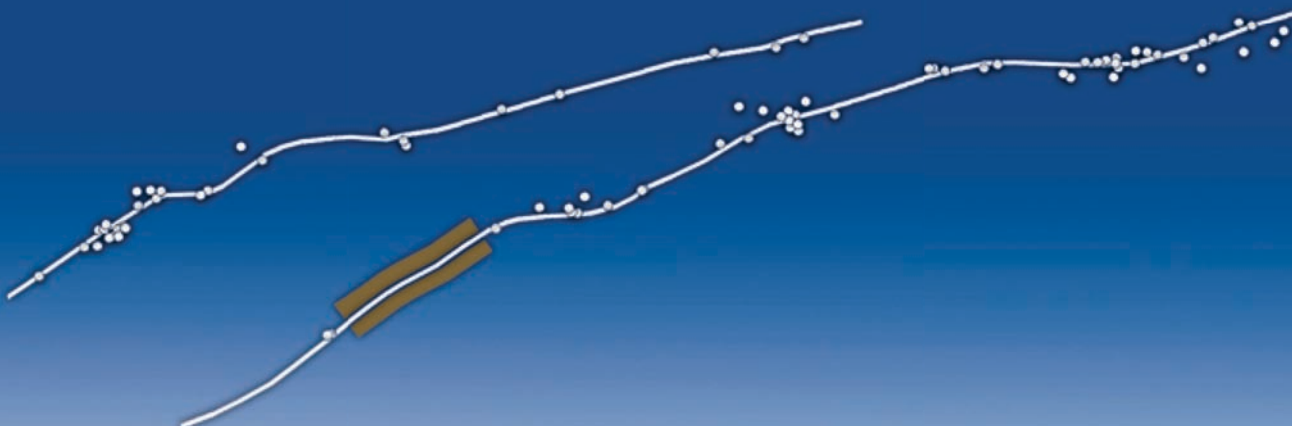
2010 Annual Report

NORTH AMERICAN GOLD ON MAJOR TRENDS



WEST KIRKLAND MINING INC.

WKM: TSXV

WEST KIRKLAND

MINING INC.

WKM: TSXV

LETTER TO THE SHAREHOLDERS

WEST KIRKLAND MINING INC.

Fellow Shareholders,

For our newly incorporated Company, West Kirkland Mining Inc., 2010 was certainly an exciting year. West Kirkland was incorporated just three days after West Timmins Mining Inc. was bought by Lake Shore Gold Corp. in a deal valued at $424 million. The founders of the Company include Frank Hallam, Eric Carlson and me, R. Michael Jones. We founded the Company with a vision to recreate the success of West Timmins Mining within the prolific Kirkland Lake Gold Belt and to create a gold company designed to explore for North American gold along major trends. We began with the same formula that lead to the success of the other companies we have founded; assembling large land packages along trends from producing mines. To diversify the Company and increase our chance of success, we also optioned property in Nevada. This strategy gives West Kirkland a foothold in each of the two leading gold camps in the world; northern Ontario and Nevada.

LETTER TO THE SHAREHOLDERS

WEST KIRKLAND MINING INC.

MAY

With a significant land position assembled, on May 28, the then-private West Kirkland Mining Inc. completed a reverse take-over of Anthem Ventures Capital Corp. Concurrently, the Company completed a 12,000,000 share, $6 million brokered private placement. Three days later, on May 31, 2010, West Kirkland began trading on the TSX Venture Exchange as a "Tier 2 Mining Issuer" under the symbol "WKM". Mr. Michael G. Allen was then appointed Vice President of Exploration, with the mandate to acquire and explore properties along trends from major gold mines in North America.

SEPT

On September 8, West Kirkland completed its first option agreement as a public company by acquiring the Cunningham Property, the first of six Kirkland Lake properties to be optioned during 2010. September also saw the recruitment of a professional engineer, Ken Kryklywy, as Manager, Ontario and Quebec. A long-time Kirkland Lake resident, Mr. Kryklywy has over 25 years of exploration and mining experience in the Kirkland Lake and Timmins gold camps. The Company then appointed John Brock to its board of directors, bringing more than 40 years of knowledge and experience into the fold. By the end of the month, the Company commenced drilling on the Cunningham Property.

OCT

In October, West Kirkland organized a brokered 2,156,233 share private placement at $1.20 per share for gross proceeds of $2,587,480. This represents a 140% premium to the Company's previous financing. Like the initial financing, this one was heavily oversubscribed with the agent fully exercising its overallotment option, and without the need to issue dilutive share purchase warrants. During October, a 2-hole drill program was commenced on the Company's Goldstorm Project in northeast Nevada.

NOV

On November 18, West Kirkland's exploration efforts paid off early, with an impressive drill intercept of 19.79 g/t Au over 7.9 meters on the Cunningham Property. The month saw additional property acquisitions in the area, with the Company now controlling an underexplored five kilometer mineralized structure along a splay of the Cadillac-Larder Lake Break.

DEC

December was a busy month on the acquisitions front. In a single property deal with Fronteer Gold Inc. (acquired by Newmont Mining Corp. in 2011), West Kirkland expanded its Nevada property position to 257 square kilometers. The agreement allows for the acquisition of up to a 60% interest in eleven Fronteer Gold properties, with the initial 51% earn-in based on $2.0 million in exploration commitments for 2011 plus a further $13.4 million to December 2014. As a term of the agreement, Fronteer Gold subscribed for 800,000 common shares of the Company at a price of $1.25 per share, effectively contributing $1.0 million towards the Company's $2.0 million 2011 Nevada exploration budget. West Kirkland now has properties in all major mine trends in northeastern Nevada. In a separate deal with Queenston Mining Inc., the Company acquired the Goldbanks Property located immediately adjacent to the Macassa Mine owned by Kirkland Lake Gold Inc.

Continued...

As we look forward into 2011, West Kirkland will continue to aggressively explore the substantial land package that we have assembled in Kirkland Lake and Nevada. We will continue to grow the business through acquisitions, focusing on the discovery of North American Gold on Major Trends.

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

NORTH AMERICAN **GOLD** ON MAJOR TRENDS

4 POINTS OF **STRATEGY**

West Kirkland Mining was founded with a single objective: to discover North American Gold on Major Trends. Supporting this concept of North American Gold on Major Trends, we follow a tried-and-true growth strategy embodied in four basic points: focus on prolific gold districts, assemble large land positions on trend, align with institutional investors, and carry out large-scale disciplined exploration.

FOCUS ON PROLIFIC GOLD **DISTRICTS**

Focus on prolific gold districts. Gold exists throughout the earth's crust, on every continent and in almost every environment. The question is, "Where are the concentrations high enough to support economic extraction?" While there are examples of gold-rich mines in remote locations without neighbours, the bulk of the world's gold production comes from a handful of areas so gold-rich that they can support dozens of profitable mines. Our belief is that by focusing on such areas, and on projects with higher than average grades, we can deliver exploration success without exposing our investors to the higher risks of exploring uncharted territory.

ASSEMBLE LARGE LAND POSITIONS ON **TREND**

Assemble large land positions on trend. Though one might assume that world-famous gold camps such as Kirkland Lake, Ontario and northern Nevada have no room for new players, this is not actually the case. For aggressive explorers such as West Kirkland, there is often a way in. By having extensive experience in these gold districts, a thorough knowledge of the many companies and people operating there, and applying out-of-the-box thinking, we have been able to identify and acquire exciting new opportunities. Another important word is "large". Our belief is that in pursuing a geological concept, having a large land package is fundamentally important. To that end, we seek to grow our holdings in any gold district to at least 100 square kilometers.

ALIGN WITH INSTITUTIONAL **INVESTORS**

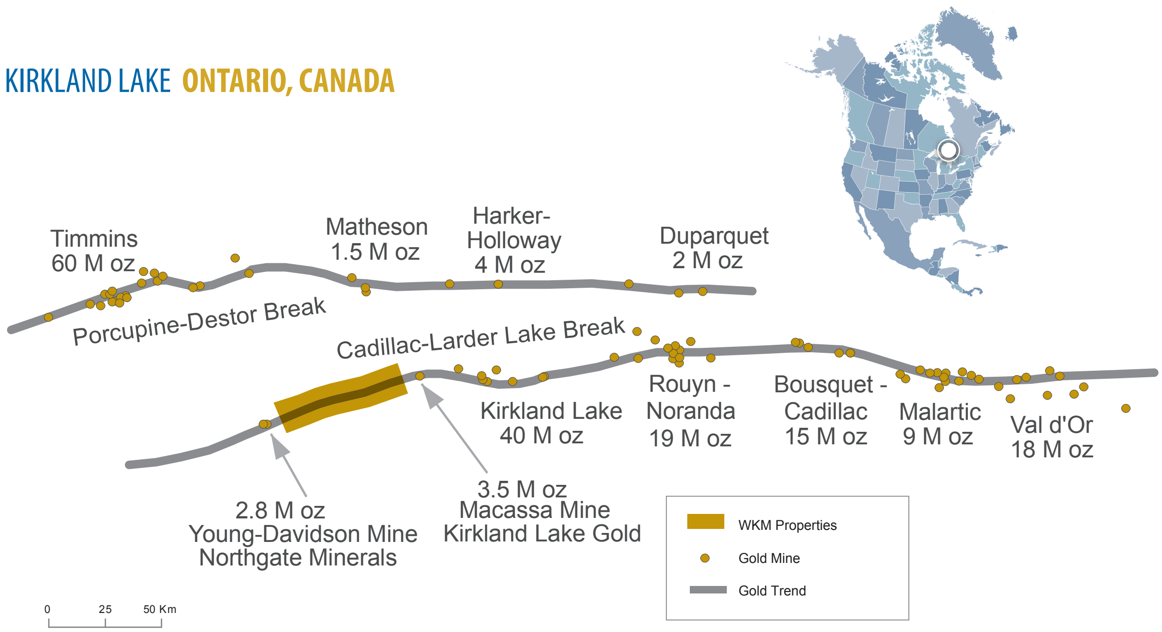
Align with institutional investors. There are two ways to make a gold discovery: taking random shots, or through methodical exploration. We feel the latter approach is much less risky and much more repeatable, but it does require committed investors. By aligning with institutional investors, we access the considerable capital required to pursue our strategy and make a discovery, regardless of short-term market volatility and fluctuations in retail investor sentiment.

LARGE-SCALE DISCIPLINED **EXPLORATION**

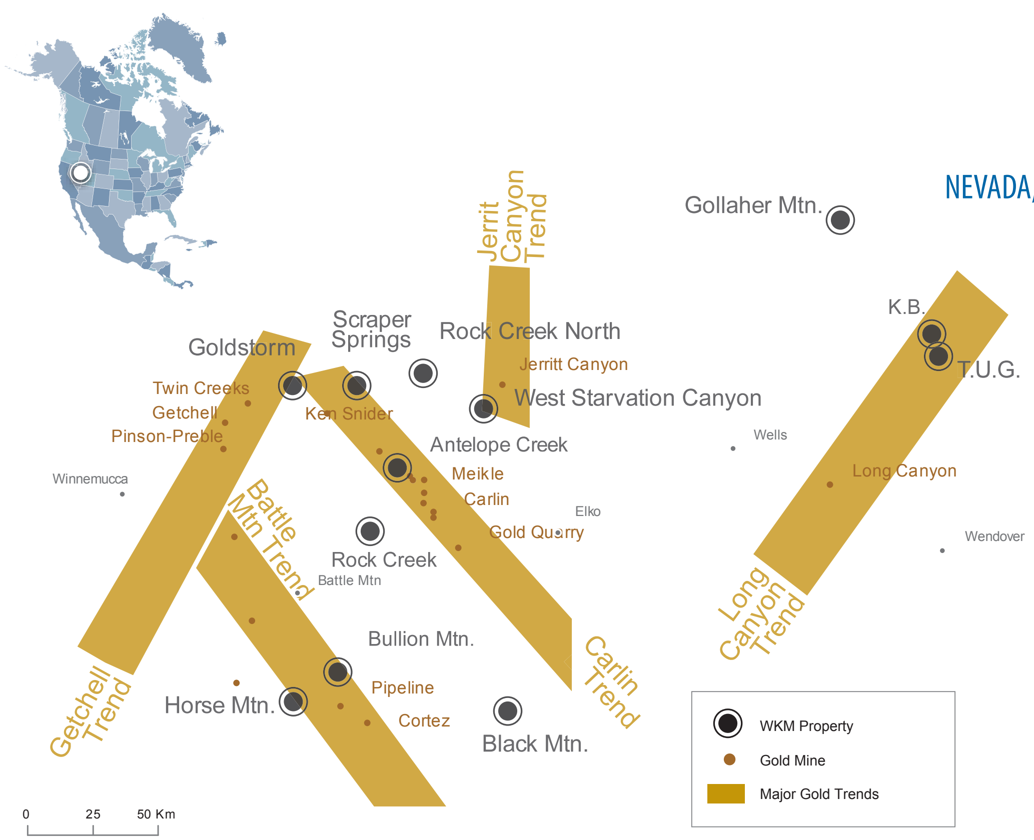
Carry out large-scale disciplined exploration. Making a discovery is no small task. The math is simple: the larger the exploration effort, the more likely the discovery. Once we settle on an exploration concept, we take the steps required to validate or disprove that concept. Operating in a sometimes volatile commodities market, we believe in coming to this decision point quickly. To do that, we design and execute large-scale, disciplined exploration programs.

