



**Condensed Consolidated Interim Financial Statements of**

**WEST KIRKLAND MINING INC.**

**For the period ended September 30, 2019**

*(Expressed in Canadian dollars)*

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Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditors, Deloitte LLP, have not performed a review of these financial statements.

November 15, 2019

**West Kirkland Mining Inc.**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	September 30, 2019	December 31, 2018
<b>Assets</b>		
<b>Current:</b>		
Cash	\$ 285,504	\$ 1,505,400
Accounts receivable	112,455	31,768
Prepaid expenses and deposits	40,302	24,984
<b>Total current assets</b>	<b>438,261</b>	<b>1,562,152</b>
Non-current assets:		
Reclamation bond (Note 4)	214,978	221,455
Property and equipment (Note 5)	10,393	17,130
Mineral properties (Note 6)	42,994,950	44,208,475
<b>Total assets</b>	<b>\$ 43,658,582</b>	<b>\$ 46,009,212</b>
<b>Liabilities and Equity</b>		
<b>Current:</b>		
Accounts payable and accrued liabilities	\$ 224,232	\$ 177,341
<b>Total current liabilities</b>	<b>224,232</b>	<b>177,341</b>
Non-current liabilities:		
Reclamation provision	69,164	71,248
<b>Total liabilities</b>	<b>\$ 293,396</b>	<b>\$ 248,589</b>
<b>Equity:</b>		
Share capital (Note 7)	\$ 56,629,650	\$ 56,616,352
Warrant reserve (Note 7)	-	4,418,817
Share based payment reserve (Note 7)	707,874	1,185,845
Foreign currency translation reserve	6,905,682	8,122,346
Deficit	(21,954,143)	(25,502,797)
<b>Total shareholders' equity attributable to the shareholders of West Kirkland Mining Inc.</b>	<b>\$ 42,289,063</b>	<b>\$ 44,840,563</b>
Non-controlling interest	1,076,123	920,060
<b>Total shareholders' equity</b>	<b>43,365,186</b>	<b>45,760,623</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 43,658,582</b>	<b>\$ 46,009,212</b>

Going Concern (Note 1)  
Commitments and contingencies (Note 12)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors and authorized for issue on November 15, 2019.

/s/ R. Michael Jones  
Director

/s/ Kevin Falcon  
Director

**West Kirkland Mining Inc.**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive**  
**(Income) Loss**  
(Expressed in Canadian dollars)

	<b>Three months ended September 30, 2019</b>	Three months ended September 30, 2018	<b>Nine months ended September 30, 2019</b>	Nine months ended September 30, 2018
<b>Expenses</b>				
Salaries and benefits	\$ 42,140	\$ 37,135	\$ 119,786	\$ 118,866
Professional Fees	33,944	21,210	69,595	72,982
Office and general	17,165	19,093	50,277	60,154
Consulting fees	16,500	16,500	49,500	59,200
Filing and transfer agent fees	8,837	6,790	39,312	45,765
Shareholder relations	5,890	11,273	25,370	34,381
Travel	264	116	9,810	4,606
Share-based compensation expense	-	-	-	209,307
Depreciation	-	1,984	-	5,952
Write down of exploration project (Note 6)	1,002,524	-	1,002,524	-
Loss before finance and other income	1,127,264	114,101	1,366,174	611,213
<b>Finance and Other Income</b>				
Interest income	(3,233)	(1,244)	(15,979)	(4,340)
<b>Net loss</b>	<b>\$ 1,124,031</b>	<b>\$ 112,857</b>	<b>\$ 1,350,195</b>	<b>\$ 606,873</b>
<b>Item that may be subsequently reclassified to net loss</b>				
Exchange differences on translating foreign operations	(520,487)	718,526	1,300,126	(1,250,783)
<b>Comprehensive (income) loss for the period</b>	<b>\$ 603,544</b>	<b>\$ 831,383</b>	<b>\$ 2,650,321</b>	<b>\$ (643,910)</b>
Loss attributable to:				
Shareholders of West Kirkland Mining	\$ 1,122,064	\$ 112,740	\$ 1,348,134	\$ 606,664
Non-controlling interest	1,967	117	2,061	209
Net Loss	\$ 1,124,031	\$ 112,857	\$ 1,350,195	\$ 606,873
Comprehensive (income) loss attributable to:				
Shareholders of West Kirkland Mining	\$ 611,853	\$ 827,848	\$ 2,564,798	\$ (639,081)
Non-controlling interest	(8,309)	3,535	85,523	(4,829)
Comprehensive Income (Loss)	\$ 603,544	\$ 831,383	\$ 2,650,321	\$ (643,910)
Basic and diluted loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Weighted average number of common shares outstanding:</b>				
Basic and diluted	408,672,975	368,468,393	408,601,783	362,406,484

The accompanying notes are an integral part of these consolidated financial statements.

