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West Mountain Capital Corp. (WMT : TSX-V)

Date: February 1, 2010
Price: \$0.16



KEY INFORMATION

Fiscal Year-end	December 31
52-Week High/Low	\$0.27 - \$0.03
3-Month Avg. Daily Trading Volume	26,625 shares
Market Capitalization	\$5.6 million
Enterprise Value	\$4.4 million
Book Value per Share (Sep 30)	\$0.13
Current Ratio	2.3
Gross Margin	70%
LT Debt to 2009e CF	0.03
LT Debt to Equity	0.02
Price to 2009e Earnings	1.6
Price to 2010e Earnings	1.3

FINANCIAL DATA (000's of Canadian Dollars)

	3 Months Sep 30		9 Months Sep 30	
	2009	2008	2009	2008
Revenues	2,557	450	4,450	874
Net Income	1,497	(343)	1,875	(1,314)
per share	0.043	(0.010)	0.054	(0.038)
Cash Flow	1,617	(217)	2,206	(948)
per share	0.047	(0.006)	0.064	(0.027)

BALANCE SHEET (as at September 30, 2009)

Current Assets	\$ 3,277,987
Total Assets	6,224,024
Current Liabilities	1,397,490
Long-Term Debt (Capital Leases)	113,339
Shareholders' Equity	4,602,714

SHARES OUTSTANDING (as at September 30, 2009)

Basic	*34,724,667
Options	2,723,500
Fully-Diluted	37,448,167

* management and insiders own approximately 63% of the company's issued and outstanding common shares.

Highlights:

- strong Q3 results expected to continue throughout 2010
- industry leader operating in sector with rapid growth worldwide
- strong and improving balance sheet with increased cash flow and earnings
- trading at less than 2 times annual earnings and at a discount to future cash value

COMPANY OVERVIEW

Incorporated in 2005, West Mountain Capital operates through its wholly-owned subsidiary, Phase Separation Solutions Inc. in the waste processing industry. The company uses its patented Thermal Phase Separation Technology (TPS) to eliminate the environmental liability inherent in contaminated soil, sludge, sediment, and pharmaceutical waste while recovering hydrocarbons for reuse. TPS technology is the first of its kind to carry the Environmental Technology Verification (ETV) seal of approval in Canada.

West Mountain owns and operates a fixed facility in Woleseley, Saskatchewan, located about 100 km east of Regina. The facility is one of only three approved facilities in Canada for PCB soils, and has a very broad operating permit for many waste streams including pharmaceutical waste and industrial sludge. West Mountain's customer base is comprised of utilities, environmental service companies, and general industry.

The company's TPS technology employs a unique indirectly heated, closed loop system which extracts hazardous contaminants while converting much of the waste into reusable oil and synthetic natural gas that is used to fuel the process. This methodology results in more than a 90% reduction by volume of material traditionally incinerated, a high rate of recovery of hydrocarbons from sludge-based waste streams for reuse, zero harmful air emissions, and a reduction in greenhouse gases when compared with traditional incineration systems.

In September 2008, the federal government promulgated new federal PCB regulations that mandate timelines for the destruction of all PCB inventories, a large volume of which is PCB soil. This change is expected to increase demand for the company's remediation services up to 2012.

West Mountain is currently treating 6,300 tonnes of PCB contaminated soil and debris stored in an interim facility in Western Canada. The company completed all on-site activities in July 2009 and subsequently began utilizing its Wolseley Facility to treat the soil. It is estimated that contaminated soil from this project will be processed until at least April/May 2010 with a total contract value of \$6.9 million.

In late 2008, the company entered into a Capacity Assurance Agreement with a competitor to provide standby treatment capacity for the Pottersburg Creek Remediation Project in Ontario. The project commenced in June 2009 and West Mountain received its first payments during Q3/09. Payments are expected to continue until at least March 31, 2010.

In December 2008, the company sold the assets of its Pharma Business Unit for \$850,000 consisting of \$750,000 cash and \$100,000 reserved for issuance until December 2009 if revenue targets were met.

FINANCIAL SUMMARY

For the 3 months ended September 30, 2009, West Mountain generated sales of \$2.6 million and net income of \$1.5 million or \$0.043 per share. During the third quarter, the company processed stockpiles of PCB-contaminated soil that were received from various customers during Q2/09.

RECENT DEVELOPMENTS

In August 2009, West Mountain received the exclusive right to use TPS technology in China. Annual expenditures by the Chinese State Environmental

Agency now totals more than \$162.5 billion, up from \$75 billion in 2005.

On December 14, 2009, West Mountain repaid principal debentures of \$100,000. There remains outstanding \$400,000 in debentures which bear interest at 10% per annum and are convertible at \$0.15 per share. The debentures are due on March 26, 2010.

In early January 2010, the company was contracted to transport and treat approximately 1,500 tonnes of PCB contaminated soil with processing starting in the spring of 2010. This project will add to the company's current backlog of soil which now includes contracts exceeding 65% of its annual treatment capacity.

SUMMARY

Global demand for clean technologies has grown substantially in the last 5 years. Using patented non-incineration technology, West Mountain sets the standard for the safe, economical, and environmentally responsible management of impacted soil and oil based sludge. With an increasing contract backlog of remediation projects and the lowest capital and operating costs in the industry, the company is beginning to demonstrate its ability to generate significant cash flow and earnings. West Mountain continues to bid on new projects in Canada and is now pursuing similar opportunities in China. The company has a strong balance sheet with positive working capital of \$1.9 million or \$0.054 per share.

Based on the current project backlog, it appears that the record revenues and earnings generated during the third quarter of 2009 should be repeatable until at least September 2010. While new contracts will likely be secured after this date, revenues can be volatile in contract based businesses which increases investment risk. However, West Mountain is presently trading at just over 1 times current annualized earnings and will likely be trading well under actual cash value by the second quarter of 2010.

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