Consolidated Financial Statements of

West Kirkland Mining Inc.

For the Years Ended December 31, 2013 and 2012

(Expressed in Canadian dollars)

Office:
Suite 788
550 Burrard Street
Vancouver, BC
V6C 2B5

TSXV: WKM
Phone: (604) 685-8311
Fax: (604) 484-4710
info@wkmining.com
www.wkmining.com

West Kirkland Mining Inc.
Years Ended December 31, 2013 and 2012

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Deloitte LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 778-374-0496
www.deloitte.ca

Independent Auditor's Report

To the Shareholders of
West Kirkland Mining Inc.

We have audited the accompanying consolidated financial statements of West Kirkland Mining Inc., which comprise the consolidated statements of financial position as at December 31, 2013 and December 31, 2012, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of West Kirkland Mining Inc. as at December 31, 2013 and December 31, 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses from inception and does not currently have any revenue generating operations as of December 31, 2013. 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 West Kirkland Mining Inc.'s ability to continue as a going concern.

(Signed) Deloitte LLP

Chartered Accountants
Vancouver, British Columbia
April 29, 2014

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

		December 31, 2013		December 31, 2012
Assets				
Current assets:				
Cash	**$**	**565,397**	$	174,184
Accounts receivable		**8,021**		142,826
Prepaid expenses and other		**19,268**		35,151
		592,686		352,161
Reclamation bonds (Note 3)		**111,802**		125,082
Property and equipment (Note 4)		**100,890**		123,402
Mineral properties (Note 5)		**8,198,706**		11,044,433
	$	**9,004,084**	$	11,645,078
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**443,948**	$	1,258,280
Notes payable (Note 6)		**-**		180,829
		443,948		1,439,109
Reclamation provision (Note 7)		**69,747**		80,972
		513,695		1,520,081
Equity:				
Share capital (Note 8)		**22,529,977**		18,953,510
Warrant reserve (Note 8)		**1,450,827**		82,606
Share-based payment reserve (Note 8)		**514,153**		520,567
Foreign currency translation reserve		**382,503**		(191,566)
Deficit		**(16,387,071)**		(9,240,120)
		8,490,389		10,124,997
	$	**9,004,084**	$	11,645,078

Going concern (Note 1)

Commitments and contingencies (Note 13)

Subsequent Events (Note 15)

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

APPROVED BY THE BOARD:

/s/ "R. Michael Jones"
Director

/s/ "Kevin Falcon"
Director

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

	Year ended December 31, 2013	Year ended December 31, 2012
Expenses		
Salaries and benefits	**$ 624,772**	$ 468,736
Professional fees	**326,275**	352,081
Office and general	**185,582**	272,827
Rent	**142,936**	159,813
Management and consulting fees	**125,600**	252,641
Shareholder relations	**108,537**	199,073
Property investigation costs	**89,254**	24,131
Share-based compensation	**73,933**	12,759
Travel	**47,470**	110,338
Write-down of property and equipment	**32,299**	-
Filing and transfer agent fees	**22,441**	43,310
Depreciation	**9,182**	46,078
Write-down of exploration projects (Note 5)	**5,571,275**	2,757,114
Loss from operations	**7,359,556**	4,698,901
Finance and Other Income		
Interest income	**(4,985)**	(9,159)
Flow-through share premium	**-**	(504,000)
Total Finance Income	**(4,985)**	(513,159)
Net loss before income taxes	**7,354,571**	4,185,742
Deferred tax recovery (Note 14)	**(127,273)**	(17,702)
Net loss	**7,227,298**	4,168,040
Item that may be subsequently reclassified to net loss		
Exchange differences on translating foreign operations	**(574,069)**	135,975
Comprehensive loss for the year	**$ 6,653,229**	$ 4,304,015
Basic and diluted loss per share (Note 8)	**$ 0.12**	$ 0.12
Weighted average number of common shares outstanding:		
Basic and diluted	**57,961,281**	35,054,133

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		Reserves				
	Number	Amount	Warrant Reserve	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance at December 31, 2011	32,824,733	$ 17,434,692	$ 448,219	$ 650,276	$ (55,591)	$ (5,587,437)	$ 12,890,159
Private placement (Note 8)	4,828,603	1,607,405	82,606	-	-	-	1,690,011
Share issue costs (net of tax recovery of $17,702)	-	(211,917)	-	-	-	-	(211,917)
Issued upon the exercise of options (Note 8)	240,000	123,330	-	(75,330)	-	-	48,000
Expired stock options	-	-	-	(67,138)	-	67,138	-
Expired warrants	-	-	(448,219)	-	-	448,219	-
Share-based compensation expense	-	-	-	12,759	-	-	12,759
Other comprehensive loss	-	-	-	-	(135,975)	-	(135,975)
Net loss	-	-	-	-	-	(4,168,040)	(4,168,040)
Balance at December 31, 2012	**37,893,336**	**18,953,510**	**82,606**	**520,567**	**(191,566)**	**(9,240,120)**	**10,124,997**
Private placement (Note 8)	22,400,000	4,231,779	1,368,221	-	-	-	5,600,000
Share issue costs (net of tax recovery of $127,213)	-	(765,312)	-	-	-	-	(765,312)
Shares issued per property option agreement (Note 8)	1,000,000	110,000					110,000
Expired stock options	-	-	-	(80,347)	-	80,347	-
Share-based compensation expense	-	-	-	73,933	-	-	73,933
Other comprehensive income	-	-	-	-	574,069	-	574,069
Net loss	-	-	-	-	-	(7,227,298)	(7,227,298)
Balance at December 31, 2013	**61,293,336**	**$ 22,529,977**	**$ 1,450,827**	**$ 514,153**	**$ 382,503**	**$ (16,387,071)**	**$ 8,490,389**

