent with its treatment of other types of compensation for each recipient.

If the stock options are exercised, the value attributable to the stock options is transferred to share capital.

(v) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to the previous year.

Deferred taxes are recorded using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases (i.e. timing differences). Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different entities that intend to settle their current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(vi) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of all stock options and warrants, if dilutive.

(vii) Long-lived assets

1. Exploration and evaluation assets

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired. Administration costs and general exploration costs are expensed as incurred. When a property is placed into commercial production, deferred costs will be depleted using the units-of-production method.

The Company classifies its mineral properties as exploration and evaluation assets until technical feasibility and commercial viability of extracting a mineral resource are demonstrable. At this point, the exploration and evaluation assets are transferred to property and equipment.

Proceeds received from royalties or tax credits, or as part of government assistance programs are recognized as a reduction in the carrying value of the related asset when the money is more likely than not to be received. If the applicable property has been written-off, the amount received is recorded as a credit to the statement of loss in the period in which the payment is more likely than not to be received.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

2. Property and equipment

Property and equipment are depreciated using the straight-line method based on their estimated useful lives, which range from three to five years.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

The depreciation method, useful life and residual values of property and equipment are assessed annually.

3. Impairment

The Company's assets are reviewed for indication of impairment at each balance sheet date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment losses are recognized on the statement of loss.

4. Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(viii) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

(ix) Short-term investments

Short-term investments are investments which are transitional or current in nature, with an original maturity date greater than three months, but no more than one year from the date of acquisition.

(x) Flow-through common shares

The issuance of flow-through common shares of the Company results in the tax deductibility of the qualifying resource expenditures funded from the proceeds of the sale of such shares being transferred to the purchasers of the shares. Under IFRS, on issuance of such shares, the Company bifurcates the flow-through shares into: a flow-through share premium, equal to the estimated premium investors pay for the flow-through feature, which is recognized as a liability, and share capital. As the related exploration expenditures are incurred, the Company derecognizes the liability and recognizes a related income tax recovery.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two -year period.

(xi) Distribution of non-cash assets to shareholders

Any gain or loss on the distribution of non-cash assets to shareholders is determined as the difference between the fair value of the proceeds and the carrying value of the distributed assets on the date of the transaction. The gain or loss is recognized in the statement of loss. The fair value of the proceeds is also charged directly to deficit.

(xii) Financial instruments

1. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses using the effective interest rate method. Interest income is recognized by applying the effective interest rate.

The Company has classified cash and cash equivalents, short-term investments, and other assets as “Loans and receivables”.

2. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method.

The Company has classified accounts payable and accrued liabilities as other financial liabilities.

(xiii) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

b. Recent accounting pronouncements

Unless otherwise stated, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013. The Company does not expect these standards and amendments to have a significant impact on its financial statements.

(i) IFRS 9 *Financial Instruments* was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through the consolidated comprehensive income (loss). IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through the consolidated comprehensive income (loss) or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the consolidated comprehensive income (loss) to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 *Financial Instruments– Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

(ii) IFRS 10 *Consolidated Financial Statements* requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

(iii) IFRS 12 *Disclosure of Interests in Other Entities* establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

(iv) IFRS 13 *Fair Value Measurement* is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. Based on the current facts and circumstances, the Company does not expect to be materially affected by the application of this standard.

4. PLAN OF ARRANGEMENT

On October 17, 2011, Western Copper Corp. ("Western Copper") completed a plan of arrangement (the "Arrangement") involving Western Copper and two of its subsidiaries formed on August 3, 2011 for the purposes of the Arrangement: Copper North Mining Corp. ("Copper North"), and NorthIsle Copper and Gold Inc. ("NorthIsle"). Pursuant to the Arrangement, Western Copper transferred the Carmacks Copper Project, the Redstone Project, and $2 million in cash to Copper North and the Island Copper property and $2.5 million in cash to NorthIsle in consideration for common shares of each respective company. Western Copper then changed its name to Western Copper and Gold Corp. ("Western") and distributed the common shares of Copper North and NorthIsle to Western's shareholders.

