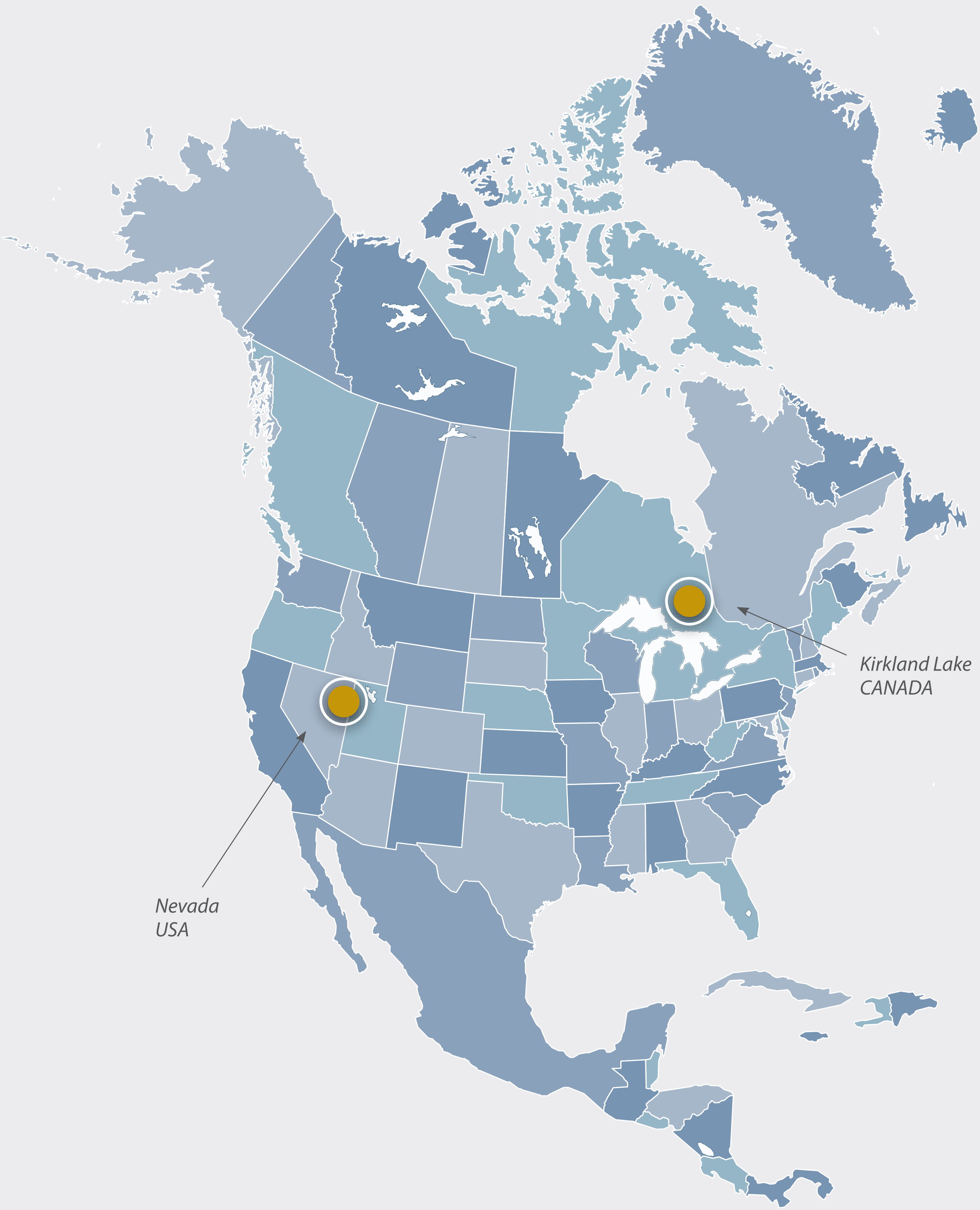
EXPLORING KNOWN GOLD MINE TRENDS

2011 ANNUAL REPORT

WEST KIRKLAND MINING INC.

West Kirkland Exploration Areas



Letter to the Shareholders

Nevada

Dear fellow shareholder:

After our first full calendar year of operation we can look back on significant progress in a short period of time. We secured district-scale land packages on gold-producing belts and hired experienced exploration talent to explore in known gold mine trends.

We've secured an enormous 1,200 square kilometer land package in Nevada, including 1,000 square kilometers in the Long Canyon Trend, giving us the dominant land position on-trend from Newmont's 2.2 million ounces of gold defined at their Long Canyon deposit. In July, we were fortunate to have Rich Histed join our team to lead our exploration programs in the United States. For 17 years Rich worked for Homestake Mining, defining the Archimedes mine prior to its acquisition by Barrick. Rich now resides in Elko where we have established our new Nevada head office. In Nevada, we evaluated 150 square kilometers with mapping and soils and discovered new large-scale targets. A key component of our Nevada program this past year was to expand upon the historical TUG deposit in the Long Canyon Trend, where we are working towards an initial NI 43-101 resource estimate on the deposit. In 2011 and early 2012, we drilled 16 holes at TUG and expanded the resource.

In Canada, we've assembled over 96 square kilometers between the 40 million gold ounces produced from the Kirkland Lake camp to the east and the 4.1 million ounce gold resource at the Young-Davidson deposit to the west. To date we've drilled over 30,000 meters (23,000 in 2011) along the Cadillac-Larder Lake Break and have identified panels of high-grade mineralization. More targeted follow-up drilling is planned.

West Kirkland is well advanced at such an early stage in its corporate history. It is interesting to note that in both of the camps where we are focused, take-overs for over $1 billion have taken place since our founding of West Kirkland.

At West Kirkland, we treat every share as if it was our own and pay close attention to who holds our shares and how we can build value. With less than 35 million shares outstanding, 55% is held by leading international institutional investors, including 5% by Newmont. Insiders, including myself, continue to hold about 20%, making this a tightly held public company.

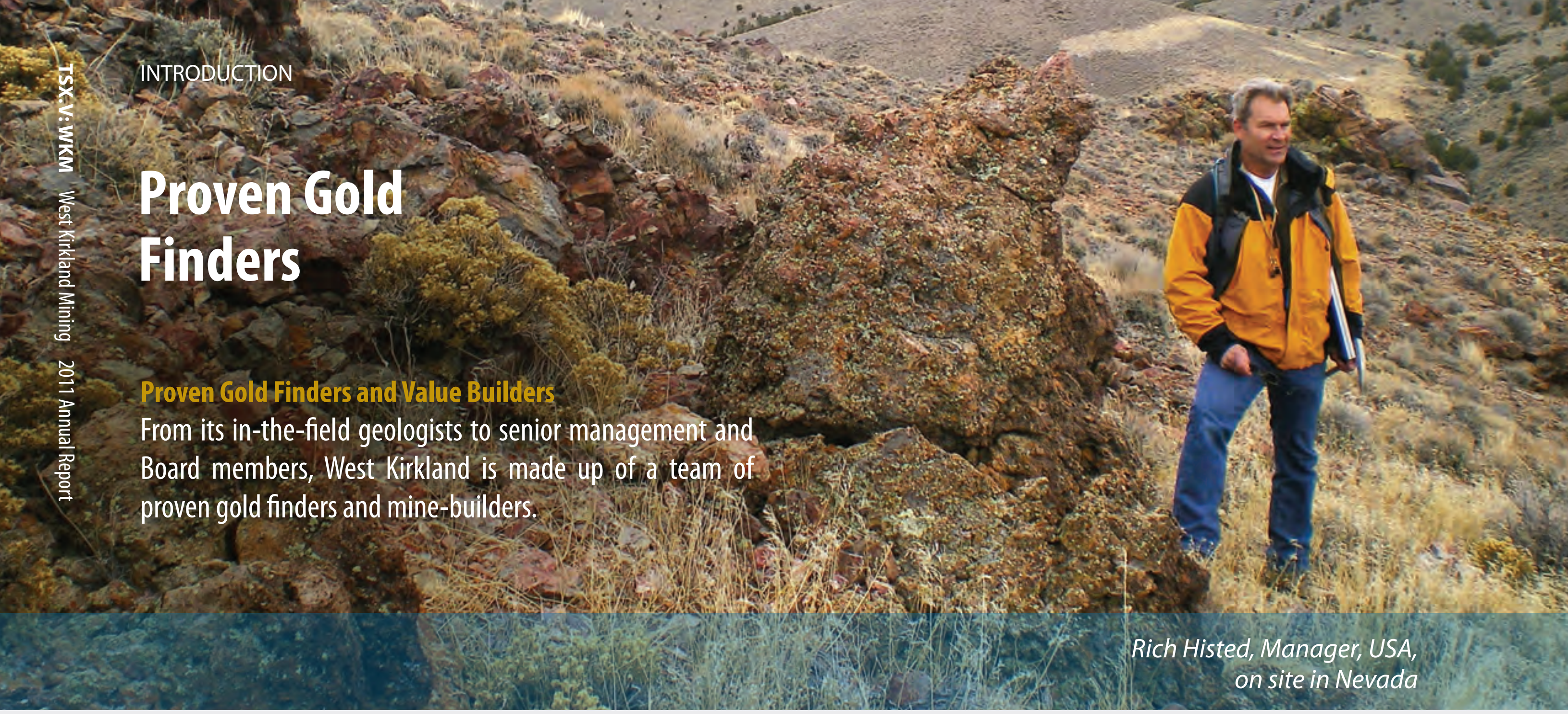
At the outset of 2012 and on the heels of a $7.75 million bought-deal financing we immediately launched into our planned 15,000 meters of drilling at Kirkland Lake, following up on high-grade gold intercepts on our Cunningham property. In Nevada, we'll continue resource expansion and definition on the TUG deposit. Meanwhile on our Long Canyon properties we've planned for 11,000 meters of RC and core drilling.

"We continue exploring known mine trends for gold with the right team, backed by a supportive shareholder base."

In short, we continue exploring known mine trends for gold with the right team, backed by a supportive shareholder base. The task ahead in 2012 is to make discoveries on our exploration programs and define a significant resource base in two of the most mining friendly jurisdictions in the world.

We are encouraged by the support of our larger shareholders that have seen the systematic district approach be very successful in Platinum Group Metals, West Timmins Mining and MAG Silver, all co-founded by your founders of West Kirkland Mining. We have a great team with a track record of discovery. The basic work is done and 2012 is a year focused on discovery by drilling.

R. Michael Jones, P. Eng
Director, President and CEO



Proven Gold Finders

Proven Gold Finders and Value Builders

From its in-the-field geologists to senior management and Board members, West Kirkland is made up of a team of proven gold finders and mine-builders.

Rich Histed, Manager, USA, on site in Nevada

West Kirkland Mining draws on the legendary experience of award winning explorers such as Board member **John Brock** who has been recognized for his numerous discoveries in gold, copper and uranium over the past 40 years. John was the recipient of the 1999 BC and Yukon Chamber of Mines President's Award, the 2002 Pezim Award and the 2006 Cambridge House Lifetime Achievement Award.

Board member **Pierre Lebel** is currently Chairman of Imperial Metals Corporation since 2003 and was prior President from 1986-2003. He has extensive experience in managing public companies serving as a director of a number of public companies during his career. Pierre has steered Imperial Metals from discovery to production and onwards to further discoveries.

R. Michael Jones, Director, President & CEO was founder of Glimmer Resources and ran a producing gold mine for six years as President of Cathedral Gold. Together with partner **Frank Hallam**, West Kirkland's Director, CFO & Corporate Secretary, they've led a team that has created, at their respective peak valuations, over $1.6 billion in shareholder value. Jones and Hallam were co-founders of West Timmins Mining – purchased by Lake Shore Gold Corp. in 2009 for $424 million where Hallam remains as a Board member of Lake Shore. Both Jones and Hallam are directors and co-founders of MAG Silver Corp., which discovered and defined the Juanicipio property in Mexico, of which MAG owns 44%, considered to be one of the richest silver discoveries in recent history. The most notable success of the Jones-Hallam team is as co-founders of Platinum Group Metals. Platinum Group Metals is currently in the process of building a $500 million platinum mine in South Africa's Western Bushveld region, home to 70% of the world's platinum production, with a minable reserve of 4.7 million ounces of 4E Platinum and Palladium at an average annual production of 275,000 ounces per year over a 20-year mine life.

Michael G. Allen, P. Geo. , West Kirkland VP Exploration has a broad range of experience from grass roots exploration to underground development and mine construction management in multiple deposit types and jurisdictions. His work history includes DeBeers Canada, Rubicon Minerals, and Taseko Mines. It was Mike's relationship with Rubicon which led to West Kirkland's agreement on its enormous property position in the Long Canyon Trend.

Ken Kryklywy, P. Eng, West Kirkland's Manager, Ontario and Quebec has more than 25 years working in Kirkland Lake and Timmins mining camps from grass roots exploration to mine production. He spent four years working with Northgate Minerals on the Young-Davidson project where 4.1 million ounces of gold has been defined on a project along strike from West Kirkland's current exploration property. The Young-Davidson deposit, along with Northgate's other assets was taken over by AuRico Gold in late 2011 for $1.5 billion. Ken also spent 17 years with Barrick, where his previous work included adding to reserves at the Holt McDermott mine. Ken also worked with Newmont at its Holloway mine and with Kerr Addison.

As Manager, USA, **Rich Histed**, B.A. Geo, brings 30 years experience in exploration of precious metals and other commodities. In the 1970's and into the 1990's, as a geologist with Homestake Mining Company, he was integral to the exploration team that discovered the Archimedes deposit and later consulted in the ongoing exploration and development drilling activities at Archimedes (Ruby Hill). He was responsible for target generation at the Turquoise Ridge Exploration effort in Nevada. Consulting for Queenstake Minerals, he was deeply involved in the delineation of the Dash Gold deposit at Jerritt Canyon, another significant gold discovery in Nevada.

Ken Kryklywy, Manager, Ontario and Quebec on site at Kirkland Lake

Nevada: Overview

Nevada

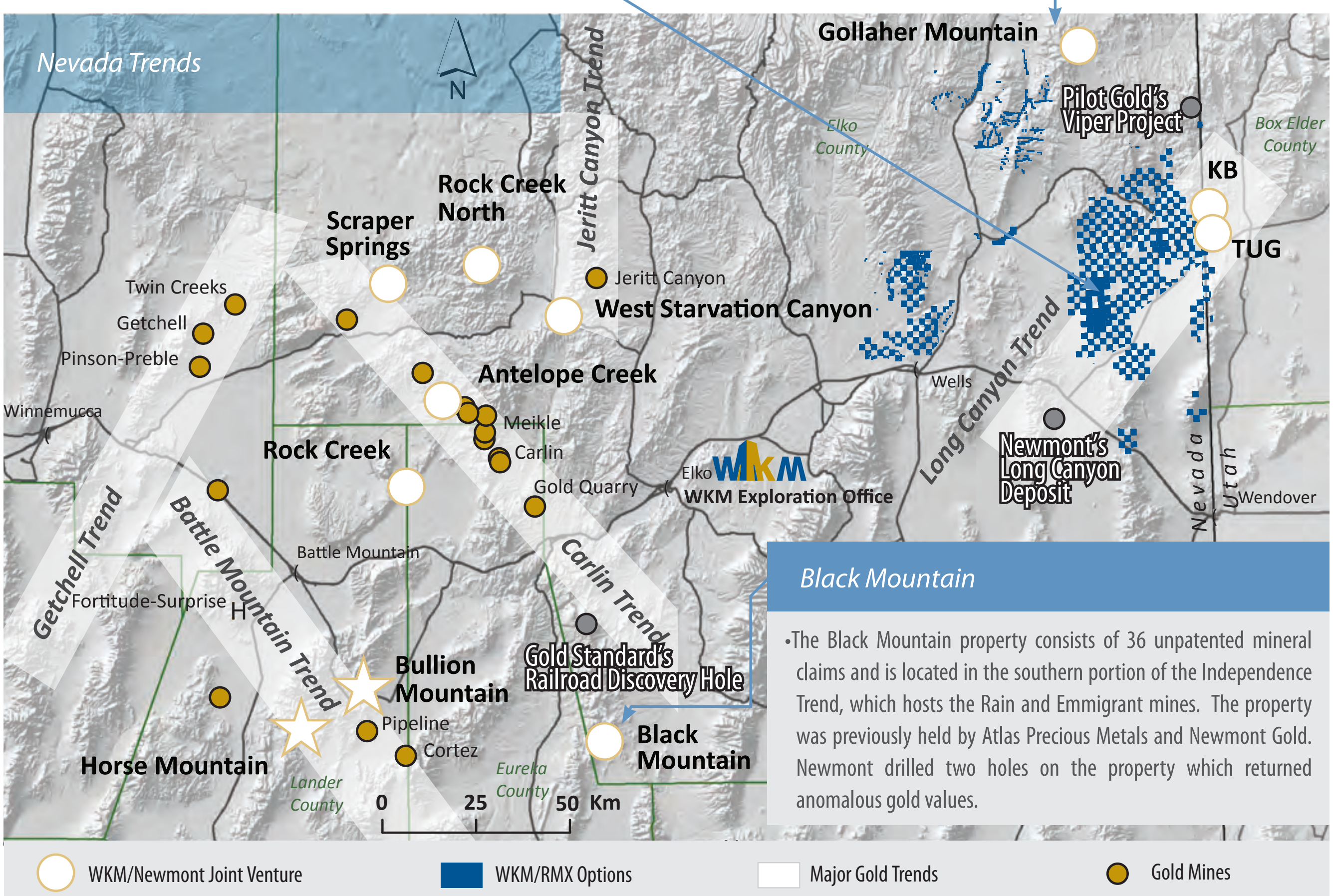
West Kirkland has optioned in excess of 1,200 square kilometers in Nevada through agreements with Newmont Mining and Rubicon Minerals. West Kirkland is in the unique position of being the dominant mineral rights holder in the emerging Long Canyon Trend. In addition, West Kirkland holds significant positions in all of the major gold mine trends in northeastern Nevada.

Long Canyon Trend (Details on pages 6 - 7)

- Long Canyon Deposit (Newmont)
- Lewis Spring (60% WKM, 40% RMX)
- Bandito (60% WKM, 40% RMX)
- KB/TUG (60% WKM, 40% Newmont)
- Toano (51% WKM, 24% RMX, 25% Newmont)

Gollaher

- West Kirkland also plans to drill on its Gollaher property, located approximately 20 kilometers southeast of Jackpot, Nevada. The property was previously drilled with approximately 80 holes by Freeport McMoran in the late 1980's. Gold mineralization at Gollaher is principally Carlin-type. In 2012 West Kirkland intends to develop and drill targets on the property.



Black Mountain

- The Black Mountain property consists of 36 unpatented mineral claims and is located in the southern portion of the Independence Trend, which hosts the Rain and Emmigrant mines. The property was previously held by Atlas Precious Metals and Newmont Gold. Newmont drilled two holes on the property which returned anomalous gold values.

Nevada: Producer of 80% U.S. Gold

Nevada Gold

The state of Nevada represents one of the most prolific gold producing regions in the world.

TUG property looking southwest

With over 5.3 million ounces produced in 2010, Nevada accounts for 6.8% of world gold production and 79% of gold produced in the United States, which is ranked as the world's third largest gold producing nation. As an exploration and mining friendly state with over 20 major gold/silver mines currently in operation, Nevada remains a prominent and safe mining jurisdiction.