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, 2013	Year ended December 31, 2012
Cash flows provided by (used in):		
Operating activities		
Net loss	**$ (7,227,298)**	$ (4,168,040)
Items not involving cash:		
Deferred tax recovery	**(127,273)**	(17,702)
Share-based compensation expense	**73,933**	12,759
Write-down of exploration projects	**5,571,275**	2,757,114
Write-down of property and equipment	**32,299**	-
Depreciation	**9,182**	46,078
Flow-through share premium recognition	**-**	(504,000)
Changes in non-cash working capital:		
Accounts receivable	**137,726**	294,508
Prepaids and other	**17,273**	33,782
Accounts payable and accrued liabilities	**(350,950)**	308,715
	(1,863,833)	(1,236,786)
Investing activities		
Additions to mineral properties (Note 5)	**(2,614,720)**	(4,925,684)
Reclamation bonds	**22,612**	(538)
	(2,592,108)	(4,926,222)
Financing activities		
Issuance of share capital	**4,961,961**	1,543,796
Notes payable (Note 6)	**(183,078)**	180,000
Proceeds on sale of property and equipment	**16,402**	-
	4,795,285	1,723,796
Increase (decrease) in cash	**339,344**	(4,439,212)
Effect of exchange rate changes on cash denominated in a foreign currency	**51,869**	(42,467)
Cash, beginning of year	**174,184**	4,655,863
Cash, end of year	**$ 565,397**	$ 174,184
Supplemental disclosure of cash flow information		
Non-cash investing and financing activities:		
Depreciation capitalized to mineral properties	**$ 16,293**	$ 39,989
Mineral property and deferred exploration expenditures included in accounts payable	**162,850**	681,452

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

1. Nature of Operations and Going Concern Assumption

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. The Company acquired all of the issued and outstanding shares of WK Mining Corp. ("WK Mining") which was accounted for as a reverse takeover that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the Company's legal subsidiaries, WK Mining and WK Mining (USA) Ltd. The Company's head office is located at 788 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company's registered office is located at Gowling Lafleur Henderson LLP, 2300 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The Company is an exploration company working on mineral properties it has staked or acquired by way of option agreement, in Nevada, Utah and Ontario. The Company has not yet determined whether these mineral properties contain any economically recoverable ore reserves. 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 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. The Company has incurred losses from inception, does not currently have any revenue-generating operations and as of December 31, 2013 has working capital of $148,738. In addition, the Company must spend $2.1 million in exploration expenditures in 2014 to retain all of its existing rights under the terms of its mineral property option agreements. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the immediate term, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due.

On January 29 and 31, 2014, the Company closed a non-brokered private placement of 11,900,000 shares at a price of $0.10 per share for gross proceeds of $1,190,000. Of the gross proceeds, US$500,000 (CAD $553,650) was paid on January 24, 2014 to Allied Nevada Gold Corp. ("ANV") as a non-refundable deposit under the terms of a letter agreement entered into between ANV and the Company for the purchase of the Hasbrouck and Three Hills properties from ANV. The remainder of the funds raised will be used for general working capital purposes. See details of these subsequent events at note 15 below.

On April 17, 2014 the Company closed a fully marketed prospectus offering of units of the Company, as well as the first tranche of a non-brokered private placement offering of units under substantially similar terms as the prospectus offering. Pursuant to the offerings the Company issued 194,907,833 units at a price of $0.15 each for aggregate gross proceeds of $29,236,175, including an amount exercised by the Agents under an over-allotment option. Each unit in the offerings consists of one common share of the Company and one common share purchase warrant exercisable for one common share at a price of $0.30 at any time prior to 5:00 pm on April 17, 2019. Including legal fees and a cash commission paid to brokers representing 6% of the gross proceeds raised, the cost of the offerings to the Company was approximately $1,902,000. Of the net proceeds from the offerings, $21,444,150 (US$19,500,000) was paid on April 23, 2014 to ANV to finalize the purchase of the Hasbrouck and Three Hills properties.

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 may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies

(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 29, 2014.

