Consolidated Financial Statements of

West Kirkland Mining Inc.

(Formerly Anthem Ventures Capital Corp.)
(An Exploration Stage Company)

For the Year Ended December 31, 2010 and the Period November 9, 2009 to December 31, 2009

(Expressed in Canadian dollars)

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West Kirkland Mining Inc.

(Formerly Anthem Ventures Capital Corp.)
(An Exploration Stage Company)
Years Ended December 31, 2010 and 2009

Table of contents

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Auditors' Report

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

We have audited the accompanying consolidated financial statements of West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.) (the "Company"), which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the year ended December 31, 2010 and the period November 9, 2009 to December 31, 2009, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the year ended December 31, 2010 and the period November 9, 2009 to December 31, 2009 in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

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

Deloitte & Touche LLP

Chartered Accountants
Vancouver, British Columbia
April 4, 2011

West Kirkland Mining Inc.
(Formerly Anthem Ventures Capital Corp.)
(An Exploration Stage Company)
Consolidated Balance Sheets
(Expressed in Canadian dollars)

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

Continuing operations (Note 1)
Commitments and contingencies (Note 14)
Subsequent events (Note 16)

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

Approved on behalf of the Board:

"R. Michael Jones"
Director

"Eric Carlson"
Director

West Kirkland Mining Inc.
(Formerly Anthem Ventures Capital Corp.)
(An Exploration Stage Company)

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

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

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

West Kirkland Mining Inc.

(Formerly Anthem Ventures Capital Corp.)
(An Exploration Stage Company)

Consolidated Shareholders' Equity

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

	Share Capital		Warrants	Contributed Surplus	Deficit	Total
	Number	Amount				
Opening balance		$ -	$ -	$ -	$ -	$ -
Issued on inception	2,000,000	2,000	-	-	-	2,000
Private placement	1,110,000	55,500	-	-	-	55,500
Net loss for the year		-	-	-	(530)	(530)
Balance, December 31, 2009	3,110,000	57,500	-	-	(530)	56,970
Private placements	2,680,000	1,217,500			-	1,217,500
Share issue costs	-	(40,600)			-	(40,600)
Balance, May 27, 2010	5,790,000	1,234,400	-	-	(530)	1,233,870
Reverse takeover transaction (Note 3)						
Exchanged for West Kirkland shares	(5,790,000)	-	-	-	-	-
Issued pursuant to acquisition	5,790,000	29,906	-	-	-	29,906
West Kirkland shares recognized	3,710,000	-	-	-	-	-
Revaluation of stock options (Note 3)	-	(75,330)	-	75,330	-	-
Private placements (Note 8(b))	15,056,233	9,659,177	3,302	-	-	9,662,479
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 7)	350,000	175,000	-	-	-	175,000
Issued upon exercise of warrants	412,575	318,074	(8,642)			309,432
Stock-based compensation	-	-	-	331,093	-	331,093
Net loss for the year	-	-	-	-	(1,336,961)	(1,336,961)
Balance, December 31, 2010	**25,623,308**	**$ 10,807,339**	**$ 9,617**	**406,423**	**$ (1,337,491)**	**$ 9,885,888**

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

West Kirkland Mining Inc.
(Formerly Anthem Ventures Capital Corp.)
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Consolidated Statements of Cash Flows
For the year ended December 31, 2010 and the period from November 9 to December 31, 2009 (Note 1)
(Expressed in Canadian dollars)

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

Supplemental cash flow information (Note 15)

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

1. Continuing operations

West Kirkland Mining Inc. (formerly Anthem Ventures Capital Corp.) ("West Kirkland" or the "Company") was incorporated on April 3, 2007, under the Company Act of the Province British Columbia, Canada. The Company was a capital pool corporation, and on May 28, 2010, completed its Qualifying Transaction as that term is defined in TSX Venture Exchange Policy 2.4. The Company acquired all of the issued and outstanding shares of WK Mining Corp. ("WK Mining") (Note 3) which has been accounted for as a reverse take-over that does not constitute a business combination. As a result, these consolidated financial statements reflect the financial position, operating results and cash flows of the Company's legal subsidiary, WK Mining. WK Mining was incorporated on November 9, 2009 and the comparative figures represent the financial position as at December 31, 2009 and the results of operations and cash flows of WK Mining for the period November 9 to December 31, 2009.

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

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred a net loss of $1.3 million for the year ended December 31, 2010 and does not currently have any revenue generating operations. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. If the going concern assumption was not appropriate, the financial statements would require revision and restatement on a liquidation basis.