Nevada's recorded history of gold production dates back to 1835 and from that period to 2010 approximately 5,000 tonnes, or 169 million ounces of gold has been produced, an amount worth over $250 billion in today's dollars, with remaining reserves of more than 70 million ounces.

While historically the majority of all gold in Nevada comes from large open pit mining and heap leaching recovery, about one quarter of Nevada gold now comes from underground mining.

> *"About one quarter of Nevada gold now comes from underground mining."*

A number of the world's largest major mining companies are operating gold mines in Nevada, including Newmont Mining, Barrick Gold Corp. and Kinross.

Newmont has been pouring gold in Nevada for nearly 50 years. Its operations include 14 open-pit and four underground mines and 14 processing facilities. Barrick, the world's largest gold miner, has its operations centered in the Carlin Trend, about 60 kilometers northwest of Elko. Kinross owns the Round Mountain open pit mining operation in Nye County, with production dating back to the turn of the century.

A Paradigm Shift at Long Canyon

A more recent discovery in Nevada occurred in the Long Canyon Trend, where Fronteer Gold defined 2.2 million ounces. The discovery represents a paradigm shift in the thinking of how Carlin style deposits are mineralized in Nevada. Rather than the traditional Carlin model where mineralization took place in permeable host rocks, permeability was introduced into the rocks by tectonic forces, where the rocks were torn apart. Mineralizing fluids exploited the permeability created by the fracturing.

Fronteer was subsequently taken over by Newmont for $2.3 billion in February of 2011. The takeover deal gave Newmont control of Fronteer's flagship Long Canyon property along with its other projects in Nevada, which at the time, all had a total of 5.7 million ounces of measured, indicated and inferred resources, however, Newmont's exploration focus is on expanding the Long Canyon deposit and other targets in the Long Canyon Trend adjacent to West Kirkland's properties.

Enter West Kirkland Mining

Just prior to Newmont's takeover of Fronteer, in December of 2010, West Kirkland Mining struck an agreement to earn up to a 60% interest in 11 of Fronteer's exploration projects in northern Nevada. The agreement established West Kirkland in all of the most prolific gold producing trends in Nevada including the Carlin, Getchell, Battle Mountain and Jerritt Canyon trends and the emerging Long Canyon Trend. Fronteer also invested $1 million in West Kirkland stock in a private placement.

Subsequent to the Fronteer agreement, West Kirkland secured a majority interest on an enormous 909 square kilometer land package through an earn-in agreement with Rubicon Minerals in June of 2011. The property is adjacent to West Kirkland's KB/TUG properties and runs approximately 50 kilometers southwest towards the Long Canyon deposit. The two earn-in agreements established West Kirkland as the dominant land-holder in the Long Canyon Trend.

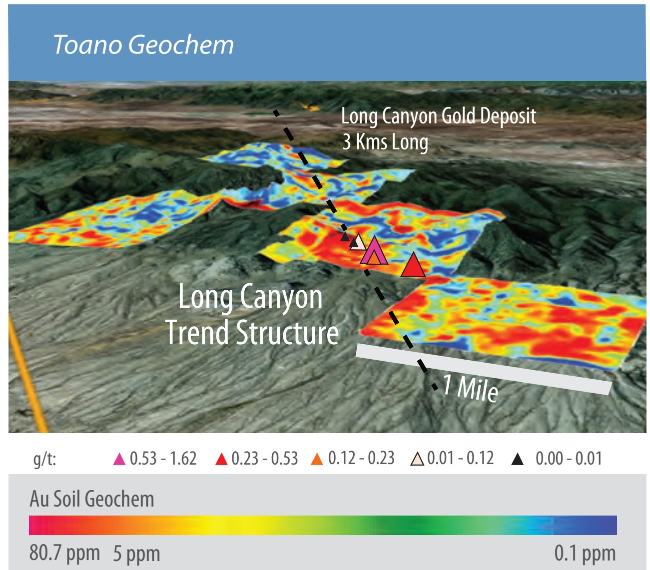
WKM WEST KIRKLAND MINING INC.

"Regional accretion of a knowledge base is key to our approach, which is unusual in a smaller company."

2011 Progress

In Nevada, West Kirkland's objectives in 2011 were to confirm and expand upon the historic resource of the TUG deposit located within its 73.8 square kilometer property, identify new targets within its enormous land position in the Long Canyon Trend, and prioritize other exploration targets within its 1,200 square kilometers of licenses spread throughout the major gold-bearing trends in Nevada. The TUG deposit was historically drilled by Noranda and Western States Minerals who collectively drilled approximately 400 shallow holes from the early 1980's to the late 1990's. In 2011, West Kirkland drilled 2,328 meters in seven holes to provide confirmation of the previous gold values for an updated NI 43-101 compliant resource calculation and to explore for the roots and controls on the better grades with Newmont's Long Canyon model in mind. Additional northeast structures parallel to the Long Canyon Trend have been identified as targets that have the potential to expand the deposit further along strike and down dip.

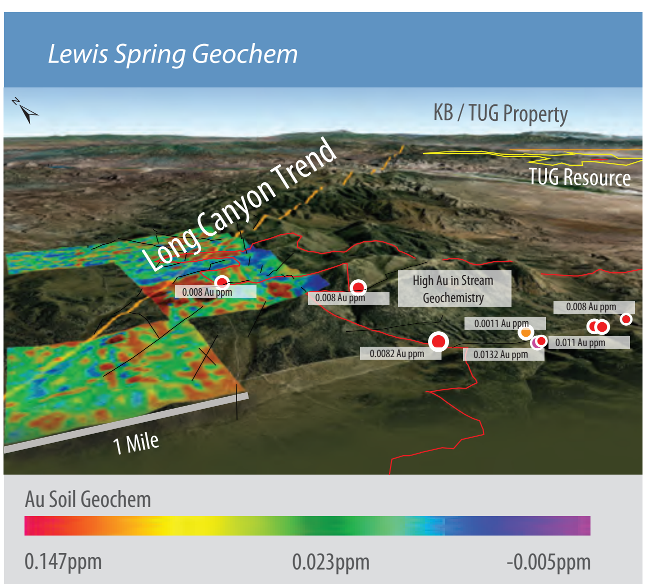
Our regional approach to exploration has developed new targets. Our detailed exploration work in one area can be applied to other areas kilometers away to generate new targets. Regional accretion of a knowledge base is key to our approach, which is unusual in a smaller company.



District Exploration

West Kirkland has since continued to drill a northern extension to the historic TUG deposit and identified new drill targets for 2012.

Extensive soil sampling in 2011 on properties optioned from Rubicon led to the identification of West Kirkland's new 2012 drill targets. The Company collected 9,012 soil samples on a 75 X 75 meter grid covering selected sections of the Lewis Spring and Toano areas. The soil sampling, combined with a review of the historic drilling on the property, has identified at least four target areas in the Long Canyon Trend for drilling in 2012: Lewis Spring, Toano, Bandito and 12 Mile.



On the Lewis Spring target, the identification of 53 square kilometers of gold in stream anomalies—similar techniques that led to the Long Canyon discovery—was followed up with soil sampling highlighted by individual samples of up to 1.1 g/t Au in soil. Mapping has highlighted two distinct target areas that will be drilled in 2012. Approximately 5,200 meters in 18 reverse circulation holes are planned at this time in the Lewis Spring target area.

On the Toano target, soil sampling has identified multiple Long Canyon Trend-parallel gold in soils anomalies with associated pathfinder elements. The identified soil anomalies measure up to eight kilometers long and are coincident with pull-apart structures similar to Newmont's Long Canyon deposit. Rock samples as high as 1.625 g/t Au have been collected in the areas of the soil anomalies. West Kirkland is planning on approximately 4,400 meters of drilling in ten reverse circulation drillholes.

At Bandito, West Kirkland has identified high priority targets for 2012. The Company has identified several north and northeast orientated structures with elevated gold in drilling. Previous drilling was limited in depth and did not test the favourable underlying stratigraphy. The Company will drill approximately 1,400 meters into the defined Bandito targets.

At 12 Mile, a review of historic data indicated previous drilling in the area. West Kirkland is evaluating 12 Mile as a target for drilling in 2012.

In addition, West Kirkland also plans to drill on its Gollaher property, located approximately 20 kilometers southeast of Jackpot, Nevada. The property was previously drilled by Freeport McMoran in the late 1980's with approximately 80 holes.

Nevada: Long Canyon Trend

WKM: Bandito

- On the Bandito target, West Kirkland has identified high priority targets for 2012. The Company has identified several north and northeast orientated structures with elevated gold in drilling. Previous drilling was limited in depth and did not test the favourable underlying stratigraphy. The Company will drill approximately 1,400 meters into the defined Bandito targets in four reverse circulation holes.

WKM: Lewis Spring

- On the Lewis Spring target, the initial dataset identified a 53 square kilometer gold in stream anomaly using a similar technique that led to the Long Canyon discovery. This gold in stream anomaly was followed-up with soil sampling that was highlighted by individual samples of up to 1.1 g/t Au in soil. Mapping has highlighted two distinct target areas that will be drilled in 2012. Approximately 5,200 meters in 18 reverse circulation holes are planned in the initial program.

WKM: 12 Mile

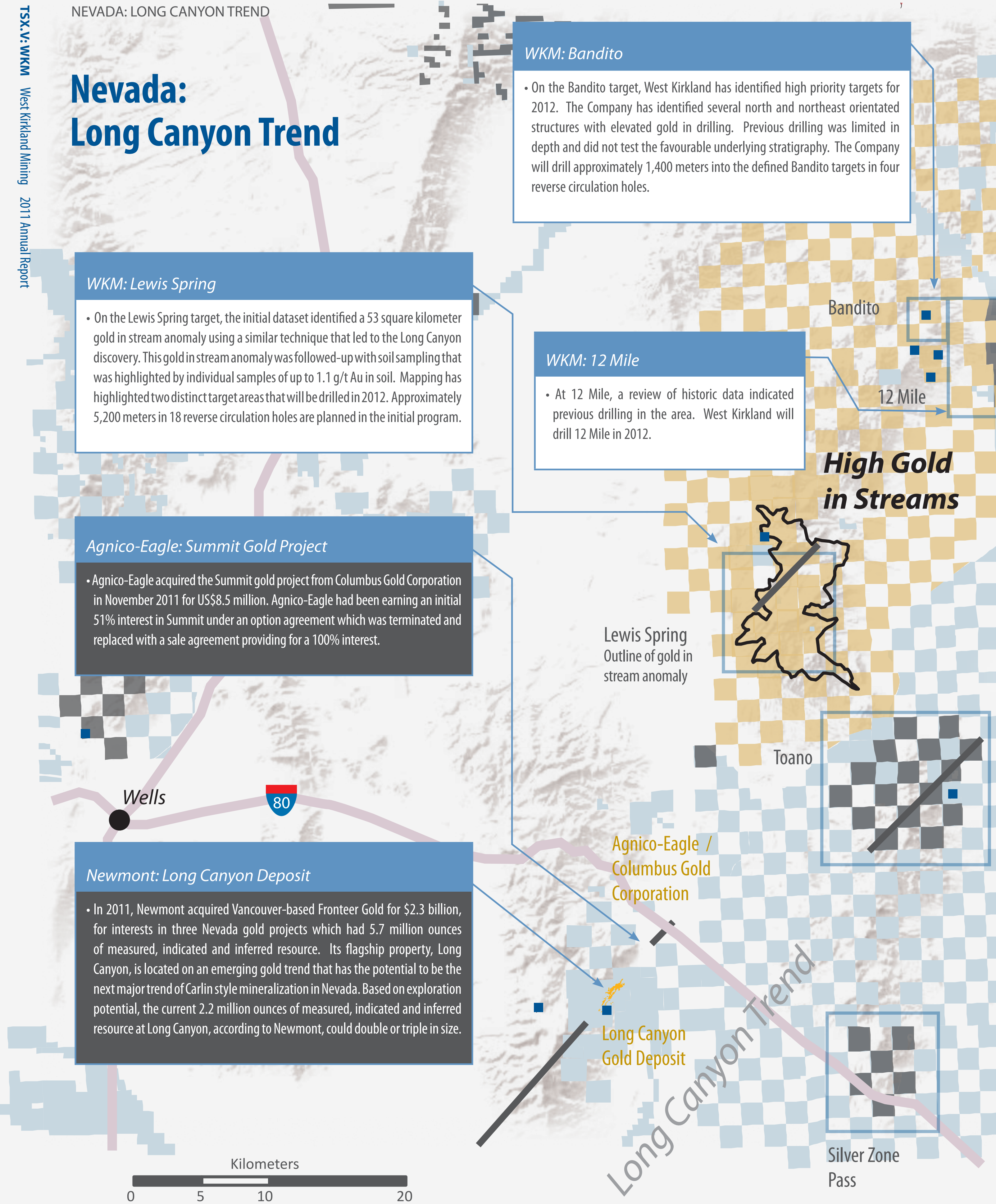
- At 12 Mile, a review of historic data indicated previous drilling in the area. West Kirkland will drill 12 Mile in 2012.

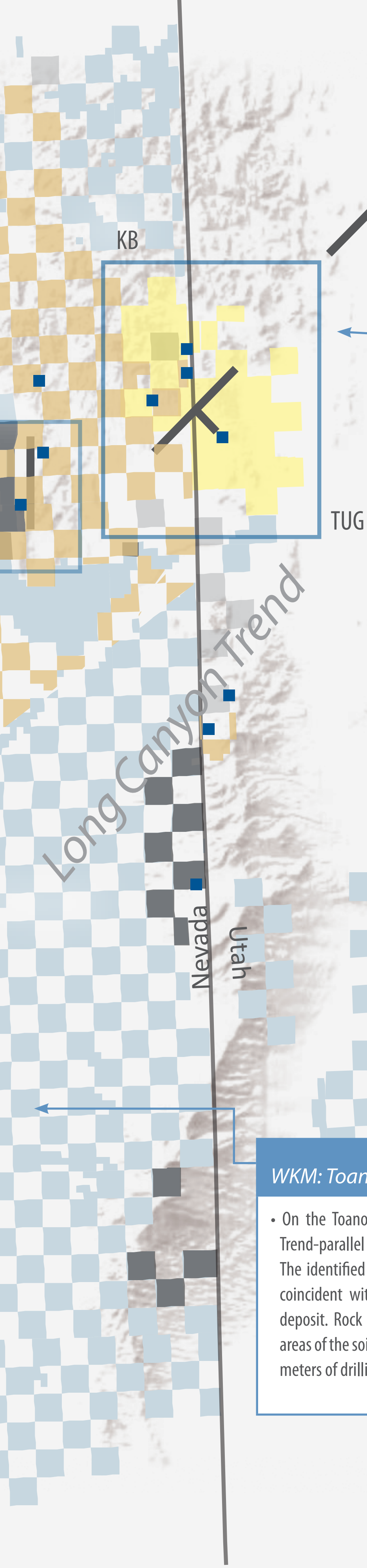
Agnico-Eagle: Summit Gold Project

- Agnico-Eagle acquired the Summit gold project from Columbus Gold Corporation in November 2011 for US$8.5 million. Agnico-Eagle had been earning an initial 51% interest in Summit under an option agreement which was terminated and replaced with a sale agreement providing for a 100% interest.

Newmont: Long Canyon Deposit

- In 2011, Newmont acquired Vancouver-based Fronteer Gold for $2.3 billion, for interests in three Nevada gold projects which had 5.7 million ounces of measured, indicated and inferred resource. Its flagship property, Long Canyon, is located on an emerging gold trend that has the potential to be the next major trend of Carlin style mineralization in Nevada. Based on exploration potential, the current 2.2 million ounces of measured, indicated and inferred resource at Long Canyon, according to Newmont, could double or triple in size.

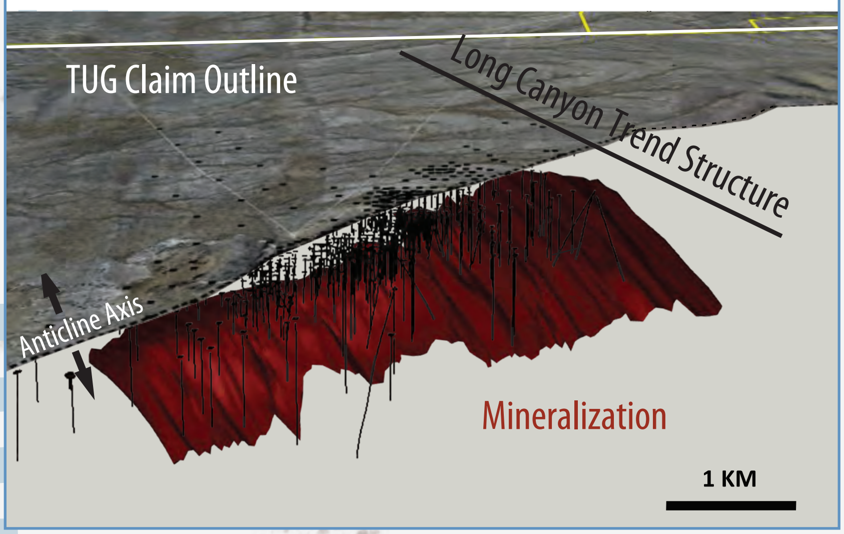




WKM: KB/TUG

- The KB/TUG projects located at the north end of the Long Canyon Trend display similar northeast trending structures that defined Newmont's Long Canyon deposit (2.2 M oz). Current drilling by West Kirkland is focused on the hinge line of a shallow anticline and a structurally-controlled root zone. Recent drilling has extended the deposit to the north. An NI 43-101 resource estimate for the TUG project is due early in 2012.

TUG Mineralization



WKM: Toano

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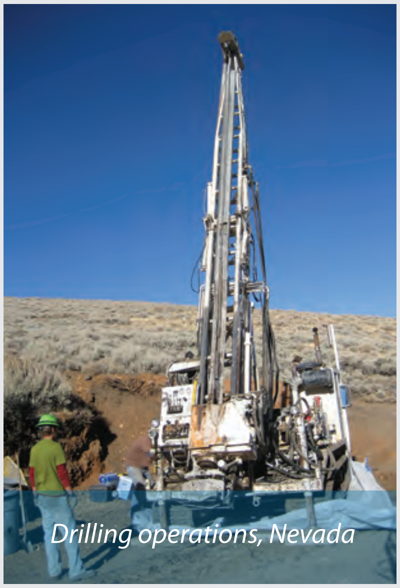
Nevada Photos:

TUG drilling operations

Jasperoid outcrop

Site visit, Nevada



Drilling operations, Nevada

Our Strategy

West Kirkland's management team employs a simple strategy that the team has successfully executed in numerous projects – creating $1.6 billion of shareholder value at peak valuations with West Timmins Mining (sold to Lake Shore Gold for $424 million), MAG Silver (TSX:MAG) and Platinum Group Metals (TSX: PTM):

- Focus on prolific mineral districts
- Assemble large land positions along established trends
- Secure institutional support
- Carry out large-scale, disciplined exploration

Kirkland Lake

Kirkland Lake

West Kirkland has optioned or staked approximately 96 square kilometers in Ontario between the Macasssa Mine in Kirkland Lake and the Young-Davidson project in Matachewan, along the prolific Cadillac-Larder Lake Break.

Kirkland Lake Photos:

Visible gold from hole KC 1164

Cunningham property drill sites

Kirkland Lake core shack

Sutton property

Kirkland Lake core

Kirkland Lake

Abitibi Gold

The Abitibi gold belt, the most prolific gold region in North America, extends from Wawa, Ontario to Val-d'Or, Quebec. This gold mining district has produced over 100 mines and 175 million ounces of gold since 1901.