(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) Principals of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned legal subsidiary, WK Mining Corp. and its wholly-owned legal subsidiary WK Mining (USA) Ltd, both 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 functional currency of the Company's subsidiary, WK Mining (USA) Ltd., is the United States Dollar and the functional currency of WK Mining Corp. and the Company's Canadian operations 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 subsidiary are expressed in Canadian dollars using the closing rates at the date of the statement of financial position being presented. 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 as 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. Revenue and expense items are translated at average exchange rates of the reporting period.

(e) Property and Equipment

Property and equipment are stated at cost and are depreciated on a declining balance basis at the following rates with one half of annual depreciation recorded in the year of acquisition:

Bridge	10%
Field Equipment	30%
Leasehold Improvements	20%
Vehicles	30%
Computer Software	100%

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 a permanent 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 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 evaluation 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) Financial Instruments

The Company classifies its financial instruments into one of the following categories: fair value through profit or loss ("FVTPL") (assets and liabilities), assets available-for-sale, loans and receivables, assets held-to-

maturity and other financial liabilities. All financial instruments are measured at fair value on initial recognition.

Financial assets and liabilities designated as FVTPL are subsequently measured at fair value with changes in fair value recognized in net earnings. Financial assets designated as “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Transaction costs for FVTPL financial assets and liabilities are recognized in income when incurred.

Financial assets designated as “loans and receivables” or “held-to-maturity”, and financial liabilities designated as “other financial liabilities” are recorded at amortized cost. Transaction costs from loans and receivables and other financial liabilities offset the carrying amount of the related financial assets or liabilities.

The Company has classified cash and accounts receivable as “loans and receivables”, reclamation bonds as “assets held-to-maturity”, and accounts payable, accrued liabilities and notes payable as “other financial liabilities”.

(j) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(k) 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. Compensation expense for share-based payments to non-employees is measured at the fair value of the service provided. 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.

(l) Revenue

Revenue will be recorded when the fair value of the consideration is received or receivable and will be recognized to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Interest income is recognized monthly as earned.

(m) 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 period. 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, 2013 and 2012 all outstanding share options and warrants were anti-dilutive.

(n) 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: initial recognition of goodwill; 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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow-through shares are a unique Canadian tax incentive which transfers the tax benefit of certain exploration expenditures to shareholders who funded these expenditures through related share issuances. The Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is credited to other liabilities and included in other income when both the qualifying expenditures have been made and the expenditures have been renounced. The recognition of a deferred tax liability upon renunciation of the flow-through expenditures is recorded as income tax expense in the period of renunciation.

(o) 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. These 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.

(p) 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

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. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

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.

(q) 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.

(r) New Accounting Standards and Interpretations

The following standards became effective for annual periods beginning on or after January 1, 2013. The Company adopted these standards and they did not have a material impact on its consolidated financial statements.

IFRS 7, Financial Instruments: Disclosures: IFRS 7 enhanced the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting of future transactions or arrangements.

IFRS 10, Consolidated Financial Statements: IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS

10 supersedes IAS 27, *Consolidated and Separate Financial Statements,* and *SIC-12, Consolidation – Special Purpose Entities*.

IFRS 11, Joint Arrangements: IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities - Non – Monetary Contributions by Venturers.*

IFRS 12, Disclosure of Interests in Other Entities: IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

IFRS 13, Fair Value Measurements: IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

IAS 27, Separate Financial Statements: IAS 27 has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with IFRS 9, *Financial Instruments*. The new IAS 27 excludes the guidance on the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, which is within the scope of the current IAS 27, *Consolidated and Separate Financial Statements*, and is replaced by IFRS 10.

IAS 28, Investments in Associates and Joint Ventures: IAS 28 has been updated and is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28, *Investments in Associates* does not include joint ventures.

IFRIC 20, Stripping Costs in the Production Phase of a Mine: In October 2011, the International Accounting Standards Board ("IASB") issued IFRIC 20 which clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

IAS 1, Presentation of Financial Statements: In June 2011, the IASB issued amendments to IAS 1 that require an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately.

Certain new accounting standards have been published that are not effective for the December 31, 2013 reporting period. The Company is currently assessing the potential impact of the adoption of the following:

IFRIC 21, Levies: IFRIC 21 is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligation event"). IFRIC 21 clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

IAS 32, Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32): On December 16, 2011, the IASB published amendments to IAS 32 *Financial Instruments: Presentation* to clarify the application of the offsetting requirements.

These standards are not expected to have a material impact on the Company's financial statements when adopted.

3. Reclamation Bonds

The Company's US subsidiary, WK Mining (USA) Ltd. ("WK Mining (USA)"), has posted a statewide bond of $58,498 (US$55,000) 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. This bond is applicable to work done on any property in Nevada and the funds are held in the State of Nevada's reclamation performance bond pool. The Company transferred permits associated with the KB project from Fronteer Gold Inc. to the Company's name.

WK Mining (USA) has also posted a statewide bond of $53,180 (US$50,000) to the Division of Oil Gas Mining of Utah ("DOGM") for disturbance of ground required to complete exploration work on the TUG Project. This is applicable to work done on any property in Utah under the jurisdiction of the BLM or DOGM. The funds are held in the State of Utah's reclamation performance bond pool. They are held in an interest bearing account and will be returned with interest when the projects are successfully reclaimed. Total interest of $124 (US$116) has been earned on this bond.