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

2. Summary of significant accounting policies

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

(a) Principles of consolidation

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

2. Summary of significant accounting policies (continued)

(b) Measurement uncertainty

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

(c) Asset retirement obligations

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

(d) Financial instruments

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(e) Cash

Cash consists of cash held in bank accounts.

(f) Flow-through common shares

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

(g) Property and equipment

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

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

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

(h) Mineral rights and deferred exploration costs

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

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

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

2. Summary of significant accounting policies (continued)

(i) Income taxes

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

(j) Foreign currency translation

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

(k) Stock-based compensation

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

(l) Recent accounting pronouncements

(i) Business combinations

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

(ii) Convergence with International Financial Reporting Standards

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

(Expressed in Canadian dollars)

3. Acquisition of WK Mining Corp.

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

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

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

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

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

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

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

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

4. Restricted Cash

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

(Expressed in Canadian dollars)

5. Reclamation bond

The Company's US subsidiary, WK Mining (USA) Ltd., has a reclamation bond amounting to $16,776 (US$16,867) as required by the Bureau of Land Management for disturbance of ground required to complete exploration work on the Goldstorm Project located in Northern Nevada. The funds are held in the State of Nevada's reclamation performance bond pool. The amount of the bond was calculated to reflect the estimated cost of the Bureau of Land Management reclaiming the disturbance in the event that the Company is unable to do the reclamation. To have the bond returned to the Company, the Company must reclaim the disturbed area to a state deemed acceptable by the Bureau of Land Management.

6. Property and equipment

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

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

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

(Expressed in Canadian dollars)

7. Mineral properties

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

(a) Kirkland Lake – Ontario, Canada

(i) Cairo Property

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

(ii) Burteby Property

In December 2009 the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral rights covering 21 claim units (approximately 3.28 km^2) in the Burt and Eby Townships west of Kirkland Lake. As consideration for the option, the Company paid $10,000 upon signing and is required to make additional payments totaling $140,000 over a 48 month period from signing and a work commitment of $200,000 over 36 months from signing. The vendors retain a 1.5% net smelter return royalty on the property, of which the Company may purchase two thirds (1.0%) for $750,000. In 2010, the Company paid a second option payment of $20,000 and capitalized $122,012 in exploration costs to the property.

7. Mineral properties (continued)

(iii) Cunningham

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

(iv) Kenogami Property

In December 2009 the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral rights covering 28 claim units (approximately 4.19 km^2) near Kenogami Lake west of Kirkland Lake. As consideration for the option, the Company paid $5,000 upon signing and is required to make additional payments totaling $95,000 over a 48 month period from signing and a work commitment of $400,000 over 48 months from signing. The vendor retains a 2.0% net smelter return royalty on the property with no fixed repurchase terms. In December 2010, the Company paid a second option payment of $10,000. Also in 2010, the Company incurred additional acquisition costs of $2,350 and capitalized $32,497 in exploration costs to the property.

(v) Flavelle

On December 30, 2009 the Company entered into an option agreement whereby the Company may acquire a 70% interest in mineral rights covering approximately 92 units (approximately 15.11 km^2) near Larder Lake west of Kirkland Lake. As consideration for the option, the Company paid $15,000 in January 2010 and is required to make further payments totaling $285,000 in cash or stock of the Company, at the discretion of the Company, over a 60 month period from signing and a work commitment of $1,500,000 over 60 months from signing. In addition, the Company paid a second option payment of $30,000 in December 2010 and capitalized $89,684 in exploration costs for 2010.

(vi) Holmes

On December 30, 2009 the Company entered into an option agreement whereby the Company may acquire a 100% interest in mineral rights covering approximately 131 units (approximately 19.95 km^2) near Larder Lake west of Kirkland Lake. As consideration for the option, the Company paid $15,000 in January 2010 and is required to make further payments totaling $285,000 in cash or stock of the Company, at the discretion of the Company, over a 60 month period from signing. The Vendor retains a 2.0% net smelter return royalty on the property, of which the Company may purchase one half (1.0%) for $1,500,000. In addition, the Company paid a second option payment of $30,000 in December 2010, $375 in acquisition costs and capitalized $30,214 in exploration costs for 2010.

7. Mineral properties (continued)

(vii) Island 27

On April 7, 2010 the Company entered into an option agreement, as later amended on March 31, 2011, whereby the Company may acquire a 70% interest in the Island 27 property covering 107 units (approximately 17.15 km^2) near Kenogami Lake southwest of Kirkland Lake. As consideration for the option, the Company paid $100,000 upon signing and issued 200,000 common shares of the Company on May 31, 2010 at a deemed cost of $0.50 per common share. The Company will also issue an additional 300,000 common shares of the Company within 36 months from signing, and has a work commitment of $3,000,000 over 36 months from signing, of which $750,000 must be completed by October 7, 2011. The vendor retains a 2.0% net smelter return royalty on the property with no fixed purchase terms. In addition, $415,607 in exploration costs was capitalized in 2010.