Kirkland Lake drilling operations

Gold is mineralized within two parallel Breaks that run through the borders of Ontario and Quebec: The Porcupine-Destor Break which runs for about 350 kilometers and notably hosts the Timmins camp, and to the south, the Cadillac-Larder Lake Break, which runs for 400 kilometers and is the most prolific gold-bearing fault in North America, with a history of more than 100 million ounces of gold production.

A Success in Timmins

The first significant discovery in the Abitibi belt occurred in Timmins, in June 1909. The "Porcupine gold rush" and subsequent creation of the Hollinger, MacIntyre and Big Dome mines, led to over 60 million ounces of gold from well-known mining camps such as Timmins, Matheson-Hollaway and Blackfox.

> *"It was in the Timmins camp where West Kirkland's management team made its first major discovery."*

It was in the Timmins camp where West Kirkland's management team had its first major success in the Abitibi under the banner of West Kirkland's predecessor, West Timmins Mining, following up on a discovery drilled by Lake Shore Gold in 2006 - 2007. Lake Shore was exploring about 40 kilometers west of the Timmins camp in an area previously thought to be beyond the more favourable portion of the gold-bearing Destor-Porcupine Fault Zone. Throughout 2006 to 2009, West Timmins Mining aggressively acquired mineral rights surrounding Lake Shore's property position and commenced a drill program of its own in the area. In early 2009, Lake Shore was drilling on the Thunder Creek property, which was under joint venture with West Timmins Mining. After earning into a 60% interest on the Thunder Creek property, Lake Shore hit pay-dirt in May of 2009, drilling hole TC-09-68b, which returned 83.4 meters of 12.75 grams gold per tonne. Lake Shore subsequently acquired the remaining interest in the Thunder Creek property and the surrounding land position held by West Timmins Mining through a friendly takeover of West Timmins Mining for $424 million in November 2009. West Kirkland CFO and Corporate Secretary, Frank Hallam was added to the board of Lake Shore Gold at the time of the takeover.

Kirkland Lake - Then and Now

It was soon after the successful sale of West Timmins Mining that West Kirkland Mining was formed with a focus on the Kirkland Lake camp, located about 150 kilometers southeast of Timmins along Cadillac-Larder Lake Break. Kirland Lake itself has more than a century of gold production in its history. In 1891, prospectors William Wright and Ed Hargreaves stumbled across a quartz outcrop with visible gold. They staked their claims on the main ore-bearing fault of the Kirkland Lake camp, which became the nucleus of three large mines—the Sylvanite, Wright-Hargreave and Lake Shore.

Some mines at Kirkland Lake have produced continuously for over 50 years and to date the region has produced more than 40 million ounces of gold. Current gold production is from the Macassa mine, owned and operated by Kirkland Lake Gold. Kirkland Lake Gold is also exploring a new South Zone, and a western extension of the Macassa mine from it's currently producing #3 shaft.

More recently, in 2005 Northgate Minerals acquired the Young-Davidson property located on the western extension of the Cadillac-Larder Lake Break in Matachewan, nearly 60 kilometers west of Kirkland Lake. The property consists of contiguous mineral leases and claims totaling 44 square kilometers and is situated on the site of two past producing mines that produced one million ounces in the 1930s – 1950s. After six years of exploration and resource definition, in January 2010, Northgate completed a feasibility study that proved the economic viability of the project. The mine is expected to produce an average of 180,000 oz of gold a year and 2.5 M oz of gold during its estimated life of 15 years. This led to a $1.46 billion friendly takeover of Northgate by Mexico-focused miner AuRico Gold in October, 2011. AuRico expects to put the project into production by Q2 2012.

"Drilling in 2012 will focus on the Cunningham property, to expand the known panels of mineralization along strike and to depth."

West Kirkland Enters

Prior to Northgate announcing the Young-Davidson feasibility study in 2010, newly formed West Kirkland Mining was busy securing mineral rights along the Cadillac-Larder Lake Break, between the Masacca mine, where 3.5 million ounces of gold has been produced to date, and the near-producing Young-Davidson project with a current resource of 4.1 million ounces of gold.

Currently, West Kirkland controls approximately 96 square kilometers of exploration properties along the Break. The company has recruited Ken Kryklywy, a mining engineer and local resident who had worked in both the Kirkland Lake and Timmins camps for over 25 years, most recently at Northgate's neighbouring Young-Davidson project through to the feasibility stage.

Progress in 2011

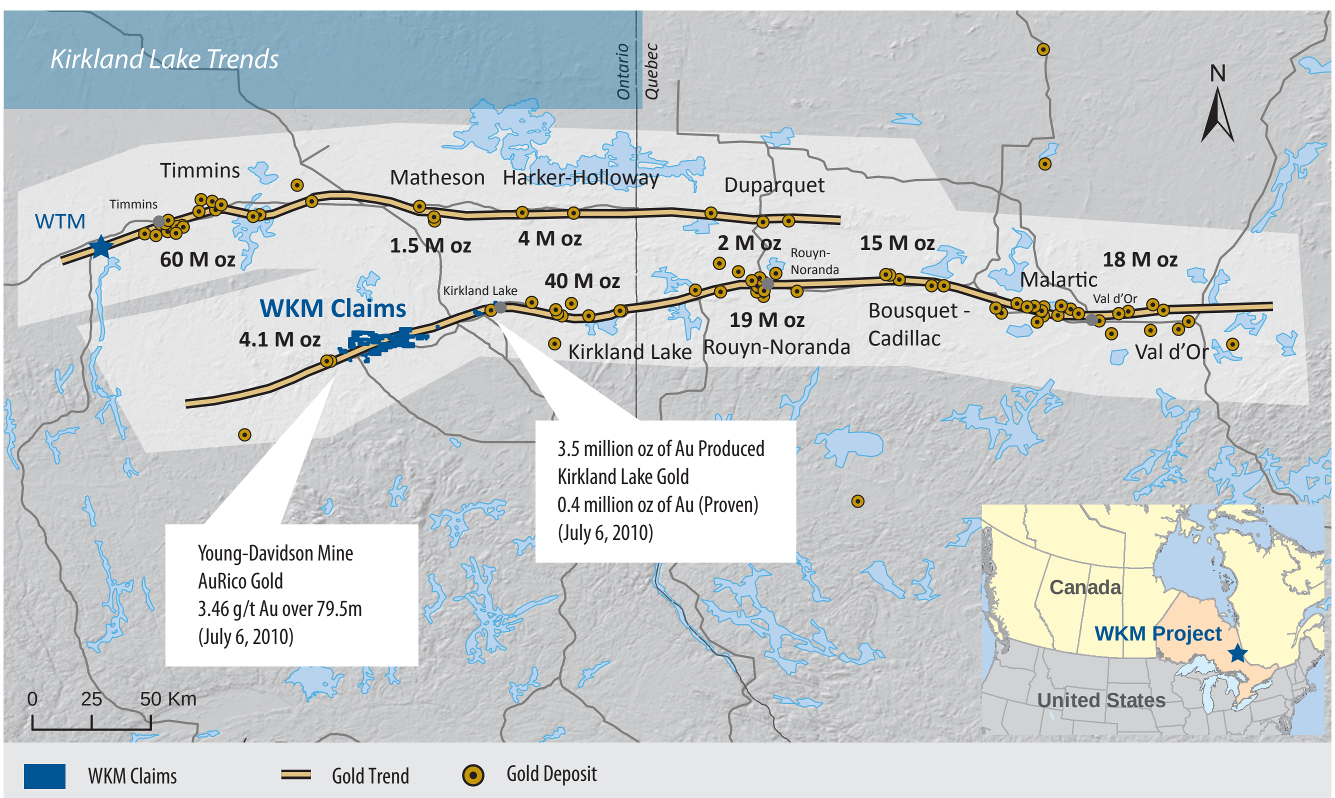
In 2011 West Kirkland drilled 95 holes totaling 23,000 meters. Several drill holes intersected significant amounts of gold mineralization and the Company has identified multiple panels of mineralization over a five kilometer structure.

To the end of 2011, the Cunningham property has seen 11,482 meters of drilling in 48 holes. In 2011, the Company was successful in identifying two steeply dipping panels of mineralization sub-parallel to the Kincaid Fault with a possible ladder vein of mineralization connecting the two. These two steeply dipping panels of mineralization at Cunningham have been cut for an approximate strike length of 575 meters with a depth of approximately 375 meters. The best intersection was cut in KC1163, which returned 16.15 g/t Au over 5.00 meters. The Company interprets these intersections to lie sub-parallel to the Kincaid Fault structure, which strikes northwest.

West Kirkland's drilling at Goldbanks is testing the gold bearing '04 and '05 Break structures projecting onto the property from the Macassa Mine. The Macassa #3 headframe is located approximately 1,200 meters from the eastern boundary of the Goldbanks property. As of January 2012, drilling continues on a deep 1,500 meter hole (KG1191). The target is to offset a known intercept drilled from Maccassa's underground workings at the 5,300 foot (1,616 meter) level.

Looking to 2012

Drilling for the balance of 2012 will be focused on the Cunningham property, to expand the known panels of mineralization along strike and to depth. On Cunningham, the Company has completed a detailed petrographic and geochemical study on the mineralization. The results of this study suggest that the drill intercepts to date may be in the upper parts of a system and targeted drilling will continue at depth.

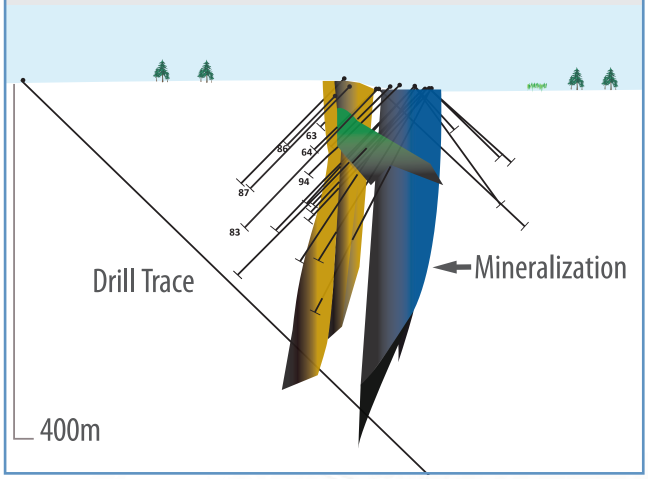


Kirkland Lake: Trends

WKM: Cunningham

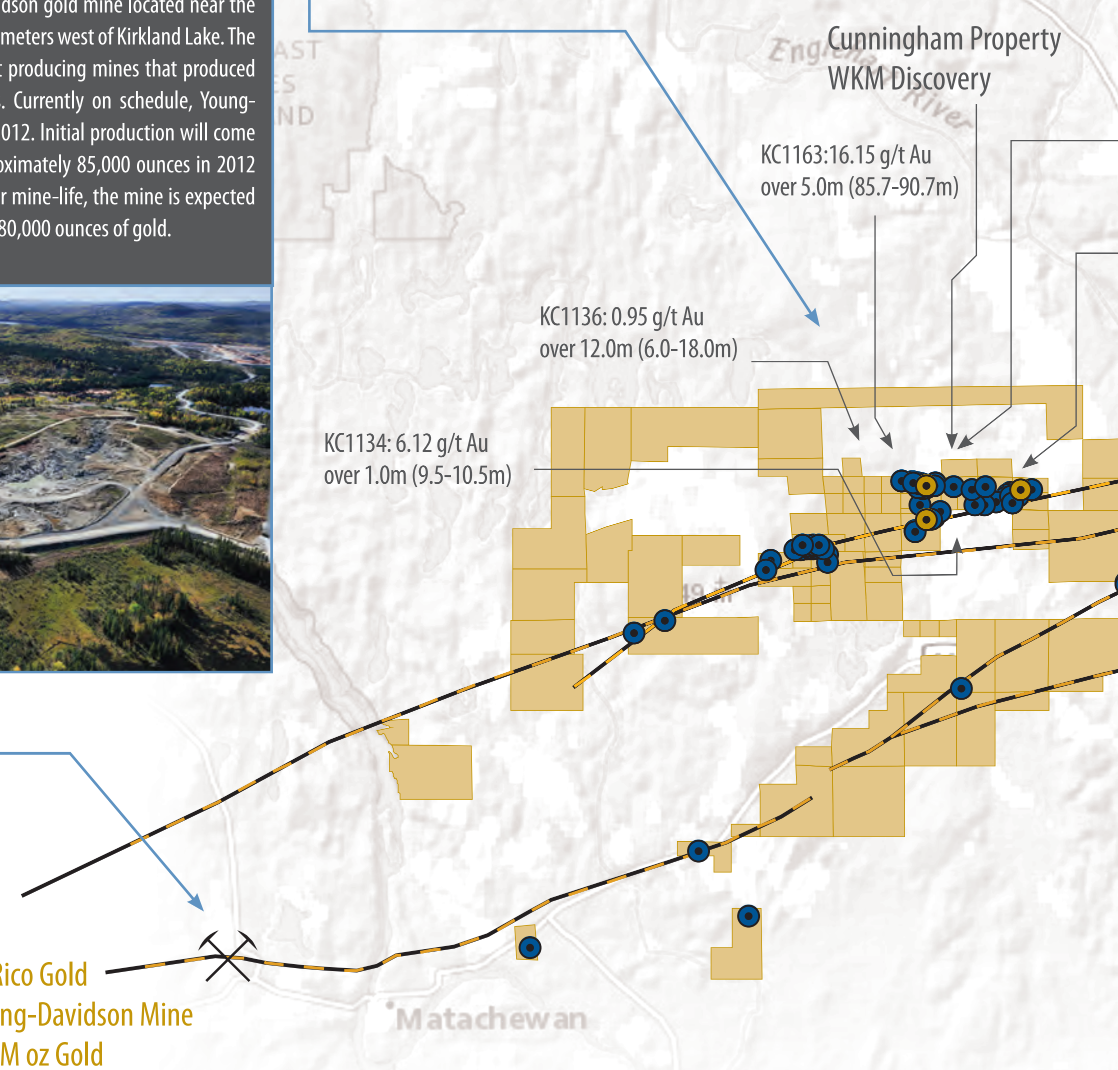
- Approximately 15 kilometers east of the Young-Davidson mine, West Kirkland's drilling has identified multiple panels of mineralization. Recent highlights include 5.00 meters at 16.15g/t Au from a depth of 85.7 meters including 2.2 meters at 34.49 g/t Au in hole KC1163 and KC1186, which cut 3.00 meters at 7.80 g/t Au from a depth of 8.00 meters including 1.00 meter of 20.10 g/t Au.

Cunningham Drilling, Looking Northwest



AuRico Gold: Young-Davidson Mine

- AuRico is currently building the Young-Davidson gold mine located near the town of Matachewan, approximately 60 kilometers west of Kirkland Lake. The property is situated on the site of two past producing mines that produced one million ounces in the 1930s – 1950s. Currently on schedule, Young-Davidson is targeting its first gold pour in 2012. Initial production will come from an open pit forecast to produce approximately 85,000 ounces in 2012 and 135,000 ounces in 2013. Over a 15-year mine-life, the mine is expected to generate average annual production of 180,000 ounces of gold.

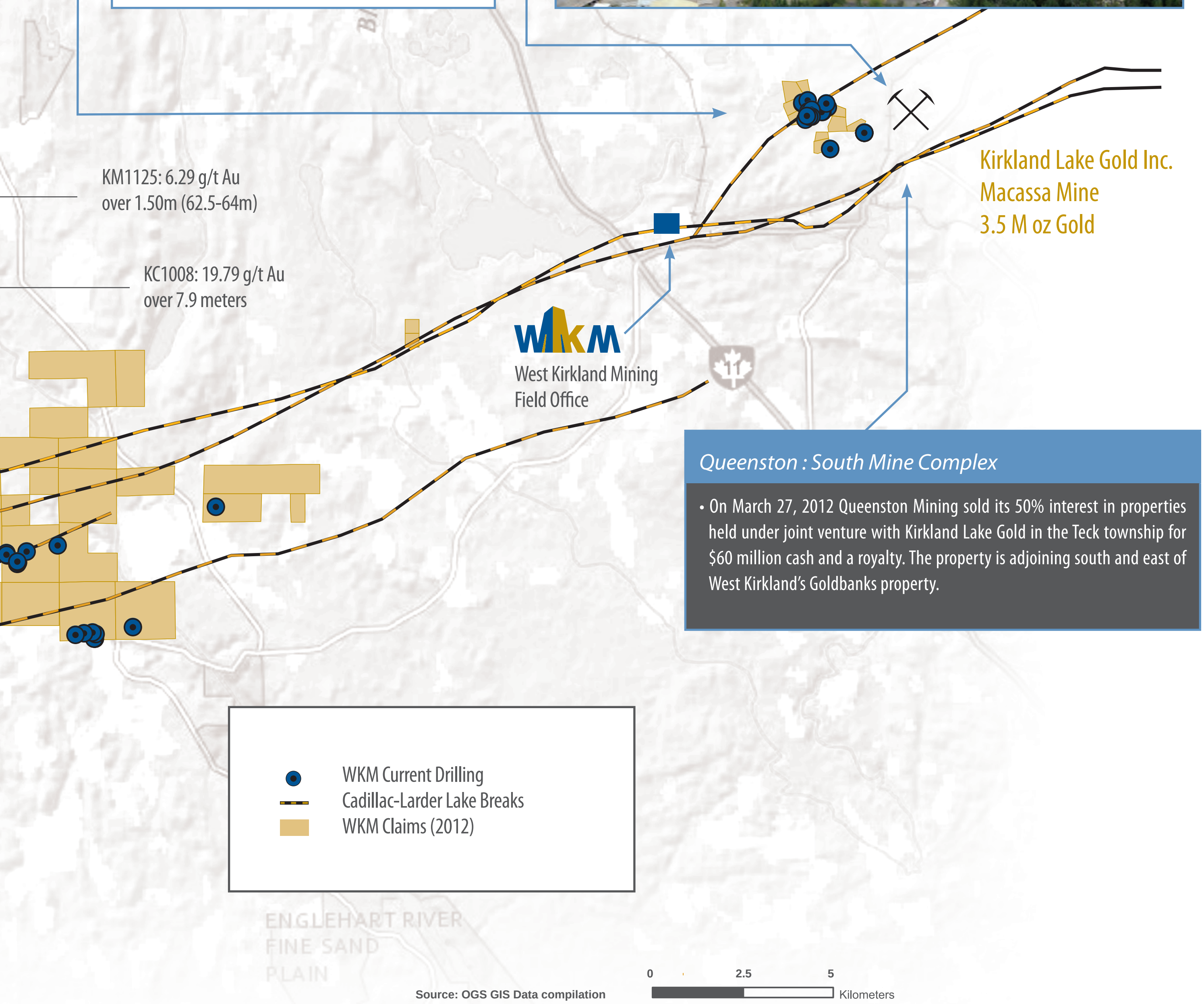


Kirkland Lake Gold: Macassa Mine

- Kirkland Lake Gold Inc. is an operating and exploration gold company. In 2001, the Company acquired 13,000 acres of five contiguous formerly producing gold mines, which had historically produced 21 million ounces of gold grading 15.1 grams per ton (0.44 ounces per ton) primarily from the Main/'04 Break system. The current focus is on expanding gold production from the Main/'04 Break, and a new discovery area, the South Mine Complex.

