



Consolidated Financial Statements of

West Kirkland Mining Inc.

(formerly Anthem Ventures Capital Corp.)

For the Year Ended December 31, 2011 and 2010

(Expressed in Canadian dollars)

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West Kirkland Mining Inc.

(formerly Anthem Ventures Capital Corp.)

Year ended December 31, 2011 and 2010

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West Kirkland Mining Inc.
(formerly Anthem Ventures Capital Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

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

Commitments and contingencies (Note 12)

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

/s/ "R. Michael Jones"

/s/ "Eric Carlson"

Director

Director

West Kirkland Mining Inc.

(formerly Anthem Ventures Capital Corp.)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

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

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

West Kirkland Mining Inc.

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Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

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

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

West Kirkland Mining Inc.
(formerly Anthem Ventures Capital Corp.)
Consolidated Statements of Cash flows
(Expressed in Canadian dollars)

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

Supplemental cash flow information (Note 13)

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

West Kirkland Mining Inc.

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Notes to the consolidated financial statements

Year ended December 31, 2011 and 2010

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1. Nature of Operations and Continuance of Operations

West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.) ('West Kirkland' or the 'Company') was incorporated on April 3, 2007, under the Company Act of the Province of British Columbia, Canada. The Company was a capital pool corporation, and on May 28, 2010, completed its Qualifying Transaction as that term is defined in TSX Venture Exchange Policy 2.4. The Company acquired all of the issued and outstanding shares of WK Mining Corp. ('WK Mining') (Note 3) which has been accounted for as a reverse takeover that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the Company's legal subsidiary, WK Mining. The address of the Company's registered office is Suite 328 – 550 Burrard Street, Vancouver, BC, V6C 2B5

The Company is an exploration company working on mineral properties it has staked or acquired by way of option agreement, principally in Ontario and Nevada. The Company has not yet determined whether these mineral properties contain any economically recoverable ore reserves. The Company defers all acquisition, exploration and development costs related to the properties on which it is conducting exploration. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the interests, and future profitable production, or alternatively, upon the Company's ability to dispose of its interests on a profitable basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards, ('IFRS') applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception and does not currently have any revenue generating operations. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies

a) Statement of Compliance

These consolidated financial statements represent the Company's first IFRS annual consolidated financial statements. The Company has applied IFRS 1 - First-time adoption of International Financial Reporting Standards ("IFRS 1") with a transition date of January 1, 2010. These consolidated financial statements have been prepared in accordance with IFRS standards and interpretations effective as of December 31, 2011 as issued by the IASB with significant accounting policies as described in Note 2.

b) Basis of Presentation

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

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Company and its subsidiaries.

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

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c) Principles of Consolidation

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

On May 28, 2010, the Company acquired all the issued and outstanding shares of WK Mining Corp. The transaction was recorded as a reverse takeover that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the legal subsidiary, WK Mining Corp as at and for the year ended December 31, 2010 and 2011. The operating results of the legal parent (formerly Anthem Ventures Capital Corp.) have been included in these consolidated financial statements commencing May 28, 2010. The number of common shares outstanding are those of the Company, the legal parent.

d) Foreign Currency

Items included in the consolidated financial statements are measured in each entity's functional currency. Each entity's functional currency is determined by the primary environment the entity operates in. The functional currency of the Company and WK Mining is the Canadian Dollar. The functional currency of the Company's subsidiary, WK Mining (USA) Ltd., is the United States Dollar.

The presentation currency of the Company is the Canadian Dollar. For the purpose of presenting the financial statements, assets and liabilities of the Company's foreign subsidiary are expressed in Canadian dollars using the closing rates at the date of the statement of financial position being presented. Income and expense items are translated at the average exchange rates for the periods being presented. The exchange differences that arise on translation are recognized as a component of other comprehensive income or loss and recorded in equity as 'foreign currency translation reserve.' Accumulated amounts in the foreign currency translation reserve will be recognized as profit or loss in the period when the foreign operation is disposed of.