WK Mining (USA) had also posted a reclamation bond amounting to $18,701 (US$17,853) as required by the BLM for the disturbance of ground required to complete exploration work on the Goldstorm Project located in Northern Nevada. The funds are held in the State of Nevada's reclamation performance bond pool. The amount of the bond was calculated to reflect the estimated cost of the BLM reclaiming the disturbance in the event the Company is unable to do the reclamation. This bond was transferred to Mexivada Mining Corp. (the owners of the mineral rights) during the year and they reimbursed the Company for the above amount.

4. Property and Equipment

The Company holds the following property and equipment at December 31, 2013 and 2012:

Cost	**Computer Software**	**Bridge**	**Field Equipment**	**Leasehold Improvements**	**Vehicles**	**Total**
Balance as at December 31, 2011	$ 99,343	$ 53,460	$ 57,194	$ 5,226	$ 90,798	$ 306,021
Additions	-	-	-	-	-	-
Foreign exchange movement	(307)	-	(1,032)	-	(1,780)	(3,119)
Balance as at December 31, 2012	$ 99,036	$ 53,460	$ 56,162	$ 5,226	$ 89,018	$ 302,902
Additions	-	-	-	51,703	-	51,703
Disposals and write-downs	-	(53,460)	-	(5,226)	(8,874)	(67,560)
Foreign exchange movement	-	-	3,207	-	5,534	8,741
Balance December 31, 2013	**$ 99,036**	**$ -**	**$ 59,369**	**$ 51,703**	**$ 85,678**	**$ 295,786**
Accumulated Depreciation						
Balance as at December 31, 2011	$ 49,672	$ 3,876	$ 23,271	$ 1,517	$ 15,939	$ 94,275
Depreciation and amortization	49,518	2,285	10,962	1,298	22,004	86,067
Foreign exchange movement	(154)	-	(421)	-	(267)	(842)
Balance as at December 31, 2012	$ 99,036	$ 6,161	$ 33,812	$ 2,815	$ 37,676	$ 179,500
Depreciation and amortization	-	-	7,104	3,078	15,293	25,475
Disposals	-	(6,161)	-	(2,815)	(5,218)	(14,194)
Foreign exchange movement	-	-	1,873	-	2,242	4,115
Balance at December 31, 2013	**$ 99,036**	**$ -**	**$ 42,789**	**$ 3,078**	**$ 49,993**	**$ 194,896**
Carrying amount, December 31, 2012	$ -	$ 47,299	$ 22,350	$ 2,411	$ 51,342	$ 123,402
Carrying amount, December 31, 2013	**$ -**	**$ -**	**$ 16,580**	**$ 48,625**	**$ 35,685**	**$ 100,890**

During the years ended December 31, 2013 and 2012 the Company capitalized depreciation of $16,293 and $39,989 respectively to mineral properties.

5. Mineral Properties

	Kirkland Lake	Fronteer	Rubicon	Total
Acquisition costs of mineral rights				
Balance December 31, 2011	$ 806,088	$ 79,689	$ 115,130	$ 1,000,907
Incurred during the year	62,399	9,769	52	72,220
Write-down	(673,424)	-	-	(673,424)
Foreign exchange movement	-	(1,731)	(2,501)	(4,232)
Balance December 31, 2012	$ 195,063	$ 87,727	$ 112,681	$ 395,471
Deferred exploration costs				
Balance December 31, 2011	$ 3,604,006	$ 3,250,561	$ 888,144	$ 7,742,711
Administration	9,065	32,183	38	41,286
Consulting	17,464	352,019	42,470	411,953
Drilling	1,017,020	1,561,149	591,722	3,169,891
Equipment/fuel/parts	2,780	1,311	13,855	17,946
Field and camp	14,778	31,607	5,796	52,181
Freight/transportation	5,551	18,870	10	24,431
Geochemical and geophysical	10,547	79,440	83,215	173,202
Geological supplies	610	1,651	3,086	5,347
Government fees and licenses	1,556	71,914	95,835	169,305
Salaries and wages	259,284	234,042	275,412	768,738
Travel and accommodation	8,500	37,978	23,743	70,221
Vehicle and fuel	28,217	27,894	38,294	94,405
Write-down	(2,083,690)	-	-	(2,083,690)
Reclamation asset (Note 7)	-	58,810	22,162	80,972
Foreign exchange movement	-	(70,391)	(19,546)	(89,937)
Balance December 31, 2012	2,895,688	5,689,038	2,064,236	10,648,962
Total December 31, 2012	$ 3,090,751	$ 5,776,765	$ 2,176,917	$ 11,044,433
Acquisition costs of mineral rights				
Balance December 31, 2012	$ 195,063	$ 87,727	$ 112,681	$ 395,471
Incurred during the year	26,501	8,918	120,285	155,704
Write-down	(221,564)	(75,856)	-	(297,420)
Foreign exchange movement	-	4,564	7,780	12,344
Balance December 31, 2013	**$ -**	**$ 25,353**	**$ 240,746**	**$266,099**
Deferred exploration costs				
Balance December 31, 2012	$ 2,895,688	$ 5,689,038	$ 2,064,236	$ 10,648,962
Administration	-	59,807	(10,510)	49,297
Consulting	-	662,219	1,330	663,549
Drilling	26,135	175,209	661,217	862,561
Equipment/fuel/parts	-	93	359	452
Field and camp	-	2,559	882	3,441
Freight/transportation	49	19,651	-	19,700
Geochemical and geophysical	451	5,582	8,976	15,009
Geological supplies	-	1,260	-	1,260
Government fees and licenses	2,528	80,233	(7,149)	75,612
Salaries and wages	39,188	104,685	117,605	261,478
Travel and accommodation	-	8,908	9,358	18,266
Vehicle and fuel	11,576	4,977	8,675	25,228
Write-down	(2,975,615)	(2,298,240)	-	(5,273,855)
Foreign exchange movement	-	419,108	142,539	561,647
Balance December 31, 2013	-	4,935,089	2,997,518	7,932,607
Total December 31, 2013	**$ -**	**$ 4,960,442**	**$ 3,238,264**	**$8,198,706**

