Condensed Consolidated Interim Financial Statements of

West Kirkland Mining Inc.

For the Six Months Ended June 30, 2012 and 2011

(Expressed in Canadian dollars)

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West Kirkland Mining Inc.

(formerly Anthem Ventures Capital Corp.)

Six Months Ended June 30, 2012 and 2011

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

		June 30, 2012		December 31, 2011
Assets				
Current assets:				
Cash	**$**	**617,332**	$	4,655,863
Accounts receivable		**118,979**		438,505
Prepaid expenses and other		**31,096**		69,153
		767,407		5,163,521
Reclamation bond (Note 3)		**127,951**		127,311
Property and equipment (Note 4)		**167,652**		211,746
Mineral properties (Note 5)		**10,253,505**		8,743,618
	$	**11,316,515**	$	14,246,196
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**1,061,385**	$	852,037
Flow through share premium		**80,384**		504,000
		1,141,769		1,356,037
Equity:				
Share capital (Note 6)		**17,434,692**		17,434,692
Warrant reserve (Note 6)		**448,219**		448,219
Share based payment reserve (Note 6)		**663,035**		650,276
Foreign currency translation reserve		**(27,428)**		(55,591)
Deficit		**(8,343,772)**		(5,587,437)
		10,174,746		12,890,159
	$	**11,316,515**	$	14,246,196

Commitments and contingencies (Note 11)

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

/s/ "R. Michael Jones"

Director

/s/ "Eric Carlson"

Director

West Kirkland Mining Inc.
(formerly Anthem Ventures Capital Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

		Three months ended June 30, 2012		Three months ended June 30, 2011		Six months ended June 30, 2012		Six months ended June 30, 2011
Expenses								
Salaries and benefits	$	**121,056**	$	62,669	$	239,502	$	145,093
Professional fees		**117,389**		72,219		160,499		113,170
Management and consulting fees		**78,188**		66,988		158,600		137,038
Shareholder relations		**85,586**		46,249		146,469		104,550
Office expense		**32,909**		49,951		133,162		103,042
Rent		**46,132**		,22,681		90,999		45,537
Travel		**23,569**		25,331		64,563		61,954
Filing and transfer agent fees		**10,415**		10,170		25,137		24,975
Depreciation		**9,306**		11,787		24,797		17,985
Share based compensation		**3,233**		961		12,759		12,168
Property investigation costs		**1,950**		3,763		6,109		6,826
Write-down of exploration projects		**98,744**		-		2,126,079		-
Loss from operations		**628,477**		374,769		3,188,675		772,338
Finance Income								
Interest Income		**(1,926)**		(11,113)		(8,724)		(23,607)
Flow through share premium		**(49,854)**		-		(423,616)		-
Total Finance Income		**(51,780)**		(11,113)		(432,340)		(23,607)
Net loss for the period	$	**576,697**	$	363,656	$	2,756,335	$	748,731
Currency translation adjustment		**(131,217)**		24,589		(28,163)		81,295
Comprehensive loss for the period		**445,480**		388,245		2,728,172		830,026
Basic and diluted loss per share (Note 6)		**0.01**		0.02		0.08		0.03
Weighted average number of common shares outstanding:								
Basic and diluted		**32,824,733**		25,860,044		32,824,733		25,742,338

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

West Kirkland Mining Inc.
(formerly Anthem Ventures Capital Corp.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
(unaudited)

	Share Capital		Reserves				
	Number	**Amount**	**Warrant Reserve**	**Share Based Payment Reserve**	**Foreign Currency Translation Reserve**	**Deficit**	**Total**
Balance at January 1, 2011	25,623,308	10,807,339	9,617	395,118	(44,847)	(1,316,096)	9,851,131
Issued upon the exercise of warrants	301,425	1,240	(6,316)	-	-	-	226,069
Expired warrants	-	-	(3,301)	-	-	3,301	-
Issued upon the exercise of options	70,000	53,505	-	(11,506)	-	-	41,999
Share compensation expense	-	-	-	12,168	-	-	12,168
Other comprehensive loss	-	-	-	-	(81,296)	-	(81,296)
Net loss	-	-	-	-	-	(748,731)	(748,731)
Balance at June 30, 2011	25,994,733	11,093,229	-	395,780	(126,143)	(2,061,526)	9,301,340
Share compensation expense	-	-	-	258,194	-	-	258,194
Issued upon exercise of options	22,500	17,198	-	(3,698)	-	-	13,500
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	-	-	-	-	70,552	-	70,552
Net loss	-	-	-	-	-	(3,525,911)	(3,525,911)
Balance at December 31, 2011	**32,824,733**	**17,434,692**	**448,219**	**650,276**	**(55,591)**	**(5,587,437)**	**12,890,159**
Share compensation expense	-	-	-	12,759	-	-	12,759
Other comprehensive loss	-	-	-	-	28,163	-	28,163
Net loss	-	-	-	-	-	(2,756,335)	(2,756,335)
Balance at June 30, 2012	**32,824,733**	**17,434,692**	**448,219**	**663,035**	**(27,428)**	**(8,343,772)**	**10,174,746**