For each common share of Western Copper held as at the effective date of the Arrangement, each shareholder of Western Copper received one common share of Western, 0.5 of a common share of Copper North, and 0.5 of a common share of NorthIsle. Upon closing of the Arrangement, Copper North and NorthIsle were owned exclusively by existing Western Copper shareholders.

Each Western Copper stock option outstanding on the effective date ("Old Option") was exchanged for one Western stock option ("New Option"), 0.5 of a NorthIsle stock option, and 0.5 of a Copper North stock option. The exercise price of a New Option equalled that of an Old Option less the exercise price allocated to the Copper North and NorthIsle stock options. Other than the exercise price, the terms of the New Options remained the same as the Old Options. The stock options granted by Copper North and NorthIsle as part of the Arrangement vested immediately. The expiry dates of these stock options remained the same as the Old Options unless the stock option holder did not continue to participate in the respective company; in which case the stock options were to expire on October 17, 2012.

The fair value of the distributed shares was determined by multiplying the amount of common shares distributed by the closing price of those common shares on October 24, 2011, the first day that NorthIsle and Copper North traded on the TSX Venture Stock Exchange.

The following is a summary of the fair value, carrying value, and resulting loss attributed to the Arrangement.

	Copper North	NorthIsle	Total
Number of common shares distributed	46,501,281	46,501,281	
Closing price on October 24, 2011	$ 0.335	$ 0.22	
Fair value of common share distribution	**$ 15,577,929**	**$ 10,230,282**	**$ 25,808,211**
Distributed assets:	$	$	$
Carmacks	17,143,325	-	17,143,325
Redstone	9,346,398	-	9,346,398
Island Copper	-	14,553,117	14,553,117
Cash	2,000,000	2,500,000	4,500,000
Carrying value of distributed assets	**28,489,723**	**17,053,117**	**45,542,840**
LOSS ON DISTRIBUTION	**12,911,794**	**6,822,835**	**19,734,629**

5. SHORT-TERM INVESTMENTS

As at December 31,	2012 $	2011 $
Guaranteed Investment Certificates	-	8,100,000
Accrued interest	-	2,432
	-	**8,102,432**

6. EXPLORATION AND EVALUATION ASSETS

	Canada				
	Yukon		British Columbia	Northwest Territories	
	Casino $	Carmacks $	Island Copper $	Redstone $	TOTAL $
DECEMBER 31, 2010	**33,796,624**	**16,892,724**	**13,626,006**	**9,087,267**	**73,402,621**
Claims maintenance	4,509	3,045	5,219	2,110	14,883
Engineering studies	3,651,970	-	374,880	-	4,026,850
Exploration & camp support	1,744,774	14,905	299,201	243,882	2,302,762
Permitting	2,433,440	260,797	87,740	-	2,781,977
Reclamation obligation	-	(80,300)	-	-	(80,300)
Salary & wages	209,526	28,409	96,363	5,000	339,298
Share-based payments	273,688	23,745	63,708	8,139	369,280
Distributed to shareholders	-	(17,143,325)	(14,553,117)	(9,346,398)	(41,042,840)
DECEMBER 31, 2011	**42,114,531**	**-**	**-**	**-**	**42,114,531**
Claims maintenance	20,982	-	-	-	20,982
Engineering studies	3,338,695	-	-	-	3,338,695
Exploration & camp support	524,514	-	-	-	524,514
Permitting	2,507,395	-	-	-	2,507,395
Royalty proceeds, net	(31,406,744)	-	-	-	(31,406,744)
Salary & wages	272,500	-	-	-	272,500
Share-based payments	334,473	-	-	-	334,473
DECEMBER 31, 2012	**17,706,346**	**-**	**-**	**-**	**17,706,346**

Casino (100% - Yukon, Canada)

The Casino porphyry copper-gold-molybdenum deposit is located in Yukon, Canada.