Fronteer

On December 14, 2010, the Company entered into an agreement with Fronteer Gold Inc. (“Fronteer”) to option 11 properties which totaled approximately 234 km^2 in northeastern Nevada and Utah. In addition, under the terms of the agreement, a private placement with Fronteer for 800,000 common shares of the Company at $1.25 per share was completed for gross proceeds of $1,000,000. The funds were spent on exploration activities. On February 3, 2011, Fronteer was acquired by Newmont Mining Corporation (“Newmont”). The acquisition of Fronteer had no effect on the agreement.

West Kirkland had the option to earn a 51% interest on all of the properties by spending $15,400,000 over four years, with the $2,000,000 minimum work requirement due on the first anniversary and a $3,000,000 minimum work requirement due by the second anniversary, both having been satisfied at December 31, 2012. As the first and second year minimum work requirements (calculated on an aggregate basis over all the properties) are completed, subsequent work requirements are determined on an individual property by property basis for years three and four of the agreement. Upon completion of the earn-in requirements, the Company also has the option of earning an additional nine percent by spending an aggregate $4,000,000 over two years or completing a pre-feasibility study on any designated property. All properties where the three year minimum exploration expenditure was not made were written off at year-end. Also, although the three year minimum exploration expenditure was made on the Bullion Mountain property, the Company wrote down that property as well. The only property expenditures that currently remain capitalized are on the TUG property on which the Company has made all required expenditures for all years and owns 60% of the property.

In the year ended December 31, 2013, the Company incurred and capitalized $1.5 million (2012 $2.4 million) in exploration costs on all the Fronteer properties with $1.0 million of that amount spent on the TUG property.

On October 18, 2012, the Company acquired, by way of a 25 year lease, an additional 35% of the private mineral interests in certain sections of the TUG property held by a third party. An amount of US$10,000 was paid upon execution of the agreement. The Company will pay consideration in the form of annual advance royalty payments in the amount of US$10,000 for the first through fifth anniversary, after the fifth anniversary the annual payment will escalate by US$5,000, and will escalate by US$5,000 every five years thereafter. Production royalties are payable in the amount of 1.4% of the 35% (0.0049%). During years of production on the property if the production royalty is a larger amount than the advance royalty, no advance royalty will be paid. Under the terms of the agreement signed with Fronteer, these rights were deemed an after-acquired interest and became a component of the TUG property under that agreement. The Company was reimbursed US$4,000 of the acquisition costs by Newmont.

Rubicon

On June 23, 2011, the Company entered into an agreement with Rubicon Minerals Corporation (“Rubicon”) to option 909 km^2 in northeastern Nevada. West Kirkland has the option to earn a 51% interest in properties that Rubicon owns 100% or 75% of the mineral interest, and 60% of Rubicon’s mineral interest where Rubicon’s mineral interest is less than 75%, by spending US$15,000,000 over four years. The Company may earn an additional 9% mineral interest in properties that are 100% owned by Rubicon by spending an additional US$4,000,000 in exploration expenditures, or by completing a pre-feasibility study on any property.

Under the terms of the agreement the Company made a firm commitment to a first year expenditure on the property package of US$2,000,000 to be made by June 23, 2012. The deadline to complete this work commitment was subsequently extended to October 31, 2012. Rubicon has acknowledged satisfaction of this commitment.

On January 23, 2013, the remaining three minimum exploration expenditure deadlines were extended to calendar year end instead of the anniversary date of the original agreement thus making the next yearly minimum exploration expenditure (for US$3,000,000) due to be spent by December 31, 2013.

