

West Kirkland Mining Inc. Signs Letter Agreement with Allied Nevada to Acquire Hasbrouck and Three Hills Properties in Nevada, Announces Related Financings

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Jan. 27, 2014) - [West Kirkland Mining Inc.](#) (TSX VENTURE:WKM) "WKM" or the "Company") announces today that the company has signed a binding letter agreement (the "Letter Agreement") with Allied Nevada Gold Corp. (ANV:TSX) ("Allied" or "ANV") to acquire Allied's Hasbrouck and Three Hills properties (the "Properties") in southwestern Nevada for consideration of up to US\$30 million (the "Transaction"). In connection with the Transaction, WKM announces a non-brokered private placement of up to 15,000,000 common shares (the "Private Placement") at a price of CAD\$0.10 per share for aggregate subscription proceeds of up to CAD\$1,500,000.

WKM intends to raise additional funds through a brokered offering (the "Subsequent Offering") and will provide details of such offering in a later press release.

R. Michael Jones, CEO of West Kirkland Mining said, "We are pleased to reach this agreement with Allied Nevada following a systematic search over a six month period for an attractive gold project. The Hasbrouck and Three Hills properties together offer a well-defined resource base where we can utilize our core strengths and experience in mine evaluation and engineering. They also offer an excellent exploration opportunity for the discovery of additional resources. We look forward to presenting this opportunity more fully to our long standing institutional contacts and other investors in the days ahead."

Terms of the Transaction:

Purchase Price: As set out in greater detail below, WKM is required to pay an aggregate of US\$20,000,000 for a 75% interest in the Properties and an additional US\$10,000,000 to acquire the remaining 25% interest in the Properties. The Purchase Price is to be paid as follows:

- US\$500,000 non-refundable cash payment (the "Deposit") which was paid to ANV upon execution of the Letter Agreement. The Deposit was paid in consideration of the rights granted to WKM under the Letter Agreement including ANV agreeing to deal exclusively with WKM in respect of the Properties for a period of 90 days.
- An additional US\$19,500,000 cash payment at closing (the "Initial Payment"), which shall occur no later than April 24, 2014, at which time WKM will have earned a 75% interest in the Properties. If WKM does not make payment of US\$19,500,000 on or before April 24, 2014 it will not earn any interest in the Properties and will lose the Deposit.
- An additional US\$10,000,000 (the "Final Payment") shall be paid within 30 months after the date of the Initial Payment (the "Final Payment Deadline"). If WKM pays the Final Payment to ANV in accordance with the terms and conditions of the Letter Agreement, it will acquire the remaining 25% interest in the Properties and own a 100% interest in the Properties.
- If WKM does not make the Final Payment to ANV on or before the Final Payment Deadline, or if WKM offers payment and ANV chooses to decline the Final Payment, the Properties shall be transferred into a joint venture (the "Joint Venture") with WKM retaining a 75% interest in the Joint Venture and ANV retaining 25% interest in the Joint Venture.

Conditions to closing: The completion of the Transaction is subject to a number of conditions to closing including, but not limited to, WKM's satisfactory completion of legal, title and environmental due diligence with respect to the Properties, completion of various financings to raise adequate funds to make the Initial Payment, board and regulatory approvals and other customary conditions in the mining industry for similar asset purchases and sales.

Hasbrouck and Three Hills Resource Estimate

The resources at Three Hills and Hasbrouck are at or near surface and are well oxidized.

Three Hills Indicated Resource (Jan. 1, 2012)

Deposit Category Cut-Off Tons Au Au Oz Ag Ag Oz AuEq AuEq oz*

Three Hills Indicated 0.01 5,736 0.023 133,600 not calculated N/A 133,600

Hasbrouck and Three Hills Inferred Resource (Jan. 1, 2012)

Deposit Category Cut-Off Tons Au Au Oz Ag Ag Oz AuEq AuEq oz*

Hasbrouck Inferred 0.005 128,608 0.009 1,157,474 0.228 29,322,669 0.013 1,671,907

Three Hills Inferred 0.01 10.6 0.015 200 not calculated N/A 200

*An Au:Ag price ratio of 57:14:1 has been utilized to convert the silver contained value to a gold equivalent grade, which has been added to the actual gold grade.

The Mineral Resources have been prepared by Scott E. Wilson in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators NI43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

Strategic Rationale for Transaction:

- 1,671,907 inferred AuEq ounces at Hasbrouck and 133,600 indicated Au ounces at the nearby Three Hills deposit (8km north) (see table above) would add to WKM's portfolio of gold/silver assets in the southwest United States including the TUG oxide deposit in Utah where WKM has completed a preliminary economic assessment.

- Hasbrouck and Three Hills are all-oxide deposits, suitable for open pit mining and heap leaching, and are open at depth and laterally. An intercept of 66 meters grading 3.33 grams per tonne outside of the assessed resource at the Three Hills deposit highlights the exploration potential.

- Additional targets on 51 km² of patented and unpatented claims.