On December 21, 2012, Western completed a royalty sale with 8248567 Canada Limited (the “Purchaser”), an arms’ length party, whereby the Purchaser cancelled the 5% net profits interest royalty on all claims comprising the Casino Project, other than the Casino B claims, and paid Western US$32 million in exchange for a 2.75% net smelter returns royalty (the “NSR Royalty”) on the future sale of any metals and minerals derived from the Casino Project, other than the Casino B claims.

Should Western maintain title to any Casino B claims after the period covered by the existing option agreement or reacquire the Casino B claims in any way, the 5% Net Profits Royalty in favour of 8248567 Canada Limited will be suspended and the NSR Royalty will apply to such claims.

Western has the option to repurchase 0.75% of the NSR Royalty (resulting in a 2.00% remaining NSR Royalty) for the following amount:

- US$39 million if the amount is paid on or prior to December 31, 2013; or
- US$59 million if the amount is paid after December 31, 2013, but on or before December 31, 2017.

The gross proceeds of US$32 million ($31,788,800) were recorded as a reduction in the carrying value of the Casino Project. Associated transaction costs ($382,056) were recorded as an offsetting increase to the carrying value.

As part of a separate agreement, Western is required to make a payment of $1 million upon making a production decision on the Casino Project.

7. SHARE CAPITAL

a. Authorized share capital

Unlimited common shares without par value

Unlimited number of preferred shares without par value

b. Financing

On October 4, 2012, Western completed a non-brokered private placement whereby the Company issued 500,000 flow-through common shares at a price of $0.80 per common share.

8. WARRANTS AND STOCK OPTIONS

a. Warrants

A summary of the Company's warrants outstanding and the changes for the years then ended, is presented below:

	Number of Warrants	Weighted average exercise price $
DECEMBER 31, 2010	**6,933,750**	**3.17**
Expired	(86,000)	2.50
DECEMBER 31, 2011	**6,847,750**	**3.18**
Expired	(6,847,750)	3.18
DECEMBER 31, 2012	**-**	**-**

b. Stock options

Based on the stock option plan approved by the Company's shareholders at the annual general meeting held on June 21, 2012, the Company may issue stock options for the purchase of up to 10% of issued capital. The exercise price of the stock options must be greater than, or equal to, the market value of the Company's common shares on the last trading day immediately preceding the date of grant. Stock options vest over a two year period from the date of grant unless otherwise determined by the directors. The maximum stock option term is 10 years. At December 31, 2012, the Company could issue an additional 4,104,583 stock options under the terms of the plan.

A summary of the Company's stock options outstanding and the changes for the years then ended, is presented below:

	Number of Stock options	Weighted average exercise price
		$
DECEMBER 31, 2010	**4,203,334**	**1.41**
Granted	1,675,000	3.11
Exercised	(1,514,667)	1.80
Expired	(16,666)	0.97
Forfeited	(33,334)	0.89
Cancelled on modification	(4,313,667)	1.94
Granted on modification	4,313,667	1.77
DECEMBER 31, 2011	**4,313,667**	**1.77**
Granted	1,660,000	0.80
Exercised	(280,000)	1.08
Expired	(420,000)	1.72
DECEMBER 31, 2012	**5,273,667**	**1.50**

Stock options outstanding are as follows:

Stock options outstanding, by exercise price	Number of Stock options	Weighted average exercise price	Average remaining contractual life
		$	years
$0.55 - 0.84	2,853,667	0.76	3.51
$1.14	445,000	1.14	0.48
$1.50 – 1.85	300,000	1.70	2.29
$2.84	1,675,000	2.84	3.54
DECEMBER 31, 2012	**5,273,667**	**1.50**	**3.19**

Of the total stock options outstanding, 2,496,994 were vested and exercisable at December 31, 2012. The weighted average exercise price of vested stock options is $1.38 and the average remaining contractual life is 2.15 years.