On October 28, 2013, the Company extended the three remaining minimum exploration expenditure deadlines by one year. This deferral makes the next minimum expenditure requirement of US$3,000,000

due December 31, 2014. To date, the Company has spent US$2,000,000 to satisfy the first year expenditures and US$949,950 towards the second year expenditures. As compensation for the revised expenditure periods, the Company issued 1,000,000 common shares of the Company to Rubicon.

During the year ended December 31, 2013, the Company spent $933,282 (2012 - $1,176,092) on exploration costs.

6. Notes Payable

On December 18, 2012, the Company entered into a loan agreement in the principal amount of $90,000 with a director of the Company, and a second loan agreement, also in the principal amount of $90,000 with a company controlled by a director of the Company. Interest on both notes accrued at a rate of 12% per annum from the date of advance, compounded annually. The loans were repaid on February 8, 2013, including accumulated interest of $3,078.

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 to mineral properties and will be amortized over the life of the related mine once the mine commences commercial production.

As at December 31, 2013, the provision of $69,747, (2012 – $80,972) for reclamation cost obligations has been adjusted to reflect risk. The estimate has been discounted at its present value at a rate of approximately 0.13% per annum (2012 – 2.95%) being an estimate of the long-term, risk-free, pre-tax cost of borrowing. The undiscounted balance of the reclamation provision is $69,837 at December 31, 2013 (2012 – $84,567) and is expected to be incurred on average in 2015.

8. Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

At December 31, 2013, the Company had 61,293,336 shares outstanding.

During the year ended December 31, 2013, the Company issued common shares pursuant to the following:

On February 7, 2013, the Company completed a brokered private placement of 22,400,000 units of the Company at a price of $0.25 per unit for gross proceeds of $5,600,000. The units consisted of one common share and one common share purchase warrant that entitled the holder to purchase one common share of the Company at a price of $0.40 for a period of 12 months after the closing date. The value of the warrants was estimated using the Black-Scholes pricing model with further details of the assumptions used found in the warrant reserve section. The brokers received a cash commission of $392,000 representing 7% of the gross proceeds raised plus additional fees.

On October 28, 2013, the Company issued 1,000,000 shares to Rubicon to extend the minimum exploration payments due to be made on the Rubicon properties (see Note 5).

During the year ended December 31, 2012, the Company issued common shares pursuant to the following:

On July 20, 2012, the Company completed a brokered, private placement of 4,828,603 units of the Company at a price of $0.35 per unit for gross proceeds of $1,690,011. The units consisted of one common share and one half of one common share purchase warrant, with each full purchase warrant entitling the holder to purchase one common share of the Company at a price of $0.60 for a period of 18 months after the closing date. The value of the warrants is estimated using the Black-Scholes pricing model with further details of the assumptions used found in the warrant reserve section. The brokers received a cash commission of $133,635 representing 7% of the gross proceeds raised plus additional fees.

240,000 stock options were exercised at a price of $0.20 for one common share for gross proceeds of $48,000. The fair value of the options was $75,330.

Warrant Reserve

	Number of warrants		Amount		Weighted Average Exercise Price
Balance, December 31, 2011	2,956,250	$	448,219	$	1.50
Private placement warrants issued	2,414,301		82,606		0.60
Warrants expired	(2,956,250)		(448,219)		1.50
Balance, December 31, 2012	**2,414,301**	**$**	**82,606**	$	**0.60**
Private placement warrants issued	22,400,000		1,368,221		0.40
Balance December 31, 2013	**24,814,301**	**$**	**1,450,827**	$	**0.42**

During the year ended December 31, 2013, the Company issued warrants pursuant to the following:

The Company issued 22,400,000 warrants in connection with a private placement completed on February 7, 2013. Each warrant is exercisable at $0.40 per warrant for one common share of the Company for a period of one year. These warrants expired unexercised subsequent to the end of the year.

The fair value of the warrants issued in 2013 was estimated using the Black-Scholes pricing model with the following weighted average assumptions:

Expected life	1.0 years
Risk-free interest rate	1.16%
Expected volatility	91%
Expected dividends	-
Weighted average fair value of warrant granted	$0.06

During the year ended December 31, 2012, the Company issued warrants pursuant to the following:

The Company issued 2,414,301 warrants in connection with the private placement completed on July 20, 2012. Each warrant is exercisable at $0.60 per warrant for one common share of the Company for a period of 18 months. These warrants expired unexercised subsequent to the end of the year.

The fair value of the warrants issued in 2012 was estimated using the Black-Scholes pricing model with the following weighted average assumptions:

Expected life	1.5 years
Risk-free interest rate	0.99%
Expected volatility	78%
Expected dividends	-
Weighted average fair value of warrant granted	$0.03

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 common shares issued and outstanding.

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

Exercise Price	Number Outstanding at December 31, 2013	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at December 31, 2013
$1.15	125,000	1.75	125,000
$1.10	210,000	2.70	210,000
$1.00	100,000	2.88	100,000
$0.90	100,000	1.42	100,000
$0.60	865,000	1.41	865,000
$0.22	500,000	4.18	500,000
	1,900,000		1,900,000

The weighted average exercise price for both the outstanding and exercisable share options is $0.63.

