

**News Release** 

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# WEST KIRKLAND MINING ENTERS AGREEMENT FOR LEASE OF WATER RIGHTS HASBROUCK OPEN PIT HEAP LEACH GOLD PROJECT, NEVADA

VANCOUVER, BRITISH COLUMBIA, February 21, 2017 – West Kirkland Mining Inc. (WKM:TSXV) ("West Kirkland", "WKM" or the "Company") announces that it has entered into an agreement to lease water rights (the "Lease") in Nevada from Liberty Moly LLC ("Liberty Moly"). Liberty Moly holds certain water rights which allow it to appropriate ground water within Basin 137a for use at their Liberty Moly project, located 30 km from WKM's Hasbrouck Gold Project. The lease allows WKM to appropriate ground water in the amount of 1.522 cubic feet per second with an annual duty of 800 acre feet. The quantity of water leased by WKM is a portion of Liberty Moly's right to 6,200 acre feet annually and is sufficient for all of WKM's water needs for production at the Hasbrouck Project.

The Three Hills Mine is the first phase of the Hasbrouck Gold Project and is also located within Basin 137a. Obtaining approval from Nevada's state engineer to change the point of diversion of the leased water to the Hasbrouck Project is expected to be in the normal course of affairs. The Hasbrouck Mine is the second phase of the project and is located in the adjacent Basin 142; an inter-basin approval is required for the leased water to be diverted to the Hasbrouck Mine. The company plans to make this application and work on it during Three Hills Mine construction and gold production phases. The Three Hills Mine involves an open pit, heap leach and gold plant, and is fully permitted for construction and operation. Purchase of private lands for the Three Hills heap leach facility was concluded in January 2017. Work on permitting the Hasbrouck Mine is ongoing and is expected to be completed under an Environmental Assessment. Assay results from recent exploration drilling at Three Hills are pending.

The Hasbrouck Project consists of the Hasbrouck Mine, Three Hills Mine, and surrounding land package, all located near Tonopah, Nevada. All dollar values presented in this news release are U.S. dollars and are presented on a 100% project basis. Highlights include:

- Low initial capital cost of \$47 million with a 12-month construction period
- Open pit mining with minimal pre-stripping and an overall stripping ratio of 1.1:1
- 594,000 recoverable gold equivalent ounces\*
- 74,000 gold equivalent ounces\* produced annually for eight years
- \$717 All-in Sustaining Cost per Au ounce
- Robust 2016 pre-feasibility study indicating after-tax NPV (5%) of \$120 million and a 43% IRR
- \$1,275/oz Au and \$18.21/oz Ag metal price assumptions
- Good exploration potential proximal to the Three Hills permitted pit

\*Gold equivalent ounces are calculated by multiplying the silver ounces by 18.21 over 1,275 and then adding to the gold ounces

Proven and Probable Reserves total 45.3 million tons containing 762,000 ounces gold and 10.6 million ounces silver as detailed below:

Hasbrouck Project	Reserves, J	lune 3, 20	015, Mine De	velopme	nt Associates	(1, 2)
Three Hills Mine Reserves		K tons Ore	Grade (oz Au/ton)	K oz Au	Grade (oz Ag/ton)	K oz Ag
0.005 opt Au cutoff	Proven	-	-	-	-	-
	Probable	9,653	0.018	175	-	-
	P&P	9,653	0.018	175	-	-
Hasbrouck Mine Reserves						
Variable cutoff grade <sup>(3)</sup>	Proven	6,242	0.020	127	0.410	2,562
	Probable	29,374	0.016	461	0.273	8,007
	P&P	35,617	0.017	588	0.297	10,569
Total Hasbrouck Project Reserves						
Variable cutoff grade <sup>(3)</sup>	Proven	6,242	0.020	127	0.410	2,562
	Probable	39,028	0.016	635	0.205	8,007
	P&P	45,270	0.017	762	0.233	10,569

#### Notes:

- 1) The estimation and classification of Proven and Probable Mineral Reserves have been prepared by Thomas L. Dyer, P.E., of Mine Development Associates following CIM standards
- 2) Mineral Reserves are estimated based on \$1,225/oz gold and \$17.50/oz silver
- 3) Cutoff grades used for Mineral Reserves are: Three Hills 0.005 oz Au/ton, Hasbrouck Upper Siebert 0.008 oz Au/ton, and Hasbrouck Lower Siebert 0.007 oz Au/ton

WKM Chief Operating Officer Sandy McVey commented that "Securing this water supply is a major milestone for the Company and significantly advances the project, as well as improving project economics. We understand from discussions with Nevada Division of Water Resources that State approval for this water transfer should be granted on application. We look forward to further progressing the Hasbrouck Gold Project by permitting the Hasbrouck Mine under an Environmental Assessment as we did in seven months at the Three Hills Mine".