WKM: Goldbanks

- Work at Goldbanks, near Kirkland Lake Gold's Maccassa mine is focused on the western extension of mineralized breaks where recent drilling has extended the gold mineralization beyond a structure that was thought to terminate the camp. A 1,500 meter deep hole is underway to test the extension of the breaks that host 3.5 M oz Au at the Maccassa Mine. The Goldbanks project is under an option on agreement with Queenston Mining where WKM can earn up to a 60% interest.



Queenston : South Mine Complex

- On March 27, 2012 Queenston Mining sold its 50% interest in properties held under joint venture with Kirkland Lake Gold in the Teck township for $60 million cash and a royalty. The property is adjoining south and east of West Kirkland's Goldbanks property.

Source: OGS GIS Data compilation

Milestones

May 2010

With its initial land position assembled, West Kirkland shares begin trading on the TSX Venture Exchange following a reverse takeover of Anthem Ventures Capital Corp., a former capital pool company, and changes its name to West Kirkland Mining Inc. Concurrently, the Company completes a 12,000,000 share, $6 million brokered private placement. The Company immediately appoints Mr. Michael G. Allen as Vice President of Exploration effective June 1, 2010 and Mr. Frank Hallam, a director of the Company as CFO and Corporate Secretary.

Sept 2010

West Kirkland completes its first option agreement as a public company and acquires 100% mineral right of the Cunningham property, the first of six Kirkland Lake properties to be acquired to date. The Company also recruited local resident, Ken Kryklywy, a mining engineer with over 25 years of exploration and mining experience in the Kirkland Lake and Timmins gold camps. John Brock was also appointed to West Kirkland's Board of Directors, a mining legend with over 40 years of service in an executive role with 20 junior companies and 12 major mineral deposit discoveries worldwide.

October 2010

The Company completes a non-brokered, heavily oversubscribed 2,156,233 flow-through share private placement at $1.20 for gross proceeds of $2,587,480. The Company commences drilling on its Goldstorm property in Nevada.

November 2010

On November 18, 2010, West Kirkland hits an impressive drill intercept on its 100% optioned Cunningham property located between the towns of Kirkland Lake and Matachewan along the famous Cadillac-Larder Lake Deformation Zone, with 19.79 Au over 7.9 meters. The Company acquired additional property in the area and now controls a five kilometer mineralized structure along a splay of the Cadillac-Larker Lake Break.

December 2010

December 2010 saw significant advancements in acquisitions. In a single property deal with Fronteer Gold, West Kirkland acquired majority interests in 11 properties totaling 234 square kilometers distributed throughout northeast Nevada's major gold trends. Its earn-in agreement with Fronteer allows up to a 60% earn-in on these 11 properties. By spending $5 million in the first two years, West Kirkland maintains all 11 properties, after which point property specific expenditures need to be met. By spending an aggregate of $4 million or the completion of a prefeasibility study, West Kirkland can earn an additional 9% on any designated property. Fronteer also invested $1,000,000 in West Kirkland through the purchase of 800,000 common shares of the Company at $1.25 per share. The agreement with Fronteer Gold preceded Newmont's $2.3 billion takeover of Fronteer in June of 2011. The Company also optioned the Goldbanks property from Queenston Mining, located adjacent to Kirkland Lake Gold's Macassa mine and mill complex, which has produced in excess of 3.5 million ounces of gold.

January 2011

By January 2011, the Company raised approximately $7 million to fund its 2011 exploration programs. It completed 11 option agreements on properties in the Kirkland Lake camp for a land position at this point up to 80 square kilometers. The Company had by this time completed a total of 5,764.7 meters in 20 regional exploration drill holes in Kirkland Lake with plans to spend an additional $2,000,000 in 2011. A further $2,000,000 was allocated for exploration on the Nevada properties acquired in the agreement with Fronteer Gold. The program focused on the historic TUG deposit.

June 2011

By June 2011, West Kirkland reported the identification of two separate zones grading above 6.0 g/t Au, along the five kilometer mineralized structure west of Kirkland Lake. With positive results from 9,000 meters drilled in 26 holes, the 2011 program was expanded to include at least 15,000 meters.

On June 27, West Kirkland entered into an agreement to earn a majority stake in mineral rights held by Rubicon covering an enormous land position spanning 909 square kilometers in the Long Canyon Trend. West Kirkland can earn a 51% interest from Rubicon in a portion of the Rubicon property package directly across the valley to the northeast from the Long Canyon gold deposit. Further to the north, West Kirkland can earn a 60% property interest in a portion of the Rubicon property package of the Long Canyon Trend adjoining the KB and TUG properties that are optioned by West Kirkland from Fronteer. Meanwhile, West Kirkland continued drilling on the TUG property in the area of the shallow historic gold resource.

July to September 2011

Through the summer months of July, August and September, West Kirkland was busy on the drill bit in both Canadian and US camps and announced results on its initial drilling on the historic TUG deposit in Nevada. The company completed seven core holes totaling 2328.18 meters, and three RC holes totalling 709.25 meters. The first core hole returned 15.48 meters grading 3.08 grams per tonne (g/t) Au and 94.75 g/t Ag and confirmed historic drilling. The second hole cut 7.88 g/t Au and 69.19 g/t Ag over 2.41 meters within a broader gold bearing intercept of 47.7 meters grading 1.04 g/t Au and 24.65 g/t Ag. This drill hole, and follow-up hole WT11-007, announced in December, expanded the deposit north of the previous intercepts and indicates the deposit is open to the north. The drilling confirmed that the hinge of the gentle fold in the known gold-silver mineralization is prospective for high grades and good thickness near surface. Hole WT11-004 also returned good grade-thickness, cutting 22.56 meters grading 1.55 g/t Au and 58.58 g/t Ag.

October 2011

On October 3, 2011, West Kirkland reported the discovery of a new gold zone on its Cunningham property. The new discovery is correlated in three dimensions with an initial strike length of 100 meters and depth extent in excess of 200 meters in four drill holes. In addition to 16.15 g/t Au over 5.00 meters in KC1163, the same structure returned values of 6.42 g/t Au over 1.1 meters within a 4.00 meter gold bearing intercept (KC1164). These new intercepts are within a new discovery area of the overall Cadillac-Larder Lake Deformation Zone approximately two kilometers west of the high grade intercepts announced November 18, 2010.

November 2011

November 22, 2011, West Kirkland closes a quickly-subscribed bought deal private placement with the sale of 5,232,500 units of the Company at a price of $1.10 per share for gross proceeds of $5,755,750 and 1,575,000 flow-through shares at a price of $1.27 per share for proceeds of $2,000,250.

Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant is exercisable into one common share of the Company for a period of 12 months from closing at an exercise price of $1.50.

Management's Discussion and Analysis

of West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.)
For the year ended December 31, 2011

This management's discussion and analysis ("MD&A") of the financial conditions and results of operations of West Kirkland Mining Inc. ("West Kirkland" or the "Company") for the year ended December 31, 2011 should be read in conjunction with the Company's consolidated financial statements and related notes thereto for the year ended December 31, 2011.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

Date

This Management's Discussion and Analysis is prepared as of April 18, 2012.

Forward-Looking Information

Certain statements made and information contained herein may contain "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. 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. 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 estimates, risks, and uncertainties, 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; 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.

Although the Company has attempted to identify risks and uncertainties (section 9) that may cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Also, many of the factors are beyond our control. As actual results and future events could differ materially from those anticipated in such statements and information, readers should not place undue reliance on forward-looking statements or information. Except as may be required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

Certain statements within this document are considered "forward looking statements". Such forward looking statements include, but are not limited to, statements with regard to:

- Planned exploration activity including both expected drilling and geological and geophysical related activities;
- Impact of increasing competition;
- Future foreign currency exchange rates;
- The Company's ability to obtain additional financing on satisfactory terms; and
- Future sources of liquidity, cash flows and their uses.

Company History

Anthem Ventures Capital Corp. ("Anthem") was incorporated on April 3, 2007 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual.

On May 28, 2010 Anthem completed an amalgamation with West Kirkland Mining Inc. and acquired all of that company's 5,790,000 issued and outstanding shares (the "Qualifying Transaction"). West Kirkland Mining Inc. was a private British Columbia company incorporated in November 2009 holding a portfolio of mineral exploration properties located in Nevada and Ontario. The property portfolio included an option to earn up to a 75% undivided interest in Mexivada Mining Corp.'s ("Mexivada") Goldstorm gold exploration property located in Nevada (the "Goldstorm Option") and seven blocks of property optioned or staked in the West Kirkland Lake area of Ontario ("Ontario Mineral Interests"), together the "Properties".

Upon completion of the Qualifying Transaction, West Kirkland Mining Inc. changed its name to WK Mining Corp. ("WK Mining") and Anthem changed its name to West Kirkland Mining Inc. The Qualifying Transaction has been accounted for as a reverse take-over. As a result the Company's consolidated financial statements and the MD&A reflect the financial position, operating results and cash flows of the legal subsidiary, WK Mining Corp., from January 1, 2011 to December 31, 2011; its United States subsidiary WK Mining (USA) from its date of incorporation of June 18, 2010 to December 31, 2011; and West Kirkland's results of operations from May 28, 2010 to December 31, 2011. Results for the year ended December 31, 2011 include the results of the Company, WK Mining and the American subsidiary, WK Mining (USA) Ltd.

The Company is engaged in the business of acquisition, exploration and development of mineral resource properties. The Company holds properties in Nevada, Utah and Ontario (See "Exploration Programs and Expenditures" below).

Highlights for the year ended December 31, 2011

On January 10, 2011 the Company commenced drilling in Kirkland Lake as part of its 2011 Exploration Program. The Company planned on drilling approximately 10,000 meters in 2011. On March 22, 2011 a second drill was mobilized in Kirkland Lake for the 2011 exploration program and the program was expanded to 15,000 meters. In Kirkland Lake, as of December 31, 2011 the Company has drilled approximately 30,000 meters and drilling is continuing at the time of writing.

In Nevada the Company received and compiled data on eleven properties under option from Fronteer Gold Inc. ("Fronteer") during early 2011. The Company recognized the potential of the historic resource on the KB and TUG properties and commenced drilling on April 13, 2011. On the TUG property the Company drilled seven holes totaling 2,328 meters, which yielded significant results, confirming the historic resource and expanding the mineralization to the northwest. On the KB property, which is contiguous with the TUG property, the Company drilled three reverse circulation holes totaling 709 meters.

On July 19, 2011 the Company announced results from its initial diamond drill hole on the TUG property. Hole WT11-001 cut 15.48 meters of 3.08 gold and 94.75 g/t sliver. On August 16, 2011 the Company announced results of drill hole WT11-002, which cut 2.41 meters of 7.88 g/t gold and 69.19 g/t silver within a broader interval of 47.70 meters grading 1.04 g/t gold and 24.65 g/t silver. On September 12, 2011 the Company announced results of drill hole WT11-004 which cut 22.56 meters of 1.55 g/t gold and 58.58 g/t silver. On December 8, 2011 the Company announced results for WT11-007, which cut 2.89 g/t Au and 112 g/t Ag over 6.09 meters.

On June 23, 2011 the Company entered into an agreement with Rubicon Minerals Corporation ("Rubicon"). West Kirkland has the option to earn its initial interest on all the properties by spending $15,000,000 over four years with a firm commitment of $2,000,000 in expenditures in the first year. The initial interest is 51% of the mineral rights in properties where Rubicon currently holds 100% of the mineral rights, 51% of the mineral rights where Rubicon currently holds 75% of the mineral rights, and 60% of Rubicon's interest where Rubicon holds less than 75% of the mineral rights. West Kirkland has the option of earning an additional 9% on properties where 100% of the mineral rights are owned by Rubicon by spending an additional $4,000,000 or completing a pre-feasibility study anywhere on the combined property. The Company staked an additional 42.65km2 within the Rubicon property in order to secure tenure in an area that the Company identified as having a high mineral potential.

Discussion of Operations and Financial Results

1. Results of Operations

Since incorporation, the Company has been engaged in the acquisition and exploration of mineral properties in North America.

For the Year Ended December 31, 2011

For the year ended December 31, 2011, the Company incurred a comprehensive net loss of $4,285,387 (2010 - $1,360,413). This increase is largely due to the writedown of exploration projects of $1,958,100 in 2011. Further differences outlined as follows. Salaries and benefits totaled $572,322 (2010 - $191,652). These costs are higher as the Company employed more full-time staff in 2011. Professional fees totaled $300,896 (2010 - $245,790). This increase is due to the increased activity of the Company and in the prior year the capitalization of professional fees in Anthem at acquisition. Shareholder relations totaled $288,924 (2010 - $104,431). This increase is due to increased activity in and promotion of the Company's stock and the Company now being listed as a Tier 2 Mining Issuer. Management and consulting fees totaled $258,961 (2010 - $203,738) while office and general expense, travel, filing agent and transfer agent fees and administration fees total $456,948 (2010 - $186,605). These costs are higher in the period due to increased activity by the Company. Share based compensation expenses totaled $157,844 (2010 - $303,059). These costs are lower as a company-wide share option grant was made in 2010. Not included in total expenses for the period were deferred mineral property acquisition and exploration costs amounting to $7,783,768 (2010 - $2,889,118). There were mineral property write-downs during the period of $1,958,100 (2010 – none).

Selected Information

The following tables set forth selected financial data from the Company's annual audited financial statements and should be read in conjunction with those financial statements:

	Year ended December 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009
Interest Income	$32,677	$22,182	$Nil
Comprehensive Loss	($4,285,387)	($1,360,413)	($530)
Basic and Diluted Loss per Share	($0.16)	($0.10)	($0.00)
Total Assets	$14,246,196	$10,203,836	$60,027
Long Term Debt	$Nil	$Nil	$Nil
Dividends	$Nil	$Nil	$Nil

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters.

Quarter Ending	Interest & Other Income	Comprehensive Loss (1)	Net Basic Earnings (Loss) per Share
December 31, 2011	$2,041	($3,007,339)	($0.10)
September 30, 2011	$7,029	($448,022)	($0.02)
June 30, 2011	$11,113	($388,245)	($0.02)
March 31, 2011	$12,494	($441,781)	($0.02)
December 31, 2010	$13,217	($479,238)	($0.02)
September 30, 2010	$8,965	($365,760)	($0.02)
June 30, 2010	$Nil	($460,933)	($0.04)
March 31, 2010	$Nil	($51,348)	($0.01)

Explanatory Notes:

(1) Comprehensive loss by quarter is often materially affected by the timing and recognition of large non-cash income, expenses or write-offs.

2. Exploration Programs and Expenditures

For more detailed information regarding the Company's mineral properties please refer to note 6, "Mineral Properties" in the Company's audited annual consolidated financial statements for the period ended December 31, 2011.

As of December 31, 2011, total accumulated exploration and evaluation expenditures for each mineral property are summarized as follows:

Resource Property	Balance December 31, 2010	Additions				Total Additions 2011	Write Off	Balance December 31, 2011
		Q1	Q2	Q3	Q4			
Alma	$ -	$ -	$ 224	$ -	$ 1,140	$ 1,364	$ -	$ 1,364
Burteby	122,012	11,671	483	5	1,875	14,034	(136,046)	-
Cairo	11,828	-	297	46,539	1,990	48,826	-	60,654
Cunningham	200,048	10,980	541,789	101,855	406,896	1,061,521	-	1,261,569
Flavelle	89,684	941	8,010	-	6,161	15,112	-	104,796
Goldbanks	-	14,239	157,835	441,321	62,387	675,781	-	675,781
Hill	-	-	-	-	683	683	-	683
Holmes	30,214	647	1,006	-	134,545	136,197	-	166,411
Island 27	415,607	97,757	11,355	19,108	71,558	199,778	-	615,385
Kenogami	32,497	168,061	17,119	834	4,850	190,864	(223,361)	-
McLean	167	41,971	165,251	3,211	3,578	214,010	-	214,177
O'Brien	167	-	224	-	-	224	-	391
Plumber	6,972	-	224	-	-	224	-	7,197
Sutton	167	-	17,165	262,147	216,118	495,430	-	495,597
Fronteer*	-	60,317	916,726	921,473	1,352,045	3,250,561	-	3,250,561
Goldstorm*	1,169,161	37,854	26,034	37,144	(18,608)	82,423	(1,251,584)	-
Rubicon*	-	-	-	305,485	582,659	888,144	-	888,144
Total	**$ 2,078,524**	**$ 444,436**	**$ 1,863,743**	**$ 2,139,123**	**$ 2,827,876**	**$ 7,275,178**	**$ (1,610,991)**	**$ 7,742,711**

**The Goldstorm, Fronteer and Rubicon expenditures are denominated in USD and converted to CAD at appropriate period end rates.*

Fronteer, Nevada Property Option

On December 14, 2010 the Company entered into an agreement with Fronteer to option 11 properties. West Kirkland has the option to earn a 51% interest on all of the properties by spending US$15,400,000 over four years. West Kirkland has the option of earning an additional nine percent by spending an aggregate US$4,000,000 within two years or completing a pre-feasibility study on any designated property. Fronteer subscribed for 800,000 common shares of West Kirkland at $1.25 per share by way of a private placement, for total proceeds of $1,000,000 which closed on December 24, 2010.

On February 3, 2011, Fronteer agreed to terms whereby 100% of the issued and outstanding shares of Fronteer were acquired by Newmont Mining Corporation by plan of arrangement for aggregate cash consideration of approximately $2.3 billion. On April 6, 2011 Newmont completed the acquisition. As a result all of the 11 properties optioned by the Company from Fronteer are now under option from Newmont. The acquisition by Newmont has no effect on the agreement with the Company and the shares of the Company previously held by Fronteer are now controlled by Newmont.

The complete Fronteer package totals approximately 234 km^2 and covers many of the mine hosting trends in north eastern Nevada. Existing permits have been transferred into the Company's name and the Company has been drilling on permitted projects. As of December 31, 2011 the Company had drilled a total of three reverse circulation holes on the KB property for a total of 709.25 meters and had completed seven diamond drill holes totaling 2,328.18 meters on the TUG property. One hole drilled on KB totaling 165.18m was abandoned due to drilling difficulties, bringing the total drilling to 3,037.43 meters on the KB/TUG properties.

The Company completed a single hole on the Bullion project totaling 1,066.80 meters.

At December 31, 2011 the Company had spent $3,250,561 on exploration in the project area. Although the Company is the project operator and has the right to determine programs and expenditures, a technical steering committee comprised of members from Newmont and the Company has been established so that the exploration of the projects may benefit from the collective knowledge and expertise of both companies.

Kirkland Lake, Ontario Mineral Interests

The Company has staked or acquired by option, numerous mineral rights in Ontario along the well-defined gold mining trend known as the Cadillac - Larder Lake Break (the "Break") between Matachewan to the west and Kirkland Lake to the east. The properties focus on a section of the Break that is under explored. Along the Break to the west, the new Young-Davidson gold mine is being developed at Matachewan. To the east at Kirkland Lake, the historic Macassa Mine is being re-opened by Kirkland Lake Gold Inc. and Queenston Mining Inc. is moving several projects towards production. Further acquisitions along the Break are in progress by West Kirkland. The Break is mapped and clearly traced in geophysics and the area between existing gold mines owned by third parties is the focus of exploration.