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

Balance, December 31, 2011	$	650,276
Share-based compensation expense		12,759
Share options expired or cancelled		(67,138)
Share options exercised		(75,330)
Balance, December 31, 2012		520,567
Share-based compensation expense		73,933
Share options expired or cancelled		(80,347)
Balance December 31, 2013	**$**	**514,153**

On March 6, 2013, 500,000 share options were granted to an officer of the Company. Each share option is exercisable at a price of $0.22 per share for a period of five years and vests immediately. The Company expensed $73,933 related to these options and used the Black-Scholes model to determine the grant date fair value using the following assumptions:

Expected life	5.00
Risk-free interest rate	0.97%
Expected volatility	86%
Expected dividends	-

During the year ended December 31, 2013, 195,000 share options were cancelled valued at $80,347. The fair value of these options was transferred from share-based payment reserve to deficit.

As a result of previously granted share options vesting during the year ended December 31, 2012, $12,759 of share-based compensation expense was recorded in the share-based payment reserve.

During the year ended December 31, 2012, 60,000 share options were cancelled and 200,000 share options expired valued at $37,081 and $30,057, respectively. The fair value of these options was transferred from share-based payment reserve to deficit.

During the year ended December 31, 2012, a total of 240,000 share options were exercised at $0.20 per share for total proceeds of $48,000. Fair value of $75,330 was attributed to the exercises.

As at December 31, 2013, the weighted average fair value per option outstanding was $0.25.

	Number	Weighted average exercise price
Balance, December 31, 2011	2,095,000	$0.74
Cancelled or expired	(260,000)	$0.85
Exercised	(240,000)	$0.20
Balance December 31, 2012	1,595,000	$0.81
Granted	500,000	$0.22
Cancelled or expired	(195,000)	$1.03
Balance December 31, 2013	**1,900,000**	**$0.63**

The weighted average remaining contractual life of the options outstanding at December 31, 2013, is 2.38 years.

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, 2013, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

On January 29 and 31, 2014, the Company closed a non-brokered private placement of 11,900,000 shares at a price of $0.10 per share for gross proceeds of $1,190,000 which addressed the Company's short-term financing needs at year end. See details of these subsequent events at Note 15 below.

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 2013 and 2012, the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable, accrued liabilities and notes payable. The fair values of accounts receivable, accounts payable, accrued liabilities and notes payable 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 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, accounts receivable and its reclamation bonds for a maximum exposure of $685,220. 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 for the period ended December 31, 2013 of approximately $297,951. 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, 2013:

	December 31, 2013	December 31, 2012
Cash	$ 200,892	$ 86,050
Accounts receivable	125	84,494
Prepaids and other	7,636	9,585
Reclamation bond	111,802	125,082
Accounts payable and accrued liabilities	181,421	689,550

(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, notes payable and accrued liabilities are due within the current operating period.

11. Segmented Information

The Company operates in one segment, being the exploration of mineral properties in Eastern Nevada / Western Utah, USA. The Company's executive and head office however is located in Vancouver, Canada. The Company's cumulative mineral properties expenditures in Ontario, Canada totaled $nil (due to properties being written off) and in Nevada and Utah, USA totaled $8,198,706.

	Canada	United States	Total
As at December 31, 2013			
Current Assets	$ 384,033	$ 208,653	$ 592,686
Mineral Properties	-	8,198,706	8,198,706
Other Assets	50,730	161,962	212,692
Total Assets	434,763	8,569,321	9,004,084
Accounts payable and accrued liabilities	262,527	181,421	443,948
For the year ended December 31, 2013			
Net Loss	$ 4,247,792	$ 2,979,506	$ 7,227,298

	Canada	United States	Total
As at December 31, 2012			
Current Assets	$ 186,957	$ 165,204	$ 352,161
Mineral Properties	3,090,751	7,953,682	11,044,433
Other Assets	56,373	192,111	248,484
Total Assets	3,334,081	8,310,997	11,645,078
Accounts payable, accrued liabilities and notes payable	749,559	689,550	1,439,109
For the year ended December 31, 2012			
Net Loss	$ 3,847,633	$ 320,407	$ 4,168,040

12. Related Party Transactions

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

	December 31, 2013	December 31, 2012
Administration fees	$ 42,000	$ 42,000
Professional fees	60,000	60,000
Rent	72,399	89,153
Interest on notes payable (Note 6)	2,249	829
Total Related Party Transactions	$ 176,648	$ 191,982

For the year ended December 31, 2013, the Company paid or accrued $42,000 (2012 - $42,000) for day-to-day administration, reception and secretarial services and $60,000 (2012 - $60,000) for accounting services; and $22,719 (2012 - $Nil) for rent to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. All of these amounts were charged at market rates.

For the year ended December 31, 2013, the Company paid $49,680 (2012 - $89,153) for rent to Anthem Properties Group Ltd. and Anthem Works Ltd., companies related by virtue of a common director. The rental rate was negotiated on an arm's length basis and is set at a market rate.