Transactions in currencies which are not the entity's functional currency are translated to the functional currency at exchange rates at the date of transaction. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

e) Property and Equipment

Property and equipment are stated at cost and are depreciated on a declining balance basis at the following rates with one half of annual depreciation recorded in the year of acquisition:

Bridge	10%
Field Equipment	30%
Leasehold Improvements	20%
Vehicles	30%
Computer Software	100%

The depreciation, useful life and residual values are assessed annually.

f) Exploration and Evaluation Expenditures

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims. Such costs include, but are not exclusive to, geological and geophysical

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studies, exploratory drilling and sampling. Capitalization of costs commences once the Company has obtained legal rights to explore a specific area. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

g) Development and Production Costs

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all exploration and evaluation costs attributable to that area are reclassified to construction in progress within property, and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

h) Impairment of Non-Financial Assets

Non-financial assets are reviewed each reporting period for any indicators that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, any intangible asset with an indefinite useful life or any intangible asset not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset or cash-generating unit's recoverable amount is the higher of fair value less costs to sell and value to use. In assessing value in use, the estimated future cash inflows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. Impairment of goodwill cannot be reversed.

Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted or planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation

i) Financial Instruments

i) Financial Assets

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

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

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

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

Loans and Receivables

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

Held to Maturity Investments

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

Available for Sale Financial Assets

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

ii) Financial Liabilities

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

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

Fair Value Through Profit or Loss ('FVTPL')

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

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Other Financial Liabilities

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

(iii) Fair Value of Financial Instruments

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

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

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

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

j) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

k) Cash

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

l) Share-based Payments

The share option plan allows the Company's board of directors to grant options to Company employees and consultants to acquire shares of the Company. The fair value of options granted as measured by the Black-Scholes formula options pricing model, is recognized as a share based compensation expense and recognized over the length of the vesting period of each tranche, while the corresponding amount is recognized in the share-based payments reserve. Compensation expense for share-based payments to non-employees is periodically re-measured until counterparty performance is complete. At each financial reporting date, the number of options recognized as an expense is adjusted to reflect the number of options actually expected to vest going forward. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

m) Revenue

Revenue will be recorded when the fair value of the consideration is received or receivable and will be recognized to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Interest income is recognized monthly as it earned.

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n) Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. During the year ended December 31, 2011 and 2010 all outstanding share options and warrants were anti-dilutive.

o) Income Taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are recorded using the liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to unused tax losses and unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The following temporary differences are not provided for: initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under GAAP however there is no equivalent IFRS guidance. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is credited to other liabilities and included in income when both the qualifying expenditures have been made and the expenditures have been renounced. The recognition of a deferred tax liability upon renunciation of the flow-through expenditures is recorded as income tax expense in the period of renunciation.

p) Restoration, Rehabilitation and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset,

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through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

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

q) Measurement Uncertainties

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

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

r) Significant Accounting Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (Note 2(q)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, the determination of functional currency for the Company and its subsidiaries, the determination that the reverse acquisition of WK Mining (Note 3) represents an acquisition of an asset rather than a business combination and the assumption that the Company will continue as a going concern.

s) New Accounting Standards and Interpretations

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

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

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

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IFRS 10, Consolidated Financial Statements: IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*.

IFRS 11, Joint Arrangements: IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities-Non – Monetary Contributions by Venturers*.

IFRS 12, Disclosure of Interests in Other Entities: IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

IFRS 13, Fair Value Measurements: IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

IAS 27, Separate Financial Statements: IAS 27 has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with *IFRS 9 Financial Instruments*. The new IAS 27 excludes the guidance on the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, which is within the scope of the current IAS 27 Consolidated and Separate Financial Statements, and is replaced by IFRS 10.

IAS 28, Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures. Early application is permitted.