9. SHARE-BASED PAYMENTS

Pursuant to the Arrangement described in note 4, the Company modified the exercise price of all stock options outstanding as at October 17, 2011. All other terms remain the same.

The incremental fair value associated with the stock option modification was determined using the Black-Scholes option pricing model. The incremental value is the difference between the fair value of the stock options on October 17, 2011 at the original exercise price and the fair value of the stock options on October 17, 2011 at the new exercise price.

The incremental fair value of $187,923 will be amortized over the vesting period of each stock option. $133,293 was recognized on the transaction date. The remaining $54,630 in incremental fair value will be recognized over the remaining vesting period of each stock option along with the fair value assigned at the time of the original grant. The Company's allocation of the incremental fair value is consistent with its treatment of other types of compensation for each recipient.

The following range of assumptions was used to calculate the incremental fair value of the modified stock options:

Market price per common share	$2.33
Expected option term (years)	0.24 - 4.91
Expected stock price volatility	81 - 101%
Average risk-free interest rate	1.0 – 1.5%
Expected dividend yield	-
Expected forfeiture rate	-

The following is a summary of stock options granted by the Company in 2012 and 2011 and the fair value assigned to each grant. The fair value was calculated at the time of grant using the Black-Scholes option pricing model and the following inputs and assumptions:

Inputs and assumptions	September 10, 2012	July 12, 2012	September 14, 2011	July 6, 2011
Stock options granted	50,000	1,610,000	200,000	1,475,000
Exercise price	$ 0.84	$ 0.80	$ 3.11	$ 3.11
Market price	$ 0.84	$ 0.72	$ 2.94	$ 3.11
Expected option term (years)	3.0	3.0	3.05	3.02
Expected stock price volatility	73.5%	76.5%	109%	114%
Average risk-free interest rate	1.25%	1.01%	1.10%	1.82%
Expected forfeiture rate	-	-	-	-
Expected dividend yield	-	-	-	-
FAIR VALUE ASSIGNED	**$ 20,390**	**$ 548,442**	**$ 386,000**	**$ 3,141,750**

10. COMMITMENTS

The Company has an agreement to lease its head office space until May 31, 2016. The total amount of payments remaining during the course of the agreement as at December 31, 2012 is $1,122,000. Of this amount, $317,000 is due within the next twelve months.

The Company is required to use the proceeds received from the royalty sale for furthering the development of the Casino Project and for general working capital purposes; provided that the general working capital purposes of Western do not include the acquisition and development of any mineral properties unrelated to the Casino Project.

Other commitments related to exploration and evaluation assets are described in note 6.

The Company must spend approximately $190,000 on qualifying Canadian exploration expenditures by December 31, 2013. Otherwise, Western is required to pay the investors who purchased flow-through shares the difference between the amount of tax benefit that they would have realized had the Company incurred all expenditures renounced in February 2013 by December 31, 2013 and the amount that the investors actually realized.

11. RELATED PARTY TRANSACTIONS

The Company had related party transactions with Ravenwolf Resource Group Ltd. ("Ravenwolf"), a private company owned equally by Western, NorthIsle, and Copper North. Ravenwolf provides administration, accounting and other office services to its owners on a cost-recovery basis. The related party transactions incurred during the year were in the normal course of operations.

Amounts charged by Ravenwolf were categorized as follows:

For the year ended December 31,	2012 $	2011 $
Filing and regulatory fees	1,655	-
Office and administration	119,655	13,657
Rent and utilities	106,154	22,419
Shareholder communication and travel	26,842	19,457
Wages and benefits	914,257	135,929
Other assets	4,241	-
Exploration and evaluation assets	273,239	59,462
	1,446,043	**250,924**

At December 31, 2012, the Company's accounts payable includes $12,600 due to Ravenwolf for corporate and administrative costs. This amount is non-interest bearing, unsecured and payable on demand.