For the period from January 1, to December 31, 2011 the Company drilled 22,832 meters in 92 holes in the Kirkland Lake area. Holes drilled to date have been targeted on "break" structures located on the Company's properties in the Kirkland Lake area. Recent results including KC1163 which returned 16.15 g/t Au over 5.0 meters on the Cunningham property has focused the Company's efforts. At the time of writing the Company is drilling on the Goldbanks property.

On April 26, 2011, the Hill property was optioned. This option involved a cash payment of $6,000 on signing and a total payment of $53,000 in cash over three years plus the refund of certain expenses. The Company has acquired by option or staking, 12 mineral properties in the Kirkland Lake area. For further details on the specific terms of each property refer to note 6 of the December 31, 2011 financial statements.

From inception to December 31, 2011 a total of $853,438 has been spent on acquisition costs and a further $3,963,413 has been spent on exploration, primarily diamond drilling. The Company continues exploration and drilling programs in the area as outlined above.

Rubicon, Nevada Property Option

On June 23, 2011, the Company entered into an agreement with Rubicon Minerals Corporation to option 909 km^2 in north eastern 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 with a first year firm expenditure commitment of US$2,000,000. In the event the Company does not make the required expenditures in the first year, the remaining unspent balance is due to Rubicon. The Company also has the option of earning an additional 9% interest on the properties that are 100% owned by Rubicon by spending an additional $4,000,000, or completing a pre-feasibility study on any property.

The complete Rubicon package totals approximately 952 km^2. Subsequent to entering the agreement with Rubicon Minerals, the Company has staked 42.65 km^2 (532 claims) and added to the option agreement. A portion of the Rubicon property package is directly across the valley to the northeast from the Long Canyon gold deposit. Another portion of the property adjoins the KB and TUG properties that are optioned from Fronteer, (see above), and the combined Fronteer and Rubicon option packages give the Company the dominant land position in the emerging Long Canyon Trend. At December 31, 2011 the Company has spent $888,144 on exploration in the project area and $115,130 on acquiring the claims. Initial exploration will be targeted in the "Lewis Spring" and "Toano" areas where previous work by Rubicon has identified anomalous gold stream sediments and prospective geology and structures have been identified from previous mapping.

Goldstorm, Nevada Option

Pursuant to a December 21, 2009 option agreement with Mexivada (the "Mexivada Agreement"), West Kirkland has an option to earn up to a 75% undivided interest in Mexivada's Goldstorm property. The Goldstorm property is an exploration stage property located in the Snowstorm Mountains Mining District in Elko County, Nevada. Under the terms of the Mexivada Agreement, West Kirkland could acquire a 56% interest in the property by making aggregate cash payments of US$350,000 (over a three year period), of which US$175,000 was paid, issuing Mexivada an aggregate of 450,000 common shares (over a four year period) of which 50,000 common shares were issued, and incurring an aggregate of US$2,900,000 in exploration expenditures over a four year period.

In early May 2010, title due diligence determined that an 800 acre section of the Goldstorm property is subject to an exception whereby an undivided one-half interest of all oil, gas and minerals in or under the surface of said leased land was reserved by a Nevada corporation. Under a May 18, 2010 amendment to the original agreement, the Company retained its options to acquire up to a 75% interest in the Goldstorm section being handled pursuant to the amendment. Upon the Company's payment of US$75,000 to Mexivada prior to December 31, 2010 as required by the original agreement, the Company earned a 50% interest in the 800 acre section of leased lands according to the amendment. Mexivada is required to use all of its best effort to extinguish the reservation over the 800 acre section, or otherwise acquire the reservation in order to satisfy the Company's right to acquire up to a 75% interest in the entire Goldstorm property.

On March 29, 2010 an additional 79 mining claims were staked by Mexivada within an area of interest and were added to the option agreement. Also on March 29, 2010 an additional eight claims were staked outside the area of interest and are held 100% by West Kirkland. $1,251,584 in total was spent drilling on the property. Two holes totaling 813.57 meters were drilled on the property, primarily to provide evidence to allow an assessment of the geological controls and environment at the locations drilled. Hole WG1001 returned 2.0 metres of 5.51 g/t gold at an interval of 65.0 to 67.0 meters down hole. The other hole did not return significant results. The option was allowed to expire and the deferred exploration costs were written off. The Company retains a 50% interest in mineral rights associated with a mineral lease, and the eight claims outside the area of interest.

3. Liquidity and Capital Resources

During 2011, the Company issued a total of 6,807,500 common shares in private placements for net cash proceeds of $7,191,309 and a further 301,425 common shares upon the exercise of warrants for cash proceeds of $226,069. Also, during the year, the Company issued 92,500 shares upon the exercise of share options for cash proceeds of $55,500. Cash proceeds are primarily spent on mineral property acquisitions, exploration and development, as well as for general working capital purposes. The Company's primary source of capital has been from the sale of equity. At December 31, 2011 the Company had cash on hand of $4,655,863 and net working capital of $3,807,484.

The Company has no long term debt or loan obligations. Liabilities consist primarily of trade payables of $852,037 at December 31, 2011 ($352,704 – 2010) incurred at market rates with arm's length third party suppliers for goods and services related to the Company's exploration of its mineral rights and for professional legal and accounting services. The Company is not aware of contingencies as at December 31, 2011. As a result of the flow through share issuance in November 2011, the Company is committed to spending $2,000,250 on eligible Canadian exploration expenses before the end of 2012.

Under the terms of certain of the Company's mineral property option and purchase agreements, the Company is required to make scheduled acquisition payments and exploration commitments as summarized in the table below in order to preserve the Company's interests in the related mineral properties. In the event the Company is unable or unwilling to make these payments, it is likely that the Company would forfeit its rights to acquire the related properties.

The financial statements are prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Cash at April 13, 2012 is sufficient to fund the estimated general and development operations of the Company for the next two months at present rates of exploration. The Company anticipates the need to seek additional equity funding in mid-2012 and as a result is engaged in discussions with prospective investors. Although management expects these discussions to result in additional equity financings, there is no absolute assurance that these discussions will be concluded successfully. If equity financings are delayed or unsuccessful, there would be changes in the timing and amount of expenditures on the Company's mineral interests, and/or the Company may be unable to continue as a going concern. If the Company was unable to continue as a going concern there would be changes in the carrying amounts of assets and liabilities and the statement of financial position classifications used.

The following table discloses all of the Company's optional mineral property acquisition payments and exploration commitments:

SUMMARY OF OPTIONAL MINERAL PROPERTY ACQUISITION AND EXPLORATION COMMITMENTS

Property	Total $ Outstanding	Less than 1 year	1 to 2 years	3 to 5 years	>5 Years
Plumber					
For Exploration	1,992,803	292,803	600,000	1,100,000	Nil
Holmes					
For Acquisition	205,000	50,000	55,000	100,000	Nil
Flavelle					
For Acquisition	305,000	70,000	95,000	140,000	Nil
For Exploration	1,395,204	Nil	Nil	1,395,204	Nil
Island 27					
For Exploration	2,384,615	134,615	1,000,000	1,250,000	Nil
Cunningham					
For Acquisition	200,000	50,000	50,000	100,000	Nil
McLean					
For Acquisition	45,000	7,000	8,000	30,000	Nil
For Surface Rights	4,000	1,000	1,000	2,000	Nil
Sutton					
For Acquisition	130,000	20,000	20,000	90,000	Nil
O'Brien					
For Acquisition	40,000	7,000	8,000	25,000	Nil
For Surface Rights	4,000	1,000	1,000	2,000	Nil
Goldbanks					
For Acquisition	200,000	200,000	Nil	Nil	Nil
Hill					
For Acquisition	45,000	5,000	20,000	20,000	Nil
For Surface Rights	3,000	1,000	1,000	1,000	Nil
Fronteer (1) (2)					
For Exploration	12,358,318	1,779,438	1,474,940	9,103,940	Nil
Rubicon (1) (3)					
For Exploration	14,354,580	1,130,980	3,051,600	10,172,000	Nil
Total	**33,666,520**	**3,749,836**	**6,385,540**	**23,531,144**	**Nil**

(1) The Fronteer and Rubicon Property Acquisition and Exploration commitments are payable in US dollars and have been converted using an exchange rate of 1.0172

(2) West Kirkland has the option of earning an additional 9% interest on any designated project by spending an aggregate US $4,000,000 by the end of year six of the agreement or completing a pre-feasibility study.

(3) West Kirkland has the option of earning an additional 9% by spending an aggregate US $4,000,000 by the end of year six of the agreement or completing a pre-feasibility study on any properties in which Rubicon holds a 100% interest.

4. Off Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

5. Transactions with Related Parties

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

	December 31, 2011	December 31, 2010
Administration fees	$ 42,000	$ 39,250
Professional fees (accounting)	60,000	49,167
Consulting Fees	6,576	29,253
Rent	87,586	79,021
Total Related Party Transactions	$ 196,162	$ 196,691

For the year ended December 31, 2011, the Company paid or accrued $42,000 (2010 - $39,250) for day-to-day administration, reception and secretarial services and $60,000 (2010 - $49,167) for accounting services; and $6,576 (2010 - $29,253) in consulting fees for geographical information systems and mapping to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. All of these amounts were charged at fair market rates.

For the year ended December 31, 2011, the Company paid or accrued $87,586 (2010 - $79,021) for rent to Anthem Properties Group Ltd. and Anthem Works Ltd. respectively, companies related by virtue of a common director. The rental rate was negotiated on an arm's length basis and is set at a fair 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.

The remuneration of directors and other members of key management personnel during the years ended December 31, 2011 and 2010 is as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Short term benefits (1)	$ 361,174	$ 314,488
Share-based payments (2)	-	162,845
Total	$ 361,174	$ 477,333

(1) Short term benefits include consulting and management fees paid to directors

(2) Share-based payments are the fair value of options that have been granted to directors and key management personnel.

6. Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment, joint venture and other opportunities that could enhance shareholder value.

7. Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified (i) mineral property acquisition and exploration deferred costs (ii) provision for reclamation and closure, (iii) deferred tax provision (iv) share-based compensation and (v) recoverability of its interest in mineral properties as the main estimates for the following discussion. Please refer to Note 2 of the Company's audited annual consolidated financial statements for a description of all of the significant accounting policies.

Under IFRS, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations using a unit-of-production method. The Company reviews the carrying value of its mineral properties for recoverability when events or changes in circumstances indicate that the properties may be impaired. If such a condition exists and the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property does create measurement uncertainty concerning the estimate of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

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

The deferred tax provision is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company does not recognize any deferred tax assets unless it is probable that the deferred tax amount will be realized in the foreseeable future.

The Company adopted IFRS 2 – Share-Based Payment, which requires the fair value method of accounting for share options. Under this method, the Company estimates the fair value of share-based compensation using an option-pricing model based on certain assumptions.

8. Changes in Accounting Policies

The Company's significant accounting policies are set out in Note 2 of the Company's audited annual consolidated financial statements for the period ended December 31, 2011. These are the first consolidated annual financial statements prepared in accordance with IFRS. The Company adopted IFRS in accordance with IFRS 1, First-time Adoptions of International Reporting Standards ('IFRS 1'). The first date at which IFRS was applied was at January 1, 2010 (the 'Transaction Date'). IFRS 1 provides for certain mandatory exceptions and options exemptions for first time adopters of IFRS. This MD&A should be read in conjunction with Note 15 "Transition to IFRS" in the Company's audited consolidated financial statements for the year ended December 31, 2011.

IFRS 1 requires that the same policies are applied for all periods presented in the first IFRS financial statements and that those policies comply with the IFRS's that are in effect as at the end of the first IFRS annual reporting period. Accordingly, the opening IFRS statement of financial position at the transition date, all 2010 comparatives and the current period financial statements have been prepared using the same policies. See Note 15 in the financial statements for a reconciliation of previously presented Canadian GAAP financial information with IFRS financial information currently presented. Policies applied have been done so on a full retrospective basis unless an alternative treatment was permitted or required under IFRS. These are discussed below.

Election Under First Time Adoption of IFRS

- Share based compensation: In choosing to elect this exemption, the Company is not required to apply IFRS 2 Share based payments to awards that have completely vested before January 1, 2010.

Differences in Accounting Policies

To transition from Canadian GAAP to IFRS, the main adjustments include:

- Share-based payments: Under Canadian GAAP, the Company's policy was to calculate the fair value of share-based awards with graded vesting as one grant and the resulting fair value is recognized on a straight-line basis over the vesting period. With IFRS, each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches.

- Cumulative Translation Adjustment ('CTA'): Under Canadian GAAP the Company considered its U.S. foreign subsidiary to be an integrated operation and accordingly used the temporal method of translation to record its financial position and results of operations in Canadian dollars. Under IFRS the Company determined that its US foreign operation has a functional currency of US dollars and, as a result, the foreign exchange gain or loss on translation is recognized in comprehensive income and carried to equity in the foreign currency translation reserve account.

- Reclassification within equity: The Company has reclassified contributed surplus under Canadian GAAP into the share based payment reserve within equity.

A reconciliation between Canadian GAAP financial statements and IFRS financial statements for December 2010 can be found in Note 15 of the Company's audited consolidated financial statements.

9. Financial Instruments and Other Instruments

The Company has designated its cash as loans and receivables, and it is measured at cost which approximates fair value. Accounts receivable are classified as loans and receivables and are measured at amortized costs. Reclamation bonds are classified as held to maturity and are measured at amortized cost, adjusted for current exchange rates. Trades payable and other liabilities are classified as other financial liabilities and are recorded at amortized cost. The Company had no available for sale financial instruments during the year. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their capacity for prompt liquidation.

10. Risks and Uncertainties

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian regulatory filings prior to making an investment in the Company. For a discussion of risk factors applicable to the Company, see the section entitled "Risk Factors" in the Company's most recent annual information form filed with the Canadian provincial securities regulators.

Without limiting the foregoing, the most significant risks and uncertainties faced by the Company are: the inherent risk associated with mineral exploration and development activities; the uncertainty of mineral resources and their development into mineable reserves; uncertainty as to potential project delays from circumstances beyond the Company's control; as well as title risks; political risks; risks associated with fluctuations in foreign exchange rates; risks associated with fluctuations in metal prices; risks associated with the possible failure to obtain mining licenses and/or obtain the capital required for project and mine development.

11. Disclosure on Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

12. Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Consolidated Statements of Loss and Comprehensive Loss contained in its unaudited interim consolidated financial statements for the nine months ended September 30, 2011 and 2010.

13. Outstanding Share Data

The Company has an unlimited number of common shares authorized for issuance without par value. At December 31, 2011 there were 32,824,733 common shares outstanding and 2,095,000 incentive share options outstanding. At April 13, 2012 there were 32,824,733 common shares outstanding, 2,095,000 incentive share options outstanding and 2,956,625 common share purchase warrants outstanding. During the year ended December 31, 2011, the Company made no changes to the exercise price of outstanding options through cancellation and reissuance or otherwise.

In connection with the completion of the acquisition of WK Mining on May 28, 2010, a total of 6,120,000 of the Company's shares held by directors and other related parties of the Company were placed in escrow. Under the terms of the escrow agreement 10% or 612,000 shares were released on the completion of the acquisition, and a further 918,000 were released on November 28, 2010, May 28, 2011 and November 28, 2011. The remaining 2,754,000 escrowed shares will be released in tranches of 918,000 common shares semi-annually on May 28 and November 28 of each year ending on May 28, 2013.

14. Outlook

The Company has accumulated large land positions in two prolific gold jurisdictions; Ontario and Nevada. In Ontario the Company is focused on the Cadillac-Larder Lake Break and in Nevada the Company is focused on the emerging Long Canyon Trend and other mine hosting trends in north east Nevada. Acquired properties are being evaluated and ranked where early stage exploration has already been completed with the three-dimensional model always being considered. The Company has one drill currently operating as outlined below.

In less than two years in Kirkland Lake the Company has accumulated 96km2 on the Cadillac-Larder Lake Break between the operating Macassa and Young-Davidson mines and this aggressive property acquisition strategy will continue going forward. The Company is currently drilling on the Goldbanks property. The Company has drilled in excess of 30,000 meters in 130 drillholes in the Kirkland Lake camp. Going forward, the Company will be focused on structures that continue to give economically significant grades over mineable widths within the portfolio of properties.

The Company's total land holding in Nevada now stands in excess of 1,200km2, with the Company continuing to explore further land acquisition opportunities. As planned, the Company has continued to rank and evaluate the 11 Fronteer properties (including the KB and TUG properties) acquired in December 2010 using mapping, fieldwork, geophysics, modeling and drilling. At the time of writing the Company has engaged an independent technical expert who is in process of estimating an initial resource at TUG. The resource will be documented by an NI 43-101 technical report. Completion of this initial resource is expected in early 2012.

Adjacent to the TUG and KB properties are a portion of the properties acquired in the Rubicon agreement announced June 27 2011. Like the Fronteer properties, the Rubicon properties are being systematically evaluated and ranked with special attention being paid to the properties located adjacent to the KB and TUG properties. Previous work has identified gold in streams anomaly in Lewis Spring and government mapping has identified stratigraphy similar to that which hosts the nearby Long Canyon Deposit at the Toano project area. In 2011 the Company completed over 9,000 soil samples on the Rubicon property. This sampling yielded significant results on the Lewis Spring and Toano target areas with kilometer scale multi-element anomalies generated. A review of the historic data revealed an untested target known as Bandito, as well as a previously drilled target at 12 Mile. These targets will be drilled in 2012 and prospects will continue to be evaluated.

In 2012 the Company is striving towards discovery. Drilling on the Kirkland Lake properties yielded significant results in 2011 and the Company will expand upon that knowledge in 2012. In Nevada an initial NI43-101 compliant resource estimate will be completed. Drilling will take place on the properties optioned from Rubicon Minerals on significant soil anomalies and historic targets.

Additional Information

Additional information relating to the Company can also be found on SEDAR.

Approval

The Board of Directors of West Kirkland Mining Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

List of Directors and Officers:

Directors: R. Michael Jones
Frank Hallam
Eric Carlson
Pierre Lebel
John Brock

Officers: R. Michael Jones (President and Chief Executive Officer)
Frank Hallam (Chief Financial Officer and Corporate Secretary)
Michael Allen (Vice President of Exploration)

Independent Auditor's Report:

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

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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, 2011, December 31, 2010 and January 1, 2010, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2011 and December 31, 2010, 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, 2011, December 31, 2010 and January 1, 2010, and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 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 incurred a loss from operations of $4,274,642 during the year ended December 31, 2011. This condition, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Deloitte & Touche LLP

Chartered Accountants
Vancouver, British Columbia
April 18, 2012

WEST KIRKLAND MINING INC.

