



Consolidated Financial Statements of
WEST KIRKLAND MINING INC.

For the year ended December 31, 2018
(Expressed in Canadian dollars)

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April 26, 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors of
West Kirkland Mining Inc.

Opinion

We have audited the consolidated financial statements of West Kirkland Mining Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive (income) loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net loss of \$770,340 for the year ended December 31, 2018 and has incurred cumulative losses from inception in the amount of \$25,502,797 at December 31, 2018. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Tim Holwill.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 26, 2019

West Kirkland Mining Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2018	December 31, 2017
Assets		
Current:		
Cash	\$ 1,505,400	\$ 228,492
Accounts receivable	31,768	93,105
Prepaid expenses and deposits	24,984	36,616
Total current assets	1,562,152	358,213
Non-current assets:		
Reclamation bond (Note 4)	221,455	257,638
Property and equipment (Note 5)	17,130	43,236
Mineral properties (Note 6)	44,208,475	38,907,926
Total assets	\$ 46,009,212	\$ 39,567,013
Liabilities and Equity		
Current:		
Accounts payable and accrued liabilities	\$ 177,341	\$ 179,837
Total current liabilities	177,341	179,837
Non-current liabilities:		
Reclamation provision (Note 7)	71,248	67,285
Total liabilities	\$ 248,589	\$ 247,122
Equity:		
Share capital (Note 8)	\$ 56,616,352	\$ 53,365,978
Warrant reserve (Note 8)	4,418,817	4,418,817
Share based payment reserve (Note 8)	1,185,845	1,074,510
Foreign currency translation reserve	8,122,346	4,691,403
Deficit	(25,502,797)	(24,866,248)
Total shareholders' equity attributable to the shareholders of West Kirkland Mining Inc.	\$ 44,840,563	\$ 38,684,460
Non-controlling interest	920,060	635,431
Total shareholders' equity	45,760,623	39,319,891
Total liabilities and shareholders' equity	\$ 46,009,212	\$ 39,567,013

Going Concern (Note 1)
Commitments and contingencies (Note 13)

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

Approved by the Board of Directors and authorized for issue on April 25, 2019.

/s/ R. Michael Jones
Director

/s/ Kevin Falcon
Director

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

	Year ended December 31, 2018	Year ended December 31, 2017
Expenses		
Management and consulting fees	\$ 174,241	\$ 171,397
Professional Fees	135,895	235,596
Office and general	85,471	96,481
Salaries and benefits	56,612	98,869
Filing and transfer agent fees	50,421	55,367
Shareholder relations	37,452	110,077
Travel	4,622	18,826
Share-based compensation expense	209,307	239,971
Depreciation	20,731	7,936
Loss before finance and other income	774,752	1,034,520
Finance and Other Income		
Interest income	(4,412)	(4,958)
Net loss	\$ 770,340	\$ 1,029,562
Item that may be subsequently reclassified to net loss		
Exchange differences on translating foreign operations	(3,511,278)	2,672,367
Comprehensive (income) loss for the period	\$ (2,740,938)	\$ 3,701,929
Loss attributable to:		
Shareholders of West Kirkland Mining	\$ 770,076	\$ 1,029,396
Non-controlling interest	264	166
Net Loss	\$ 770,340	\$ 1,029,562
Comprehensive (income) loss attributable to:		
Shareholders of West Kirkland Mining	\$ (2,660,867)	\$ 3,678,606
Non-controlling interest	(80,071)	23,323
Comprehensive Income (Loss)	\$ (2,740,938)	\$ 3,701,929
Basic and diluted loss per share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding:		
Basic and diluted	369,852,225	333,097,901