The Company's related parties also include its directors and officers. The remuneration of directors and officers during the period was as follows:

For the year ended December 31,	2012 $	2011 $
Salaries and director fees	905,013	896,259
Share-based payments	1,588,780	1,238,971
	2,493,793	**2,135,230**

Share-based payments represent the fair value of stock options previously granted to directors and officers that was recognized during the periods presented above.

12. SEGMENTED INFORMATION

a. Operating segment

The Company's operations are primarily directed towards the acquisition, exploration, and future development of resource properties in Canada.

b. Geographic information

All interest income is earned in Canada and all assets are held in Canada.

13. INCOME TAXES

a. Rate reconciliation

The income tax expense or recovery reported by the Company differs from the amounts obtained by applying statutory rates to the loss before income tax. A reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is provided below:

For the year ended December 31,	2012	2011
Statutory tax rate	25%	26.5%
	$	$
Loss before taxes	3,913,276	23,950,949
Income tax recovery calculated at statutory rate	978,319	6,347,001
Non-deductible expenditures	(523,159)	(5,807,993)
Amounts expensed for tax purposes only	220,064	131,298
Difference in current tax rate in other jurisdictions	2,116	1,387
Effect of future changes in tax rates	-	(37,941)
Recognized (unrecognized) tax benefit	(677,340)	1,311,384
INCOME TAX RECOVERY	**-**	**1,945,136**

b. Unrecognized deferred income tax asset

Future potential tax deductions that are not used to offset deferred income tax liabilities are considered to be unrecognized deferred income tax assets. The significant components of the Company's unrecognized deferred income tax asset are as follows:

As at December 31,	2012	2011
	$	$
Mineral property interests	2,316,470	2,376,346
Non-capital losses	845,715	148,046
Property and equipment	291,210	141,630
Other items	347,994	332,843
UNRECOGNIZED DEFERRED INCOME TAX ASSET	**3,801,389**	**2,998,865**

The Company estimates that the realization of income tax benefits related to these deferred income tax assets is uncertain and cannot be considered to be more likely than not. Accordingly, no deferred income tax asset has been recorded.

c. Non-capital losses

The Company has incurred non-capital losses that may be carried forward and used to reduce taxable income of future years. These losses will expire as follows:

Expiry Date	2012 $	2011 $
2032	2,700,898	-
2031	672,122	590,812
NON-CAPITAL LOSSES	**3,373,020**	**590,812**

The Company has approximately $14.5 million in Canadian exploration and development expenditures, and has cumulative eligible capital and undepreciated capital cost balances totalling $1.2 million. These amounts are available to reduce future taxable income and do not expire.

14. CAPITAL MANAGEMENT

Western is a mineral exploration company with a primary focus of advancing its Casino Project towards production. Its principal source of funds is the issuance of common shares. The Company considers capital to be equity attributable to common shareholders, comprised of share capital, contributed surplus, and deficit. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop its projects.

Western manages its capital structure based on the funds available for its operations and makes adjustments for changes in economic conditions, capital markets and the risk characteristics of the underlying assets. To maintain its objectives, the Company may attempt to issue new shares, seek debt financing, acquire or dispose of assets or change the timing of its planned exploration and development projects. There is no assurance that these initiatives will be successful.

To facilitate the management of its capital, Western prepares annual expenditure budgets and updates them as necessary, depending on various factors, many of which are beyond the Company's control. The Board of Directors approves all annual budgets and subsequent updates.

The Company monitors its cash position and its short-term investments on a regular basis to determine whether sufficient funds are available to meet its short-term and long-term corporate objectives. The Company also seeks to provide liquidity and limit credit risk by acquiring investments that are guaranteed by Canadian governments or by a Canadian chartered bank and that are redeemable in portion or in full at the Company's option without penalty.