**West Kirkland Mining Inc.**  
**Consolidated Statements of Changes in Equity**  
(Expressed in Canadian dollars)

**Share Capital**

	Number	Amount	Warrant Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Attributable to the Shareholders of the Parent Company	Non-Controlling Interest	Total
Balance at December 31, 2017	345,388,947	\$ 53,365,978	\$ 4,418,817	\$ 1,074,510	\$ 4,691,403	\$ (24,866,248)	\$ 38,684,460	\$ 635,431	\$ 39,319,891
Share issuance – water rights (Note 7)	179,446	12,561	-	-	-	-	12,561	-	12,561
Share issuance – financing (Note 7)	22,900,000	1,374,000	-	-	-	-	1,374,000	-	1,374,000
Share issuance – cost	-	(68,455)	-	-	-	-	(68,455)	-	(68,455)
Share based compensation expense	-	-	-	244,862	-	-	244,862	-	244,862
Expired stock options	-	-	-	(73,933)	-	73,933	-	-	-
Contributions for project costs	-	-	-	-	-	-	-	180,582	180,582
Other comprehensive income	-	-	-	-	1,245,745	-	1,245,745	5,038	1,250,783
Net loss	-	-	-	-	-	(606,664)	(606,664)	(209)	(606,873)
<b>Balance September 30, 2018</b>	<b>368,468,393</b>	<b>54,684,084</b>	<b>4,418,817</b>	<b>1,245,439</b>	<b>5,937,148</b>	<b>(25,398,979)</b>	<b>40,886,509</b>	<b>820,842</b>	<b>41,707,351</b>
Share issuance – financing (Note 7)	40,000,000	2,000,000	-	-	-	-	2,000,000	-	2,000,000
Share issuance – cost	-	(67,732)	-	-	-	-	(67,732)	-	(67,732)
Expired stock options	-	-	-	(59,594)	-	59,594	-	-	-
Contributions for project costs	-	-	-	-	-	-	-	23,976	23,976
Other comprehensive income	-	-	-	-	2,185,198	-	2,185,198	75,297	2,260,495
Net loss	-	-	-	-	-	(163,412)	(163,412)	(55)	(163,467)
<b>Balance December 31, 2018</b>	<b>408,468,393</b>	<b>56,616,352</b>	<b>4,418,817</b>	<b>1,185,845</b>	<b>8,122,346</b>	<b>(25,502,797)</b>	<b>44,840,563</b>	<b>920,060</b>	<b>45,760,623</b>
Share issuance – water rights (Note 7)	204,582	13,298	-	-	-	-	13,298	-	13,298
Expired stock options	-	-	-	(477,971)	-	477,971	-	-	-
Expired warrants	-	-	(4,418,817)	-	-	4,418,817	-	-	-
Contributions for project costs	-	-	-	-	-	-	-	241,586	241,586
Other comprehensive income	-	-	-	-	(1,216,664)	-	(1,216,664)	(83,462)	(1,300,126)
Net loss	-	-	-	-	-	(1,348,134)	(1,348,134)	(2,061)	(1,350,195)
<b>Balance September 30, 2019</b>	<b>408,672,975</b>	<b>\$ 56,629,650</b>	<b>\$ -</b>	<b>\$ 707,874</b>	<b>\$ 6,905,682</b>	<b>\$ (21,954,143)</b>	<b>\$ 42,289,063</b>	<b>\$ 1,076,123</b>	<b>\$ 43,365,186</b>

The accompanying notes are an integral part of these consolidated financial statements