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, 2016	324,634,169	\$ 51,805,935	\$ 4,418,817	\$ 882,870	\$ 7,340,613	\$ (23,909,618)	\$ 40,538,617	\$ -	\$ 40,538,617
Share issuance – water rights (Note 8)	1,454,788	130,930	-	-	-	-	130,930	-	130,930
Share issuance – financing (Note 8)	19,300,000	1,447,500	-	-	-	-	1,447,500	-	1,447,500
Share issuance - cost	-	(18,387)	-	-	-	-	(18,387)	-	(18,387)
Share based compensation expense	-	-	-	264,406	-	-	264,406	-	264,406
Expired stock options	-	-	-	(72,766)	-	72,766	-	-	-
Contributions for project costs	-	-	-	-	-	-	-	658,754	658,754
Other comprehensive income	-	-	-	-	(2,649,210)	-	(2,649,210)	(23,157)	(2,672,367)
Net loss	-	-	-	-	-	(1,029,396)	(1,029,396)	(166)	(1,029,562)
Balance December 31, 2017	345,388,947	53,365,978	4,418,817	1,074,510	4,691,403	(24,886,248)	38,684,460	635,431	39,319,891
Share issuance – water rights (Note 8)	179,446	12,561	-	-	-	-	12,561	-	12,561
Share issuance – financing (Note 8)	62,900,000	3,374,000	-	-	-	-	3,374,000	-	3,374,000
Share issuance – cost	-	(136,187)	-	-	-	-	(136,187)	-	(136,187)
Share based compensation expense	-	-	-	244,862	-	-	244,862	-	244,862
Expired stock options	-	-	-	(133,527)	-	133,527	-	-	-
Contributions for project costs	-	-	-	-	-	-	-	204,558	204,558
Other comprehensive income	-	-	-	-	3,430,943	-	3,430,943	80,335	3,511,278
Net loss	-	-	-	-	-	(770,076)	(770,076)	(264)	(770,340)
Balance December 31, 2018	408,468,393	\$ 56,616,352	\$ 4,418,817	\$ 1,185,845	\$ 8,122,346	\$ (25,502,797)	\$ 44,840,563	\$ 920,060	\$ 45,760,623

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)

	Year ended December 31, 2018	Year ended December 31, 2017
Cash flows provided by (used in):		
Operating activities		
Net loss	\$ (770,340)	\$ (1,029,562)
Items not involving cash:		
Share-based compensation expense	209,307	239,971
Depreciation	20,731	7,936
Changes in non-cash working capital:		
Accounts receivable	32,810	24,547
Prepaid expenses and deposits	13,361	(3,170)
Accounts payable and accrued liabilities	(10,770)	(267,120)
Net cash used in operating activities	\$ (504,901)	\$ (1,027,398)
Investing activities		
Expenditures on mineral properties (Note 6)	(1,842,776)	(1,690,293)
Reclamation bond returned (Note 4)	57,960	-
Net cash used in investing activities	\$ (1,784,816)	\$ (1,690,293)
Financing Activities		
Issuance of share capital	3,374,000	1,447,500
Share issuance costs	(136,187)	(18,387)
Cash contributions from non-controlling interest	240,958	561,053
Net cash received from financing activities	\$ 3,478,771	\$ 1,990,166
Increase (Decrease) in cash	1,189,054	(727,525)
Effect of exchange rate changes on cash denominated in a foreign currency	87,854	(65,390)
Cash, beginning of year	228,492	1,021,407
Cash, end of period	\$ 1,505,400	\$ 228,492
Supplemental disclosure of cash flow information		
Non-cash investing and financing activities:		
Depreciation capitalized to mineral properties	\$ 7,346	\$ 9,647
Share-based compensation capitalized to mineral properties	35,555	24,435
Increase (Decrease) in trade and other payables related to mineral properties	28,049	(141,339)

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

West Kirkland Mining Inc.
Notes to the consolidated financial statements
Year ended December 31, 2018 and 2017
(Audited - expressed in Canadian dollars)

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 December 31, 2018 the Company has incurred cumulative losses of approximately \$25.5 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. Significant Accounting Policies and Basis of Presentation

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with accounting policies in full compliance with IFRS and were approved by the Board of Directors for distribution on April 25, 2019.