NORTH AMERICAN GOLD ON MAJOR TRENDS

KIRKLAND LAKE ONTARIO, CANADA



NEVADA, USA



KIRKLAND LAKE

ON CANADA'S PREMIER **GOLD** TREND

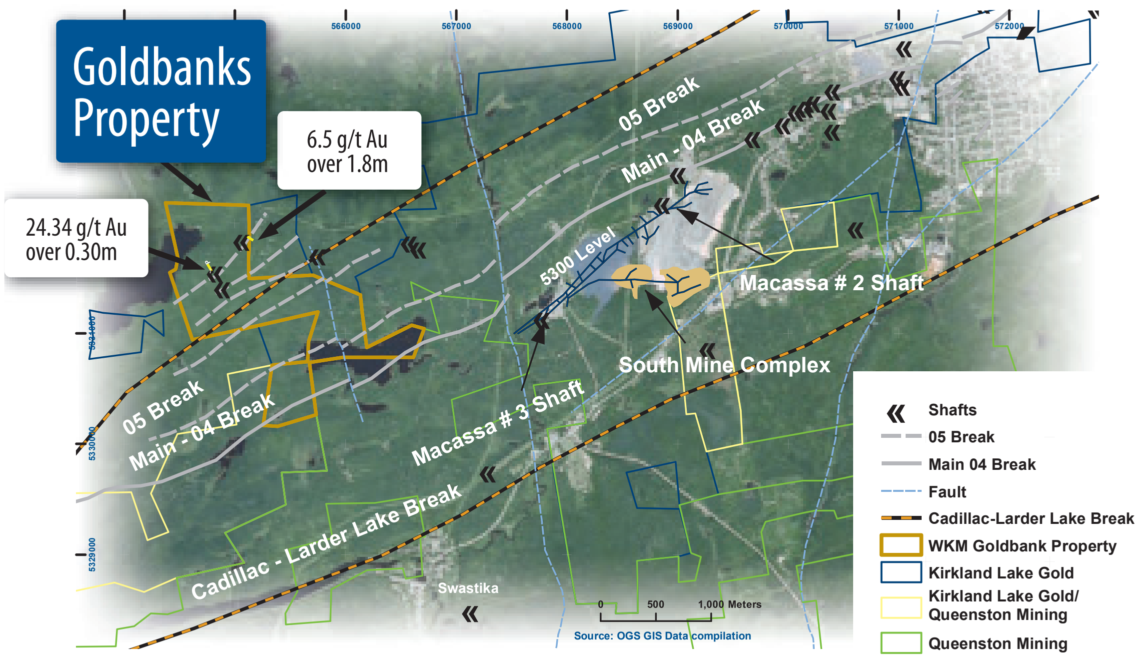
OVER
100
M OZ. **GOLD** PRODUCED ALONG TREND

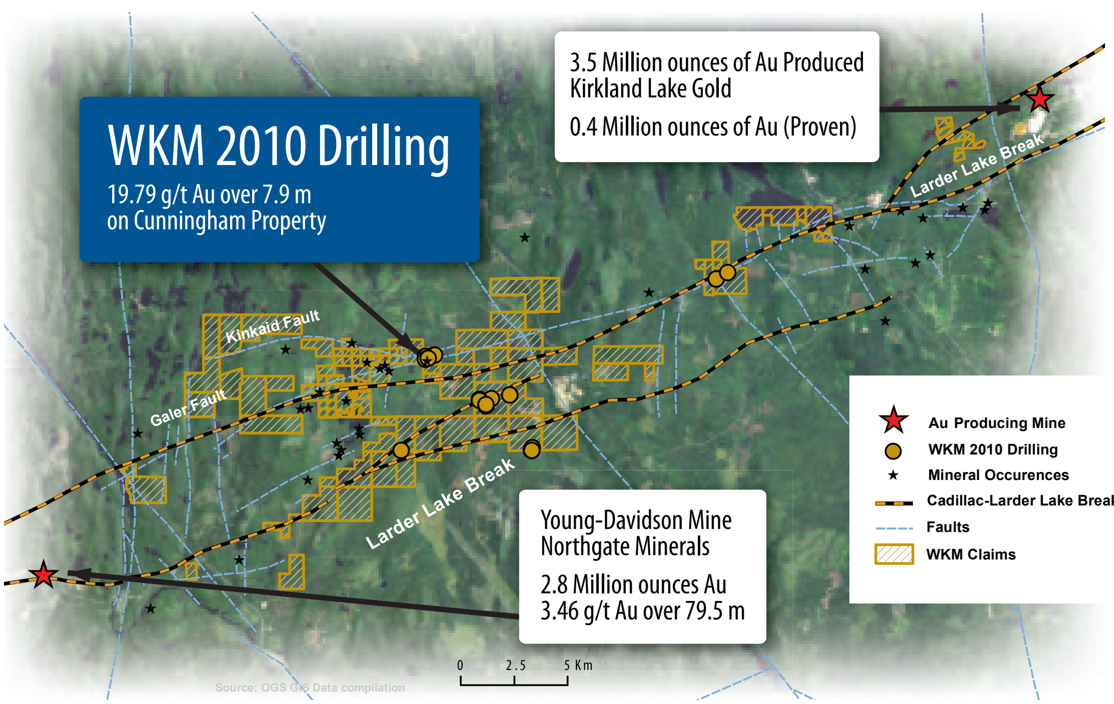
93
KM^2 OPTIONED / STAKED BY **WKM**

The Cadillac Lake-Larder Lake Break is Canada's Premier Gold trend. It extends from the gold mines of Val d'Or, Quebec in the east to beyond the Young Davidson Mine in Matachewan, Ontario in the west. In excess of 100 million ounces of gold has been produced along this trend, with the largest single camp being in Kirkland Lake. The Kirkland Lake Camp itself has produced 40 million ounces of gold from such famous names as Kerr Addison, Macassa, and Lakeshore Mines. The Kirkland Lake camp has been revitalized through recent discoveries within the footprint of the past producers due to a paradigm shift in the understanding of the geological controls to mineralization within the camp. Ore is no longer confined to being directly adjacent to the main gold trends since the discovery of mineralized "ramp structures" between the trends. In addition, the discovery and construction of the Young Davidson Mine has expanded the prospective area of the Kirkland Lake Camp along the Larder-Lake break well to the west. West Kirkland has aggressively established a dominant land position to the west of the Kirkland Lake camp between the historic mines and the new construction and is actively exploring along extensions of the mine trends.

To date, the Company has optioned or staked approximately 93 square kilometers of claims. The focus has been to select properties that have mapped portions of the Break structures with known gold values. This selection criterion has guided us to acquire five additional properties in 2010.

KIRKLAND LAKE
ONT, CANADA





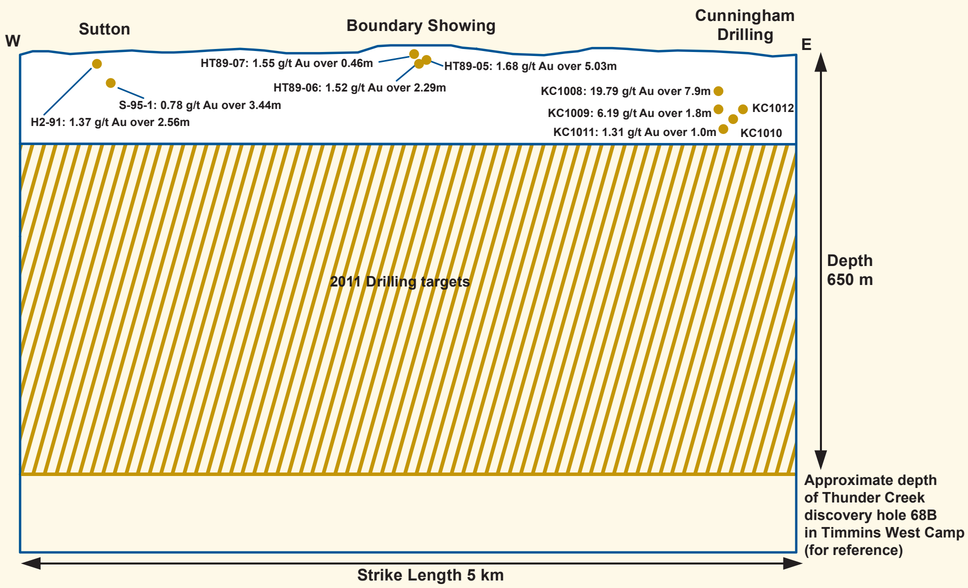
KIRKLAND LAKE
ONT, CANADA

WEST KIRKLAND MINING INC.

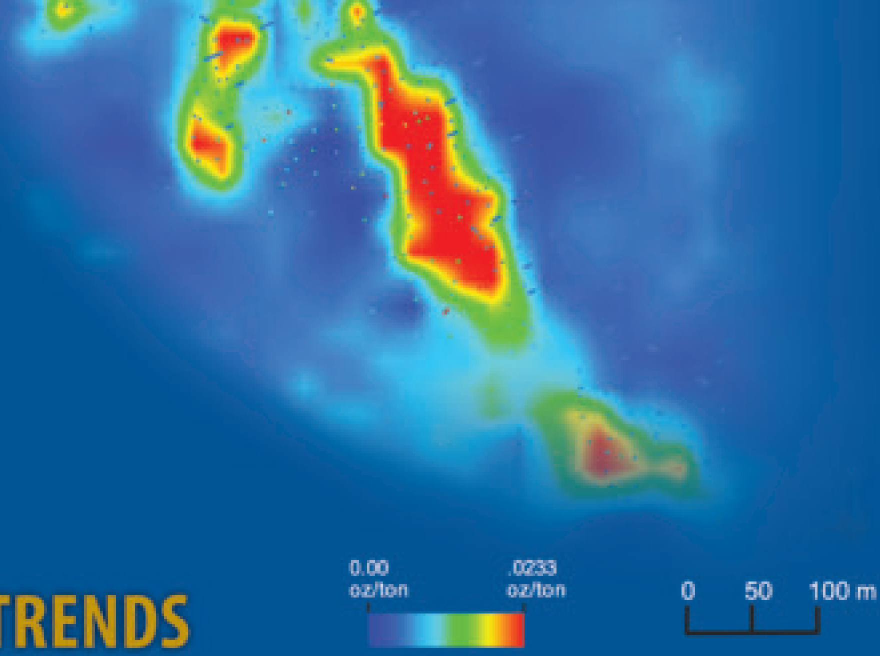
19.79 g/t **GOLD** OVER 7.9 m

In the western portion of our claim package, the Company has acquired the Sutton and Cunningham claims. These claims bracket a splay of the Cadillac-Larder Lake Break, which has been explored only by shallow drilling. The Company began its own drilling on the Cunningham claims and intersected 19.79 g/t gold over 7.9 meters. The Company subsequently consolidated the land holdings to the west of this intercept and plans to systematically drill this underexplored five kilometer structure in 2011.