**West Kirkland Mining Inc.**  
**Consolidated Statements of Cash flows**  
(Expressed in Canadian dollars)

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Cash flows provided by (used in):		
<b>Operating activities</b>		
Net loss	\$ (1,350,195)	\$ (606,873)
Items not involving cash:		
Write down exploration property (Note 6)	1,002,524	-
Share-based compensation expense	-	209,307
Depreciation	-	5,952
Changes in non-cash working capital:		
Accounts receivable	1,718	(1,783)
Prepaid expenses and deposits	(15,370)	(79,780)
Accounts payable and accrued liabilities	48,587	80,325
Net cash used in operating activities	\$ (312,736)	\$ (392,852)
<b>Investing activities</b>		
Expenditures on mineral properties (Note 6)	\$ (1,063,248)	\$ (1,404,053)
Net cash used in investing activities	\$ (1,063,248)	\$ (1,404,053)
<b>Financing Activities</b>		
Issuance of share capital	\$ -	\$ 1,374,000
Share issuance costs	-	(68,455)
Reclamation bond returned	-	57,960
Cash contributions from non-controlling interest	158,454	229,524
Net cash received from financing activities	\$ 158,454	\$ 1,593,029
Increase (Decrease) in cash	\$ (1,217,530)	\$ (203,876)
Effect of exchange rate changes on cash denominated in a foreign currency	(2,366)	5,759
Cash, beginning of period	\$ 1,505,400	\$ 228,492
<b>Cash, end of period</b>	<b>\$ 285,504</b>	<b>\$ 30,375</b>
<b>Supplemental disclosure of cash flow information</b>		
Non-cash investing and financing activities:		
Depreciation capitalized to mineral properties	\$ 6,233	\$ 5,226
Share-based compensation capitalized to mineral properties	-	35,555
Increase in trade and other payables related to mineral properties	71,439	(18,650)

The accompanying notes are an integral part of these consolidated financial statements.

**West Kirkland Mining Inc.**  
**Notes to the consolidated financial statements**  
**Period ended September 30, 2019 and 2018**  
(Expressed in Canadian dollars)

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**1. Nature of Operations and Continuance of Operations**

West Kirkland Mining Inc. (“West Kirkland” or the “Company”) was incorporated on April 3, 2007, under the Company Act of the Province of British Columbia, Canada. The Company was a capital pool corporation, and on May 28, 2010, completed its Qualifying Transaction as that term is defined in TSX Venture Exchange Policy 2.4. These consolidated financial statements reflect the financial position, financial performance and cash flows of the Company’s legal subsidiaries, WK Mining Corp. (“WKM Corp.”), WK Mining (USA) Ltd. (“WK USA Ltd.”) and WK-Allied Hasbrouck LLC (“Hasbrouck LLC”).

The Company is an exploration and development company working on mineral properties it has staked or acquired in Nevada. At the Hasbrouck Project, an updated pre-feasibility study and declaration of reserves was completed in September 2016. The Company defers all acquisition, exploration and development costs related to the properties on which it is conducting exploration. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary permitting and financing to complete the development of the interests, and future profitable production, or alternatively, upon the Company’s ability to dispose of its interests on a profitable basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Since inception to September 30, 2019 the Company has incurred cumulative losses of approximately \$21.9 million, which may cast significant doubt regarding the Company’s ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of financial position. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company; however, there is no certainty that such funds will be available at terms acceptable to the Company. These material uncertainties could cast significant doubt upon the Company’s ability to continue as a going concern.

**2. Statement of Compliance and Basis of Presentation**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with IFRS. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018.

**3. New Accounting Standards**

The Company adopted the following accounting standards that are effective for accounting periods beginning on or after January 1, 2019:

**IFRS 16 – Leases.**

IFRS 16, Leases (“IFRS 16”) was issued by the International Accounting Standards Board on January 13, 2016 and replaces IAS 17, *Leases*. IFRS 16 eliminates the dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to finance lease accounting. Lease assets and lease liabilities are presented on the balance sheet by lessees for those leases that were previously classified as operating leases. The adoption of IFRS 16 had no effect on the Company’s interim condensed consolidated financial statements.