(b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Company and its subsidiaries.

(c) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned legal subsidiary, WKM Corp, its wholly owned legal subsidiary WKM (USA) Ltd. and its 75% owned subsidiary Hasbrouck LLC, all of which are controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. All material intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

(d) Foreign Currency

Items included in the consolidated financial statements are measured in each entity's functional currency. Each entity's functional currency is determined by the primary environment the entity operates in. The

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functional currency of the Company's subsidiaries, WKM USA Ltd. and Hasbrouck LLC, is the United States Dollar and the functional currency of WKM Corp. and the ultimate parent company is the Canadian Dollar.

The presentation currency of the Company is the Canadian Dollar. For the purpose of presenting the financial statements, assets and liabilities of the Company's foreign subsidiaries are expressed in Canadian dollars using the closing rates at the date of the statement of financial position being presented. Revenue and expense items are translated at average exchange rates of the reporting period. The exchange differences that arise on translation are recognized as a component of other comprehensive income or loss and recorded in equity as "foreign currency translation reserve". Accumulated amounts in the foreign currency translation reserve will be recognized in profit or loss in the period when the foreign operation is disposed of.

Transactions in currencies which are not the entity's functional currency are translated to the functional currency at exchange rates at the date of the transaction. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

(e) Property and Equipment

Property and equipment are stated at cost and are depreciated on a declining balance basis at the following rates:

Field Equipment	30%
Leasehold Improvements	20%
Vehicles	30%

The depreciation rates, useful lives and residual values are assessed annually.

(f) Exploration and Evaluation Expenditures

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims. Such costs include, but are not exclusive to, geological and geophysical studies, exploratory drilling and sampling. Capitalization of costs commences once the Company has obtained legal rights to explore a specific area. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

(g) Development and Production Costs

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all exploration and evaluation costs attributable to that area are reclassified to construction in progress within property and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

(h) Impairment of Non-Financial Assets

Non-financial assets are reviewed each reporting period for any indicators that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash inflows that are

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independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, any intangible asset with an indefinite useful life or any intangible asset not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset or cash-generating unit's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash inflows 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 which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. Impairment of goodwill cannot be reversed.

Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and development activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in commodity prices and markets; and
- Adverse variations in the exchange rate for the currency of operation.

(i) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares and share options are recognized as a deduction from equity, net of any tax effects. The proceeds from the issuance of units are allocated between common shares and purchase warrants based on the relative fair value method. Under this method, the proceeds are allocated to the components in proportion to their relative fair values. The market price on the date of the issuance of the shares and the market price of the publicly traded warrants on their first day of trading are used to determine the relative fair values.

(j) Share-based Payments

The share option plan allows the Company's board of directors to grant options to Company employees and consultants to acquire shares of the Company. The fair value of options granted to employees is measured by the Black-Scholes formula options pricing model and is recognized as a share-based compensation expense and recognized over the length of the vesting period of each tranche, while the corresponding amount is recognized in the share-based payments reserve. At each financial reporting date, the number of options recognized as an expense is adjusted to reflect the number of options actually expected to vest going forward. Upon cancellation or expiry, the fair value of the applicable options is transferred to deficit. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

(k) Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. During the years ended December 31, 2018 and 2017 all outstanding share options and warrants were anti-dilutive.

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(l) Income Taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are recorded using the liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to unused tax losses and unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The following temporary differences are not provided for: the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits and temporary differences can be utilized.

(m) Restoration, Rehabilitation and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The capitalized costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of-production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

(n) Measurement Uncertainties

i) Resource estimates

The Company relies on appropriately qualified persons to estimate mineral resources. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. Changes in the indicated and inferred mineral resources estimates may impact the carrying value of the mining properties.

ii) Share-based payments

West Kirkland Mining Inc.
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The Company follows accounting guidelines in determining the fair value of share-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of the average future period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the life of the options (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based compensation also incorporates an expected forfeiture rate. The expected forfeiture rate is estimated annually based on historical forfeiture rates and expectations of future forfeiture rates.