There was no change in the Company's approach to capital management during the year. Western has no debt and does not pay dividends.

15. FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity, credit, and currency risks from the use of financial instruments. Financial instruments consist of cash and cash equivalents, short-term investments, certain other assets, and accounts payable and accrued liabilities.

a. Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company uses cash forecasts to ensure as far as possible that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due. The Company does not maintain a line of credit.

b. Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and short-term investments. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company uses a restrictive investment policy. It deposits cash and cash equivalents in Canadian chartered banks and purchases short-term investments that are guaranteed by Canadian governments or by Canadian chartered banks. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents Western's maximum exposure to credit risk.

c. Currency risk

Currency risk is the risk that the Company will lose significant purchasing power to operate its business as a result of changes in currency rates. The Company typically raises funds in Canadian dollars. The majority of the Company's expenditures are incurred in Canadian dollars. To limit its exposure to currency risk, the Company aims to maintain funds in the currency that matches that of the costs incurred. Historically, Western has not held significant amounts denominated in currencies other than the Canadian dollar.

In December 2012, the Company closed a significant royalty transaction, the proceeds of which were denominated in US dollars. Western still had significant financial instruments denominated in US dollars at December 31, 2012. As at December 31, 2012, a 1% change in the exchange rate between the Canadian and US dollar would have resulted in an unrealized gain or loss of approximately $319,000.

Exhibit 99.4

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dale Corman, certify that:

1. I have reviewed this annual report on Form 40-F of Western Copper and Gold Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 22, 2013

/s/ Dale Corman
Name: Dale Corman
Title: Chief Executive Officer

Exhibit 99.5

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Julien François, certify that:

1. I have reviewed this annual report on Form 40-F of Western Copper and Gold Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 22, 2013

/s/ Julien François
Name: Julien François
Title: Chief Financial Officer

Exhibit 99.6

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Western Copper and Gold Corporation (the "Company") on Form 40-F for the year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dale Corman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of the operations of the Company.

Date: March 22, 2013

/s/ Dale Corman
Name: Dale Corman
Title: Chief Executive Officer

Exhibit 99.7

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Western Copper and Gold Corporation (the "Company") on Form 40-F for the year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Julien François, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of the operations of the Company.

Date: March 22, 2013

/s/ Julien François
Name: Julien François
Title: Chief Financial Officer

Exhibit 99.8

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the inclusion in Western Copper and Gold Corporation's Annual Report on Form 40-F for the year ended December 31, 2012 of our Auditor's Report dated March 22, 2013 relating to the consolidated financial statements comprising the consolidated balance sheets as at December 31, 2012 and December 31, 2011, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year ended December 31, 2012.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, Canada
March 22, 2013

Exhibit 99.9

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Conrad E. Huss, P. E.
Conrad E. Huss, P. E.

Exhibit 99.10

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Gary Giroux, P. Eng.
Gary Giroux, P. Eng.

Exhibit 99.11

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Graham Greenaway, P. Eng.
Graham Greenaway, P. Eng.

Exhibit 99.12

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Thomas Drielick, P.E.
Tom Drielick, P.E.

Exhibit 99.13

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Jesse Duke, P.Geo.
Jesse Duke, P.Geo.

Exhibit 99.14

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Michael Hester, F Aus IMM
Michael Hester, F Aus IMM

Exhibit 99.15

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Scott Casselman, P.Geo.
Scott Casselman, P.Geo.

Exhibit 99.16

CONSENT OF EXPERT

I hereby consent to the use and reference to my name and my report entitled “Casino Project, NI 43-101F1 Technical Report Feasibility Study, Yukon Territory, Canada – Revision 1” dated January 25, 2013, and the information derived therefrom, as contained in Western Copper and Gold Corporation’s Annual Report on Form 40-F for the year ended December 31, 2012.

March 22, 2013

/s/ Jeff Austin, P.Eng.
Jeff Austin, P.Eng.