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

	December 31, 2013	December 31, 2012
Salaries and management fees	$ 352,748	$ 188,423
Directors fees	125,000	126,000
Share-based payments	73,933	-
Total compensation of key management personnel	$ 551,681	$ 314,423

13. Commitments and Contingencies

To acquire certain other mineral property interests 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 back to the property vendors. For details of the Company's mineral property acquisitions and optional expenditure commitments see Note 5. The Company has no other identified commitments or contingencies.

14. Deferred Taxes

As of April 1, 2013, the applicable provincial income tax rate in British Columbia was increased by 1.0%. In addition the federal corporate income tax rate remained at 15%. Income tax expense (recovery) varies from the amount that would be computed by applying the basic federal and provincial income tax rates applicable to the Company to the loss before the tax provision due to the following:

		2013		2012
Net loss before income taxes	$	(7,354,571)	$	(4,185,742)
Canadian federal and provincial income tax rates		25.9%		25.6%
Income tax expense based on Canadian federal and provincial income tax rates		(1,904,834)		(1,071,550)
Increase (decrease) attributable to:				
Non-deductible (taxable) expenditures		1,504		15,319
Non-deductible share based payments		19,289		3,265
Changes in unrecognized deferred tax assets		2,215,546		631,622
Effect of flow through share renunciation		-		511,783
Effect of items recognized directly in equity		(127,273)		(17,702)
Effects of different statutory tax rates on earnings of subsidiaries		(230,363)		(37,604)
Effect of foreign currency exchange rate change		(84,807)		(19,834)
Impact of deferred income tax rates applied versus current statutory rates		(8,953)		-
Impact of change in deferred income tax rates		(19,263)		-
Other		11,881		(33,001)
Income tax recovery	$	(127,273)	$	(17,702)

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

		December 31, 2013		December 31, 2012
Deferred tax assets				
Non-capital and net operating loss carry forwards	$	1,985,165	$	2,279,164
Share issue costs		-		82,535
Total deferred tax assets		1,985,165		2,361,699
Deferred tax liabilities				
Mineral properties	$	(1,953,798)	$	(2,361,699)
Other		(31,367)		-
Total deferred tax liabilities		(1,985,165)		(2,361,699)
Net deferred taxes	$	-	$	-

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

		2013		2012
Non-capital and net operating loss carry forwards[1]	$	11,605,757	$	5,238,004
Share issuance costs		1,098,338		584,902
Mineral properties		1,776,862		199,362
Pre-production investment tax credits[1]		91,503		75,674
Tax value of property and equipment in excess of book		95,903		106,117
Other temporary differences		411,525		396,863
	$	15,079,888	$	6,600,922

[1]The unrecognized tax losses and investment tax credits will expire between 2029 and 2033

15. Subsequent Events

The following events occurred subsequent to year end. These events and other non-material subsequent events may be mentioned elsewhere in these financial statements:

On January 24, 2014 the Company entered into a binding letter agreement with ANV to acquire ANV's Hasbrouck and Three Hills properties in southwestern Nevada for consideration of up to US$30 million. A US$500,000 non-refundable cash deposit was paid to ANV upon execution of the letter agreement. A further US$19,500,000 cash payment was made to ANV on April 23, 2014 at which time the Company purchased a 75% interest in the properties. The Company has the option to pay an additional US$10,000,000 to ANV within 30 months of April 23, 2014 in accordance with the terms and conditions of the letter agreement, where it will acquire the remaining 25% interest in the properties. If the Company does not make the additional payment to ANV, or if the Company offers the payment and ANV chooses to decline the payment, the properties shall be transferred into a joint venture with the Company retaining a 75% interest in the joint venture and ANV retaining a 25% interest.

On January 29 and 31, 2014 the Company closed a non-brokered private placement of 11,900,000 shares at a price of $0.10 per share for gross proceeds of $1,190,000. Of the gross proceeds US$500,000 (CAD $553,650) was paid on January 24, 2014 to ANV as a non-refundable deposit under the terms of a letter agreement entered into between ANV and the Company. The remainder of the funds raised will be used for general working capital purposes.

On April 17, 2014 the Company closed a fully marketed prospectus offering of units of the Company, as well as the first tranche of a non-brokered private placement offering of units under substantially similar terms as the prospectus offering. Pursuant to the offerings the Company issued 194,907,833 units at a price of $0.15 each for aggregate gross proceeds of $29,236,175, including an amount exercised by the Agents under an over-allotment option. Each unit in the offerings consists of one common share of the Company and one common share purchase warrant exercisable for one common share at a price of $0.30 at any time prior to 5:00 pm on April 17, 2019. Including legal fees and a cash commission paid to brokers representing 6% of the gross proceeds raised, the cost of the offerings to the Company was approximately $1,902,000. Of the net proceeds from the offerings, $21,444,150 (US$19,500,000) was paid on April 23, 2014 to ANV to finalize the purchase of the Hasbrouck and Three Hills properties.