24 M oz. **GOLD** PRODUCED FROM 7 MINES



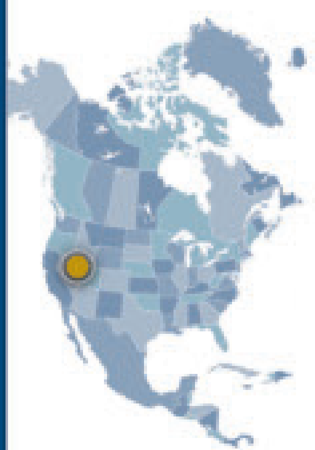
Closer to the main Kirkland Lake Camp, the Company entered into an option agreement with Queenston Mining Inc. on the Goldbanks Property. The Goldbanks Property lies strategically adjacent to the Macassa Gold Mine owned by Kirkland Lake Gold Inc. Interpretation by Queenston has revealed six "Break" structures, including an interpreted projection of the '04 and '05 Breaks, along which 25 million ounces of gold has been produced from seven mines. Limited drilling has been done on the property with results of up to 6.5 g/t Au over 1.8 meters and 26.4 g/t Au over 0.3 meters. West Kirkland plans to conduct 3,000 meters of drilling during 2011 to test for mineralization on the famous '04 and '05 Breaks and to evaluate the potential for the new target style of ramp structures between the two breaks. West Kirkland will be the first company to test the '04 and '05 Breaks to depth on the property.



NEVADA

PROJECTS ON SIGNIFICANT **TRENDS**

NEVADA **USA**

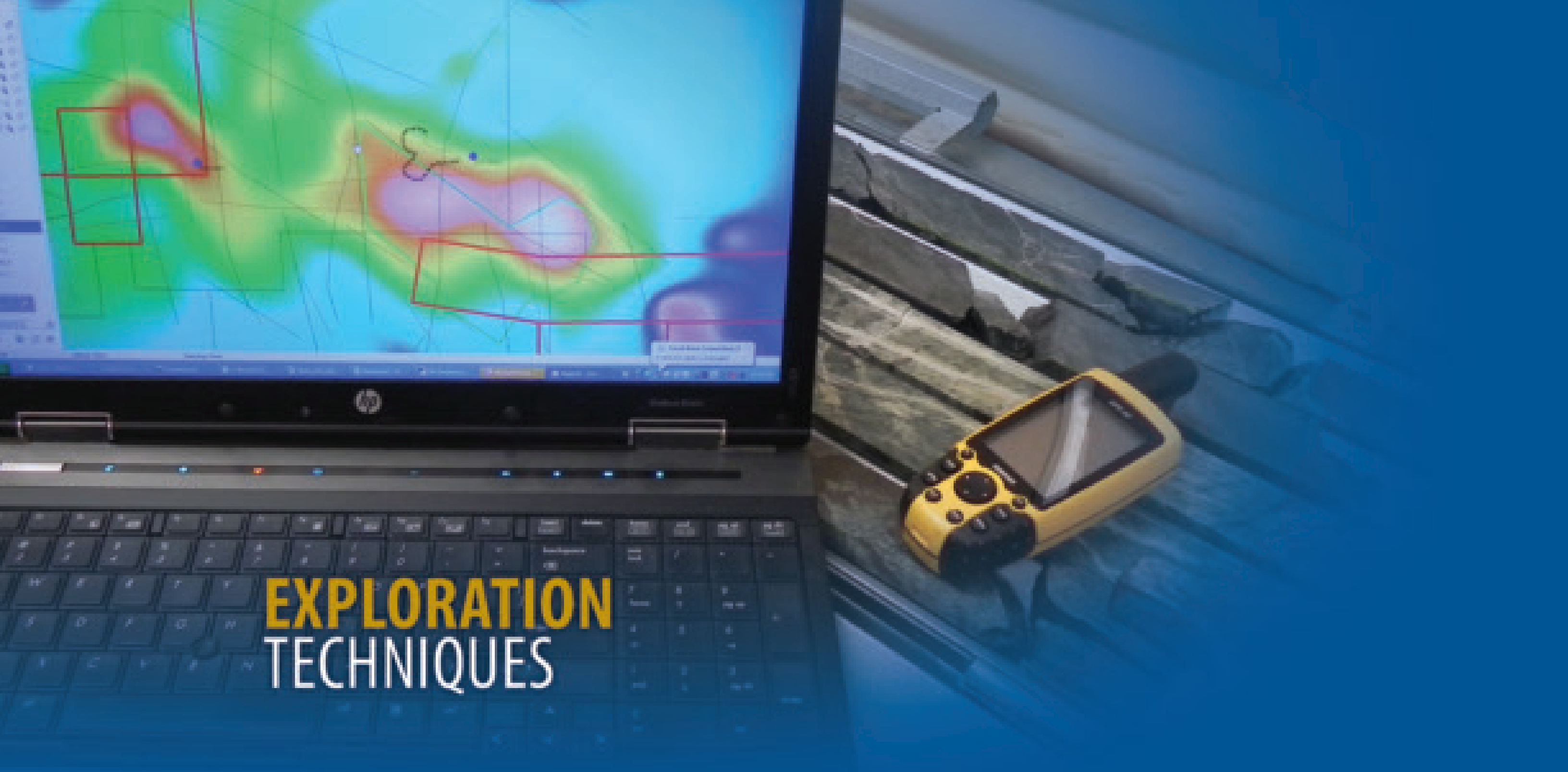


Nevada currently produces approximately 80% of the gold produced in the United States, which was equivalent to approximately 5.6 million ounces in 2009. Recorded production of gold to 2008 totaled approximately 152 million ounces. Most of the gold produced in Nevada comes from large open pit and heap leach operations, although there are underground mining operations as well. In 1961, Newmont Mining discovered large low grade gold deposits near Carlin, Nevada. This discovery lead to a series of major gold mines being discovered in the "Carlin Trend". Discoveries were subsequently made in other parts of northern Nevada, resulting in the development of additional mines and the identification of other gold rich trends, such as Battle Mountain, Getchell and Independence. Recently, Fronteer Gold discovered the Long Canyon deposit in the northeastern part of Nevada.

In December 2010, we struck a deal with Fronteer Gold to acquire up to a 60% interest in eleven of Fronteer's exploration-stage Nevada projects, leaving Fronteer Gold to focus on its advance-stage assets. This proved timely as less than two months later, Newmont Mining made a friendly bid to acquire Fronteer Gold and all of its assets, including those already optioned to West Kirkland. The Fronteer Gold land package holds tremendous potential. Notably, the Bullion Mountain and Antelope Creek properties lie within sight and on trend with producing mines. The KB & TUG properties boast a historic resource and over 400 holes of drilling data. We are very pleased to have such promising opportunities in Nevada and are busy compiling data and preparing for an active 2011 exploration season on these projects.

Through strategic alliances, staking and property deals, West Kirkland now controls highly prospective projects in every one of northeastern Nevada's significant gold trends.

80%
OF **GOLD** PRODUCED IN THE USA IS FROM NEVADA



EXPLORATION TECHNIQUES

As previously outlined, our strategy is quite simple:

FOCUS ON PROLIFIC GOLD **DISTRICTS**	ASSEMBLE LARGE LAND POSITIONS ON **TREND**	ALIGN WITH INSTITUTIONAL **INVESTORS**	CARRY OUT LARGE-SCALE DISCIPLINED **EXPLORATION**

Yet what are the techniques we use to make new discoveries in areas with obvious potential? What have West Kirkland's founders done differently, which has resulted in exploration success?

MILESTONES 2011

Expand the drill campaign in Kirkland Lake with an initial focus on the Cunningham and Goldbanks Projects

Expand our land positions on the major Gold "Breaks" or structures in Ontario and Quebec

Evaluate and rank the 12 Nevada Properties where early stage exploration has already been completed

EXPLORATION TECHNIQUES

WKM WEST KIRKLAND MINING INC.

Here are some techniques we believe are important for WKM:

Compile and integrate all historical data into one geographic information system (GIS) and study it carefully. Though a major component of many modern exploration programs, few companies integrate all data, resulting in a limited understanding of the target.

Think outside of the historical box. It is common to find areas along prolific trends which have been "written off" on a false geological assumption such as their being "across a fault" or "the wrong rock type". We like such areas, especially when they are right on the trend with an existing mine (the West Timmins discovery is a prime example).

Think in 3D, all the time. Orebodies occur in a three-dimensional horizon – 3D, yet so many explorers are challenged to think beyond two dimensions – 2D. By failing to work in 3D all the time, it is very easy to explore a property but miss the target. Our Goldbanks Property is a good example of a highly prospective target developed through the 3D modeling of a new discovery on a neighbouring mine.

Use all the tools – geology, geochemistry, geophysics, modern drilling techniques and the technology to see it all in three dimensions. Technological advances now allow gold exploration and mining to be carried out at depths much deeper than historically explored. In Kirkland Lake and Nevada, the potential for grade at depth under historic low grade surface occurrences is being more widely recognized. To realize this potential, we must use all of the modern tools and techniques at our disposal.

Exposure to Opportunity. Drilling is largely a numbers game: the larger your drill program, the larger your odds of discovery. By conducting a large amount of drilling, we maximize our understanding of the geological controls on our projects, as well as maximize our chance of discovery.

Add geological professionals with experience in Nevada to our technical team

Start the systematic exploration of the large portfolio in Nevada and expand the initial exploration budget of $2.0 million

Continue to grow our investor following for our new Company and increase liquidity in our shares

Ensure that we deliver on our discovery mandate supported by our major shareholders

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements made and information contained herein and the documents incorporated by reference may contain "forward-looking statements" or "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable securities legislation. All statements, other than statements of historical fact are considered forward-looking information. 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 and reflects the current expectations or beliefs of the Company based on information currently available to the Company. 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 the forward-looking information and even if such actual events or results were realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company.

Forward-looking information contained herein is subject to a number of estimates, risks and uncertainties, including, but not limited 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;
- future sources of liquidity, cash flows and their uses;
- the state of the market for gold or other minerals that may be produced generally;
- 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;
- the Company's ability 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 that may cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended, including factors beyond our control. As actual results and future events could differ materially from those anticipated in such forward-looking information, readers should not place undue reliance on any forward-looking information. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by law, the Company undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010

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, 2010 should be read in conjunction with the Company's audited annual consolidated financial statements and related notes thereto for the year ended December 31, 2010.

The Company prepares its financial statements in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). 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 4, 2011

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 March 24, 2010, Anthem entered into an acquisition agreement to complete an amalgamation with West Kirkland Mining Inc. to acquire all of the issued and outstanding shares (5,790,000) of West Kirkland Mining Inc. (the "Qualifying Transaction"). West Kirkland Mining Inc. was a private British Columbia company that acquired a portfolio of mineral exploration properties located in Nevada and Ontario since its incorporation in November 2009. Upon completion of the Qualifying Transaction, West Kirkland Mining Inc. changed its name to WK Mining Corp. ("WK Mining"). These property interests 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".

On May 28, 2010 Anthem completed the Qualifying Transaction and changed its name to West Kirkland Mining Inc. This transaction has been accounted for as a reverse take-over. As a result, the Company's consolidated financial statements and this MD&A reflect the financial position, operating results and cash flows of the legal subsidiary, WK Mining, for its current year to date from January 1, 2010 to December 31, 2010; West Kirkland's results of operations from May 28, 2010 to December 31, 2010 and its United States subsidiary WK Mining (USA) Ltd. from its date of incorporation of June 18, 2010 to December 31, 2010. On May 31, 2010 West Kirkland Mining Inc. (the "Company") began trading as a "Tier 2 Mining Issuer" on the TSX Venture Exchange under the symbol "WKM".

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

Highlights for the year ended December 31, 2010

On May 28, 2010 Anthem Ventures Capital Corp. completed its Qualifying Transaction and changed its name to West Kirkland Mining Inc. As part of the Qualifying Transaction, on May 28, 2010 the Company raised gross proceeds of $6,000,000 by completing a brokered private placement of 12,000,000 common shares at a price of $0.50 per common share.