Consolidated Statements of Financial Position *(Expressed in Canadian dollars)*

	December 31, 2011	December 31, 2010 (Note 15)	January 1, 2010 (Note 15)
Assets			
Current assets:			
Cash	**$ 4,655,863**	$ 6,977,283	$ 31,009
Accounts receivable	**438,505**	139,381	-
Prepaid expenses and other	**69,153**	40,352	188
	5,163,521	7,157,016	31,197
Reclamation bond (Note 4)	**127,311**	16,776	-
Property and equipment (Note 5)	**211,746**	112,096	-
Mineral properties (Note 6)	**8,743,618**	2,917,948	28,830
	$ 14,246,196	$ 10,203,836	$ 60,027
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities	**$ 852,037**	$ 352,704	$ 3,057
Flow through share premium	**504,000**	-	-
	1,356,037	352,704	3,057
Equity:			
Share capital (Note 7(b))	**17,434,692**	10,807,339	57,500
Warrant reserve (Note 7(c))	**448,219**	9,617	-
Share based payment reserve (Note 7(d))	**650,276**	395,118	-
Foreign currency translation reserve	**(55,591)**	(44,846)	-
Deficit	**(5,587,437)**	(1,316,096)	(530)
	12,890,159	9,851,132	56,970
	$ 14,246,196	$ 10,203,836	$ 60,027

Commitments and contingencies (Note 12)

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

R. Michael Jones
Director

Eric Carlson
Director

Consolidated Statements of Loss andComprehensive Loss *(Expressed in Canadian dollars)*

	Year ended December 31, 2011	Year ended December 31, 2010 (Note 15)
Expenses		
Administration fees	**$ 42,000**	$ 39,250
Depreciation	**49,478**	-
Filing and transfer agent fees	**70,686**	16,361
Management and consulting fees	**258,961**	203,738
Office and general	**189,074**	95,228
Professional fees	**300,896**	245,790
Property investigation costs	**10,410**	17,438
Rent	**107,641**	85,035
Salaries and benefits	**572,322**	191,652
Shareholder relations	**288,924**	104,431
Share-based compensation	**157,844**	303,059
Travel	**155,188**	35,766
Writedown of exploration projects	**1,958,100**	-
Loss from operations	**4,161,524**	1,337,748
Finance Income		
Interest Income	**(32,677)**	(22,182)
Total Finance Income	**(32,677)**	(22,182)
Net loss before income taxes	**(4,128,847)**	(1,315,566)
Deferred tax expense (Note 14)	**145,795**	-
Net loss	**$ (4,274,642)**	$ (1,315,566)
Exchange differences on translating foreign operations	**10,745**	44,846
Total comprehensive loss	**$ (4,285,387)**	$ (1,360,412)
Basic and diluted loss per common share (Note 7(e))	**(0.16)**	(0.10)
Weighted average number of common shares outstanding:		
Basic and diluted	**26,622,444**	13,813,206

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, January 1, 2010 (Note 15)	3,110,000	$ 57,500	$ -	$ -	$ -	$ (530)	$ 56,970
Issued for cash	2,680,000	1,217,500	-	-	-	-	1,217,500
Share issue costs		(40,600)	-	-	-	-	(40,600)
Balance, May 27, 2010	5,790,000	1,234,400	-	-	-	(530)	1,233,870
Reverse takeover transaction (Note 3)							
Exchanged for West Kirkland shares	(5,790,000)	-	-	-	-	-	-
Issued pursuant to acquisition	5,790,000	29,906	-	-	-	-	29,906
West Kirkland shares recognized	3,710,000	-	-	-	-	-	-
Revaluation of share options (Note 3)	-	(75,330)	-	75,330	-	-	-
Private placements	15,056,233	9,659,177	3,301	-	-	-	9,662,479
Issued as agent's commission	304,500	152,250	-	-	-	-	152,250
Share issue costs	-	(686,138)	14,957	-	-	-	(671,181)
Mineral properties – option payments (Note 6)	350,000	175,000	-	-	-	-	175,000
Share-based compensation expense	-	-	-	319,788	-	-	319,788
Issued upon exercise of warrants	412,575	318,074	(8,641)	-	-	-	309,432
Other comprehensive loss	-	-	-	-	(44,846)	-	(44,846)
Net loss for the period	-	-	-	-	-	(1,315,566)	(1,315,566)
Balance at December 31, 2010 (Note 15)	25,623,308	10,807,339	9,617	395,118	(44,846)	(1,316,096)	9,851,132
Expired warrants	-	-	(3,301)	-	-	3,301	-
Issued upon the exercise of options	92,500	70,703	-	(15,204)	-	-	55,499
Share compensation expense	-	-	-	270,362	-	-	270,362
Issued upon exercise of warrants	301,425	232,385	(6,316)	-	-	-	226,069
Private Placement (Note 7)	6,807,500	7,359,381	396,619	-	-	-	7,756,000
Warrants issued as agent's commission	-	(51,600)	51,600	-	-	-	-
Share issue costs	-	(479,516)	-	-	-	-	(479,516)
Flow through share premium	-	(504,000)	-	-	-	-	(504,000)
Other comprehensive loss	-	-	-	-	(10,745)	-	(10,745)
Net loss	-	-	-	-	-	(4,274,642)	(4,274,642)
Balance at December 31, 2011	**32,824,733**	**17,434,692**	**448,219**	**650,276**	**(55,591)**	**(5,587,437)**	**12,890,159**

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

Consolidated Statements of Cash flows *(Expressed in Canadian dollars)*

	Year ended December 31, 2011	Year ended December 31, 2010
Cash flows provided by (used in):		
Operating activities		
Net loss	**$ (4,274,642)**	$ (1,315,566)
Items not involving cash:		
Deferred tax expense	**145,795**	-
Share based compensation expense	**157,844**	303,059
Depreciation	**49,478**	-
Writedown of exploration projects	**1,958,000**	-
Changes in non-cash working capital:		
Accounts receivable	**(298,047)**	(139,381)
Prepaids and other	**(28,801)**	(40,164)
Accounts payable and accrued liabilities	**(141,876)**	198,919
	(2,432,249)	(993,133)
Investing activities		
Additions to mineral properties (Note 6)	**(7,033,873)**	(2,613,764)
Purchase of property and equipment	**(170,424)**	(124,595)
Reclamation bond	**(108,407)**	(15,815)
	(7,312,704)	(2,754,174)
Financing activities		
Issuance of share capital	**6,908,259**	10,659,786
Flow-through share premium	**504,000**	-
	7,412,259	10,659,786
Effect of exchange rate changes on cash denominated in a foreign currency	**11,274**	33,795
(Decrease) Increase in cash	**(2,332,694)**	6,912,479
Cash, beginning of period	**6,977,283**	31,009
Cash, end of period	**$ 4,655,863**	$ 6,977,283

Supplemental cash flow information (Note 13)

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

Notes to the consolidated financial statements

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Operations

West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.) ('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') (Note 3) which has been 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 subsidiary, WK Mining. The address of the Company's registered office is Suite 328 – 550 Burrard Street, Vancouver, BC, V6C 2B5

The Company is an exploration company working on mineral properties it has staked or acquired by way of option agreement, principally in Ontario and Nevada. 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 and does not currently have any revenue generating operations. 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 meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of 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 represent the Company's first IFRS annual consolidated financial statements. The Company has applied IFRS 1 - First-time adoption of International Financial Reporting Standards ("IFRS 1") with a transition date of January 1, 2010. These consolidated financial statements have been prepared in accordance with IFRS standards and interpretations effective as of December 31, 2011 as issued by the IASB with significant accounting policies as described in Note 2.

b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information.

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.

The Board of Directors approved these consolidated financial statements for issue on April 13 2012.

c) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned legal subsidiaries, WK Mining Corp and WK Mining (USA) Ltd. All material intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

On May 28, 2010, the Company acquired all the issued and outstanding shares of WK Mining Corp. The transaction was recorded 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 legal subsidiary, WK Mining Corp as at and for the year ended December 31, 2010 and 2011. The operating results of the legal parent (formerly Anthem Ventures Capital Corp.) have been included in these consolidated financial statements commencing May 28, 2010. The number of common shares outstanding are those of the Company, the legal parent.

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 and WK Mining is the Canadian Dollar. The functional currency of the Company's subsidiary, WK Mining (USA) Ltd., is the United States 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. Income and expense items are translated at the average exchange rates for the periods 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 transaction. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

e) Property and Equipment

Property and equipment are stated at cost and are depreciated on a declining balance basis at the following rates 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, useful life 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 to 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 or planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation

i) Financial Instruments

i) Financial Assets

The Company's financial assets are classified into one of the following categories, depending on the purpose for which the asset was acquired. The four categories are:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held to maturity investments
- Available for sale financial assets

Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

This category comprises derivatives, assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term or assets designated as FVTPL upon initial recognition. These assets are carried on the statement of financial position at fair value, with the changes in fair value recognized in the statement of (loss) income for the period.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost using the effective interest rate method less impairment losses. Any impairment loss of receivables is based on a review of outstanding amounts at the period end. Bad debts are recognized in the period they are identified. Cash and accounts receivable are classified as loans and receivables.

Held to Maturity Investments

These assets are non-derivative financial assets with no fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, the financial asset is measured at the estimated present value of future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment are recognized in the statement of (loss) income. The reclamation bonds are classified as held to maturity investments.

Available for Sale Financial Assets

Non-derivative financial assets not included in the above categories are stated at fair value and held as available for sale. Gains and losses arising from changes in fair value are recognized in equity in the investment revaluation reserve. No assets have been or are currently classified as available for sale.

ii) Financial Liabilities

The Company classifies its financial liabilities into one of two categories:

- Financial liabilities at fair value through profit or loss
- Other financial liabilities

Fair Value Through Profit or Loss ('FVTPL')

This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term and liabilities designated upon initial recognition as FVTPL. These financial liabilities are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of (loss) income.

Other Financial Liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost using the effective interest rate method each period. The Company has classified accounts payable and accrued liabilities as other financial liabilities.

(iii) Fair Value of Financial Instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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) Cash

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

l) 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 as measured by the Black-Scholes formula options pricing model, 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 periodically re-measured until counterparty performance is complete. 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. 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.

m) 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 it earned.

n) 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 year ended December 31, 2011 and 2010 all outstanding share options and warrants were anti-dilutive.

o) 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 is the subject of specific guidance under GAAP however there is no equivalent IFRS guidance. Therefore, 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 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.

p) 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 either the unit-of-production or the straight line 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.

The Company has no restoration, rehabilitation or environmental obligations as any disturbance to date is minimal.

q) Measurement Uncertainties

The preparation of financial statements requires management to make estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include the carrying value and valuation of mineral properties, other property and equipment and their estimated useful lives, valuation of share based payments, recoverability of deferred income tax assets and provisions for the reclamation of properties.

r) 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(q)), 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, the determination that the reverse acquisition of WK Mining (Note 3) represents an acquisition of an asset rather than a business combination and the assumption that the Company will continue as a going concern.

s) New Accounting Standards and Interpretations

The Company has not early adopted the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

In October 2010, the International Accounting Standards Board ("IASB") issued amendments to IFRS 7 - *Financial Instruments: Disclosures* that enhance the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier application permitted. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

The following standards are effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company is currently assessing the impact they will have on the consolidated financial statements.

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 in a single IFRS framework for measuring value and requires disclosures about fair value measurements. The 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 it 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. Early application is permitted.

IFRIC 20 – *Stripping Costs in the Production Phase of a Mine*: In October 2011, the 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. The interpretation is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

IFRS 9, *Financial Instruments*: IFRS 9 introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value, and all financial liabilities classified as subsequently measured at amortized cost except for financial liabilities as at FVTPL. The amendments are effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

IAS 1 – *Presentation of Financial Statements*: In June 2011, the IAS issued amendments to IAS 1 that requires 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. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoptions permitted. The Company does not anticipate the application of the amendments to IAS 1 to have a material impact on its consolidated financial statements.

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. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7). On December 16, 2011, the IASB published new disclosure requirements jointly with the Financial Accounting Standards Board ("FASB") that enables users of financial statements to better compare financial statements prepared in accordance with IFRS and US GAAP. The new requirements are effective for annual periods beginning on or after January 1, 2013.

3. Acquisition of WK Mining Corp.

On May 28, 2010, the Company acquired all the issued and outstanding shares of WK Mining Corp. As consideration the Company issued 5,790,000 common shares of the Company to the shareholders of WK Mining Corp.

The transaction was recorded 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 legal subsidiary, WK Mining, as at and for the year ended December 31, 2010 and 2011. The operating results of the Company have been included commencing May 28, 2010. The number of common shares outstanding are those of the Company, the legal parent.

Under reverse takeover accounting, the issuance of the 5,790,000 common shares is deemed to have been issued by WK Mining for the net assets of West Kirkland. The purchase cost and allocation of costs to the Company's assets and liabilities are as follows:

Net assets acquired at fair value:		
Cash	$	391,768
Accounts receivable		102,119
Mineral interests		22,071
Accounts payable and accrued liabilities		(486,052)
	$	29,906
Consideration:		
Share capital – issuance of 5,790,000 common shares	$	29,906
	$	29,906

Certain share options granted by the Company on October 12, 2007, with an exercise price of $0.20 and expiry date of October 12, 2012, have been revalued as at May 28, 2010. The fair value of these share options was estimated using the Black-Scholes pricing model with the following assumptions:

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

Expected life	2.38 years
Risk-free interest rate	1.99%
Expected volatility [(1)]	40%
Expected dividends	$Nil

(1) As there is no trading history for the Company, the expected volatility is based on historical volatility of a peer group of companies

The fair value of these options of $75,330 has been charged to share capital.

4. Reclamation Bond

The Company's US subsidiary, WK Mining (USA) Ltd., has a reclamation bond amounting to $17,656 (US$17,360) as required by the Bureau of Land Management (the "BLM") for 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. To have the bond returned to the Company, the Company must reclaim the disturbed area to a state deemed acceptable by the BLM. Generally this determination is not made by the BLM until two growing seasons have been completed.

WK Mining (USA) has also posted a statewide bond of $61,020 (US$60,000) to 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 is a statewide bond and is applicable to work done on any property in Nevada. 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. As part of this permit transfer process the Company posted $7,439 (US$7,315) from its statewide bond to the KB project.

WK Mining (USA) has also posted a statewide bond of $48,612 (US$47,800) to the Division of Oil Gas Mining of Utah ('DOGM') in the state of Utah for disturbance of ground required to complete exploration work on the TUG Project. This is a statewide bond and 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. During the year $23 (US$23) in interest was earned on this bond, (2010 - $0).

5. Property and Equipment

The Company holds the following property and equipment at December 31, 2011:

Cost	Computer Software	Bridge	Field Equipment	Leasehold Improvements	Vehicles	Total
Balance as at January 1, 2010	$ -	$ -	$ -	$ -	$ -	$ -
Additions	-	53,460	56,148	5,226	8,874	123,708
Balance as at December 31, 2010	-	53,460	56,148	5,226	8,874	123,708
Additions	99,343	-	-	-	81,924	181,267
Foreign exchange movement	-	-	1,046	-	-	1,046
Balance December 31, 2011	**$ 99,343**	**$ 53,460**	**$ 57,194**	**$ 5,226**	**$ 0,798**	**$ 306,021**
Accumulated Depreciation						
Balance as at January 1, 2010	-	-	-	-	-	-
Additions	-	1,337	8,421	523	1,331	11,612
Balance as at December 31, 2010	-	1,337	8,421	523	1,331	11,612
Additions	49,672	2,539	14,693	994	14,608	82,506
Foreign exchange movement	-	-	157	-	-	157
Balance at December 31, 2011	**$ 49,672**	**$ 3,876**	**$ 23,271**	**$ 1,517**	**$ 15,939**	**$ 94,275**
Carrying amount, December 31, 2011	**$ 49,671**	**$ 49,584**	**$ 33,923**	**$ 3,709**	**$ 74,859**	**$ 211,746**
Carrying amount, January 1, 2010	$ -	$ -	$ -	$ -	$ -	$ -
Carrying amount, December 31, 2010	$ -	$ 52,123	$ 47,727	$ 4,703	$ 7,543	$ 112,096

During the year ended December 31, 2011 the Company capitalized depreciation of $33,028 to the mineral properties while $11,612 was capitalized in the year ended December 31, 2010.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

6. Mineral Properties

	Kirkland Lake	Goldstorm	Fronteer	Rubicon	Total
Acquisition costs of mineral rights					
Balance January 1, 2010	$ 18,230	$ 10,600	$ -	$ -	$ 28,830
Incurred during the year	535,932	248,158	52,255	-	836,345
Balance December 31, 2010	554,162	258,758	52,255	-	865,175
Deferred exploration costs					
Balance January 1, 2010	-	-	-	-	-
Administration	14,443	9,287	-	-	23,730
Consulting	97,944	95,270	-	-	193,214
Drilling	553,484	857,294	-	-	1,410,778
Equipment/fuel/parts	14,952	3,683	-	-	18,635
Field and camp	12,533	24,202	-	-	36,735
Freight/transportation	2,714	1,234	-	-	3,948
Geochemical and geophysical	46,682	167	-	-	46,849
Geological supplies	3,900	1,271	-	-	5,171
Gov't fees, licenses and maps	1,057	57,131	-	-	58,188
Salaries and wages	116,609	71,615	-	-	188,224
Travel and accommodation	20,366	11,068	-	-	31,434
Vehicle and fuel	24,678	11,189	-	-	35,867
Balance December 31, 2010	909,362	1,143,411	-	-	2,052,773
Total, December 31, 2010	$ 1,463,524	$ 1,402,169	$ 52,255	$ -	$ 2,917,948
Acquisition costs of mineral rights					
Balance January 1, 2011	$ 554,162	$ 258,758	$ 52,255	$ -	$ 865,175
Incurred during the year	299,276	43,629	26,257	115,130	484,292
Write-down	(47,350)	(299,759)	-	-	(347,109)
Foreign exchange movement	-	(2,628)	1,177	-	(1,451)
Balance December 31, 2011	806,088	-	79,689	115,130	1,000,907
Deferred exploration costs					
Balance January 1, 2011	909,362	1,143,411	-	-	2,052,773
Administration	42,034	5,626	18,396	21	66,077
Consulting	31,544	24,374	188,588	104,532	349,038
Drilling	2,565,033	5,641	2,195,169	-	4,765,845
Equipment/fuel/parts	2,754	-	17,627	317	20,698
Field and camp	14,069	5,405	86,707	-	106,181
Freight/transportation	6,583	-	881	1,529	8,993
Geochemical and geophysical	21,445	-	19,421	394,804	435,670
Geological supplies	6,274	-	3,087	515	9,876
Gov't fees, licenses and maps	226	6,007	215,213	203,983	425,429
Salaries and wages	319,931	14,663	395,360	157,310	887,264
Travel and accommodation	676	473	50,723	19,257	71,129
Vehicle and fuel	43,482	8,022	59,389	5,876	116,769
Write-down	(359,407)	(1,251,584)	-	-	(1,610,991)
Foreign exchange movement	-	37,961	-	-	37,961
Balance December 31, 2011	3,604,006	-	3,250,561	888,144	7,742,711
Total, December 31, 2011	$ 4,410,094	$ -	$ 3,330,250	$ 1,003,274	$ 8,743,618

(a) Kirkland Lake – Ontario, Canada

(i) Cunningham

On September 3, 2010, the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral claims and mineral rights to patent parcels and licenses of occupation totaling approximately 10 km2 in the Holmes and Flavelle Townships west of Kirkland Lake. To complete the option the Company must pay $320,000 in cash ($70,000 paid) and make $600,000 in expenditures over 60 months. All necessary property expenditures have been completed at December 31 2011, with $1,356,050 in total spent. West Kirkland may also acquire the surface rights to the patent parcels by making additional annual payments of $10,000 ($20,000 paid to date). The vendor retains a 1% net smelter return royalty purchasable at any time up to commercial production for $1,000,000. The Company capitalized $1,066,002 in exploration costs to the property during the year ended December 31, 2011, (2010 - $200,048).