(viii) Plumber

On April 7, 2010 the Company entered into an option agreement, as later amended on March 31, 2011, whereby the Company may acquire a 70% interest in the Plumber property covering 15 units (approximately 2.40 km^2) near Matachewan town southwest of Kirkland Lake. As consideration for the option, the Company paid $2,500 upon signing and issued 100,000 common shares of the Company on May 31, 2010 at a deemed cost of $0.50 per common share. In addition, there is a work commitment of $2,000,000 over 36 months from the date of signing, of which $300,000 must be completed by October 7, 2011. Exploration costs of $6,972 were capitalized in 2010.

(ix) Sutton

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

(x) McLean

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

(xi) O'Brien

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

7. Mineral properties (continued)

(xii) Goldbanks

On December 17, 2010 the Company entered into option agreement with Queenston Mining Inc. on the 239 hectare Goldbanks property located west of Kirkland Lake. The Company has the option to acquire a 60% interest in the property by paying an aggregate of $400,000 in cash and incurring $200,000 in exploration expenditures within 24 months of signing the agreement. The Goldbanks portion of the property is subject to a variable net smelter royalty of up to 2.5%; the Obradovich portion of the property is subject to a 2% NSR, one half (1%) of which can be purchased for $1,000,000. The Company has made a $100,000 cash payment.

(b) Elko – Nevada, United States

(i) Goldstorm

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

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

The Company has also paid a $10,291 (US $10,000) underlying lease payment on this property. On March 29, 2010 an additional 79 mining claims were staked by Mexivada within the Area of Interest and added to the option agreement. Also on March 29, 2010 an additional eight claims were staked outside the Area of Interest and are held 100% by West Kirkland. The complete Goldstorm property consists of 235 mineral claims and the leased land totaling 5,789.31 acres, (23.42 km^2). In 2010, the Company incurred an additional $153,302 in acquisition costs and capitalized $1,168,900 in exploration costs.

(Expressed in Canadian dollars)

7. Mineral properties (continued)

(ii) Fronteer

On December 14, 2010, the Company entered into an agreement with Fronteer Gold Inc. ("Fronteer") to option 11 properties which total approximately 234 km^2 in north eastern Nevada and Utah. West Kirkland has the option to earn a 51% interest on all of the properties by spending US$15,400,000 over four years. The Company also has the option of earning an additional nine percent by spending an additional US$4,000,000 over two years or completing a pre-feasibility study on any designated property. In addition, under the terms of the agreement, a private placement with Fronteer for 800,000 common shares of the Company at $1.25 per share was completed for gross proceeds of $1,000,000. The funds will be used for exploration activities on properties. The Company incurred acquisition costs of $52,713 consisting of a finder's fee of $25,000 and $27,713 in legal, due diligence and other costs.

8. Share capital

(a) Authorized
Unlimited number of common shares without par value.

(b) Issued and outstanding
Issued common shares are as follows:

	Number of shares[1]	Amount[1]
Balance, opening	-	$ -
Issued upon incorporation – November 9, 2009	2,000,000	2,000
Issued in private placement	1,110,000	55,500
Balance, December 31, 2009	3,110,000	57,500
Issued in private placements	2,680,000	1,217,500
Share issue costs	-	(40,600)
Balance, May 27, 2010	5,790,000	1,234,400
Reverse takeover transaction (Note 3)		
Exchanged for West Kirkland shares	(5,790,000)	-
Issued pursuant to acquisition	5,790,000	29,906
West Kirkland shares recognized[2]	3,710,000	-
Revaluation of stock options	-	(75,330)
Issued in private placements	15,056,233	9,659,177
Issued as agent's commission	304,500	152,250
Issued for mineral rights	350,000	175,000
Issued on exercise of warrants	412,575	318,074
Share issue costs	-	(686,138)
Balance, December 31, 2010	**25,623,308**	**$ 10,807,339**

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

[2] Under reverse takeover accounting, the number of shares of West Kirkland is recognized as part of the issued and outstanding common shares of WK Mining with a corresponding share capital amount of $Nil.