The initial term of the Lease is for six (6) years commencing on February 10, 2017. WKM may extend the Lease for one additional four (4) year term. WKM's diversion and use of ground water pursuant to the Lease is subject to the approval of the Nevada State Engineer. In the event that Liberty Moly requires the leased water rights for the construction and operation of its own mine project during the term or extension of the Lease, Liberty Moly may terminate the Lease by providing twenty-four (24) months' notice to WKM.

As initial compensation for the leased water rights, WKM will issue to Liberty Moly US\$100,000 worth of WKM common shares calculated on the last closing price of one WKM common share on the TSX Venture Exchange (the "TSXV") on February 13, 2017, converted into U.S. dollars based on the noon buying rate reported by the Bank of Canada on February 14, 2017 (being 1,454,778 WKM common shares).

On each anniversary date during the term of the Lease, WKM is to pay Liberty Moly either US\$10,000 in cash or the equivalent value in common shares calculated by dividing US\$10,000 by the last closing price of one WKM common share on the TSXV immediately preceding the anniversary date, converted into U.S. dollars based on the foreign exchange rate reported by the Bank of Canada on the applicable payment anniversary.

All WKM common shares issued pursuant to the Lease will be subject to TSXV approval and will bear a resale restriction under Canadian securities laws for a period of four months and one

day from the date of issue and will also bear a legend and be subject to resale restrictions under applicable U.S. securities laws. WKM may terminate the Lease by written notice if at any time WKM is prevented from using the leased water rights because of judicial orders, court decrees or local, state or federal laws, rules or regulations now or later in effect.

## **Authors and Qualified Persons Statement**

The referenced Mineral Reserve Estimate was prepared in conformance with NI 43-101 by Thomas L. Dyer, P.E. of MDA and was filed on SEDAR on September 2016. Mr. Dyer is a "Qualified Person" under NI 43-101 and has reviewed and approved the information in this news release. MDA has reviewed and verified that the data disclosed in this news release conforms to CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and to NI 43-101.

Sandy McVey, P.Eng., Chief Operating Officer of West Kirkland, and a non-independent Qualified Person as defined by NI 43-101, has reviewed the information contained in this news release and has verified the data.

### Sample Preparation, Analyses, and Security

It is MDA's opinion that the sampling, assaying, and security procedures used at Three Hills and Hasbrouck deposits follow industry standard procedures, and are adequate for the estimation of the current Mineral Resources and Mineral Reserves.

#### **Data Verification**

MDA completed audits of the database, performed a site visit, reviewed QAQC data and confirmed historic assays. After performing their review, they consider the assay data to be adequate for the estimation of the current Mineral Resources and Mineral Reserves.

#### **About West Kirkland Mining Inc.**

West Kirkland owns a 75% interest in the Hasbrouck Gold Project in Tonopah, Nevada. A Pre-Feasibility Study and Environmental Assessment with construction-level drawings and all federal and state permits for the phase-one Three Hills Mine provides an advanced project for potential expansion with drilling underway. West Kirkland also holds a 60% interest in the open pit heap-leach TUG Gold Project in Utah in Joint Venture with Newmont.

On behalf of West Kirkland Mining Inc. "R. Michael Jones" Chief Executive Officer

For more information, contact:

For further information, please see the Company's website at www.wkmining.com or contact us by email at <a href="mailto:info@wkmining.com">info@wkmining.com</a>.

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The securities described in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent such registration or an exemption therefrom.

### Disclaimer for Forward-Looking Information

This press release contains forward-looking information or forward-looking statements (collectively "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions, or are those, which, by their nature, refer to future events. Forward-looking information in this news release includes, without limitation, the statements regarding the approval of the TSXV for the issuance of the WKM common shares, any use of the water supply and the future issuance of WKM common shares under the Lease and other statements that are not historical facts. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in the prefeasibility study are also forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining it, if a mineral deposit were developed and mined. Although West Kirkland believes that such timing and expenses as set out in this press release are reasonable, it can give no assurance that such expectations and estimates will prove to be correct. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the market for gold or other minerals that may be produced generally, significant increases in any of the machinery, equipment or supplies required to develop and operate a mine, a significant change in the availability or cost of the labor force required to operate a mine, a significant increases in the cost of transportation for the Company's products, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, to raise the necessary capital or to be fully able to implement its business strategies and other risks associated with the exploration and development of mineral properties. The reader is referred to the Company's public filings for a more complete discussion of such risk factors and their potential effects which may be accessed through the Company's profile on SEDAR at www.sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.