(ii) Holmes

On December 30, 2009, the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral rights covering approximately 131 units (approximately 19.95 km2) near Larder Lake, west of Kirkland Lake. To complete the option, the Company is required to make payments totaling $300,000, in cash or shares at the discretion of the Company, ($95,000 in cash paid to date) over a 60 month period. The Vendor retains a 2.0% net smelter return royalty on the property, of which the Company may purchase one half (1.0%) for $1,500,000. In December 2011, two additional claims were added to the Holmes property at a cost of $1,900. The Company capitalized $136,197 in exploration costs to the property during the year ended December 31, 2011, (2010 - $30,214).

(iii) Goldbanks

On December 17, 2010, the Company entered into an option agreement with Queenston Mining Inc. to acquire a 60% interest in the 239 hectare Goldbanks property located west of Kirkland Lake. To complete the option the Company must make cash payments totaling $400,000 ($200,000 paid to date) and incur $200,000 in exploration expenditures within 24 months. The Goldbanks portion of the property is subject to a variable net smelter royalty of up to 2.5%; the Obradovich portion of the property is subject to a 2% NSR, one half (1%) of which can be purchased for $1,000,000. In the year ended December 31 2011, $675,781 in exploration costs were capitalized to the property, (2010 - $0).

(iv) Sutton

On November 16, 2010 the Company entered into an option agreement whereby the Company may acquire a 100% interest in the 2.03 km2 Sutton property located in Holmes Township, west of Kirkland Lake. Optional consideration consists of $148,000 in cash payments ($18,000 paid) over 6 years, and a work program of $220,000 within 36 months. The vendor retains a 2% net smelter royalty of which the Company may purchase three quarters, or 1.5%, for $500,000 prior to the commencement of commercial production. The Company capitalized $495,430 in exploration costs to the property in the year ended December 31, 2011, (2010 - $167).

(v) McLean

On November 16, 2010, the Company entered into an option agreement to acquire a 100% interest in the 0.57 km2 McLean property located in Holmes Township, west of Kirkland Lake. To complete the option the Company must make cash payments totaling $55,000 ($10,000 paid) over five years. The Company may acquire the surface rights to the patent parcels by making additional annual payments of $1,000 ($2,000 paid to date), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, which the Company may purchase at any time prior to commercial production for $250,000. In the year ended December 31, 2011, $214,010 was capitalized to the property, (2010 - $167).

(vi) Cairo Property

Commencing November 2009, the Company has incurred $3,937 to stake three claim blocks comprised of 34 units (approximately 5.4 km2) in the Alma and Cairo Townships west of Kirkland Lake, Ontario, Canada. The Company capitalized $48,826 in exploration costs to the property during the year ended December 31, 2011, (2010 - $11,828).

(vii) Flavelle

On December 30, 2009, the Company entered into an option agreement whereby the Company may acquire a 70% interest in mineral rights covering approximately 92 units (approximately 15.11 km2) near Larder Lake, west of Kirkland Lake. To complete the option the Company is required to make payments totaling $300,000, in cash or shares at the discretion of the Company, ($95,000 in cash paid) and a work commitment of $1,500,000 over 60 months ($104,796 completed to December 31, 2011). On December 21, 2011 the Company entered into an agreement where they could obtain the remaining 30% interest in the mineral rights by making payments in cash or shares at the discretion of the Company totaling $110,000 over four years, ($10,000 in cash paid to date). The Company capitalized $15,112 in exploration costs to the property during the year ended December 31, 2011, (2010 - $89,684).

(viii) O'Brien

On November 19, 2010, the Company entered into an option agreement to acquire a 100% interest in the 0.30 km2 O'Brien property located in the Eby Township, west of Kirkland Lake. To complete the option the Company must make cash payments totaling $50,000 ($10,000 paid to date) over five years. The Company may acquire the surface rights to the patent parcels by making an additional annual payment of $1,000 ($2,000 paid to date), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, which the Company may purchase at any time prior to commercial production for $250,000.

(ix) Island 27

On April 7, 2010, the Company entered into an option agreement, as later amended on March 31, 2011 and October 3, 2011 whereby the Company may acquire a 70% interest in the Island 27 property covering 107 units (approximately 17.15 km2) near Kenogami Lake, southwest of Kirkland Lake. The Company paid $100,000 upon signing and issued 200,000 common shares of the Company on May 31, 2010 at a deemed cost of $0.50 per common share. To complete the option the Company must issue a further 300,000 common shares of the Company and perform $3,000,000 in work over a period of 48 months, of which $750,000 must be completed by September 30, 2012 ($609,900 completed to Dec 31, 2011).

(x) Plumber

On April 7, 2010, the Company entered into an option agreement, as later amended on March 31, 2011 and October 7, 2011, whereby the Company may acquire a 70% interest in the Plumber property covering 15 units (approximately 2.40 km2) near Matachewan, southwest of Kirkland Lake. In consideration the Company paid $2,500 upon signing and issued 100,000 common shares of the Company on May 31, 2010 at a deemed cost of $0.50 per common share. To complete the option the Company must perform $2,000,000 in work over a period of 48 months, of which $300,000 must be complete by September 30, 2012 ($7,197 complete to December 31, 2011).

(xi) Alma Property

In January 2011, the Company staked the 11.03 km2 Alma property at a cost of $8,715. The property is located within the Alma and Holmes Townships, west of Kirkland Lake and covers 83 claim units. Minimal exploration costs have been capitalized to the property.

(xii) Hill Property

On April 26, 2011 the Company signed an option agreement on the Hill Property to acquire a 100% interest in the 0.52 km2 Hill Property located in Holmes township west of Kirkland Lake, Ontario. To complete the option the Company must pay cash payments of $50,000 ($5,000 paid to date) over three years The Company may acquire the surface rights to the patent parcel by making an additional annual payment of $1,000 ($1,000 paid to date), and reimbursing applicable taxes on the property.

(xiii) Kenogami Property

In December 2009, the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral rights covering 28 claim units (approximately 4.19 km2) near Kenogami Lake west of Kirkland Lake. To complete the option the Company was required to make payments totaling $100,000 over a 48 month period ($15,000 paid) and complete work commitments of $400,000 over 48 months ($223,361 was spent to December 31, 2011). The vendor retained a 2.0% net smelter return royalty on the property with no fixed repurchase terms. The Company capitalized $190,864 in exploration costs to the property during the year ended December 31, 2011, (2010 - $32,497). In December 2011, the Company decided to not make further payments on this option and as result wrote down the historical capitalized costs associated with this option in the amount of $240,711.

(xiv) Burteby Property

In December 2009, the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral rights covering 21 claim units (approximately 3.28 km2) in the Burt and Eby Townships west of Kirkland Lake. To complete the option the Company was required to make payments totaling $150,000 over a 48 month period ($30,000 paid to date) and complete $200,000 in expenditures over 36 months ($136,046 completed to December 31, 2011). The vendors retained a 1.5% net smelter return royalty on the property, of which the Company was able to purchase two thirds (1.0%) for $750,000. The Company capitalized $14,034 in exploration costs to the property during the year ended December 31, 2011, (2010 - $122,012). In December 2011, the Company decided to not make further payments on this option and as a result wrote down the historical capitalized costs associated with this option in the amount of $166,046.

(b) Nevada, United States

(i) Fronteer

On December 14, 2010, the Company entered into an agreement with Fronteer Gold Inc. ("Fronteer") to option 11 properties which total approximately 234 km2 in north eastern Nevada and Utah. On February 3, 2011 Fronteer was acquired by Newmont Mining Corporation. All 11 properties are now optioned from Newmont, and the acquisition of Fronteer had no effect on the agreement. West Kirkland has the option to earn a 51% interest on all of the properties by spending US$15,400,000 over four years, with the US$2,000,000 million minimum work requirement due on the first anniversary having been satisfied and as of April 13, 2012 US$448,000 left on the US$3,000,000 work requirement due on the second anniversary date 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 US$4,000,000 over two years or completing a pre-feasibility study on any designated property. 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. In the year ended December 31, 2011, the Company incurred $26,257 (2010 - $52,255) in acquisition costs and $3,250,561 (2010 - $0) in exploration costs that have been capitalized to the property.

(ii) Rubicon

On June 23, 2011, the Company entered into an agreement with Rubicon Minerals Corporation to option 909 km2 in north eastern 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 and 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 has made a firm commitment to a first year expenditure on the property package of US$2,000,000 by June 23, 2012 ($1.1 million spent to April 13, 2012). In the event the Company does not make the required expenditures the remaining unspent balance will become payable to Rubicon. During 2011 the Company spent $115,130 (2010 - $0) on acquisition costs and staking and $888,144 (2010 - $0) on exploration costs.

(iii) Goldstorm

In December 2009 the Company entered into an option agreement with Mexivada Mining Corp. whereby the Company could acquire up to a 75% interest in the 4,080 acre Goldstorm property near Elko, Nevada, USA in exchange for cash payments of US$350,000 (US$175,000 paid to December 31, 2011), issuing 650,000 shares to the vendors (50,000 issued to December 31, 2011) and the completion of US$5.15 million in exploration work on the property.

In early May, 2010, title due diligence determined that an 800 acre section of the Goldstorm property is subject to an exception whereby an undivided one-half interest of all oil, gas and minerals in or under the surface of said leased land was reserved by a Nevada corporation. Under a May 18, 2010 amendment to the original agreement, upon the Company's payment of US$75,000 to Mexivada prior to December 31, 2010, as required by the original agreement, the Company earned a 50% interest in the 800 acre section of leased lands according to the amendment. Mexivada is required to use all of its best efforts to extinguish the reservation over the 800 acre section.

On March 29, 2010 an additional 79 mining claims were staked by Mexivada within an area of interest and were added to the option agreement. Also on March 29, 2010 an additional eight claims were staked outside an area of interest and are now held 100% by West Kirkland. At December 31, 2011, the Company had incurred $43,629 (US$42,900) in acquisition costs and capitalized $70,212 (US$69,038) in exploration costs to the property. In December 2011, the Company decided to not make further payments on this option and as a result wrote down the historical capitalized costs associated with this option. The Company does retain the 50% interest in the leased lands acquired and eight staked claims that were located outside the area of interest.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

7. Share Capital

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and Outstanding

Issued common shares are as follows:

	Number of shares (1)		Amount (1)
Balance January 1, 2010	3,110,000		57,500
Issued in private placements	2,680,000		1,217,500
Share issue costs	-		(40,600)
Balance, May 27, 2010	5,790,000		1,234,400
Reverse takeover transaction (Note 3)			
Exchanged for West Kirkland shares	(5,790,000)		-
Issued pursuant to acquisition	5,790,000		29,906
West Kirkland shares recognized (2)	3,710,000		-
Revaluation of share options	-		(75,330)
Issued in private placements	15,056,233		9,659,177
Issued as agent's commission	304,500		152,250
Issued for mineral rights	350,000		175,000
Share issue costs	-		(686,138)
Issued upon exercise of warrants	412,575		318,074
Balance, December 31, 2010	**25,623,308**		**10,807,339**
Issued upon exercise of warrants	301,425		232,385
Issued upon exercise of options	6,807,500		70,703
Issued in private placement	-		7,359,381
Flow through premium liability	-		(504,000)
Share issue costs	92,500		(531,116)
Balance, December 31, 2011	**32,824,733**	**$**	**17,434,692**

(1) Under reverse takeover accounting the number of shares issued and outstanding is that of West Kirkland, the legal parent. However, the share capital amount is that of the legal subsidiary WK Mining plus the share capital transactions of the Company from the acquisition date of May 28, 2010 onwards.

(2) As at January 1, 2010 West Kirkland had 3,600,000 common shares issued and outstanding with a share capital amount of $397,082. On May 26, 2010, 110,000 stock options were exercised for $0.20 per common share, for gross proceeds of $22,000 and a fair value of $659. As at May 27, 2010, there were 3,710,000 common shares issued and outstanding with a corresponding share capital amount of $419,741. Under reverse takeover accounting, the number of shares of West Kirkland is recognized as part of the issued and outstanding common shares of WK Mining with a corresponding share capital amount of $Nil.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

Year ending December 31, 2011

On November 22, 2011, the Company completed a bought deal private placement of 6,807,500 common shares to raise gross proceeds of $7,756,000. The initial offering consisted of the issuance of 4,550,000 non flow-through units and 1,575,000 flow-through shares of the Company at a price of $1.10 and $1.27 respectively. A further over-allotment option of an additional 682,500 units was also issued. The non flow-through units consist 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 $1.50 for a period of 12 months after the closing date. The underwriters received a cash commission representing 7% of the gross proceeds raised in the offering and broker's warrants equal to 5% of the securities sold under the offering exercisable at $1.50 for a period of 12 months after the closing date. The fair value of these compensation warrants was estimated using the Black-Scholes pricing model and recorded as share issuance costs using the following assumptions:

Expected life	1 year
Risk-free interest rate	0.92%
Expected volatility (1)	77%
Expected dividends	-
Weighted average fair value of warrant granted	$0.69

(1) Expected volatility is based on the trading history of the Company. Given the limited trading history for the Company, this volatility was then compared to the historical volatility of a peer group of companies with a similar corporate structure and operating in similar regions as the Company. The volatility from the Company's limited trading history was similar to the peer group compared to.

The gross proceeds of the flow-through financing must be used to incur Canadian exploration expenditures as defined by the Income Tax Act (Canada) by December 31, 2012. The Flow-Through share premium of $0.32 per share is calculated as the difference between the value allocated to common shares of $0.95 and the price of the flow-through shares of $1.27. At December 31, 2011, the Company had left to spend $1,419,405 of the $2,000,250 gross flow through proceeds and plans to spend the rest by December 31, 2012.

301,425 warrants were exercised at a price of $0.75 for one common share for gross proceeds of $226,069. Fair value of the warrants was $6,316.

92,500 options were exercised at a price of $0.60 for one common share for gross proceeds of $55,500. Fair value of the options was $15,204.

Year Ending December 31, 2010

On December 14, 2010, under the terms of the options agreement with Fronteer (Note 6(b)); the Company completed a private placement with Fronteer of 800,000 common shares at a price of $1.25 per share for aggregate gross proceeds of $1,000,000. Share issue costs consisting of legal and filing fees totaled $9,154.

In November 2010, 412,575 warrants were exercised at a price of $0.75 for one common share for gross proceeds of $309,431. Fair value of the warrants was $8,641.

On November 2, 2010 the Company completed a brokered flow-through financing for aggregate gross proceeds of $2,587,480. The offering consisted of 1,875,000 flow-through common shares at a price of $1.20 per share and the agent was granted a 15% overallotment option, which was exercised for an additional 281,233 flow-through common shares. The agent was paid a 6% cash commission of $135,000 and additional share issue costs of $80,183 were incurred for filing fees, legal and other expenses. The gross proceeds of the flow-through financing must be used to incur Canadian exploration expenditures as defined by the Income Tax Act (Canada) by December 31, 2011. At December 31, 2011, the Company had made all the necessary expenditures to satisfy this requirement.

On June 17, 2010, the Company completed a private placement of 100,000 units, consisting of one common share and one common share purchase warrant, at a price of $0.75 per unit for aggregate gross proceeds to the Company of $75,000. The gross proceeds were allocated to the underlying common shares and warrants on a relative fair value basis. The fair value allocated to the common shares was $71,698 and the fair value allocated to the warrants was $3,301. Share issue costs totaled $2,051.

On May 31, 2010, the Company issued 350,000 common shares pursuant to mineral property option agreements (Note 6(a), (g), (h)) at a deemed value of $0.50 per common share, the price per share used on the May 28th 2010 offering.

On May 28, 2010, the Company completed a brokered private placement of 12,000,000 common shares at a price of $0.50 per common shares for aggregate gross proceeds to the Company of $6,000,000. The Company paid a commission of $204,750 in cash, issued 304,500 common shares at a deemed value of $0.50 per share ($152,250) and issued 714,000 broker's warrants with a fair value of $124,944 (Note 7(c)), which were recorded as share issue costs. In addition, share issue costs for legal and other totaled $87,792.

On May 28, 2010, the Company acquired all the issued and outstanding shares of WK Mining. The Company also re-valued certain existing share options (Note 3).

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

In connection with the completion of the acquisition of WK Mining on May 28, 2010, a total of 6,120,000 of the Company's shares held by directors and other related parties of the Company were placed in escrow. Under the terms of the escrow agreement 10% or 612,000 shares were released on the completion of the acquisition, and of the remaining 5,508,000 escrowed shares, 918,000 shares will be released semi-annually commencing November 28, 2010 and ending May 28, 2013.

On March 4, 2010, WK Mining closed a private placement of 2,190,000 common shares at a price of $0.50 per common share for aggregated gross proceeds of $ $1,095,000. Share issue costs of $40,600 were paid for finder's fees and legal costs.

On January 19, 2010, WK Mining completed a private placement of 490,000 common shares at a price of $0.25 per common share for aggregate gross proceeds of $122,500.

(c) Warrant Reserve

	Number of shares		Amount		Weighted Average Exercise Price
Balance, January 1, 2010	-	$	-	$	-
Broker's warrants issued	714,000		14,957		0.75
Private placement warrants issued	100,000		3,302		1.25
Warrants exercised	(412,575)		(8,642)		0.75
Balance, December 31, 2010	401,425		9,617		0.87
Warrants exercised	(301,425)		(6,315)		0.75
Warrants expired	(100,000)		(3,302)		1.25
Broker's warrants issued	340,000		51,600		1.50
Private placement warrants issued	2,616,250		396,619		1.50
Balance, December 31, 2011	**2,956,250**	**$**	**448,219**	**$**	**1.50**

Year ending December 31, 2011

The Company issued 2,616,250 warrants in connection with the private placement completed on November 22, 2011. Each warrant is exercisable at $1.50 per warrant for one common share of the Company for a period of 12 months.

The Company issued 340,000 brokers warrants in connection with the private placement completed on November 22, 2011. Each warrant is exercisable at $1.50 per warrant for one common share of the Company for a period of 12 months.

The fair values of the above warrants issued were estimated using the Black-Scholes pricing model with the following weighted average assumptions:

Expected life	1 year
Risk-free interest rate	0.92%
Expected volatility (1)	77%
Expected dividends	-
Weighted average fair value of warrant granted	$0.69

(1) Expected volatility is based on the trading history of the Company. Given the limited trading history for the Company, this volatility was then compared to the historical volatility of a peer group of companies with a similar corporate structure and operating in similar regions as the Company. The volatility from the Company's limited trading history was similar to the peer group compared to.

During the year 301,425 warrants were exercised at $0.75 per warrant for one common share. The fair value of the warrants exercised was $6,315.

Year Ending December 31, 2010

During the year ended December 31, 2010, 412,575 warrants were exercised at $0.75 per warrant for one common share. The fair value of the warrants exercised was $8,642.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

The Company issued 100,000 warrants in connection with the private placement completed June 17, 2010. Each warrant was exercisable at $1.25 per warrant for one common share of the Company and expired June 17, 2011. The fair value of the warrants of $3,302 has been transferred to deficit.

The Company issued 714,000 broker's warrants in connection with the brokered private placement completed May 28, 2010. Each warrant is exercisable at $0.75 per warrant for one common share of the Company and were exercisable to May 28, 2011.

The fair values of the warrants issued were estimated using the Black-Scholes pricing model with the following weighted average assumptions:

Expected life	1 year
Risk-free interest rate	1.57%
Expected volatility (1)	40%
Expected dividends	-
Weighted average fair value of warrant granted	$0.02

(1) As there is no trading history for the Company, expected volatility was based on historical volatility of a peer group of companies.