Subsequent to May 28, 2010 the Company hired a Vice President, Exploration, a Manager for Operations in Ontario and Quebec, a geological consultant to manage operations in Nevada and a qualified corporate administrator. The Company also established an exploration office and field team in Kirkland Lake, Ontario.

On September 3, 2010 the Company completed its first option agreement as a public company by acquiring the right to earn a 100% interest in the 10 km^2 Cunningham property near Kirkland Lake. In November 2010 the Company then drilled an impressive intercept of 19.79 g/t Au over 7.9 meters on the property.

On November 2, 2010 the Company closed a brokered flow-through private placement originally announced on October 6, 2010. The offering consisted of 1,875,000 flow-through shares at a price of $1.20 per share plus a 15% overallotment option granted to the agents, which was exercised, for a total of 2,156,233 flow-through common shares for gross proceeds of $2,587,480. A cash commission of 6% of the gross proceeds of the offering was also paid to the agents, plus reimbursement of costs.

In November 2010 the Company entered into option agreements to acquire strategically important interests within its Kirkland Lake project area for 100% of the mineral rights on the 0.57 km^2 McLean Property, the 2.03 km^2 Sutton Property and the 0.30 km^2 O'Brien Property.

In mid-November 2010, the Company received gross proceeds of $309,431 from the exercise of 412,575 broker's warrants issued in the private placement completed May 28, 2010. Each warrant was exercisable at $0.75 per common share.

On December 14, 2010 the Company entered into an earn-in option agreement with Fronteer Gold Inc. ("Fronteer") for the exploration of eleven Fronteer properties in Northern Nevada and Utah, including properties located within the Carlin, Battle Mountain and Jerritt Canyon gold trends, covering 234 km^2. 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 additional US$4,000,000 over a subsequent two years or completing a pre-feasibility study on any designated property. Under the terms of the option agreement, 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 December 17, 2010 the Company entered into an option agreement on the Goldbanks Property, located immediately adjacent to the Macassa Mine. The Company has the option to acquire a 60% interest by making cash payments of $400,000 ($100,000 paid) and a $200,000 work commitment over a period of 24 months. Interpretation by Queenston Mining Inc. ("Queenston Mining") on the Property has revealed six "Break" structures, including an interpreted extension of the '04 Break-Main Break, which hosted 24 million ounces of past gold production from seven mines on adjacent properties.

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 three months ended December 31, 2010

For the three months ended December 31, 2010, the Company incurred a net loss of $461,229 or $0.02 per share basic and diluted. As the Company was incorporated on November 9, 2009, there is no material comparative information to present. The Company earned interest revenue of $13,217 on cash held in bank accounts. Total expenses for the quarter were $474,446 as the Company continues to focus on the exploration of its mineral interests and corporate development initiatives. In particular, stock - based compensation expense was $23,398 (a non-cash expense) and salary and wages were $84,826. The Company added new personnel during the quarter, thereby increasing salary and wages expense over previous quarters. Professional fees for legal and accounting services amounted to $81,110; management and consulting fees totaled $107,890; shareholder relations expenses were $34,268; rent expense was $27,835; and office and general expense was $52,118. Not included in total expenses for the quarter were deferred mineral property acquisition and exploration costs amounting to $2,067,458. There were no mineral property write-downs or write offs during the quarter.

For the year ended December 31, 2010

For the year ended December 31, 2010, the Company incurred a net loss of $1,336,961 or $0.10 per share basic and diluted. As the Company was incorporated on November 9, 2009, there is no material comparative information to present. The Company earned interest revenue of $22,182 on cash held in bank accounts. Total expenses for the year were $1,359,143 of which $314,364 was the non-cash expense of stock - based compensation expense. Other administrative costs for the twelve month period totaled $1,044,779 during which time the Company completed the Qualifying Transaction and focused on developing its exploration program and corporate initiatives, including the hiring of new personnel. The largest expenditures were incurred in professional fees, which consisted of legal and accounting fees of $245,790; salaries and benefits of $191,652; management and consulting fees of $203,738; and shareholder relation costs of $104,431. Associated with the growth of the Company, rent expense was $85,035 and office and general expense was $95,228. Not included in total expenses for the twelve month period were deferred mineral property acquisition and exploration costs amounting to $2,923,120. There were no mineral property write-downs or write offs during the year.

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 Dec. 31, 2010	Year ended Dec. 31, 2009	Year ended Dec. 31, 2007
Interest Income	$22,182	$Nil	N/A
Net Loss	($1,336,961)	($530)	N/A
Basic and Diluted Loss per Share	($0.10)	($0.00)	N/A
Total Assets	$10,238,592	$60,027	N/A
Long Term Debt	Nil	Nil	N/A
Dividends	Nil	Nil	N/A

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

Quarter Ending	Interest & Other Income	Net Loss (1)	Net Basic Earnings (Loss) per Share
December 31, 2010	$13,217	($461,229)	($0.02)
September 30, 2010	$8,965	($363,451)	($0.02)
June 30, 2010	$Nil	($460,933)	($0.04)
March 31, 2010	$Nil	($51,348)	($0.01)
December 31, 2009	$Nil	($530)	$0.00
September 30, 2009	N/A	N/A	N/A
June 30, 2009	N/A	N/A	N/A
March 31, 2009	N/A	N/A	N/A

Explanatory Notes:
1. Net gains (losses) by quarter are often materially affected by the timing and recognition of large non-cash income, expenses or write-offs. The year ended December 31, 2010 included a non-cash charge for stock based compensation in the amount of $314,364.

2. Exploration Programs and Expenditures

For more detailed information regarding the Company's mineral properties please refer to note 7. "Mineral properties" in the Company's audited annual consolidated financial statements for the year ended December 31, 2010.

Fronteer, Nevada Property Option

On December 14, 2010 the Company entered into an agreement with Fronteer to option eleven 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 additional US$4,000,000 over a subsequent 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.

The complete Fronteer package totals approximately 234 km^2 and covers the majority of the mine hosting trends in north eastern Nevada. By December 31, 2010 the Company had just commenced with the exchange of data and information regarding the properties with Fronteer. At December 31, 2010 the Company had not yet spent any material amount on 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 Fronteer and the Company is to be established so that the exploration of the projects may benefit from the collective knowledge and expertise of both companies.

Subsequent to December 31, 2010 Fronteer agreed to terms whereby 100% of the issued and outstanding shares of Fronteer will be acquired by Newmont Mining Corporation.

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 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 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 on this Break is the focus of exploration.

In 2010 West Kirkland drilled a total of 5,764.7 meters in 20 regional exploration drill holes. Five of these holes were drilled on the Cunningham Property and this drilling combined with historic drilling has identified a potential mineralized break with five kilometers in strike length. The western extension along the Cunningham break was recently acquired and has not been tested with drilling by West Kirkland.

Initial results from the Cunningham Property were announced in the Company's November 18, 2010 news release. Results from an additional four holes have been received and published by the Company. The new results include hole KC1009 which intersected 6.36 g/t Au over 1.8 meters, from 129.4 – 131.2 meters. This hole was drilled directly beneath hole KC1008, which previously intersected 7.61 g/t over 23 meters, from 68.5 – 91.5 meters.

During the year ended December 31, 2010 the Company has acquired by option or staking, seven mineral properties in the Kirkland Lake project area. A total of $535,932 has been spent on acquisition costs and a further $909,364 has been spent on exploration, primarily for diamond drilling. Moving into 2011 the Company is underway with continued exploration and drilling programs in the area and has approved an initial 2011 exploration budget of $2,332,000 for this project area. At the time of writing, drilling is underway at Kirkland Lake on the Cunningham Property.

Goldstorm, Nevada Option

Pursuant to an option agreement with Mexivada (the "Mexivada Agreement") dated December 21, 2009, West Kirkland has an option to earn up to a 75% undivided interest in Mexivada's Goldstorm gold property. The Goldstorm gold property is an exploration stage mineral resource property and is located in the Snowstorm Mountains Mining District in Elko County, Nevada. The property is comprised of 148 unpatented lode mining claims and a lease over certain private lands covering an aggregate area of approximately 4,080 acres (16.51 km^2). Under the terms of the Mexivada Agreement, West Kirkland can 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 has been paid, issuing an aggregate of 450,000 common shares (over a four year period) of which 50,000 common shares have been issued to Mexivada and incurring an aggregate of US$2,900,000 in exploration expenditures (over a four year period).

As of December 31, 2010, the Company has spent $1,168,899 exploring the Goldstorm Property. West Kirkland has also agreed to pay all county, Bureau of Land Management and lease option payments required to hold all of the existing mining claims and leases in good standing. West Kirkland may acquire an additional interest in the Goldstorm property (for a 75% interest in total) by issuing an additional 250,000 shares to Mexivada and incurring further exploration expenditures of US$2,250,000 within 24 months of the date upon which West Kirkland earns the initial 56% interest in the property.

On March 29, 2010 an additional 79 mining claims were staked by Mexivada within the project 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. The complete Goldstorm property is comprised of 235 mineral claims totaling 5,789.31 acres, (23.42 km^2). Staking costs of $37,242 have been paid. On October 14, 2010 a drill program budgeted at approximately $1,000,000 commenced on the Goldstorm 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 metres down hole. The other hole did not return significant results. Further drilling is under planning for the project area.

3. Liquidity and Capital Resources

During the year, the Company issued a total of 18,040,733 common shares in private placements for net cash proceeds of $10,302,189 and 412,575 common shares were issued on the exercise of warrants for further cash proceeds of $309,431. Cash proceeds are primarily spent on mineral property and surface right 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, 2010 the Company had cash on hand of $6,977,283 and net working capital of $6,804,312.

The Company currently has no long term debt or loan obligations. Liabilities consist primarily of trade payables incurred at market rates with third party, arm's length suppliers for goods and services related primarily to the Company's exploration of its mineral rights and for professional legal and accounting services.

Under the terms of several of the Company's mineral property option and purchase agreements, the Company is required to make certain 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 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 3 years	3 to 5 years	<5 Years
Burteby					
For Acquisition	$120,000	$20,000	$100,000	$Nil	$Nil
For Exploration	78,000	Nil	78,000	Nil	Nil
Plumber					
For Exploration	1,993,000	293,000	1,700,000	Nil	Nil
Kenogami					
For Acquisition	85,000	20,000	65,000	Nil	Nil
For Exploration	297,500	Nil	197,500	100,000	Nil
Holmes					
For Acquisition	255,000	50,000	105,000	100,000	Nil
Flavelle					
For Acquisition	255,000	50,000	105,000	100,000	Nil
For Exploration	1,410,000	Nil	Nil	1,410,000	Nil
Island 27					
For Exploration	2,584,000	334,000	2,250,000	Nil	Nil
Cunningham					
For Acquisition	340,000	50,000	120,000	170,000	Nil
For Exploration	400,000	Nil	75,000	325,000	Nil
McLean					
For Acquisition	55,000	6,000	17,000	32,000	Nil
For Exploration	230,000	Nil	230,000	Nil	Nil
Sutton					
For Acquisition	140,000	10,000	40,000	50,000	40,000
O'Brien					
For Acquisition	50,000	6,000	17,000	27,000	Nil
Goldbanks					
For Acquisition	300,000	200,000	100,000	Nil	Nil
For Exploration	200,000	100,000	100,000	Nil	Nil
Goldstorm(1)					
For Acquisition	273,500	78,500	135,000	50,000	10,000
For Exploration	1,783,500	Nil	1,761,000	15,000	7,500
Fronteer(1)(2)					
For Exploration	15,300,000	1,900,000	3,000,000	10,400,000	Nil
Total	**$26,149,500**	**$3,117,500**	**$10,195,500**	**$12,779,000**	**$57,500**

(1) The Goldstorm and Fronteer Property Acquisition and Exploration commitments are payable in US dollars and have been converted using an exchange rate of 1.00.

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

The Company has no other contingencies or commitments for 2011 other than the $352,704 in accounts payable at December 31, 2010.

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

For the year ended December 31, 2010, the Company paid or accrued $39,250 (2009 - $Nil) for day-to-day administration, reception and secretarial services; $49,167 (2009 - $Nil) for accounting services; and $29,253 (2009 - $Nil) in consulting fees for geographical information systems and mapping to Platinum Group Metals Ltd., a company related by virtue of common directors and officers (R. Michael Jones, Frank Hallam and Eric H. Carlson). All of these amounts were charged at fair market rates.