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**4. Reclamation Bonds**

The Company's US subsidiaries, WK USA Ltd. and Hasbrouck LLC have posted total statewide bonds of US\$156,931 to the Bureau of Land Management ("the BLM"), while WKM USA Ltd, has also posted a bond to the Division of Oil, Gas and Mining of Utah ("DOGM") for disturbance of ground required to complete exploration work on the formerly held TUG for US\$5,402 (including interest). Amounts are converted to Canadian dollars as follows:

<b>At September 30, 2019:</b>	<b>BLM – Nevada</b>		<b>DOGM - Utah</b>	
	USD	CAD	USD	CAD
WK USA Ltd.	\$ 37,921	\$ 50,219	\$ 5,402	\$ 7,154
Hasbrouck LLC	119,010	157,605	-	-
<b>Total</b>	<b>\$ 156,931</b>	<b>\$ 207,824</b>	<b>\$ 5,402</b>	<b>\$ 7,154</b>

<b>At Dec 31, 2018:</b>	<b>BLM - Nevada</b>		<b>DOGM - Utah</b>	
	USD	CAD	USD	CAD
WK USA Ltd.	\$ 37,921	\$ 51,732	\$ 5,402	\$ 7,370
Hasbrouck LLC	119,010	162,353	-	-
<b>Total</b>	<b>\$ 156,931</b>	<b>\$ 214,085</b>	<b>\$ 5,402</b>	<b>\$ 7,370</b>

**5. Property and Equipment**

The Company holds the following property and equipment at September 30, 2019:

<b>Cost</b>	<b>Field Equipment</b>	<b>Leasehold Improvements</b>	<b>Vehicles</b>	<b>Total</b>
Balance December 31, 2017	\$ 98,445	\$ 55,554	\$ 101,056	\$ 255,055
Foreign exchange movement	7,760	-	8,837	16,597
Balance December 31, 2018	<b>\$ 106,205</b>	<b>\$ 55,554</b>	<b>\$ 109,893</b>	<b>\$ 271,652</b>
Foreign exchange movement	(2,822)	-	(3,214)	(6,036)
<b>Balance September 30, 2019</b>	<b>\$ 103,383</b>	<b>\$ 55,554</b>	<b>\$ 106,679</b>	<b>\$ 265,616</b>
<b>Accumulated Depreciation</b>				
Balance December 31, 2017	\$ 85,575	\$ 34,822	\$ 94,423	\$ 211,820
Additions	4,053	20,732	3,292	28,077
Foreign exchange movement	6,671	-	7,954	14,625
Balance December 31, 2018	<b>\$ 96,299</b>	<b>\$ 55,554</b>	<b>\$ 102,669</b>	<b>\$ 254,522</b>
Additions	3,442	-	2,796	6,238
Foreign exchange movement	(2,546)	-	(2,991)	(5,537)
<b>Balance September 30, 2019</b>	<b>\$ 97,195</b>	<b>\$ 55,554</b>	<b>\$ 102,474</b>	<b>\$ 255,223</b>
<b>Carrying amount, September 30, 2019</b>	<b>\$ 6,188</b>	<b>\$ -</b>	<b>\$ 4,205</b>	<b>\$ 10,393</b>
Carrying amount, December 31, 2018	\$ 9,906	\$ -	\$ 7,224	\$ 17,130

During the periods ended September 30, 2019 and 2018 the Company capitalized depreciation of \$6,238 and \$5,226 respectively

**6. Mineral Properties**

The Company's flagship project is primarily comprised of the 75% owned Hasbrouck & Three Hills properties (together the "Hasbrouck Project") which was purchased in April 2014 (see details below). In September 2016 the Hasbrouck Project was placed into a limited liability company Hasbrouck LLC. Since then the management and operation of the project has been conducted pursuant to the terms and conditions of a



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limited liability agreement (the “LLC Agreement”) between WKM USA Ltd. and 25% owner Clover Nevada LLC, a wholly owned USA subsidiary of Waterton Precious Metals Fund (“Waterton”). All costs incurred at the Hasbrouck Project prior to September 2016, including the Company’s acquisition costs and all expenditures on 100% owned Company lands in the vicinity which are held outside of Hasbrouck LLC (including the Company’s 100% owned 1.1% Net Smelter Return (“NSR”) royalty on the Hasbrouck Project), are presented separately in the table below:

	Pre September 1, 2016	Post September 1, 2016		Total
	<u>Hasbrouck Project Expenditures</u>	<u>Non – Hasbrouck LLC Expenditures</u>	<u>Hasbrouck LLC Expenditures</u>	
Balance December 31, 2018	\$ 35,118,326	\$ 5,778,846 <sup>1</sup>	\$ 3,311,303	\$ 44,208,475
Permitting	-	24,446	510,073	534,519
Salaries and wages	-	-	213,723	213,723
Land holding costs	-	63,840	250,015	313,855
Other	-	11,980	10,620	22,600
Write down of exploration property	-	(1,002,524)	-	(1,002,524)
Foreign exchange movement	(1,032,213)	(166,158)	(97,327)	(1,295,698)
<b>Total September 30, 2019</b>	<b>\$ 34,086,113</b>	<b>\$ 4,710,430</b>	<b>\$ 4,198,407</b>	<b>\$ 42,994,950</b>
Balance December 31, 2017	\$ 32,318,427	\$ 4,331,620	\$ 2,281,965	\$ 38,907,926
Acquisition costs – mineral properties	-	189,429	13,642	203,071
Engineering	-	2,952	42,350	45,302
Permitting	-	9,649	217,949	227,598
Drilling – non-exploration	-	8,813	11,138	19,951
Drilling – exploration	-	772,753	10,558	783,311
Salaries and wages	-	38,454	302,008	340,462
Land holding costs	-	36,883	215,645	252,528
Other	-	9,514	16,501	26,015
Foreign exchange movement	2,823,985	378,779	199,547	3,402,311
<b>Total December 31, 2018</b>	<b>\$ 35,118,326</b>	<b>\$ 5,778,846</b>	<b>\$ 3,311,303</b>	<b>\$ 44,208,475</b>

<sup>1</sup> Balance includes \$4.2 million for the Hasbrouck royalty, \$1.0 million for Tonopah Divide and \$0.2 million for the Hill of Gold

**(a) Hasbrouck LLC**

On January 24, 2014, the Company signed a purchase agreement (the “Hasbrouck PA”) with Allied Nevada Gold Corp. (“ANV”) to acquire a 75% interest in ANV’s Hasbrouck Project. The Company made a non-refundable US\$500,000 cash deposit upon execution of the letter agreement and an additional US\$19.5 million payment on April 23, 2014 at which time the Company’s purchase of a 75% interest in the properties was completed.

On March 10, 2015, ANV announced that it had filed for Chapter 11 bankruptcy protection in the U.S. and was implementing a financial restructuring of its debt. On June 19, 2015, Waterton acquired all of ANV’s exploration properties and related assets (including ANV’s remaining 25% interest in the Hasbrouck Project

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and excluding ANV's Hycroft operation) for US\$17.5 million. The bankruptcy of ANV and subsequent acquisition of the 25% interest in the Hasbrouck Project by Waterton does not alter the Company's legal rights or interests in the Hasbrouck Project.

As required by the Hasbrouck PA, 100% title to the mineral rights underlying the Hasbrouck Project has been transferred into a limited liability corporation, Hasbrouck LLC, for ownership and operating purposes. Effective September 1, 2016, the Company transferred a 25% interest in Hasbrouck LLC to Waterton and retained the remaining 75% interest. According to the terms of the Hasbrouck PA, the LLC Agreement was also executed during the year. Under the terms of the LLC Agreement, Waterton is required to fund their 25% share of expenditures for Hasbrouck LLC incurred subsequent to September 1, 2016. To date, Waterton has been funding their share of expenditures. However, should Waterton choose not to fund their share of expenditures, their interest will be diluted according to a prescribed formula in the LLC Agreement. At September 30, 2019 the Company has recorded in accounts receivable an amount of \$108,159 (US\$81,673) representing Waterton's 25% share of Hasbrouck LLC expenses from July 1, 2019 to September 30, 2019.

The transfer of rights into Hasbrouck LLC and the execution of the LLC Agreement has not altered or affected the existing royalty structure on the Hasbrouck Project, being approximately an aggregate 3.5% over the claims hosting the Hasbrouck Project's proven and probable reserves. (More details in (b) and (c) below.)

**(b) Non-Hasbrouck LLC Properties and Royalties**

The Company itself holds royalties over the Hasbrouck Project and properties in the immediate area adjacent to the Hasbrouck Project which are held as possible sources of heap leach ore to augment the Hasbrouck Project. These adjacent properties are not currently expected to become stand-alone future operations. The following properties and royalties are held 100% by the Company and are not included, owned or covered in Hasbrouck LLC:

1.1% Hasbrouck Royalty

In May 2017 the Company purchased an existing 1.1% NSR royalty on the Hasbrouck Project, plus the rights to US\$1.0 million in payments due upon commercial production at the Hasbrouck Project. The Company traded its former property TUG for this royalty. This 1.1% royalty is a component of the total 3.5% NSR royalty existing on the property and is 100% owned by the Company.