The resulting value calculated is not necessarily the value that the holder of the options could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

iii) Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company and/or its subsidiaries will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company and/or its subsidiaries to realize the net deferred tax assets recorded at the statement of financial position date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future periods.

iv) Impairment of mineral properties

The Company assesses its mineral properties quarterly to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

v) Environmental reclamation

The Company must use judgement when it assesses environmental reclamation and closure costs. Costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

(o) Significant Accounting Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (Note 2(p)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, the determination of functional currency for the Company and its subsidiaries and the assumption that the Company will continue as a going concern.

(p) Recent Accounting Pronouncements

Several new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the current accounting period and have not been applied in preparing these consolidated financial statements. These include:

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IFRS 16 Leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset being leased. IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that apply IFRS 15. The Company is expecting no material effects to the financial statements from the implementation of this standard.

3. Application of new and revised accounting standards effective January 1, 2018

These financial statements have been prepared using accounting policies consistent with those used in the year end financial statements of December 31, 2017, except for the two standards outlined below:

i) IFRS 9 Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments (“IFRS 9”) as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The following is the Company’s new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and the debt’s contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

Measurement

Financial assets and liabilities at amortized cost. Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

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The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

ii) IFRS 15 Revenue from Contracts with Customers

The final standard on revenue from contracts with customers was issued on May 8, 2014 and is effective annual reporting periods beginning on or after January 1, 2018. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. The Company adopted this standard as of January 1, 2018 and it had no impact on the consolidated financial statements.

4. Reclamation Bonds

The Company's US subsidiaries, WKM USA Ltd. and Hasbrouck LLC have posted total statewide bonds of \$51,732 and \$162,353 respectively (2017 - \$65,406 and \$129,041 respectively) to the Bureau of Land Management (the "BLM") in the state of Nevada for disturbance of ground required to complete exploration work on projects in Nevada under the jurisdiction of the BLM.

WKM USA Ltd. had also posted a statewide bond of \$64,433 to the Division of Oil, Gas and Mining of Utah ("DOG M") for disturbance of ground required to complete exploration work on the formerly held TUG Project. The bond was applicable to work done on any property in Utah under the jurisdiction of the BLM or DOGM. All anticipated reclamation work has been completed and during the period \$57,960 was returned to the Company with the remaining bond of \$6,821 to be returned following the final inspection being completed by the DOGM and BLM (usually following multiple growing seasons). The funds are held in the State of Utah's reclamation performance bond pool and are held in an interest-bearing account and will be returned with interest when the projects are successfully reclaimed. Total interest of \$549 (2017 - \$465) has been earned on this bond.

5. Property and Equipment

The Company holds the following property and equipment at December 31, 2018:

Cost	Field Equipment	Leasehold Improvements	Vehicles	Total
Balance December 31, 2016	\$ 104,684	\$ 55,554	\$108,161	\$268,399
Foreign exchange movement	(6,238)	-	(7,105)	(13,343)
Balance December 31, 2017	\$ 98,446	\$ 55,554	\$101,056	\$255,056
Foreign exchange movement	7,759	-	8,837	16,596
Balance December 31, 2018	\$ 106,205	\$ 55,554	\$109,893	\$271,652
Accumulated Depreciation				
Balance December 31, 2016	\$ 85,241	\$ 26,886	\$ 93,191	\$ 205,318
Additions	5,324	7,936	4,323	17,583
Foreign exchange movement	(4,990)	-	(6,091)	(11,081)

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Balance December 31, 2017	\$ 85,575	\$ 34,822	\$ 91,423	\$ 211,820
Additions	4,053	20,732	3,292	28,077
Foreign exchange movement	6,671	-	7,954	14,625
Balance December 31, 2018	\$ 96,299	\$ 55,554	\$ 102,669	\$ 254,522
Carrying amount, December 31, 2018	\$ 9,906	\$ -	\$ 7,224	\$ 17,130
Carrying amount, December 31, 2017	\$ 12,871	\$ 20,732	\$ 9,633	\$ 43,236

During the periods ended December 31, 2018 and 2017, the Company capitalized depreciation of \$7,346 and \$9,647 respectively to mineral properties.