(d) Share Based Payment Reserve

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

Exercise Price	Number Outstanding at December 31, 2011	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at December 31, 2011
$ 1.15	200,000	3.75	200,000
$ 1.10	300,000	4.72	250,000
$ 1.06	40,000	4.60	40,000
$ 1.00	100,000	4.88	100,000
$ 0.90	100,000	3.42	100,000
$ 0.78	200,000	0.53	200,000
$ 0.75	50,000	3.61	50,000
$ 0.60	865,000	3.41	865,000
$ 0.20	240,000	0.78	240,000
	2,095,000		2,045,000

The weighted average exercise price of the outstanding and exercisable shares are $0.74 and $0.73 respectively.

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

Balance, January 1, 2010	$ -
Share compensation expense (Note 3)	75,330
Share compensation expense (1)	319,788
Balance, December 31, 2010	395,118
Share compensation expense (2)	274,900
Share options cancelled	(4,538)
Share options exercised	(15,204)
Balance, December 31, 2011	**$ 650,276**

(1) $16,729 capitalized to mineral properties

(2) $112,518 capitalized to mineral properties

The Company established a stock option plan (the "Plan") on May 1, 2007, whereby options can be granted to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

Year ending December 31, 2011

During the year ended December 31, 2011 92,500 share options were exercised at $0.60 per share for total proceeds of $55,500. Fair value of $15,204 were attributed to the exercises.

During the year ended December 31, 2011 455,000 share options were issued. The Company expensed $270,362 related to those options granted or vesting in the period. The Company used the Black-Scholes model to determine the grant date fair value of the options granted. The following weighted average assumptions were used in valuing the share options granted in the current period:

Expected life	5.08
Risk-free interest rate	1.63%
Expected volatility (1)	80%
Expected dividends	-

(1) Expected volatility is based on the trading history of the Company. Given the limited trading history for the Company, this volatility was then compared to the historical volatility of a peer group of companies with a similar corporate structure and operating in similar regions as the Company. The volatility from the Company's limited trading history was similar to the peer group compared to.

Year Ending December 31, 2010

On September 30, 2010, the Company granted 75,000 share options to an employee. Each share option is exercisable at a price of $1.15 per share, vests over a period of 12 months and will expire on September 30, 2015.

Also, on September 30, 2010, the Company granted 200,000 share options to a director and employee of the Company. Each share option is exercisable for $1.15 per share for a period of five years and vests immediately.

On August 9, 2010, the Company granted 50,000 share options to an employee of the Company. Each share option is exercisable for $0.75 per share for a period of five years and vests immediately.

On July 12, 2010, the Company granted 200,000 share options to a third party investor relations contractor. Each share option is exercisable at a price of $0.78 per share, vests over a period of 12 months and will expire on July 12, 2012.

On June 1, 2010, the Company granted 100,000 share options to an officer of the Company. Each share option is exercisable for $0.90 per share for a period of five years and vests immediately.

On May 28, 2010, the Company granted 980,000 share options to officers, directors and employees of the Company. Each share option is exercisable for $0.60 per share for a period of five years and vests immediately.

On May 28, 2010, in connection with the acquisition of WK Mining, certain share options issued by the Company in October 2007, were re-valued as at May 28, 2010.

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

Expected life	4.33
Risk-free interest rate	2.35%
Expected volatility (1)	40%
Expected dividends	-

(1) As there is no trading history for the Company, expected volatility is based on historical volatility of a peer group companies.

As at December 31, 2011, the weighted average fair value per option outstanding was $0.30.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

		December 31, 2011
	Number	Weighted average exercise price
Balance, January 1, 2010	-	-
Options re-valued (Note 3)	240,000	$0.20
Granted	1,605,000	$0.74
Cancelled	(22,500)	$0.60
Balance, December 31, 2010	1,822,500	$0.67
Cancelled	(90,000)	$1.15
Granted	455,000	$1.07
Exercised	(92,500)	$0.60
Balance December 31, 2011	**2,095,000**	**$0.74**

The weighted average remaining contractual life of the options outstanding at December 31, 2011, is 3.15 years.

(e) Per Share Amounts

The weighted average number of common shares outstanding is calculated based upon the following:

- The number of shares outstanding for the period from the beginning of the fiscal year to the date of the reverse takeover (Note 3) is deemed to be the number of shares issued by the Company to the shareholders of WK Mining; and
- For the period from the date of the reverse takeover to the end of the period, the number of shares outstanding would be the actual number of shares of the Company outstanding during this period.

For the years ended December 31, 2011 and 2010, the weighted average number of common shares outstanding was 26,622,444 and 13,813,206 respectively. Exercise of all share options and share purchase warrants referred to in Note 7(c) and 7(d) are anti-dilutive for all periods presented.

8. 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, comprising 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, 2011 the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

The Company expects its current capital resources will be sufficient to carry out its exploration and development plans and operations through its current operating period.

9. 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, 2011, the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable and accrued liabilities. The fair values of accounts receivable and accounts 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 the short-term interest rate through the interest earned on cash balances; however, management does not believe this exposure is significant.

(c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash which is held in large Canadian financial institutions and accounts receivable. The Company believes this credit risk is insignificant.

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates in Canada and the United States and is therefore exposed to foreign currency risk arising from transactions denominated in U.S. dollars. Certain of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 1% change in the exchange rate between the Canadian and United States dollar would have an effect on the loss before income taxes for the year ended December 31, 2011 of approximately $640 (December 31, 2010 – $1,600). 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, 2011 at the period end exchange rate of CAD$1.00 equal to US$0.98 (December 31, 2010 – CAD$1.00 equal to US$1.01):

	December 31, 2011	December 31, 2010
Cash	$ 51,774	$ 224,519
Accounts receivable	70,499	-
Prepaids and other	10,426	24,391
Reclamation bond	127,311	16,776
Accounts payable and accrued liabilities	324,005	105,655

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

10. Segmented Information

The Company operates in one segment, being the exploration of mineral properties with two geographic locations: Ontario, Canada and Eastern Nevada / Western Utah, USA. The Company's cumulative mineral properties expenditures in Ontario, Canada have totaled $4,816,851 and in Nevada and Utah, USA totaled $5,884,867. The Company's executive and head office is located in Vancouver, British Columbia, Canada.

	Canada	United States	Total
As at December 31, 2011			
Current Assets	$ 5,030,822	$ 132,699	$ 5,163,521
Mineral Properties	4,410,347	4,333,271	8,743,618
Other Assets	106,797	232,260	339,057
Total Assets	9,547,966	4,698,230	14,246,196
Accounts payable and accrued liabilities	528,032	324,005	852,037
For the year ended December 31, 2011			
Net Loss	$ 2,361,005	$ 1,913,637	$ 4,274,642

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

	Canada	United States	Total
As at December 31, 2010			
Current Assets	$ 6,932,497	$ 224,519	$ 7,157,016
Mineral Properties	1,463,526	1,454,422	2,917,948
Other Assets	64,917	63,955	128,872
Total Assets	8,500,504	1,703,332	10,203,836
Accounts payable and accrued liabilities	243,076	109,628	352,704
For the year ended December 31, 2010			
Net Loss	$ 1,291,550	$ 24,016	$ 1,315,566

11. Related Party Transactions

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

	December 31, 2011	December 31, 2010
Administration fees	$ 42,000	$ 39,250
Professional fees (accounting)	60,000	49,167
Consulting Fees	6,576	29,253
Rent	87,586	79,021
Total Related Party Transactions	$ 196,162	$ 196,691

For the year ended December 31, 2011, the Company paid or accrued $42,000 (2010 - $39,250) for day-to-day administration, reception and secretarial services and $60,000 (2010 - $49,167) for accounting services; and $6,576 (2010 - $29,253) in consulting fees for geographical information systems and mapping to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. All of these amounts were charged at fair market rates.

For the year ended December 31, 2011, the Company paid or accrued $87,586 (2010 - $79,021) for rent to Anthem Properties Group Ltd. and Anthem Works Ltd. respectively, companies related by virtue of a common director. The rental rate was negotiated on an arm's length basis and is set at a fair 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

The remuneration of directors and other members of key management personnel during the years ended December 31, 2011 and 2010 is as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Short term benefits (1)	$ 361,174	$ 314,488
Share-based payments (2)	-	162,845
Total	$ 361,174	$ 477,333

(1) Short term benefits include consulting and management fees paid to directors

(2) Share-based payments are the fair value of options that have been granted to directors and key management personnel.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

12. Commitments and Contingencies

The Company has a firm commitment to a first year exploration expenditure of US$2,000,000 by June 23, 2012 on the Rubicon mineral property package in Nevada. To acquire certain other mineral property interests in Ontario and 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 commitments see Note 6. The Company has no other identified commitments or contingencies.

13. Supplemental Cash Flow Information

	December 31, 2011	December 31, 2010
Non-cash investing activities:		
Common shares issued for mineral properties	$ -	$ 175,000
Depreciation capitalized to mineral properties	33,028	11,612
Share based compensation charged to mineral properties	112,518	16,729
Mineral property and deferred exploration expenditures included in accounts payable	579,837	150,728
Non-cash financing activities:		
Agent's compensation for private placement:		
Common shares	-	152,250
Broker's warrants	51,600	14,957

14. Deferred taxes

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:

	2011	2010
Income (Loss) before income taxes	$ (4,128,847)	$ (1,315,566)
Canadian statutory income tax rate	26.5%	28.5%
Income tax expense based on Canadian federal and provincial income tax rates	(1,094,145)	(374,936)
Increase (decrease) attributable to:		
Non-deductible (taxable) expenditures	(876)	(8,987)
Non-deductible share based payments	79,618	86,372
Changes in unrecognized deferred tax assets	384,700	242,290
Effect of flow through share renunciation	646,870	-
Effect of items recognized directly in equity	144,795	-
Effects of different statutory tax rates on earnings of subsidiaries	(135,004)	966
Effect of foreign currency exchange rate change	18,006	-
Impact of deferred income tax rates applied versus current statutory rates	31,074	58,033
Other	70,757	(3,738)
Income tax expense (recovery)	$ 145,795	$ -

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

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

	December 31, 2011	December 31, 2010	January 1, 2010
Deferred tax assets			
Non-capital and net operating loss carryfowards	$ 1,564,390	$ 376,154	$ -
Total deferred tax assets	1,564,390	376,154	-
Deferred tax liabilities			
Mineral properties	$ (1,564,390)	$ (376,154)	$ -
Total deferred tax liabilities	(1,564,390)	(376,154)	-
Net deferred taxes	$ -	$ -	$ -

During the year, the Company renounced $2.6 million (2010 – $nil) of Canadian Exploration Expenditures to flow-through shareholders. The result of this renunciation was that the "Cumulative Canadian Exploration Expenditures" pool of the Company was reduced and a $0.6 million (2010 - $nil) deferred tax liability was recorded on the date of filing the renunciation and a deferred tax expense recognized. As a result of this liability being recognized, the Company recognized an equal and offsetting deferred tax asset, which resulted in a deferred tax recovery through profit and loss, as well as an amount recognized in equity as indicated above in the rate reconciliation.

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

	2011	2010
Non-capital and net operating loss carry forwards (1)	$ 2,592,513	$ 1,518,285
Share issuance costs	1,032,836	562,372
Mineral properties	30,632	-
Pre-production investment tax credits (1)	120,807	-
Tax value of property and equipment	28,728	-
Other temporary differences	216,200	170,184
	$ 4,021,716	$ 2,250,841

(1) The unrecognized tax losses and investment tax credits will expire between 2029 and 2031

15. Transition to IFRS

As stated in Note 2, these are the Company's first annual consolidated financial statements prepared in accordance with IFRS.

The Company has also applied the accounting polices set out in Note 2 to the year ended December 31, 2010, and in the preparation of the opening IFRS balance sheet at January 1, 2010, (the Company's date of transition). A detailed explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position is set out in this note.

IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS 1) generally requires all IFRS accounting standards and interpretations to be applied retrospectively, with all adjustments to the assets and liabilities prior to the transition date being applied to retained earnings unless certain exemptions are applied from IFRS 1. The Company has applied the mandatory exception for estimates and one optional exemption relating to the measurement of share based payments (described below) to its opening statement of financial position at January 1, 2010 as well as the following adjustments:

a) Share-based Payment Transactions

Under IFRS 1, the Company has elected to not apply IFRS 2 Share Based Payment to equity instruments that were granted after November 7, 2002, or those that completely vested before January 1, 2010. IFRS 2 has been applied to all share based payments granted in 2010 and any options granted in 2009 that are unvested.

b) Cumulative Translation Differences

The Company has determined that the functional currency of West Kirkland Mining and WK Mining Corp. is the Canadian dollar, while the functional currency of WK Mining (USA) Ltd. is the United States dollar. These consolidated financial statements have been translated to the Canadian dollar in accordance with IAS 21, The effects of Changes in Foreign Exchange Rates. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions, (i.e. the average rate for the period). On translation of a foreign operation in accordance with IAS 21, foreign exchange differences are recognized as a separate component of equity. IAS 21 also requires an entity to disclose the net exchange differences classified as a separate component of equity as well as a reconciliation of the opening and closing balances. Under Canadian GAAP, the Company had previously considered WK Mining (USA) Ltd. to be an integrated foreign subsidiary which was operationally interdependent with the parent company and as a result the temporal method of translation was applied. Under this method non-monetary items were translated at historical exchange rates and foreign exchange differences were recorded in the statement of loss.

c) Flow-through Shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP, however there is no equivalent IFRS guidance. Therefore, the Company has adopted a policy where the premium paid for flow-through shares in excess of the market value of the shares when the shares are issued is credited to other liabilities, and included in finance income when the both the qualifying expenditures have been made and the expenditures have been renounced.

However, in the Company's case in the time between when the flow-through shares were subscribed for and when they were issued the premium paid for the flow-through feature was eliminated by a rise in the market value of the shares. As the premium is recognized when the shares are issued, no premium was recognized.

In addition, under IFRS the Company considers cash raised through flow through offerings as a component of cash and cash equivalents and discloses the portion of cash which must be spent on Canadian exploration expenditures in the notes to the financial statements. Under Canadian GAAP the Company had adopted a policy whereby cash raised through flow through offerings was segregated on the balance sheet as restricted cash with increases and decreases in such cash recorded as investing activities in the statement of cash flows.

d) Reclassification Within the Equity Section

For comparatives, as at December 31, 2010, $406,423 "contributed surplus" account was reclassified into "Share based payment reserve" as certain terminologies are different under IFRS.

e) Exploration and Evaluation Expenditures

Under Canadian GAAP, the Company's policy was to capitalize all costs relating to the acquisition of, exploration for and development of mineral claims. Under IFRS, the Company has elected to adopt a policy to capitalize all expenditures as exploration and evaluation expenditures after the legal right to explore a property has been obtained, but before technical feasibility and commercial viability of the property has been established. The impact of this change was insignificant.

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

Reconciliation of Statements of Loss and Comprehensive Loss

		As at January 1, 2010			As at December 31, 2010		
	note	GAAP	Effect of Transition to IFRS	IFRS	GAAP	Effect of Transition to IFRS	IFRS
ASSETS							
Current assets							
Cash		$ 31,009	$ -	$ 31,009	$ 4,767,404	$ 2,209,879	$ 6,977,283
Restricted cash	c	-	-	-	2,209,879	(2,209,879)	-
Accounts receivable and prepaid expenses		188	-	188	179,733	-	179,733
		31,197	-	31,197	7,157,016	-	7,157,016
Non-current assets							
Reclamation bond		-	-	-	16,776	-	16,776
Property, plant and equipment	b	-	-	-	112,850	(754)	112,096
Mineral properties	b	28,830	-	28,830	2,951,950	(34,002)	2,917,948
		28,830	-	28,830	3,081,576	(34,756)	3,046,820
TOTAL ASSETS		60,027	-	60,027	10,238,592	(34,756)	10,203,836
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities		2,500	-	2,500	352,704	-	352,704
Due to shareholders		557	-	557	-	-	-
		3,057	-	3,057	352,704	-	352,704
EQUITY							
Share capital	a	57,500	-	57,500	10,807,339	-	10,807,339
Contributed Surplus	d	-	-	-	406,423	(406,423)	-
Reserves							
Share based payment reserve	d	-	-	-	-	395,118	395,118
Warrant reserve	a	-	-	-	9,617	-	9,617
Foreign currency translation	b	-	-	-	-	(44,846)	(44,846)
Deficit		(530)	-	(530)	(1,337,491)	21,395	(1,316,096)
		56,970	-	56,970	9,885,888	(34,756)	9,851,132
TOTAL EQUITY AND LIABILITIES		$ 60,027	$ -	$ 60,027	$ 10,238,592	$ (34,756)	$ 10,203,836

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

Reconciliation of Statements of Loss and Comprehensive Loss

		Year ended December 31, 2010		
	note	GAAP	Effect of Transition to IFRS	IFRS
Revenue				
Interest income		$ 22,182	$ -	$ 22,182
		22,182	-	22,182
Expenses				
Professional Fees		245,790	-	245,790
Management and consulting fees		203,738	-	203,738
Salaries and benefits		191,652	-	191,652
Share based payments	a	314,364	(11,305)	303,059
Shareholder relations		104,431	-	104,431
Filing and transfer agent fees		16,361	-	16,361
Administration fees		39,250	-	39,250
Rent		85,035	-	85,035
Property investigation costs		17,438	-	17,438
Travel		35,766	-	35,766
Office and general		95,228	-	95,228
Foreign exchange loss	b	10,090	(10,090)	-
		1,359,143	(21,395)	1,337,748
Net Loss		(1,336,961)	21,395	(1,315,566)
Exchange differences on translating foreign operations	b	-	(44,847)	(44,847)
Total comprehensive loss		$ (1,336,961)	$ (23,452)	$ (1,360,413)

Year ended December 31, 2011 and 2010 (Expressed in Canadian dollars)

Notes to the Consolidated Financial Statements (Unaudited)

		Year ended December 31, 2010		
	note	GAAP	Effect of Transition to IFRS	IFRS
Operating activities				
Net loss		$ (1,336,961)	$ 21,395	$ (1,315,566)
Items not affecting cash				
Share-option compensation	a	314,364	(11,305)	303,059
Change in non-cash working capital components				
Accounts receivable and prepaid expenses		(179,545)	-	(179,545)
Accounts payable and accrued liabilities		198,919	-	198,919
		(1,003,223)	10,090	(993,133)
Financing activities				
Issuance of share, net of share issue costs		10,659,786	-	10,659,786
		10,659,786	-	10,659,786
Investing activities				
Reclamation bond		(16,776)	961	(15,815)
Advance for future exploration expenditures	c	(2,209,879)	2,209,879	-
Property, plant and equipment	b	(124,596)	1	(124,595)
Mineral properties	b	(2,568,917)	(44,847)	(2,613,764)
		(4,920,168)	2,165,994	(2,754,174)
Increase in cash during the period		4,736,395	2,176,084	6,912,479
Effect of foreign exchange rate changes on cash denominated in a foreign currency		-	33,795	33,795
Cash and equivalents, beginning of period		31,009	-	31,009
Cash and equivalents, end of period		$ 4,767,404	$ 2,209,879	$ 6,977,283

Corporate Information

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R. Michael Jones

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Frank Hallam

Director, CFO & Corporate Secretary

Eric Carlson

Director

John Brock

Director

Pierre Lebel

Director

Michael G. Allen

Vice President, Exploration

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Annual General Meeting

Thursday, June 14, 2012
11:00 AM (local time)
550 Burrard Street, Bentall 5
Lobby Level Boardroom
Vancouver, BC, Canada

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