For the year ended December 31, 2010, the Company paid or accrued $79,021 (2009 - $Nil) for rent to Anthem Properties Group Ltd. and Anthem Works Ltd. respectively, companies related by virtue of a common director (Eric H. Carlson). The rental rate was established at a fair market rate.

For the year ended December 31, 2010, the Company paid or accrued $4,084 (2009 - $Nil) for management and consulting fees to R. Michael Jones, a director and officer of the Company.

For the year ended December 31, 2010, the Company accrued $95,500 (2009 - $Nil) in directors' fees which is included in management and consulting fees. This amount was paid subsequent to December 31, 2010.

Of the related party amounts described above, included in accounts payable and accrued liabilities at December 31, 2010 is $65,269. (2009 - $Nil)

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.

6. Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian GAAP 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) future income tax provision (iv) stock 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 Canadian GAAP, 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 future income 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 records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

The Company adopted CICA Handbook Section 3870 – *Stock-Based Compensation and other Stock-Based Payments*, which requires the fair value method of accounting for stock options. Under this method, the Company estimates the fair value of stock based compensation using an option-pricing model based on certain assumptions.

7. 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 year ended December 31, 2010.

Recent accounting pronouncements

(a) Business Combinations

CICA Handbook Section 1582, *Business Combinations* ("Section 1582") Section 1582 applies prospectively to business combinations for which the acquisition date is on or after January 1, 2011, with early adoption permitted. This section changes the accounting basis for business combinations to an "entity" basis from the parent company perspective previously applied under Canadian GAAP. The Company did not early adopt this standard but does not anticipate any changes on implementation. This standard aligns Canadian GAAP and IFRS.

CICA Handbook Section 1601, *Consolidated Financial Statements* ("Section 1601") and Section 1602, *Non-Controlling Interest* ("Section 1602") CICA Sections 1601 and 1602 replace CICA Section 1600, *Consolidated Financial Statements*, and applies to fiscal years beginning on or after January 1, 2011, with early adoption permitted. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company did not early adopt these standards but does not anticipate any changes to its statements when implemented. This standard aligns Canadian GAAP and IFRS.

CICA handbook Section 1625 has been amended as a result of issuing Sections 1582, 1601 and 1602. These amendments are effective for the Company for its interim and annual financial statements beginning after January 1, 2011. The Company does not anticipate any changes to the financial statements when implemented.

(b) International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") will require all public companies to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will adopt IFRS as the basis for preparing its consolidated financial statements effective January 1, 2011. The adoption date of January 1, 2011 will require the restatement for comparative purposes of all quarterly results reported by the Company for the year ended December 31, 2010 as well as an opening IFRS balance sheet as of January 1, 2010.

Management anticipates completing its reporting conversion to IFRS on a timely basis under the following convergence plan.

<u>Company's Convergence Plan</u>

The conversion to IFRS is being led by the Company's Chief Financial Officer, along with other members of the finance group.

The conversion project is being executed in accordance with the following four phases:
1. Review and Assessment
2. Planning and Design
3. Implementation
4. Post Implementation Review

The Company's main objective in the selection of IFRS policies and transition elections is to become IFRS compliant while ensuring it provides meaningful and transparent information to stakeholders. Management will continue to monitor current IFRS developments as multiple changes are expected to come into effect as the Company transitions to IFRS.

Phase 1: Review and Assessment

In this phase, management has conducted a detailed review of all relevant IFRS standards to identify differences with the Company's current accounting policies and practices, give separate consideration of one-time accounting policy alternatives to be addressed at the changeover date (IFRS 1 considerations), and address those accounting policy choices that will be applied on an ongoing basis in periods subsequent to the changeover to IFRS.

The most significant potential impact of accounting policy differences on the Company's consolidated financial statements relates to the accounting for deferred exploration costs and mineral rights. The Company is in the exploration stage and under Canadian GAAP currently capitalizes all costs related to the acquisition and exploration of its mining rights.

IFRS 6, *Exploration for and Evaluation of Mineral Resources*, prescribes the financial reporting for the exploration for and evaluation of mineral resources. IFRS 6 does not require or prohibit any specific accounting policies for the recognition and measurement of exploration and evaluation assets. A policy choice is therefore required under IFRS dictating whether the Company continues to capitalize costs related to the acquisition and exploration of its mining rights, or elects to expense them as incurred. The Company will elect to continue to capitalize exploration and evaluation expenditures. However, all pre-exploration costs capitalized under Canadian GAAP, will be expensed as incurred under IFRS. Pre-exploration expenditures are expenditures made before the Company had the legal right to explore the applicable property.

In addition IFRS does not contain explicit guidance pertaining to flow through share offerings. The Company expects to adopt a policy whereby the premium paid for flow through shares, if any, will be recorded as a liability and recognized in income at the time the qualifying expenditures are made. Under Canadian GAAP this premium is recorded as a component of share capital.

Management has also assessed the impact of IFRS adoption on the Company's internal controls over financial reporting, disclosure controls and procedures, information technology and data systems. The Company does not anticipate that the conversion to IFRS will have a significant impact on its accounting processes and internal controls (including information technology and data systems).

The Company does not expect the conversion to IFRS to have a significant impact on its risk management or other business activities. Currently, there are no matters that would be influenced by GAAP measures, such as debt covenants, capital requirements and compensation arrangements that would be impacted by the transition to IFRS.

Phase 2: Planning and Design

In the fall of 2010, the Company completed a detailed assessment and design phase which included the identification, evaluation and selection of accounting policies under IFRS. This included an assessment of elections under IFRS 1, *First-Time Adoption of IFRS*; the identification of any business impacts resulting from the identified accounting differences; training analysis and information system analysis.

The following areas were identified in Phase 1 as having the greatest potential impact to the Company's reported financial position and results of operations:

1. IFRS 1 – *First-time Adoption of IFRS*

IFRS 1 provides a framework for the first time adoption of IFRS and outlines that, in general, a company must apply all the principles under IFRS retrospectively and recognized directly in retained earnings. IFRS 1 does however provide a number of mandatory exceptions which prohibit retrospective application of IFRS. We will be in compliance with all the mandatory exceptions and anticipate electing the following optional exemption at the date of transition:

- Share based transactions – the share based compensation exemption allows the Company to value equity instruments granted after November 7, 2002 but before the transition date at January 1, 2010, at the same value as determined under Canadian GAAP.

2. Exploration and development expenditures and property, plant and equipment

The Company currently is in the exploration stage with respect to its activities and accordingly follows the practice of capitalizing all costs relating to the acquisition, exploration and development of its mining rights. Under IFRS 6, *Exploration for and Evaluation of Mineral Resources* and IAS 16, *Property, Plant and Equipment*, the Company's mineral properties will be required to be grouped into three groups:

- Pre-exploration;
- Exploration and evaluation; and
- Development expenditures.

a) Exploration and development expenditures

Under IFRS 6, *Exploration for and Evaluation of Mineral Resources*, pre-exploration costs in areas where a legal right to explore has not been obtained are expensed as incurred with the exception that certain costs incurred to acquire the legal right to explore, such as lease acquisition costs, can be capitalized. All previously capitalized expenditures under Canadian GAAP now classified as 'pre-exploration' expenditures are expensed to retained earnings when incurred under IFRS.

All expenditures incurred between the time when the Company obtains the legal right to explore, but before the Company obtains the technical feasibility and commercial viability of extracting the mineral resources will be classified as exploration and evaluation expenditures. These costs will continue to be capitalized under IFRS.

b) Property, plant and equipment

Once the technical feasibility and commercial viability of a property has been established, development expenditures meeting the definition of a property, plant and equipment or intangible assets under other IFRS standards will be capitalized as appropriate. Under IFRS, IAS 16, *Property, Plant and Equipment*, each part of an item of property, plant and equipment with a cost that is significant in relation to the total costs of the item is depreciated separately.

Phase 3: Implementation

In this phase, management has implemented the changes to affect accounting policies and practices, business processes, systems and internal controls. The changes have been tested prior to the formal reporting requirements under IFRS to ensure all significant differences are properly addressed in time for the changeover.

During this phase, management prepared the 2010 opening balance sheet and determined there were no material differences between Canadian GAAP and IFRS. The only difference noted was a reclassification of the amount in 'contributed surplus' (under Canadian GAAP) to 'equity settled employee benefit reserve' (under IFRS). The target will be to prepare the December 2010 IFRS financial statements shortly after completion of the fiscal 2010 audit. Draft opening balance sheets at the transition date, and interim 2010 financial statements were prepared during the fourth quarter of 2010, allowing management adequate time to comply with reporting under IFRS in the first quarter of 2011.

Phase 4: Post Implementation

A post implementation review will be performed early in 2011 to ensure full compliance with IFRS.

8. Financial Instruments and Other Instruments

The Company has designated its cash as held-for-trading, and it is measured at fair value, with changes in fair value being recorded in net loss. 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. Accounts payable and accrued liabilities are classified as other financial liabilities and are recorded at amortized cost. The Company had no available for sale financial instruments during the period from January 1, 2010 to December 31, 2010. 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.

9. 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.

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

The Company's business is subject to exploration and development risks

All of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. At this stage, favorable results, estimates and studies are subject to a number of risks, including, but not limited to:

- the limited amount of drilling and testing completed to date;
- the preliminary nature of any operating and capital cost estimates;
- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the likelihood of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

There is no certainty that the expenditures to be made by us or by our joint venture partners in the exploration of the properties described herein will result in discoveries of precious metals in commercial quantities or that any of our properties will be developed. Most exploration projects do not result in the discovery of precious metals and no assurance can be given that any particular level of recovery of precious metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of precious metals ultimately discovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Financing risks

The Company has no revenue producing mineral properties and is therefore limited to the cash and cash equivalents on hand in funding the acquisition and exploration of mineral properties unless it raises additional capital. While the Company has been successful in the past at raising funds through equity financings there is no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further development of its properties.

Economic and Political instability may affect the Company's business

Since mid-calendar 2008 until early 2009 there had been a negative trend with regard to the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Markets have shown an improving trend since that time, but macro-economic events could still negatively affect the mining and minerals sectors in general. The Company will consider its business plans and options carefully going forward in 2011 and beyond. Based on current and expected metal prices and cost structures, management has determined that the values of the Company's mineral properties have not been impaired at this time.

The Company is subject to risk of fluctuations in the relative values of the Canadian Dollar as compared to the U.S. Dollar

The Company may be adversely affected by foreign currency fluctuations. The Company is primarily funded through equity investments into the Company denominated in Canadian Dollars. In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in Canadian and U.S. Dollars. The Company also has cash and certain liabilities denominated in U.S. Dollars. One of the Company's options to acquire properties or surface rights in the United States may result in payments by the Company denominated in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in the United States will also be denominated in U.S. Dollars. Fluctuations in the exchange rates between the Canadian Dollar and the U.S. Dollar may have an adverse or positive effect on the Company.

The Company's properties are subject to title risks

The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties. In addition, the Company's properties may be subject to aboriginal or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral properties in which the Company has an interest.

The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation.

Environmental risk

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental legislation in Canada or the United States will not adversely affect the Company's operations. Environmental risks may exist on properties in which the Company holds interests which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and United States national and provincial laws and regulations governing protection of the environment. Such laws are continually changing, and in general are becoming more restrictive.

The mineral exploration industry is extremely competitive

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

Metal prices affect the success of the Company's business

Metal prices have historically been subject to significant price fluctuation. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increases or decreases in production due to improved mining and production methods. Significant reductions or volatility in metal prices may have an adverse effect on the Company's business, including the economic attractiveness of the Company's projects, the Company's ability to obtain financing and, if the Company's projects enter the production phase, the amount of the Company's revenue or profit or loss.

10. 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 audited 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 GAAP.

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.

11. 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 audited annual consolidated financial statements for the twelve months ended December 31, 2010.