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 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:

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	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>	
Opening 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
Total December 31, 2018	\$ 35,118,326	\$ 5,778,846	\$ 3,311,303	\$ 44,208,475
Opening Balance December 31, 2016	\$ 39,234,618	\$ 196,272	\$ 220,326	\$ 39,651,216
Acquisition costs – mineral properties	-	-	133,397	133,397
Eastfield rights to Hasbrouck LLC	(276,734)	-	276,734	-
Acquisition - 1.1% Hasbrouck Royalty ¹	(4,062,195)	4,062,195	-	-
Engineering	-	(1,304)	125,003	123,699
Permitting	-	(6,873)	786,812	779,939
Drilling – non-exploration	-	5,229	141,378	146,607
Drilling – exploration	-	80,817	125,495	206,762
Salaries and wages	-	(90,615)	326,024	235,409
Land holding costs	-	(16,048)	242,949	226,901
Other	-	(24,086)	32,710	8,624
Foreign exchange movement	(2,577,262)	(12,893)	(14,473)	(2,604,628)
Total December 31, 2017	\$ 32,318,427	\$ 4,192,694	\$ 2,396,805	\$ 38,907,926

¹ TUG property exchanged for royalty on Hasbrouck Project, please see Note (c) below for further details.

(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 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.

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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 December 31, 2018 the Company has recorded in accounts receivable an amount of \$24,770 (US\$18,410) representing Waterton's 25% share of Hasbrouck LLC expenses from October 1, 2018 – December 31, 2018.

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. Please see (c) below for further details of the transaction. 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.

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 for the 100% working interest in the property the Company must continue to make optional US\$75,000 annual advance royalty payments to TDMC. Also, a US\$100,000 annual work requirement from 2018 to 2022 increasing to US\$200,000 per year from 2023 to 2028. TDMC is to receive an approximate 3% NSR royalty from any production from the property, less any underlying royalty payments and the advance royalties already paid.

(c) TUG

On May 9, 2017 the Company exchanged the Company's rights, title and interests in, and its obligations associated with the TUG property for an approximate 1.1% NSR royalty on the Hasbrouck Project, plus the rights to US\$1.0 million in payments due upon commercial production at Hasbrouck and the extinguishment of US\$194,000 in existing land fees payable to Newmont. The Company owns the approximate 1.1% NSR royalty for its own account, representing 31.4% of the existing 3.5% NSR royalties on the Hasbrouck Gold

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Project. The existing NSR royalties are over claims hosting the proven and probable reserves and have not been altered by way of this transaction.

7. Reclamation Provision

The reclamation provision represents the estimated costs required to provide adequate restoration and rehabilitation of drilling activities in Nevada and Utah. The Company measures the reclamation costs at fair value, which is based on the net present value of future cash expenditures upon reclamation of drilling sites and related lands. Reclamation costs are capitalized mineral properties and will be amortized over the life of the related mine once the mine commences commercial production.

At December 31, 2018 the provision of \$71,248 (2017 - \$67,285) for reclamation cost obligations has been adjusted to reflect risk and foreign exchange. The estimate has been discounted at its present value at a rate of approximately 2.69% per annum (2017 – 2.28%) being an estimate of the long-term, risk-free, pre-tax cost of borrowing. The undiscounted balance of the reclamation provision is \$68,210 (2017 - \$62,725) and is expected to be incurred between 2019 and 2028.