IFRIC 20 – Stripping Costs in the Production Phase of a Mine: In October 2011, the IASB issued IFRIC 20 which clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods. The interpretation is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

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

IAS 1 – Presentation of Financial Statements: In June 2011, the IAS issued amendments to IAS 1 that requires an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoptions permitted. The Company does not anticipate the application of the amendments to IAS 1 to have a material impact on its consolidated financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32). On December 16, 2011, the IASB published amendments to IAS 32 Financial Instruments: Presentation to clarify the application of the offsetting requirements. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

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

3. Acquisition of WK Mining Corp.

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

The transaction was recorded as a reverse takeover that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the legal subsidiary, WK Mining, as at and for the year ended December 31, 2010 and 2011. The operating results of the Company have been included commencing May 28, 2010. The number of common shares outstanding are those of the Company, the legal parent.

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

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

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

Expected life	2.38 years
Risk-free interest rate	1.99%
Expected volatility ¹	40%
Expected dividends	\$Nil

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

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

4. Reclamation Bond

The Company’s US subsidiary, WK Mining (USA) Ltd., has a reclamation bond amounting to \$17,656 (US\$17,360) as required by the Bureau of Land Management (the “BLM”) for disturbance of ground required to complete exploration work on the Goldstorm Project located in Northern Nevada. The funds are held in the State of Nevada’s reclamation performance bond pool. The amount of the bond was calculated

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to reflect the estimated cost of the BLM reclaiming the disturbance in the event the Company is unable to do the reclamation. To have the bond returned to the Company, the Company must reclaim the disturbed area to a state deemed acceptable by the BLM. Generally this determination is not made by the BLM until two growing seasons have been completed.

WK Mining (USA) has also posted a statewide bond of \$61,020 (US\$60,000) to the BLM in the state of Nevada for disturbance of ground required to complete exploration work on projects in Nevada under the jurisdiction of the BLM. This is a statewide bond and is applicable to work done on any property in Nevada. The funds are held in the State of Nevada's reclamation performance bond pool. The Company transferred permits associated with the KB project from Fronteer Gold Inc. to the Company's name. As part of this permit transfer process the Company posted \$7,439 (US\$7,315) from its statewide bond to the KB project.

WK Mining (USA) has also posted a statewide bond of \$48,612 (US\$47,800) to the Division of Oil Gas Mining of Utah ('DOGM') in the state of Utah for disturbance of ground required to complete exploration work on the TUG Project. This is a statewide bond and is applicable to work done on any property in Utah under the jurisdiction of the BLM or DOGM. The funds are held in the State of Utah's reclamation performance bond pool. They are held in an interest bearing account and will be returned with interest when the projects are successfully reclaimed. During the year \$23 (US\$23) in interest was earned on this bond, (2010 - \$0).

5. Property and Equipment

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

Cost	Computer Software	Bridge	Field Equipment	Leasehold Improvements	Vehicles	Total
Balance as at January 1, 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	-	53,460	56,148	5,226	8,874	123,708
Balance as at December 31, 2010	-	53,460	56,148	5,226	8,874	123,708
Additions	99,343	-	-	-	81,924	181,267
Foreign exchange movement	-	-	1,046	-	-	1,046
Balance December 31, 2011	\$ 99,343	\$ 53,460	\$ 57,194	\$ 5,226	\$ 90,798	\$ 306,021
Accumulated Depreciation						
Balance as at January 1, 2010	-	-	-	-	-	-
Additions	-	1,337	8,421	523	1,331	11,612
Balance as at December 31, 2010	-	1,337	8,421	523	1,331	11,612
Additions	49,672	2,539	14,693	994	14,608	82,506
Foreign exchange movement	-	-	157	-	-	157
Balance at December 31, 2011	\$ 49,672	\$ 3,876	\$ 23,271	\$ 1,517	\$ 15,939	\$ 94,275
Carrying amount, December 31, 2011	\$ 49,671	\$ 49,584	\$ 33,923	\$ 3,709	\$ 74,859	\$ 211,746
Carrying amount, January 1, 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carrying amount, December 31, 2010	\$ -	\$ 52,123	\$ 47,727	\$ 4,703	\$ 7,543	\$ 112,096

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

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6. Mineral Properties

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

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(a) Kirkland Lake – Ontario, Canada