12. Outstanding Share Data

The Company has an unlimited number of common shares authorized for issuance without par value. At December 31, 2010 there were 25,623,308 common shares outstanding, 1,822,500 incentive stock options outstanding and 401,425 common share purchase warrants outstanding and at April 4, 2011 there were 25,624,916 common shares outstanding, 1,922,500 incentive stock options outstanding and 399,817 common share purchase warrants outstanding. During the year ending December 31, 2010, 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. The remaining 4,590,000 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.

13. Investor Relations

On July 12, 2010, the Company retained Sequoia Partners Inc. ("Sequoia") to provide investor relations and consulting services. Sequoia was paid a monthly retainer of $3,750 for the first four months which was increased to $5,000 a month for the remaining eight months of an initial 12-month term. These terms are renewable for a 12-month period upon mutual agreement. The contract can be terminated by either party by giving one month's written notice. The Company has issued, as compensation to Sequoia, an option to purchase 200,000 common shares pursuant to the Company's incentive stock option plan. The options have an exercise price of $0.78 and vest over a period of 12 months and will expire July 12, 2012.

In September, 2010 the Company hired an employee to head up its investor and media relations and will work with Sequoia Partners to actively seek to raise the Company's profile with both retail and institutional investors.

14. Outlook

The Company commenced drilling in Nevada at its Goldstorm Property and in Ontario at some of its Kirkland Lake properties in the fall of 2010. These first programs were completed in mid-December 2010. Drilling on the Company's Kirkland Lake Properties recommenced in January 2011. At the time of writing the Company currently has one drill working on the Cunningham Property and one drill working on the Goldbanks Property and is in negotiations to add additional drills to these programs. Drilling in Nevada will restart in the spring of 2011 as winter conditions in Nevada do not allow for cost effective exploration campaigns. The Company is in the process of gathering and compiling relevant property information from Fronteer with regard to the Nevada properties recently optioned from Fronteer. Field work on accessable portions of these properties has begun and further work is planned for spring 2011. The Company is currently looking to expand its mineral holdings in both Kirkland Lake and Nevada.

At April 4, 2011, the Company's cash position was approximately $5.9 million and $4.5 million had been initially budgeted for exploration programs in Ontario and Nevada during 2011. The Company also plans to use its available funds on further acquisition of mineral properties and general expenses.

15. Subsequent Events

There are no material subsequent events to report. Subsequent events of a non-material nature may be disclosed elsewhere within this document.

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 H. Carlson
Pierre Lebel
John S. Brock

Officers:

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

AUDITORS' **REPORT**

To the Shareholders of West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.):

We have audited the accompanying consolidated financial statements of West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.) (the "Company"), which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the year ended December 31, 2010 and the period November 9, 2009 to December 31, 2009, 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 Canadian generally accepted accounting principles, 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 the Company as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the year ended December 31, 2010 and the period November 9, 2009 to December 31, 2009 in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company incurred a net loss of $1.3 million during the year ended December 31, 2010 and is ultimately dependent on its ability to obtain the necessary financing to explore and develop its mineral interests. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Deloitte & Touche LLP

Chartered Accountants
Vancouver, British Columbia
April 4, 2011

Consolidated Balance Sheets

for the Year Ended December 31, 2010 and the period from November 9, 2009 to December 31, 2009 (Expressed in Canadian dollars)

	December 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash	**$4,767,404**	$31,009
Restricted cash (Note 4)	**2,209,879**	-
Accounts receivable and prepaid expenses	**179,733**	188
	7,157,016	31,197
Reclamation bond (Note 5)	**16,776**	-
Property and equipment (Note 6)	**112,850**	-
Mineral properties (Note 7)	**2,951,950**	28,830
	$10,238,592	$60,027
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$352,704**	$3,057
	352,704	3,057
Shareholders' equity:		
Share capital (Note 8(b))	**10,807,339**	57,500
Warrants (Note 8(c))	**9,617**	-
Contributed surplus (Note 8(d))	**406,423**	-
Deficit	**(1,337,491)**	(530)
	9,885,888	56,970
	$10,238,592	$60,027

Continuing operations (Note 1)
Commitments and contingencies (Note 14)
Subsequent events (Note 16)
The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:

R. Michael Jones
Director

Eric Carlson
Director

Consolidated Statements of Loss and Comprehensive Loss

for the Year Ended December 31, 2010 and the period from November 9, 2009 to December 31, 2009 (Note 1) (Expressed in Canadian dollars)

	Year ended December 31, 2010	November 9, 2009 to December 31, 2009
Revenues		
Interest income	**$22,182**	$ -
Expenses		
Stock-based compensation expense	**314,364**	-
Professional fees	**245,790**	530
Salaries and benefits	**191,652**	-
Management and consulting fees	**203,738**	-
Shareholder relations	**104,431**	-
Office and general expense	**95,228**	-
Rent	**85,035**	-
Administration fees	**39,250**	-
Travel	**35,766**	-
Property investigation costs	**17,438**	-
Filing and transfer agent fees	**16,361**	-
Foreign exchange loss	**10,090**	-
	1,359,143	530
Net loss and comprehensive loss for the year	**$(1,336,961)**	$ (530)
Basic and diluted loss per Common share (Note 8(f))	**$ (0.10)**	$ (0.00)
Weighted average number of common shares outstanding:		
Basic and diluted	**13,813,206**	5,790,000

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

Consolidated Shareholders' Equity

As at and for the year ended December 31, 2010 (Expressed in Canadian dollars)

	Share Capital		Warrants	Contributed Surplus	Deficit	Total
	Number	Amount				
Opening balance		$ -	$ -	$ -	$ -	$ -
Issued on inception	2,000,000	2,000	-	-	-	2,000
Private placement	1,110,000	55,500	-	-	-	55,500
Net loss for the year		-	-	-	(530)	(530)
Balance, December 31, 2009	3,110,000	57,500	-	-	(530)	56,970
Private placements	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 stock options (Note 3)	-	(75,330)	-	75,330	-	-
Private placements (Note 8(b))	15,056,233	9,659,177	3,302	-	-	9,662,479
Isued as agent's commission	304,500	152,250	-	-	-	152,250
Share issue costs	-	(686,138)	14,957	-	-	(671,181)
Mineral properties – option payments (Note 7)	350,000	175,000	-	-	-	175,000
Issued upon exercise of warrants	412,575	318,074	(8,642)			309,432
Stock-based compensation	-	-	-	331,093	-	331,093
Net loss for the year	-	-	-	-	(1,336,961)	(1,336,961)
Balance, December 31, 2010	**25,623,308**	**$10,807,339**	**$ 9,617**	**406,423**	**$ (1,337,491)**	**$9,885,888**

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

Consolidated Statements of Cash Flows

For the year ended December 31, 2010 and the period from November 9 to December 31, 2009 (Note 1) (Expressed in Canadian dollars)

	Year ended December 31, 2010	November 9, 2009 to December 31, 2009
Cash flows provided by (used in):		
Operating activities		
Net loss	**$(1,336,961)**	$(530)
Stock-based compensation (an item not involving cash)	**314,364**	-
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	**(179,545)**	(188)
Accounts payable and accrued liabilities	**198,919**	557
	(1,003,223)	(161)
Investing activities		
Mineral properties (Note 7)	**(2,568,917)**	(28,830)
Advance for future exploration expenditures (Note 4)	**(2,209,879)**	-
Property and equipment (Note 6)	**(124,596)**	-
Reclamation bond (Note 5)	**(16,776)**	-
	(4,920,168)	(28,830)
Financing activities		
Issuance of share capital, net of share issue costs	**10,659,786**	57,500
Advance from shareholders	-	2,500
	10,659,786	60,000
Net cash inflow	**4,736,395**	31,009
Cash, beginning of year	**31,009**	-
Cash, end of year	**$4,767,404**	$31,009

Supplemental cash flow information (Note 15)
The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

1. Continuing 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 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 take-over that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, operating results and cash flows of the Company's legal subsidiary, WK Mining. WK Mining was incorporated on November 9, 2009 and the comparative figures represent the financial position as at December 31, 2009 and the results of operations and cash flows of WK Mining for the period November 9 to December 31, 2009.

The Company is an exploration company working on mineral properties it has staked or acquired by way of option agreement, principally in Ontario, Canada and Nevada, USA. 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 generally accepted accounting principles 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 a net loss of $1.3 million for the year ended December 31, 2010 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. If the going concern assumption was not appropriate, the financial statements would require revision and restatement on a liquidation basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the following significant policies outlined below.

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries WK Mining (Note 3) and WK Mining (USA) Ltd. All intercompany transactions and balances have been eliminated.

(b) Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and expenditures during the reported year. Significant estimates used in preparation of these financial statements include estimates of the net realizable value of mineral properties, deferred exploration costs, stock-based compensation expense, income taxes, and asset retirement obligations. Actual results may differ from those estimated.

2. Summary of significant accounting policies (continued)

(c) Asset retirement obligations

The Company records the present value of asset retirement obligations including reclamation costs when the obligation is incurred and it is recorded as a liability with a corresponding increase in the carrying value of the related mining assets. The carrying value is amortized over the life of the related mining asset on a units-of-production basis commencing with initial commercialization of the asset. The liability is accreted to the actual liability on settlement through charges each year in the statement of loss and comprehensive loss.

(d) Financial instruments

The Company follows the Canadian Institute of Chartered Accountants ("CICA") Section 3855, *Financial Instruments - Recognition and Measurement,* to account for its financial assets, liabilities and equity instruments. The Company has designated its cash as held-for-trading, and it is measured at fair value, with changes in fair value being recorded in net loss. Accounts receivable is classified as loans and receivables and is measured at amortized cost. Reclamation bonds are classified as held to maturity and is measured at amortized cost, adjusted for current exchange rates. Accounts payable and accrued liabilities are classified as other financial liabilities and are recorded at amortized cost. The Company had no available for sale financial instruments for the year ended December 31, 2010.

The Company follows CICA Handbook Section 3862, *Financial Instruments - Disclosures*; Section 3863, *Financial Instruments - Presentation*; and Section 1535, *Capital Disclosures*.

CICA Section 3862, *Financial Instruments - Disclosures*, describes the disclosures related to the significance of financial instruments on the entity's financial position and performance and the nature and extent of risks arising for financial instruments to which the entity is exposed and how the entity manages those risks. CICA Section 3862 was amended in June 2009 to require disclosure about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

This amendment is effective for fiscal years ending after September 30, 2009. The only financial asset measured at fair value is cash which is classified as Level 1.

(e) Cash

Cash consists of cash held in bank accounts.

(f) Flow-through common shares

The Company has financed a portion of its exploration expenditures through the issuance of flow-through common shares. Under the terms of the flow-through common share agreements, the tax attributes of the related expenditures are renounced by the Company and transferred to the subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers. The Company recognizes the foregone tax benefit at the time of the renouncement, provided there is reasonable assurance that the expenditures will be incurred.

2. Summary of significant accounting policies (continued)

(g) *Property and equipment*

Property and equipment is carried at cost less accumulated depreciation. Amortization is determined at rates which will reduce the original cost to estimated residual value over the useful life of each asset. The annual rates used to calculate depreciation is as follows:

Asset	Basis	Rate
Bridge	Declining balance	10%
Field equipment	Declining balance	30%
Leasehold improvements	Straight-line	20%
Vehicles	Declining balance	30%

In the year of acquisition depreciation is recorded at one-half the normal rate. Depreciation of assets used in the exploration of the mineral properties is capitalized.

(h) *Mineral rights and deferred exploration costs*

The Company is in the exploration stage with respect to its activities and accordingly follows the practice of capitalizing all costs relating to the acquisition, exploration and development of its mining rights and crediting all revenues received against the cost of the related interests. At such time as commercial production commences, these costs will be charged to operations on a units-of-production method based on proven and probable reserves. The carrying values related to abandoned interests are charged to operations at the time of any abandonment or in the case that they are determined to be impaired as discussed below.

Mineral rights include costs to acquire options to acquire interests in unproven mineral properties.

Management reviews the carrying value of mineral rights at least quarterly for evidence of impairment. This review is generally made with reference to the timing of exploration work, work programs proposed, exploration results achieved by the Company and by others in the related area of interest, and an assessment of the likely results to be achieved from performance of further exploration. When the results of this review indicate that a condition of impairment exists, the Company estimates the net recoverable amount of mining rights by reference to the potential for success of further exploration activity and/or the likely proceeds to be received from sale or assignment of the rights. When the carrying values of mining rights are estimated to exceed their net recoverable amounts, a provision is made for the decline in value.