Hill of Gold Property

On November 29, 2016 the Company announced that it had signed a ten-year Mineral Lease and Option to Purchase Agreement (the "HOG Lease") for a 100% interest in the Hill of Gold property near Tonopah, Nevada. The Hill of Gold property is located midway between the Three Hills and the Hasbrouck properties. The HOG Lease terms allow for mining and involve annual lease payments as pre-payments on a 2% NSR royalty of US\$25,000 for the first three years and thereafter US\$30,000 per year, with the option of buying the mining claims and royalty for US\$500,000 at any time during the lease term. The lease is for 25 mining claims on approximately 500 acres of unpatented land. The most recent lease payment of US\$25,000 was paid when due in November 2019.

Tonopah Divide Property

On December 18, 2017 the Company announced it had entered into a lease agreement with the Tonopah Divide Mining Company ("TDMC") for a 100% working interest on mining patents and mineral claims located adjacent to the Hasbrouck property. In consideration the Company was to pay optional US\$75,000 annual advance royalty payments to TDMC and complete US\$100,000 of annual work from 2018 to 2022, increasing to US\$200,000 per year from 2023 to 2028. TDMC was to receive an approximate 3% NSR royalty from any production from the property, less any underlying royalty payments and the advance royalties already paid.

To September 30, 2019 the Company paid US\$150,000 in advance royalty payments and completed US\$604,231 in work on the property. Subsequent to period end, on October 3, 2019 the Company delivered formal notice to TDMC that it would not make further lease payments or complete additional annual work on

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the property, thereby terminating the lease agreement. Capitalized costs of US\$754,231 (C\$1,002,524) related to the Tonopah Divide Project were written off at September 30, 2019.

**7. Share Capital**

The authorized share capital consists of an unlimited number of common shares without par value. At September 30, 2019, the Company had 408,672,975 shares outstanding.

On April 5, 2019 the Company issued 204,582 common shares (worth US\$10,000) to Liberty Moly in consideration for leased water rights on the Hasbrouck Project.

On December 10, 2018, the Company closed a non-brokered private placement of 40,000,000 shares at a price of \$0.05 per share for gross proceeds of \$2,000,000. Finders fees, legal and exchange fees of \$67,732 were incurred.

On March 13, 2018, the Company closed a non-brokered private placement of 22,900,000 shares at a price of \$0.06 per share for gross proceeds of \$1,374,000. Finders fees, legal and exchange fees of \$68,455 were incurred.

On February 3, 2018 the Company issued 179,446 common shares (worth US\$10,000) to Liberty Moly in consideration for leased water rights on the Hasbrouck Project.

Warrant Reserve

In 2014, the Company issued 220,940,833 warrants. Each warrant was exercisable for one common share at a price of \$0.30 at any time prior to April 17, 2019. The \$4,418,817 fair value of these warrants was estimated using the relative fair value method using the share price on the date of issue of the shares and the warrant price from the first day of public trading. These warrants all expired during the current period and their value was transferred to retained earnings.

Share based payment reserve

The Company established a stock option plan (the "Plan") on May 1, 2007, whereby options can be granted to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding.

The following table summarizes the Company's outstanding share options:

<b>Exercise Price</b>	<b>Number Outstanding at September 30, 2019</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>	<b>Number Exercisable at September 30, 2019</b>
\$0.11	3,450,000	2.27	3,450,000
\$0.10	3,400,000	1.53	3,400,000
\$0.06	7,125,000	3.53	7,125,000
	13,975,000	2.73	13,975,000

The weighted average remaining contractual life of the options outstanding at September 30, 2019 is 2.73 years.

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The following table summarizes the Company's share-based payment reserve:

<b>Balance December 31, 2017</b>	<b>\$ 1,074,510</b>
Share-based compensation expense	244,862
Share options expired	(133,527)
<b>Balance December 31, 2018</b>	<b>\$ 1,185,845</b>
Share options expired	(477,971)
<b>Balance September 30, 2019</b>	<b>707,874</b>

During the period, 5,575,000 stock options expired at a fair value of \$477,971. The fair value of these options was transferred from share-based payment reserve to deficit.