- The acquisition would elevate WKM from an exploration company to a development company with potential for near-term production.

- Potential strategic joint venture partnership with Allied, a current gold producer in Nevada with specialization in large open pit mining operations.

- Deposits would be complimented by WKM's TUG deposit and approximately 1,000 km² of exploration ground in the Long Canyon Trend of Nevada/Utah and WKM would continue its focus on the southwest USA with its current full time office in Nevada.

Related Financings:

In relation to the Transaction, WKM is arranging the Private Placement of up to 15,000,000 shares for gross proceeds of up to CAD\$1,500,000 (the "Private Placement Funds"). Of the Private Placement Funds, US\$500,000 has been allocated for the Deposit paid to ANV in consideration of the rights granted to WKM under the Letter Agreement, including ANV agreeing to deal exclusively with WKM in respect of the Properties for a period of 90 days. The Private Placement is subject to acceptance by the TSX Venture Exchange (the "TSXV"). The Company may pay finder's fees in connections with Private Placement, subject to the acceptance of the TSXV.

WKM intends to raise additional funds through the Subsequent Offering and will provide details of such offering in a later press release. Of these additional funds, US\$19,500,000 would be used to make the Initial Payment to complete the acquisition of a 75% interest in the Properties. At a date prior to the Final Payment Date, WKM may conduct a further financing to raise proceeds to pay the Final Payment.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

Details of Hasbrouck and Three Hills

The Hasbrouck property is located in Esmeralda County, Nevada, is accessible by paved road and consists of two claim blocks, Hasbrouck and Three Hills. The Hasbrouck claim block consists of 28 patented and 583 unpatented mining claims. The Three Hills claim block consists of six patented mining claims and 100 unpatented mining claims. Each claim block hosts a known significant gold resource, with the potential for further discoveries and expansion. The historic mining town of Tonopah, Nevada, lies within a short distance of the both properties. Historic mining in the area focused on bonanza grade veins and took place prior to the existence of technology to process oxide ores. Both deposits are close to infrastructure with existing good access.

The Hasbrouck and Three Hills deposits are oxidized, low-sulphidation, epithermal vein deposits with a combined Ag:Au ratio of 23:1 by weight. Most of the ounces of gold in the known deposits are hosted within the Tertiary Siebert Formation with minor amounts of mineralization in the underlying Fraction Tuff. The Hasbrouck mineral resource estimate was defined by 287 boreholes totaling 259,318 feet (79,040 meters) drilled between 1974 and 2011. The Three Hills deposit was defined by 260 boreholes totaling 74,524 feet (22,631 meters). Both deposits outcrop and feature a combined strip ratio of 0.3:1. Both deposits are open to further expansion, particularly Three Hills where hole THR12-15 encountered 66 meters of 3.33 g/t Au outside the known resource area.

Qualified Persons

Mr. Scott E. Wilson, AIPG Certified Professional Geologist, is WKM's Independent Qualified Person as defined under NI 43-101. He has read and approved the technical information in this news release. Mr. Wilson has reviewed and verified the data disclosed in this news release to be in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and in accordance with NI 43-101.

Michael G. Allen, Vice President of Exploration for WKM, and a Qualified Person as defined by NI 43-101, has reviewed the information contained in this news release. He is the non-independent qualified person for this new release and has verified the data.

In compliance with NI 43-101, WKM will provide a technical report on the Properties within 45 days of the date of this announcement in support of the technical disclosure in this news release related to the mineral resource estimate for the Properties.

About West Kirkland Mining Inc.

WKM was formed in 2010 to focus on gold exploration along major trends in North America. The Company has consolidated significant mineral rights positions within the Long Canyon Trend of Nevada/Utah. The founders and Board members of WKM have successful experience in gold discovery, mine development and mine operations in Nevada and other gold producing jurisdictions in North America.

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, all statements regarding the terms, proposed timing and completion of the Transaction, forming a workable joint venture with Allied, the anticipated timing and completion of the Private Placement, Subsequent Offering and any other financing in connection with the Transaction, the receipt of necessary approvals with respect to the Private Placement, Subsequent Offering and any other financing in connection with the Transaction and the anticipated timing of a NI 43-101 technical report on the Properties prepared for WKM. Although WKM believes that such timing as set out in this press release is reasonable, it can give no assurance that such expectations 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, recent market volatility; the results of the Company's due diligence evaluations with respect to the Property; developments with respect to Allied Nevada or the Property; 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.

Cautionary Note to U.S. Investors Regarding the Use of Mining Terms

This press release has been prepared in accordance with the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this press release have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards on Mineral Resources and Mineral Reserves. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the U.S. Securities and Exchange Commission (the "SEC"), and resource and reserve information contained therein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. In addition, under SEC standards, a company may only be identified as "development" stage if it has established "reserves" by SEC standards and is engaged in the preparation of such reserves for extraction. Accordingly, information concerning mineral deposits set forth in this press release may not be comparable with information made public by companies that report in accordance with U.S. standards.

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.

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