(i) *Income taxes*

Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of substantive enactment.

(j) *Foreign currency translation*

Foreign denominated monetary assets and liabilities of Canadian operations and integrated foreign operations are translated into Canadian dollars at rates of exchange in effect at the end of the year, and revenues and expenses (other than depreciation, depletion and amortization) at average rates of exchange during the year. Non-monetary assets and liabilities are translated using historical rates of exchange. Exchange gains and losses arising on translation are included in the statement of loss in the year in which they occur.

2. Summary of significant accounting policies (continued)

(k) Stock-based compensation

The fair value of all stock-based compensation and other stock-based payments are estimated using the Black-Scholes option valuation model and are recorded in the statement of loss and comprehensive loss over their vesting periods. The contributed surplus balance is reduced as the options are exercised and the amount initially recorded is transferred to share capital.

(l) Recent accounting pronouncements

(i) Business combinations

In January 2009, the CICA issued Section 1582, *Business Combinations,* Section 1601, *Consolidations*, and Section 1602, *Non-controlling Interest.* These new standards are harmonized with International Financial Reporting Standards ("IFRS"). Section 1582 specifies a number of changes, including: an expanded definition of a business, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. The new standards will become effective in 2011 but early adoption is permitted.

(ii) Convergence with International Financial Reporting Standards

In February 2008, the Accounting Standards Board confirmed that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant information on a comparative basis, as well as reconciliations for that quarter and as at the January 1, 2010 transition date. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure.

3. Acquisition of WK Mining Corp.

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

The transaction was recorded as a reverse take-over that does not constitute a business combination as the shareholders of WK Mining acquired control of the assets of the Company. As a result, these consolidated financial statements reflect the financial position, operating results and cash flows of the legal subsidiary, WK Mining as at and for the year ended December 31, 2010. 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 is 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 the 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

3. Acquisition of WK Mining Corp. (continued)

Certain stock 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 stock options was estimated using the Black-Scholes pricing model with the following assumptions:

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, 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. Restricted Cash

The Company has $2,209,879 in restricted cash which needs to be spent on eligible Canadian exploration expenditures in connection with the flow-through financing completed on November 2, 2010 (Note 8(b)).

5. Reclamation bond

The Company's US subsidiary, WK Mining (USA) Ltd., has a reclamation bond amounting to $16,776 (US$16,867) as required by the Bureau of Land Management 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 Bureau of Land Management reclaiming the disturbance in the event that 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 Bureau of Land Management.

6. Property and equipment

The Company acquired the following assets in the year ended December 31, 2010:

	Cost	Accumulated Depreciation	Net Book Value
As at December 31, 2010			
Bridge	$ 53,460	$ 1,337	$ 52,123
Field equipment	57,036	8,555	48,481
Leasehold improvements	5,226	523	4,703
Vehicles	8,874	1,331	7,543
	$ 124,596	**$ 11,746**	**$ 112,850**

During the year ended December 31, 2010, the Company capitalized depreciation of $11,746 (2009 – $Nil) to deferred exploration costs included in the mineral properties.

7. Mineral properties

	CANADA	UNITED STATES		
	Kirkland Lake	Goldstorm	Fronteer	Total
Acquisition costs of mineral rights				
Balance, November 9, 2009	$ -	$ -	$ -	$ -
Incurred during the period:	18,230	10,600	-	28,830
Balance, December 31, 2009	18,230	10,600	-	28,830
Incurred during the year:	535,932	256,212	52,713	844,857
Balance, December 31, 2010	554,162	266,812	52,713	873,687
Deferred exploration costs				
Balance, January 1, 2010	-	-	-	-
Incurred during the year:				
Administration	14,443	9,508	-	23,951
Consulting	97,944	99,558	-	197,502
Drilling	553,484	873,523	-	1,427,007
Equipment/fuel/parts	14,952	3,761	-	18,713
Field and camp	12,533	25,004	-	37,537
Freight/transportation	2,714	1,259	-	3,973
Geochemical and geophysical	46,682	174	-	46,856
Geological supplies	3,900	1,312	-	5,212
Gov't fees, licenses, maps	1,057	58,876	-	59,933
Salaries & wages	116,609	72,833	-	189,442
Travel and accommodaton	20,366	11,505	-	31,871
Vehicle and fuel	24,680	11,586	-	36,266
Balance, December 31, 2010	909,364	1,168,899	-	2,078,263
Balance, December 31, 2010	**$ 1,463,526**	**$ 1,435,711**	**$ 52,713**	**$ 2,951,950**

(a) Kirkland Lake – Ontario, Canada

(i) Cairo Property

During November and December 2009, the Company incurred $3,230 to stake three claim blocks comprised of 34 units (approximately 5.4 km^2) in the Alma and Cairo Townships west of Kirkland Lake, Ontario, Canada. In 2010, the Company capitalized $12,535 in acquisition and exploration costs to the property.

(ii) 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 km^2) in the Burt and Eby Townships west of Kirkland Lake. As consideration for the option, the Company paid $10,000 upon signing and is required to make additional payments totaling $140,000 over a 48 month period from signing and a work commitment of $200,000 over 36 months from signing. The vendors retain a 1.5% net smelter return royalty on the property, of which the Company may purchase two thirds (1.0%) for $750,000. In 2010, the Company paid a second option payment of $20,000 and capitalized $122,012 in exploration costs to the property.

(iii) Cunningham

On September 3, 2010 the Company entered into an option agreement where the Company may acquire a 100% interest in the mineral claims and mineral rights to patent parcels and licenses of occupation totaling approximately 10 km^2 in the Holmes and Flavelle Townships west of Kirkland Lake. Consideration for the mineral rights totals $320,000 in cash and $600,000 in expenditures over 60 months. The agreement includes an option for West Kirkland to acquire the surface rights to the patent parcels by making additional annual payments of $10,000. The vendor retains a 1% net smelter return royalty purchasable at any time up to commercial production for $1,000,000. In 2010, the Company made a cash payment of $40,000 and capitalized $200,048 in exploration costs to the property.

7. Mineral properties (continued)

(iv) 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 km^2) near Kenogami Lake west of Kirkland Lake. As consideration for the option, the Company paid $5,000 upon signing and is required to make additional payments totaling $95,000 over a 48 month period from signing and a work commitment of $400,000 over 48 months from signing. The vendor retains a 2.0% net smelter return royalty on the property with no fixed repurchase terms. In December 2010, the Company paid a second option payment of $10,000. Also in 2010, the Company incurred additional acquisition costs of $2,350 and capitalized $32,497 in exploration costs to the property.

(v) 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 km^2) near Larder Lake west of Kirkland Lake. As consideration for the option, the Company paid $15,000 in January 2010 and is required to make further payments totaling $285,000 in cash or stock of the Company, at the discretion of the Company, over a 60 month period from signing and a work commitment of $1,500,000 over 60 months from signing. In addition, the Company paid a second option payment of $30,000 in December 2010 and capitalized $89,684 in exploration costs for 2010.

(vi) 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 km^2) near Larder Lake west of Kirkland Lake. As consideration for the option, the Company paid $15,000 in January 2010 and is required to make further payments totaling $285,000 in cash or stock of the Company, at the discretion of the Company, over a 60 month period from signing. 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 addition, the Company paid a second option payment of $30,000 in December 2010, $375 in acquisition costs and capitalized $30,214 in exploration costs for 2010.

(vii) Island 27

On April 7, 2010 the Company entered into an option agreement, as later amended on March 31, 2011, whereby the Company may acquire a 70% interest in the Island 27 property covering 107 units (approximately 17.15 km^2) near Kenogami Lake southwest of Kirkland Lake. As consideration for the option, 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. The Company will also issue an additional 300,000 common shares of the Company within 36 months from signing, and has a work commitment of $3,000,000 over 36 months from signing, of which $750,000 must be completed by October 7, 2011. The vendor retains a 2.0% net smelter return royalty on the property with no fixed purchase terms. In addition, $415,607 in exploration costs was capitalized in 2010.

(viii) Plumber

On April 7, 2010 the Company entered into an option agreement, as later amended on March 31, 2011, whereby the Company may acquire a 70% interest in the Plumber property covering 15 units (approximately 2.40 km^2) near Matachewan town southwest of Kirkland Lake. As consideration for the option, 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. In addition, there is a work commitment of $2,000,000 over 36 months from the date of signing, of which $300,000 must be completed by October 7, 2011. Exploration costs of $6,972 were capitalized in 2010.

(ix) Sutton

On November 16, 2010 the Company entered into an option agreement whereby the Company may acquire a 100% interest in the Sutton property which is 2.03 km^2 in size and located in the Holmes Township west of Kirkland Lake. Consideration for the option consists of $148,000 in cash payments ($8,000 paid) over 6 years, and a work program of $220,000 within 36 months. The vendor retains a 2% net smelter royalty, the Company has the right to purchase 1.5% of the royalty for $500,000 prior to the commencement of commercial production.

7. Mineral properties (continued)

(x) McLean

On November 16, 2010 the Company entered into an option agreement to acquire 100% of the mineral rights on the 0.57 km^2 McLean property located in the Holmes Township west of Kirkland Lake. The Company has the option to acquire 100% of the Mineral Rights of the property by making cash payments totaling $55,000 ($5,000 paid) over five years. The agreement includes an option for West Kirkland to acquire the surface rights to the patent parcels by making an additional annual payment of $1,000 (year one paid), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, purchasable at any time prior to commercial production on the property for $250,000.

(xi) O'Brien

On November 19, 2010 the Company entered into an option agreement of the 0.30 km^2 O'Brien property located in the Eby Township west of Kirkland Lake. The Company has the option to acquire 100% of the mineral rights of the property by making cash payments totaling $50,000 ($5,000 paid) over five years. The agreement includes an option for West Kirkland to acquire the surface rights to the patent parcels by making an additional annual payment of $1,000 (year one paid), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, purchasable at any time prior to commercial production on the property for $250,000.

(xii) Goldbanks

On December 17, 2010 the Company entered into option agreement with Queenston Mining Inc. on the 239 hectare Goldbanks property located west of Kirkland Lake. The Company has the option to acquire a 60% interest in the property by paying an aggregate of $400,000 in cash and incurring $200,000 in exploration expenditures within 24 months of signing the agreement. 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. The Company has made a $100,000 cash payment.

(b) Elko – Nevada, United States

(i) Goldstorm

In December 2009 the Company entered into an option agreement (the "Mexivada Agreement") with Mexivada Mining Corp. ("Mexivada") whereby the Company may acquire up to a 75% interest in the Goldstorm property covering approximately 4,080 acres of mineral rights near Elko, Nevada, USA. An initial payment of $10,600 (US$10,000) was paid upon signing the Mexivada Agreement. To earn an initial 56% under the option, the Company initially paid $92,619 (US$90,000) in January 2010 and issued 50,000 common shares of the Company on May 31, 2010 at a deemed cost of $0.50 per common share. Further consideration consists of additional payments totaling US$250,000 and 400,000 shares of the Company over a 48 month period from signing and a work commitment of US$2,900,000 over 48 months from signing. The Company may earn an additional 19% interest in the property by spending a further US$2,250,000 in work and paying a further 250,000 shares of the Company to the Vendors within 72 months of signing the agreement. The Mexivada Agreement contains an Area of Interest provision whereby if either party to this agreement shall stake or cause to be staked new mining claims within lines drawn parallel to and one mile from the boundaries of the current property, such properties shall be annexed and included into this agreement between the parties.

In early May, 2010, in completing title due diligence on the Goldstorm property, it was discovered that title to an 800 acre section of Goldstorm property which was acquired through a lease, 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 (the "Reserved Interest"). As a result, under an amendment to the Mexivada Agreement (the "Amendment"), which was agreed to on May 18, 2010, West Kirkland will retain its options to acquire up to a 75% interest in the Goldstorm property on the terms outlined above. However, the acquisition of an interest in the 800 acre section will be handled separately from West Kirkland's option to acquire an interest in the rest of the property from Mexivada. Pursuant to the Amendment, upon completion of the US$75,000 cash payment to Mexivada on December 31, 2010, that forms a part of the option payments under the Mexivada Agreement, West Kirkland will earn a 50% interest in the leased lands. Under the Amendment, Mexivada is required to use all of its best efforts to establish the extinguishment or, otherwise acquire the Reserved Interest in order to satisfy the Company's right to acquire up to a 75% interest in the entire Goldstorm property.