On April 12, 2018, 7,125,000 incentive stock options were granted to various officers and employees of the Company. Each option is exercisable at a price of \$0.06 per share for a period of five years and vest immediately. The Company expensed \$209,307 related to these options and capitalized \$35,555 to mineral properties.

The fair value of the options granted in 2018 was estimated using the Black-Scholes model with the following weighted average assumptions:

Expected life	5.00 years
Risk-free interest rate	2.08%
Expected volatility <sup>1</sup>	67%

<sup>1</sup>Expected volatility is based on the trading history of the Company. The Company's expected volatility is similar to a comparable peer group of companies.

	Number	Weighted average exercise price
<b>December 31, 2017</b>	<b>13,800,000</b>	<b>\$0.13</b>
Granted	7,125,000	\$0.06
Cancelled	(1,375,000)	\$0.15
<b>December 31, 2018</b>	<b>19,550,000</b>	<b>\$0.10</b>
Cancelled	(5,575,000)	\$0.15
<b>September 30, 2019</b>	<b>13,975,000</b>	<b>\$0.08</b>

The weighted average exercise price for the outstanding and exercisable share purchase options at September 30, 2019 is \$0.08.

## 8. Capital Risk Management

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and to provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued share capital, reserves and accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt and acquire or dispose of mineral rights.

As at September 30, 2019 the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

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**9. Financial Risk Management**

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

**(a) Fair Value**

As at September 30, 2019 the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable and accrued liabilities. The fair values of accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments and the fair value of the reclamation bonds approximates their fair value due to the fact they earn interest at rates approximating market rates.

**(b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the short-term interest rates through the interest earned on cash balances; however, management does not believe this exposure is significant.

**(c) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash, which is held in large Canadian financial institutions and accounts receivable. The Company believes this credit risk is insignificant.

**(d) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates in Canada and the United States and is therefore exposed to foreign currency risk arising from transactions denominated in U.S. dollars. Certain amounts of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 10% change in the exchange rate between the Canadian and United States dollar would have an effect on the loss before income taxes as at September 30, 2019 of approximately \$2,159 (September 30, 2018, \$3,333). The Company monitors its net exposure to foreign currency fluctuations and adjusts its cash held in U.S. dollars accordingly. The following table lists the Canadian dollar equivalent of financial instruments and other current assets denominated in U.S. dollars as of September 30, 2019:

	September 30, 2019	December 31, 2018
Cash	\$ 56,713	\$ 114,039
Accounts receivable	105,893	24,770
Prepaid expenses and other	5,694	1,773
Reclamation bond	214,978	221,455
Accounts payable and accrued liabilities	11,257	8,882

**(e) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operation period.

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**10. Segmented Information**

The Company operates in one segment being the exploration and development of mineral properties in Nevada. The Company operates in two geographical areas being Nevada and Canada. All of the Company's non-current assets are held in Nevada.

**11. Related Party Transactions**

The Company paid remuneration for the following items with companies related by way of directors in common:

	3 months ended September 30, 2019	3 months ended September 30, 2018	9 months ended September 30, 2019	9 months ended September 30, 2018
General Administration	\$ 6,000	\$ 6,000	\$ 18,000	\$ 18,000
Accounting fees	12,000	12,000	36,000	36,000
Rent	6,282	6,300	18,846	18,900
Directors Fees	32,500	21,500	75,453	74,600
<b>Total Related Party Transactions</b>	<b>\$ 52,235</b>	<b>\$ 45,800</b>	<b>\$ 148,299</b>	<b>\$ 147,500</b>

For the nine month period ended September 30, 2019 the Company accrued and paid \$18,000 (September 30, 2018 - \$18,000) for day-to-day administration, reception and secretarial services and \$36,000 (September 30, 2018 - \$36,000) for accounting services; and \$18,646 (September 30, 2018 - \$18,900) for rent to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. Amounts payable at period end include an amount of \$27,379 payable to Platinum Group Metals (September 30, 2018 \$62,687).

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

**12. Commitments and Contingencies**

To acquire certain other mineral property interests or to continue to hold current properties in Nevada the Company must make optional acquisition and exploration expenditures in order to satisfy the terms of existing option agreements, failing which the rights to such mineral properties will revert to the property vendors. For details of the Company's mineral property acquisitions and optional expenditure commitments see Note 6. The Company has no other identified commitments or contingencies.