(i) *Cunningham*

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

(ii) *Holmes*

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

(iii) *Goldbanks*

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

(iv) *Sutton*

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

(v) *McLean*

On November 16, 2010, the Company entered into an option agreement to acquire a 100% interest in the 0.57 km² McLean property located in Holmes Township, west of Kirkland Lake. To complete the option the Company must make cash payments totaling \$55,000 (\$10,000 paid) over five years. The Company may acquire the surface rights to the patent parcels by making additional annual payments

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of \$1,000 (\$2,000 paid to date), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, which the Company may purchase at any time prior to commercial production for \$250,000. In the year ended December 31, 2011, \$214,010 was capitalized to the property, (2010 - \$167).

(vi) Cairo Property

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

(vii) Flavelle

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

(viii) O'Brien

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

(ix) Island 27

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

(x) Plumber

On April 7, 2010, the Company entered into an option agreement, as later amended on March 31, 2011 and October 7, 2011, whereby the Company may acquire a 70% interest in the Plumber property covering 15 units (approximately 2.40 km²) near Matachewan, southwest of Kirkland Lake. In consideration the Company paid \$2,500 upon signing and issued 100,000 common shares of the Company on May 31, 2010 at a deemed cost of \$0.50 per common share. To complete the option the

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Company must perform \$2,000,000 in work over a period of 48 months, of which \$300,000 must be complete by September 30, 2012 (\$7,197 complete to December 31, 2011).

(xi) Alma Property

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

(xii) Hill Property

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

(xiii) Kenogami Property

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

(xiv) Burtoby Property

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

(b) Nevada, United States

(i) Fronteer

On December 14, 2010, the Company entered into an agreement with Fronteer Gold Inc. ("Fronteer") to option 11 properties which total approximately 234 km² in north eastern Nevada and Utah. On February 3, 2011 Fronteer was acquired by Newmont Mining Corporation. All 11 properties are now optioned from Newmont, and the acquisition of Fronteer had no effect on the agreement. West Kirkland has the option to earn a 51% interest on all of the properties by spending US\$15,400,000 over four years, with the US\$2,000,000 million minimum work requirement due on the first anniversary having been satisfied and as of April 13, 2012 US\$448,000 left on the US\$3,000,000 work

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requirement due on the second anniversary date of the agreement. Upon completion of the earn-in requirements the Company also has the option of earning an additional nine percent by spending an aggregate US\$4,000,000 over two years or completing a pre-feasibility study on any designated property. In addition, under the terms of the agreement, a private placement with Fronteer for 800,000 common shares of the Company at \$1.25 per share was completed for gross proceeds of \$1,000,000. The funds were spent on exploration activities. In the year ended December 31, 2011, the Company incurred \$26,257 (2010 - \$52,255) in acquisition costs and \$3,250,561 (2010 - \$0) in exploration costs that have been capitalized to the property.

(ii) Rubicon

On June 23, 2011, the Company entered into an agreement with Rubicon Minerals Corporation to option 909 km² in north eastern Nevada. West Kirkland has the option to earn a 51% interest in properties that Rubicon owns 100% or 75% of the mineral interest, and 60% of Rubicon's mineral interest where Rubicon's mineral interest is less than 75%, by spending US\$15,000,000 over four years. The Company may earn an additional 9% mineral interest in properties that are 100% owned by Rubicon by spending an additional US\$4,000,000 in exploration expenditures, or by completing a pre-feasibility study on any property. Under the terms of the agreement the Company has made a firm commitment to a first year expenditure on the property package of US\$2,000,000 by June 23, 2012 (\$1.1 million spent to April 13, 2012). In the event the Company does not make the required expenditures the remaining unspent balance will become payable to Rubicon. During 2011 the Company spent \$115,130 (2010 - \$0) on acquisition costs and staking and \$888,144 (2010 - \$0) on exploration costs.