8. Share Capital

The authorized share capital consists of an unlimited number of common shares without par value. At December 31, 2018, the Company had 408,468,393 shares outstanding.

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.

On August 16, 2017, the Company closed a non-brokered private placement of 19,300,000 shares at a price \$0.075 per share for gross proceeds of \$1,447,500.

On February 28, 2017 the Company issued 1,454,778 common shares (worth US\$100,000) 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 unexercised subsequent to year end.

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:

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Exercise Price	Number Outstanding at December 31, 2018	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at December 31, 2018
\$0.15	5,375,000	0.48	5,375,000
\$0.11	3,450,000	3.01	3,450,000
\$0.10	3,600,000	2.16	3,600,000
\$0.06	7,125,000	4.28	7,125,000
	19,550,000	2.62	19,550,000

The weighted average remaining contractual life of the options outstanding at December 31, 2018 is 2.62 years.

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

Balance December 31, 2016	\$ 882,870
Share-based compensation expense	264,406
Share options cancelled or expired	(72,766)
Balance December 31, 2017	1,074,510
Share-based compensation expense	244,862
Share options expired	(133,527)
Balance December 31, 2018	\$ 1,185,845

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.

During the year, 1,375,000 stock options expired at a fair value of \$133,527. The fair value of these options was transferred from share based payment reserve to deficit.

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 ¹	67%

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

On January 4, 2017, 3,900,000 incentive stock options were granted to various officers and employees of the Company. Each option is exercisable at a price of \$0.11 per share for a period of five years and vest immediately. The Company expensed \$233,491 related to these options and capitalized \$24,435 to mineral properties.

On January 23, 2017, the Company granted 200,000 options with 25% vesting immediately with the remaining unvested options vesting evenly at six, nine and 12 months after issue. Each option is exercisable at a price of \$0.10 for a period of two years. The Company recognized a \$97 expense during 2017 relating to these options.

The fair value of the options granted in 2017 was estimated using the Black-Scholes model with the following weighted average assumptions:

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Expected life	4.85 years
Risk-free interest rate	1.03%
Expected volatility ¹	90%

¹Expected volatility is based on the trading history of the Company and companies with a similar corporate structure and operating in similar regions as the Company. The Company's expected volatility is similar to this comparable peer group.

During the year ended December 31, 2017 a total of 900,000 share purchase options were cancelled at a fair value amount of \$168,801. The fair value of these options was transferred from share based payment reserve to deficit.

As at December 31, 2018 the weighted average fair value per option outstanding was \$0.06 (2017 \$0.08). Details of the weighted average exercise price of outstanding share options is as follows:

	Number	Weighted average exercise price
Balance December 31, 2016	10,600,000	\$0.13
Granted	4,100,000	\$0.11
Cancelled	(900,000)	\$0.15
December 31, 2017	13,800,000	\$0.13
Granted	7,125,000	\$0.06
Cancelled	(1,375,000)	\$0.15
December 31, 2018	19,550,000	\$0.10

The weighted average exercise price for the outstanding and exercisable share purchase options at December 31, 2018 is \$0.10.

9. 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 December 31, 2018, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

10. 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 December 31, 2018 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.

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(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 December 31, 2018 of approximately \$5,402 (December 31, 2017, \$15,698). 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 December 31, 2018:

	December 31, 2018	December 31, 2017
Cash	\$ 114,039	\$ 201,026
Accounts receivable	24,770	89,622
Prepaid expenses and other	1,773	19,778
Reclamation bond	221,455	257,638
Accounts payable and accrued liabilities	8,882	94,624

(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.

11. Segmented Information

The Company currently operates in one segment, being the exploration of mineral properties in Nevada. The Company's executive and head office is located in Vancouver, British Columbia, Canada.