(Expressed in Canadian dollars)

8. Share capital (continued)

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

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

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

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

During the year ended December 31, 2010:

On December 14, 2010, under the terms of the option agreement with Fronteer (Note 7(c)); the Company completed a private placement with Fronteer of 800,000 common shares at a price of $1.25 per share for aggregate gross proceeds of $1,000,000. Share issue costs consisting of legal and filing fees totaled $9,154.

In November 2010, 412,575 warrants were exercised at a price of $0.75 for one common share for gross proceeds of $309,431. Fair value of the warrants was $8,643.

On November 2, 2010, the Company completed a brokered flow-through financing for aggregate gross proceeds of $2,587,480. The offering consisted of 1,875,000 flow-through common shares at a price of $1.20 per share and the agent was granted a 15% overallotment option, which was exercised for an additional 281,233 flow-through common shares. The agent was paid a 6% cash commission of $135,000 and additional share issue costs of $80,183 were incurred for filing fees, legal and other expenses.

On June 17, 2010, the Company completed a private placement of 100,000 units, consisting of one common share and one common share purchase warrant, at a price of $0.75 per unit for aggregate gross proceeds to the Company of $75,000. The gross proceeds were allocated to the underlying common shares and warrants on a relative fair value basis. The fair value allocated to the common shares was $71,698 and the fair value allocated to the warrants was $3,302. Share issue costs totaled $2,051.

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

(Expressed in Canadian dollars)

8. Share capital (continued)

On May 28, 2010, the Company completed a brokered private placement of 12,000,000 common shares at a price of $0.50 per common shares for aggregate gross proceeds to the Company of $6,000,000. The Company paid a commission of $204,750 in cash, issued 304,500 common shares at a deemed value of $0.50 per share ($152,250) and issued 714,000 broker's warrants with a fair value of $14,957 (Note 8(c)). In addition, share issue costs for legal and other totaled $87,792.

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

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

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

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

During the year ended December 31, 2009:

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

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

(c) Stock purchase warrants

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

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

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

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

(Expressed in Canadian dollars)

8. Share capital (continued)

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

There were no warrants issued in 2009.

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

Expected life	1 year
Risk-free interest rate	1.57%
Expected volatility[1]	40%
Expected dividends	-

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

Weighted average fair value of warrants granted	$0.02

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

(d) Contributed surplus

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

[1]$16,729 capitalized to mineral properties.

(e) Stock options

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

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

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

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

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

(Expressed in Canadian dollars)

8. Share capital (continued)

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

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

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

On May 28, 2010, in connection with the acquisition of WK Mining, 240,000 stock options issued by the Company in October 2007, were re-valued as at May 28, 2010 (refer to Note 3).

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

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

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

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

	December 31, 2010	
	Number	**Weighted average exercise price**
Balance, January 1, 2010	**-**	**-**
Options re-valued (Note 3)	**240,000**	**$0.20**
Granted	**1,605,000**	**$0.74**
Cancelled	**(22,500)**	**$0.60**
Balance, December 31, 2010	**1,822,500**	**$0.67**

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

8. Share capital (continued)

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

(f) Per share amounts

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

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

- For the period from the date of the reverse takeover to the end of the period, the number of shares outstanding would be the actual number of shares of the Company outstanding during this period.

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

9. Capital risk management

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

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

As at December 31, 2010, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

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

10. Financial risk management

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

(a) Fair value

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

10. Financial risk management (continued)

(b) Interest rate risk

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

(c) Credit risk

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

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates in Canada and the United States and is therefore exposed to foreign currency risk arising from transactions denominated in U.S. dollars. Certain of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 1% change in the exchange rate between the Canadian and United States dollar would have an effect on the loss before income taxes for the year ended December 31, 2010 of approximately $1,433 (December 31, 2009 – $Nil). The Company monitors its net exposure to foreign currency fluctuations and adjusts its cash held in U.S. dollars accordingly. The following table lists the Canadian dollar equivalent of financial instruments denominated in U.S. dollars as of December 31, 2010 at the year end exchange rate of CAD$1.00 equal to US$1.005 (December 31, 2009 – CAD$1.00 equal to US$0.95):

		2010		2009
Cash	**$**	**224,519**	$	-
Accounts receivable and prepaids		**24,391**		-
Accounts payable and accrued liabilities		**105,655**		-

(e) Liquidity risk

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

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

(Expressed in Canadian dollars)

11. Segmented information

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

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

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

12. Related party transactions

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

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

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

(Expressed in Canadian dollars)

12. Related party transactions (continued)

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

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

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

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

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

13. Income taxes

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

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

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

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

(Expressed in Canadian dollars)

14. Commitments and contingencies

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

15. Supplemental cash flow information

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

16. Subsequent events

There are no subsequent events to report.