7. Mineral properties (continued)

The Company has also paid a $10,291 (US $10,000) underlying lease payment on this property. On March 29, 2010 an additional 79 mining claims were staked by Mexivada within the Area of Interest and 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. The complete Goldstorm property consists of 235 mineral claims and the leased land totaling 5,789.31 acres, (23.42 km^2). In 2010, the Company incurred an additional $153,302 in acquisition costs and capitalized $1,168,900 in exploration costs.

(ii) Fronteer

On December 14, 2010, the Company entered into an agreement with Fronteer Gold Inc. ("Fronteer") to option 11 properties which total approximately 234 km^2 in north eastern Nevada and Utah. West Kirkland has the option to earn a 51% interest on all of the properties by spending US$15,400,000 over four years. The Company also has the option of earning an additional nine percent by spending an additional 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 will be used for exploration activities on properties. The Company incurred acquisition costs of $52,713 consisting of a finder's fee of $25,000 and $27,713 in legal, due diligence and other costs.

8. 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, opening	-	$ -
Issued upon incorporation – November 9, 2009	2,000,000	2,000
Issued in private placement	1,110,000	55,500
Balance, December 31, 2009	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 stock 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
Issued on exercise of warrants	412,575	318,074
Share issue costs	-	(686,138)
Balance, December 31, 2010	**25,623,308**	**$ 10,807,339**

(1) Under reverse takeover accounting the number of shares issued and outstanding is that of West Kirkland. 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) 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.

8. Share capital (continued)

Share capital of the legal parent (formerly Anthem Ventures Capital Corp.) prior to the reverse takeover.

	Number of shares	Amount
Balance, January 1, 2009	3,500,000	$ 367,337
Warrants exercised	100,000	29,745
Balance, December 31, 2009	3,600,000	397,082
Stock options exercised	110,000	22,659
Balance, May 27,2010	3,710,000	$ 419,741

On May 26, 2010, 110,000 stock options were exercised for $0.20 per common share, for gross proceeds of $22,000. These stock options were assigned a fair value of $659 on original grant and as a result they were recorded in the amount of $22,659 on exercise which includes a reclassification of $659 from contributed surplus to common shares.

In October 2009, 100,000 agent's warrants granted in the September 13, 2007, private placement were exercised for gross proceeds of $20,000. These warrants were assigned a fair value of $9,745 on original issue and as a result they were recorded in the amount of $29,745 on exercise, which includes a reclassification of $9,745 from contributed surplus to common shares.

During the year ended December 31, 2010:

On December 14, 2010, under the terms of the option agreement with Fronteer (Note 7(c)); 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 $8,643.

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.

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 $3,302. Share issue costs totaled $2,051.

On May 31, 2010, the Company issued 350,000 common shares pursuant to mineral property option agreements (Note 7(a)(vii), 7(a)(viii) and 7(b)) at a deemed value of $0.50 per common share.

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 $14,957 (Note 8(c)). 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 stock options (Note 3).

8. Share capital (continued)

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.

During the year ended December 31, 2009:

WK Mining completed a private placement of 1,110,000 common shares at a price of $0.05 per common share for aggregate proceeds of $55,500.

WK Mining issued 2,000,000 common shares for total proceeds of $2,000 at inception.

(c) Stock purchase warrants

	Number	Amount
Balance, January 1, 2010	-	$ -
Broker's warrants	714,000	14,957
Private placement warrants	100,000	3,302
Warrants exercised	(412,575)	(8,642)
Balance, December 31, 2010	**401,425**	**$ 9,617**

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.

The Company issued 100,000 warrants in connection with the private placement completed June 17, 2010. Each warrant is exercisable at $1.25 per warrant for one common share of the Company and expires June 17, 2011.

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 expires May 28, 2011.

As at December 31, 2010, there were 301,425 warrants exercisable at $0.75 per warrant and 100,000 warrants exercisable at $1.25 per warrant outstanding.

There were no warrants issued in 2009.

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	-

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

Weighted average fair value of warrants granted $0.02

8. Share capital (continued)

As at December 31, 2010, the weighted average exercise price of the warrants outstanding is $0.87 and the remaining contractual life of the warrants outstanding 0.42 years.

(d) Contributed surplus

Balance, January 1, 2010	$ -
Stock compensation expense (Note 3)	75,330
Stock compensation expense[1]	331,093
Balance, December 31, 2010	**$ 406,423**

(1) $16,729 capitalized to mineral properties.

(e) Stock options

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.

On December 7, 2010 the Company cancelled 22,500 outstanding stock options.

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

Also, on September 30, 2010, the Company granted 200,000 stock options to a director and employee of the Company. Each stock 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 stock options to an employee of the Company. Each stock 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 stock options to a third party investor relations consultant. Each stock option is exercisable at a price of $0.78 per share, vest over a period of 12 months and will expire on July 12, 2012.

On June 1, 2010, the Company granted 100,000 stock options to an officer of the Company. Each stock 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 stock options to officers, directors and employees of the Company. Each stock 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, 240,000 stock options issued by the Company in October 2007, were re-valued as at May 28, 2010 (refer to Note 3).

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 of companies.

8. Share capital (continued)

As at December 31, 2010, the weighted average fair value per option outstanding was $0.22.

	December 31, 2010	
	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**

Options outstanding				Options exercisable		
Exercise price (per share)	Number of share options outstanding	Weighted average exercise price (per share)	Weighted average remaining contractual life (years)	Number of share options outstanding and exercisable	Weighted average exercise price (per share)	Weighted average remaining contractual life (years)
$		$			$	
0.20	240,000	0.20	1.78	240,000	0.20	1.78
0.60	957,500	0.60	4.41	957,500	0.60	4.41
0.90	100,000	0.90	4.42	100,000	0.90	4.42
0.78	200,000	0.78	1.53	50,000	0.78	1.53
0.75	50,000	0.75	4.61	50,000	0.75	4.61
1.15	275,000	1.15	4.75	200,000	1.15	4.75
	1,822,500	0.67	3.81	1,597,500	0.64	3.97

During the year ended December 31, 2010, recognition of stock-based compensation expense amounted to $331,093 (2009 – $Nil) of which $314,364 has been included in the statement of loss and $16,729 has been capitalized to deferred exploration costs included in mineral properties.

(f) 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 year ended December 31, 2010 the weighted average number of common shares outstanding was 13,813,206 (2009 – 5,790,000). Exercise of all stock options and stock purchase warrants referred to in Note 8(e) and 8(c) are anti-dilutive for all periods presented.

9. Capital risk management

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and to provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued share capital 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.

9. Capital risk management (continued)

As at December 31, 2010, 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.

10. Financial risk management

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

(a) Fair value

As at December 31, 2010, the Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Cash is stated at fair value. The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short-term interest 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. 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, 2010 of approximately \$1,433 (December 31, 2009 – \$Nil). 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 denominated in U.S. dollars as of December 31, 2010 at the year end exchange rate of CAD\$1.00 equal to US\$1.005 (December 31, 2009 – CAD\$1.00 equal to US\$0.95):

	2010	2009
Cash	**\$ 224,519**	\$ -
Accounts receivable and prepaids	**24,391**	-
Accounts payable and accrued liabilities	**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.

11. Segmented information

The Company operates in one segment, being the exploration of mineral properties with two geographic locations: Ontario, Canada and Nevada, USA. The Company's executive and head office is located in Vancouver, British Columbia, Canada.

	Canada	United States	Total
As at December 31, 2010			
Current assets	$ 6,924,981	$ 232,035	$ 7,157,016
Mineral properties	1,463,525	1,488,425	2,951,950
Other assets	72,631	56,995	129,626
Total assets	8,461,137	1,777,455	10,238,592
Current liabilities	243,076	109,628	352,704
For the year ended December 31, 2010			
Net loss	$ 1,326,221	$ 10,740	$ 1,336,961

	Canada	United States	Total
As at December 31, 2009			
Current assets	$ 31,197	$ -	$ 31,197
Mineral properties	18,230	10,600	28,830
Total assets	49,427	10,600	60,027
Current liabilities	3,057	-	3,057
For the period from November 9 to December 31, 2009			
Net loss	$ 530	$ -	$ 530

12. Related party transactions

The Company had the following transactions with directors, officers and companies related by virtue of directors in common for the year ended December 31, 2010 and the period from November 9 to December 31, 2009:

	2010	November 9, 2009 to December 31, 2009
Administration fees	**$ 39,250**	$ -
Management and consulting fees	**128,838**	-
Professional fees (accounting)	**49,167**	-
Rent	**79,021**	-
	$ 296,276	$ -

Included in accounts payable and accrued liabilities at December 31, 2010 is $65,266 (2009 - $Nil) payable to related parties.

For the year ended December 31, 2010, the Company paid or accrued $39,250 (2009 - $Nil) for day-to-day administration, reception and secretarial services; $49,167 (2009 - $Nil) for accounting services; and $29,253 (2009 - $Nil) in consulting fees for geographical information systems and mapping to Platinum Group Metals Ltd., a company related by virtue of common directors and officers (R. Michael Jones, Frank Hallam and Eric H. Carlson). All of these amounts were charged at fair market rates.

For the year ended December 31, 2010, the Company paid or accrued $79,021 (2009 - $Nil) for rent to Anthem Properties Group Ltd. and Anthem Works Ltd. respectively, companies related by virtue of a common director (Eric H. Carlson). The rental rate was established at a fair market rate.

For the year ended December 31, 2010, the Company paid or accrued $4,084 (2009 - $Nil) for management and consulting fees to R. Michael Jones, a director and officer of the Company.

For the year ended December 31, 2010 the Company accrued $95,500 (2009 – $Nil) in directors' fees which is included in management and consulting fees.

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.

13. Income taxes

Income tax expense (recovery) varies from the amount that would be computed by applying the basic federal and provincial income tax rates aggregating 28.5% (2009 – 30%) to earnings (loss) before income taxes are shown in the following table:

	2010	2009
Loss before income taxes	**$ (1,336,961)**	$ (530)
Basic rate applied to loss before income taxes	**(466,784)**	(159)
Impact of change in valuation allowance	**522,130**	159
Impact of previously unrecognized temporary differences	**(135,091)**	-
Impact of permanent differences	**79,745**	-
Income tax expense (recovery)	**$ -**	$ -

The tax effects of temporary differences that give rise to significant portions of future tax assets and future tax liabilities at December 31, 2010 are presented below:

	2010	2009
Future income tax assets		
Operating loss carryforwards	**$ 757,885**	$ 159
Share issue expense	**182,808**	-
Valuation allowance on future income tax assets	**(940,693)**	(159)
Net future taxes	**$ -**	$ -

14. Commitments and contingencies

The Company has no identified commitments and contingencies other than those required to satisfy existing option agreements to acquire mineral rights as described in Note 7.

15. Supplemental cash flow information

	Year ended December 31, 2010	Period from November 9 to December 31, 2010
Non-cash investing activities:		
Common shares issued for mineral properties	**$ 175,000**	$ -
Depreciation charged to mineral properties	**11,746**	-
Stock-based compensation charged to mineral properties	**16,729**	-
Non-cash financing activities:		
Agent's compensation for private placement:		
Common shares	**152,250**	-
Broker's warrants	**14,957**	-

16. Subsequent events

There are no subsequent events to report.

CORPORATE INFORMATION

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Frank Hallam, *Director, CFO & Corporate Secretary*
Pierre Lebel, *Director*
Eric Carlson, *Director*
John Brock, *Director*
Michael G. Allen, *Vice President, Exploration*

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ANNUAL GENERAL MEETING

Friday, May 27, 2011
11:00 AM (local time)
Suite 328 - 550 Burrard Street
Vancouver, BC
Canada V6C 2B5

WKM: TSXV

wkmining.com

WEST KIRKLAND
MINING INC.

WKM: TSXV

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