Details of the geographic location of assets, liabilities and net loss are as follows:

As at December 31, 2018	Canada	United States	Total
Current Assets	\$ 1,390,185	\$ 171,967	\$ 1,562,152
Mineral Properties	-	44,208,475	44,208,475
Other Assets	-	238,585	238,585
Total Assets	1,390,185	44,619,027	46,009,212
Accounts Payable and accrued liabilities	166,292	11,049	177,341
Net loss	716,332	54,018	770,340

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As at December 31, 2017	Canada	United States	Total
Current Assets	\$ 63,816	\$ 294,397	\$ 358,213
Mineral Properties	-	28,907,926	38,907,926
Other Assets	20,731	280,143	300,874
Total Assets	84,547	39,482,466	39,567,013
Accounts Payable and accrued liabilities	85,213	94,624	179,837
Net loss	872,584	156,978	1,029,562

12. Related Party Transactions

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

	12 months ended December 31, 2018	12 months ended December 31, 2017
General Administration	\$ 24,000	\$ 24,000
Accounting fees	48,000	48,000
Rent	25,194	25,200
Directors Fees	94,250	101,379
Total Related Party Transactions	\$ 191,444	\$ 198,579

For the year ended December 31, 2018 the Company accrued and paid \$24,000 (December 31, 2017 - \$24,000) for day-to-day administration, reception and secretarial services and \$48,000 (December 31, 2017 - \$48,000) for accounting services; and \$25,194 (December 31, 2017 - \$25,200) for rent to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. Amounts payable at year end include an amount of \$9,043 payable to Platinum Group Metals (December 31, 2017 \$12,201).

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.

Compensation of Key Management Personnel

	12 months ended December 31, 2018	12 months ended December 31, 2017
Salaries and management fees	\$ 310,000	\$ 273,000
Directors fees	94,250	101,379
Share-based payments	170,048	193,445
Total Related Party Transactions	\$ 574,298	\$ 567,824

13. 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

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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.

14. Deferred Taxes

Income tax expense reported differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to West Kirkland Mining Inc., to the loss before the tax provision due to the following:

	2018	2017
Net loss before income taxes	\$ (770,341)	\$ (1,029,562)
Canadian federal and provincial income tax rates	27%	26%
Income tax expense based on Canadian federal and provincial income tax rates	(207,992)	(267,686)
Increase (decrease) attributable to:		
Non-deductible expenditures	5,422	2,064
Non-deductible share-based payments	56,513	62,392
Changes in unrecognized deferred tax assets	495,541	(1,557,690)
Effects of different statutory tax rates on earnings of subsidiaries	1,552	(7,906)
Effect of foreign currency exchange rate change	(152,882)	586,247
Impact of change in DIT rates	(158,065)	1,177,118
Other	(40,089)	5,461
Income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2018	December 31, 2017
Deferred tax assets		
Non-capital and net operating loss carry forwards	\$ 2,955,635	\$ 2,165,106
Total deferred tax assets	2,955,635	2,165,106
Deferred tax liabilities		
Mineral properties	\$ (2,955,635)	\$ (2,165,106)
Total deferred tax liabilities	(2,955,635)	(2,165,106)
Net deferred taxes	\$ -	\$ -

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Unrecognized deductible temporary differences, unused tax losses, and unused tax credits are attributable to the following:

	2018	2017
Non-capital and net operating loss carry forwards ¹	\$ 37,794,398	\$ 35,380,330
Share issuance costs	138,131	629,526
Mineral properties	1,771,919	1,771,919
Pre-production investment tax credits	86,537	86,537
Tax value of property and equipment in excess of book	150,484	129,753
Other temporary differences	181,889	76,027
	\$ 40,123,358	\$ 38,074,092

¹The unrecognized tax losses and investment tax credits will begin to expire in 2029.

15. Subsequent Events

- i) On April 17, 2019 a total of 220,940,833 common share purchase warrants exercisable at a price of \$0.30 at any time prior to April 17, 2019 expired, unexercised at the end of their five year term.