(iii) Goldstorm

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

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

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

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7. Share Capital

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and Outstanding

Issued common shares are as follows:

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

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

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

Year ending December 31, 2011

On November 22, 2011, the Company completed a bought deal private placement of 6,807,500 common shares to raise gross proceeds of \$7,756,000. The initial offering consisted of the issuance of 4,550,000 non flow-through units and 1,575,000 flow-through shares of the Company at a price of \$1.10 and \$1.27 respectively. A further over-allotment option of an additional 682,500 units was also issued. The non flow-through units consist of one common share and one half of one common share purchase warrant, with each full purchase warrant entitling the holder to purchase one common share of the Company at a price of

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\$1.50 for a period of 12 months after the closing date. The underwriters received a cash commission representing 7% of the gross proceeds raised in the offering and broker's warrants equal to 5% of the securities sold under the offering exercisable at \$1.50 for a period of 12 months after the closing date. The fair value of these compensation warrants was estimated using the Black-Scholes pricing model and recorded as share issuance costs using the following assumptions:

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

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

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

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

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

Year Ending December 31, 2010

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

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

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

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

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

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

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

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

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

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

(c) Warrant Reserve

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

Year ending December 31, 2011

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

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

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

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

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

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

Year Ending December 31, 2010

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

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

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

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

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

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

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(d) Share Based Payment Reserve

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

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

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

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

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

¹ \$16,729 capitalized to mineral properties

² \$112,518 capitalized to mineral properties

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

Year ending December 31, 2011

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

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

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

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

Year Ending December 31, 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Per Share Amounts

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

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

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

8. Capital Risk Management

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt and acquire or dispose of mineral rights.

As at December 31, 2011 the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

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

9. Financial Risk Management

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

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(a) *Fair Value*

As at December 31, 2011, the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable and accrued liabilities. The fair values of accounts receivable and accounts payable approximate their carrying values due to the short-term nature of these instruments and the fair value of the reclamation bonds approximates their fair value due to the fact they earn interest at rates approximating market rates.

(b) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the short-term interest rate through the interest earned on cash balances; however, management does not believe this exposure is significant.

(c) *Credit Risk*

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

(d) *Foreign Currency Risk*

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

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

(e) *Liquidity Risk*

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

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

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10. Segmented Information

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

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

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

11. Related Party Transactions

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

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

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

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

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

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Compensation of Key Management Personnel

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

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

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

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

12. Commitments and Contingencies

The Company has a firm commitment to a first year exploration expenditure of US\$2,000,000 by June 23, 2012 on the Rubicon mineral property package in Nevada. To acquire certain other mineral property interests in Ontario and Nevada the Company must make optional acquisition and exploration expenditures in order to satisfy the terms of existing option agreements, failing which the rights to such mineral properties will revert back to the property vendors. For details of the Company's mineral property acquisitions and optional commitments see Note 6. The Company has no other identified commitments or contingencies.

13. Supplemental Cash Flow Information

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

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14. Deferred taxes

Income tax expense (recovery) varies from the amount that would be computed by applying the basic federal and provincial income tax rates applicable to the Company to the loss before the tax provision due to the following:

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

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

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

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

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

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

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

15. Transition to IFRS

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

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

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

a) *Share-based Payment Transactions*

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

b) *Cumulative Translation Differences*

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

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c) *Flow-through Shares*

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

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

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

d) *Reclassification Within the Equity Section*

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

e) *Exploration and Evaluation Expenditures*

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

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Reconciliation of Statements of Loss and Comprehensive Loss

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

West Kirkland Mining Inc.

(Formerly Anthem Ventures Capital Corp.)

Notes to the consolidated financial statements

Year ended December 31, 2011 and 2010

(Expressed in Canadian dollars)

Reconciliation of Statements of Loss and Comprehensive Loss

Year ended December 31, 2010

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

West Kirkland Mining Inc.

(Formerly Anthem Ventures Capital Corp.)

Notes to the consolidated financial statements (Unaudited)

Year ended December 31, 2011 and 2010

(Expressed in Canadian dollars)

(Unaudited)

Year ended December 31, 2010

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