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)
(unaudited)

	Six months ended June 30, 2012	Six months ended June 30, 2011
Cash flows provided by (used in):		
Operating activities		
Net loss	**$ (2,756,335)**	$ (748,731)
Items not involving cash:		
Share based compensation expense	**12,759**	12,168
Write-down of exploration projects	**2,126,079**	-
Depreciation	**24,797**	17,985
Flow through premium recognition	**(423,616)**	-
Changes in non-cash working capital:		
Accounts receivable	**319,604**	(141,626)
Prepaids and other	**38,056**	(82,468)
Accounts payable and accrued liabilities	**(75,938)**	(119,021)
	(734,594)	(1,061,693)
Investing activities		
Additions to mineral properties (Note 5)	**(3,308,385)**	(1,783,038)
Purchase of property and equipment	**-**	(84,663)
Reclamation bond	**-**	(75,006)
	(3,308,385)	(512,756)
Financing activities		
Issuance of share capital	**-**	268,070
	-	268,070
Effect of exchange rate changes on cash denominated in a foreign currency	**4,448**	(81,295)
(Decrease) Increase in cash	**(4,038,531)**	(2,736,330)
Cash, beginning of period	**4,655,863**	6,977,283
Cash, end of period	**$ 617,332**	$ 4,159,658

Supplemental disclosure of cash flow information		
Non-cash investing and financing activities:		
Depreciation capitalized to mineral properties	**$ 15,706**	$ 12,578
Mineral property and deferred exploration expenditures included in accounts payable	**$ 860,991**	$ 564,622

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

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') 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, in Nevada, Utah and Ontario. 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) Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ('IAS 34') using accounting policies consistent with International Financial Reporting Standards ('IFRS'). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2011.

The accounting policies applied in these interim condensed consolidated financial statements are those the Company expects to adopt in its consolidated financial statements for the year ended December 31, 2012 and have been applied consistently to all periods presented by the Company and its subsidiaries.

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.

(b) 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.

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

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

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

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

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

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

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

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

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 fair value through profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

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

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

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

3. Reclamation Bond

The Company's US subsidiary, WK Mining (USA) Ltd., has posted a statewide bond of $61,086 (US$60,000) to the Bureau of Land Management (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 $7,447 (US$7,315) from its statewide bond to the KB project.

WK Mining (USA) has also posted a statewide bond of $48,665 (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 2011 $23 (US$23) in interest was earned on this bond.

WK Mining (USA) has also posted a reclamation bond amounting to $18,177 (US$17,853) as required by the BLM for the disturbance of ground required to complete exploration work on the Goldstorm Project located in Northern Nevada. The funds are held in the State of Nevada's reclamation performance bond pool. The amount of the bond was calculated to reflect the estimated cost of the BLM reclaiming the disturbance in the event the Company is unable to do the reclamation. To have the bond returned to the Company, the Company must reclaim the disturbed area to a state deemed acceptable by the BLM. Generally this determination is not made by the BLM until two growing seasons have been completed.

(Expressed in Canadian dollars)

4. Property and Equipment

The Company holds the following property and equipment at June 30, 2012:

Cost	Computer Software	Bridge	Field Equipment	Leasehold Improvements	Vehicles	Total
Balance as at December 31, 2011	$ 99,343	$ 53,460	$ 57,194	$ 5,226	$ 90,798	$ 306,021
Additions	-	-	-	-	-	-
Foreign exchange movement	(484)	-	(1,625)	-	(2,802)	(4,911)
Balance June 30, 2012	**$ 98,859**	**$ 53,460**	**$ 55,569**	**$ 5,226**	**$ 87,996**	**$ 301,110**
Accumulated Depreciation						
Balance as at December 31, 2011	49,672	3,876	23,271	1,517	15,939	94,275
Additions	21,674	1,143	5,897	918	10,871	40,503
Foreign exchange movement	(242)	-	(658)	-	(420)	(1,320)
Balance at June 30, 2012	**$ 71,104**	**$ 5,019**	**$ 28,510**	**$ 2,435**	**$ 26,390**	**$ 133,458**
Carrying amount, June 30, 2012	**$ 27,755**	**$ 48,441**	**$ 27,059**	**$ 2,791**	**$ 61,605**	**$ 167,652**
Carrying amount, December 31, 2011	$ 49,671	$ 49,584	$ 33,923	$ 3,709	$ 74,859	$ 211,746

During the six months ended June 30, 2012 and 2011 the Company capitalized depreciation of $15,706 and $12,578 to mineral properties.

(Expressed in Canadian dollars)

5. Mineral Properties

	Kirkland Lake	Goldstorm	Fronteer	Rubicon	Total
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
Acquisition costs of mineral rights					
Balance January 1, 2012	$ 806,088	$ -	$ 79,689	$ 115,130	$ 1,000,907
Incurred during the year	4,400	-	3,781	-	8,181
Write-down	(453,035)	-	-	-	(453,035)
Foreign exchange movement	-	-	156	113	269
Balance June 30, 2012	357,453	-	83,626	115,243	556,322
Deferred exploration costs					
Balance January 1, 2012	3,604,006	-	3,250,561	888,144	7,742,711
Administration	5,915	-	14,699	-	20,614
Consulting	17,464	-	142,561	42,834	202,859
Drilling	896,505	-	1,513,266	230,217	2,639,988
Equipment/fuel/parts	1,594	-	1,263	10,458	13,315
Field and camp	1,813	-	29,226	963	32,002
Freight/transportation	61	-	11,653	-	11,714
Geochemical and geophysical	505	-	63,635	54,475	118,615
Geological supplies	231	-	1,480	2,988	4,699
Gov't fees, licenses and maps	1,556	-	1,300	15,702	18,558
Salaries and wages	162,274	-	163,361	137,220	462,855
Travel and accommodation	-	-	26,050	13,726	39,776
Vehicle and fuel	18,779	-	31,747	14,755	65,281
Write-down	(1,673,044)	-	-	-	(1,673,044)
Foreign exchange movement	-	-	(3,992)	1,232	(2,760)
Balance June 30, 2012	3,037,659	-	5,246,810	1,412,714	9,697,183
Total June 30, 2012	$ 3,395,112	$ -	$ 5,330,436	$ 1,527,957	$ 10,253,505

(a) 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 km^2 in north eastern Nevada and Utah. On February 3, 2011 Fronteer was acquired by Newmont Mining Corporation ("Newmont"). 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 minimum work requirement due on the first anniversary and a US$3,000,000 minimum work requirement due by the second anniversary both having been satisfied at June 30, 2012. Having completed the first and second minimum work requirements (calculated on an aggregate basis over all the properties) work requirements are determined on an individual property by property basis for years three and four 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 six month period ended June 30, 2012, the Company incurred $1,996,248 (2011 - $926,606) in exploration costs and $3,781 (2011 - $24,901) in acquisition 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 km^2 in north eastern Nevada. West Kirkland has the option to earn a 51% interest in properties that Rubicon owns 100% or 75% of the mineral interest, and 60% of Rubicon's mineral interest where Rubicon's mineral interest is less than 75%, by spending US$15,000,000 over four years. The Company may earn an additional 9% mineral interest in properties that are 100% owned by Rubicon by spending and additional US$4,000,000 in exploration expenditures, or by completing a pre-feasibility study on any property. Under the terms of the agreement the Company made a firm commitment to a first year expenditure on the property package of US$2,000,000 to be made by June 23, 2012. Per an amendment signed August 8, 2012 this work commitment is now due to be completed by October 31, 2012. As of June 30, 2012 $1.53 million had been spent and further drilling programs in Nevada were being initiated. In the event the Company does not make the required expenditures the remaining unspent balance will become payable to Rubicon. During the six months to June 30, 2012 the Company has spent $524,571 (2011 - $nil) on exploration costs.

(b) 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 km^2 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 June 30, 2012, with $1,803,425 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 $453,334 in exploration costs to the property during the six month period ended June 30, 2012, (2011 - $552,777).

(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 km^2) 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. The Company capitalized $73,734 in exploration costs to the property during the six month period ended June 30, 2012, (2011 - $1,652).

(iii) Sutton

On November 16, 2010 the Company entered into an option agreement whereby the Company may acquire a 100% interest in the 2.03 km^2 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 $168,631 in exploration costs to the property in the six month period ended June 30, 2012, (2011 - $17,165).

(iv) McLean

On November 16, 2010, the Company entered into an option agreement to acquire a 100% interest in the 0.57 km^2 McLean property located in Holmes Township, west of Kirkland Lake. To complete the option the Company must make cash payments totaling $55,000 ($10,000 paid) over five years. The Company may acquire the surface rights to the patent parcels by making additional annual payments of $1,000 ($2,000 paid to date), and reimbursing applicable taxes on the property. The vendor retains a 1% net smelter royalty, which the Company may purchase at any time prior to commercial production for $250,000. In the six month period ended June 30, 2012, $32,937 was capitalized to the property, (2011 - $207,221).

(v) Cairo Property

Commencing November 2009, the Company has incurred $3,937 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. The Company capitalized $460 in exploration costs to the property during the six month period ended June 30, 2012, (2011 - $297).

(vi) 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. 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 ($107,333 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 $3,658 in exploration costs to the property during the six month period ended June 30, 2012, (2011 - $8,951).

(vii) O'Brien

On November 19, 2010, the Company entered into an option agreement to acquire a 100% interest in the 0.30 km^2 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.

(viii) Alma Property

In January 2011, the Company staked the 11.03 km^2 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.

(ix) 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 km^2 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.

6. Share Capital

The authorized share capital consists of an unlimited number of common shares without par value

At June 30, 2012 the Company had 32,824,733 shares outstanding.

During the six months ended June 30, 2012 there were no changes in the Company's issued and outstanding shares

During the year ended December 31, 2011, the Company issued common shares pursuant to the following:

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

(Expressed in Canadian dollars)

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 June 30, 2012, the Company had left to spend $319,023 of the $2,000,250 gross flow through proceeds and plans to spend the rest by December 31, 2012.

(ii) 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.

(iii) 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.

Warrant Reserve

	Number of warrants		Amount		Weighted Average Exercise Price
Balance, January 1, 2011	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**
Balance June 30, 2012	**2,956,250**	**$**	**448,219**	$	**1.50**

During the six months ended June 30, 2012 there were no changes in the Company's warrants issued and exercisable.

During the year ended December 31, 2011 the Company issued warrants pursuant to the following:

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

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

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

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

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

(Expressed in Canadian dollars)

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.

Share based payment reserve

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

Exercise Price	Number Outstanding at June 30, 2012	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at June 30, 2012
$1.15	200,000	3.25	200,000
$1.10	300,000	4.22	300,000
$1.06	40,000	4.10	40,000
$1.00	100,000	4.38	100,000
$0.90	100,000	2.92	100,000
$0.78	200,000	0.03	200,000
$0.75	50,000	3.11	50,000
$0.60	865,000	2.91	865,000
$0.20	240,000	0.28	240,000
	2,095,000		2,095,000

The weighted average exercise price for both the outstanding and exercisable shares is $0.74.

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

Balance, January 1, 2011	$	395,118
Share compensation expense [1]		274,900
Share options cancelled		(4,538)
Share options exercised		(15,204)
Balance, December 31, 2011		650,276
Share compensation expense		12,759
Balance June 30, 2012	**$**	**663,035**

[1] $112,518 capitalized to mineral properties

As a result of previously granted share options vesting during the six months ended June 30, 2012, $12,759 of share compensation expense was recorded in the share based payment reserve.

During the year ended December 31, 2011 the following transactions took place in the share based payment reserve:

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

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

(Expressed in Canadian dollars)

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

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

As at June 30, 2012, the weighted average fair value per option outstanding was $0.30.

		June 30, 2012
	Number	**Weighted average exercise price**
Balance, January 1, 2011	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
Balance June 30, 2012	**2,095,000**	**$0.74**

The weighted average remaining contractual life of the options outstanding at June 30, 2012, is 2.65 years.

7. 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 June 30, 2012 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.

8. 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 June 30, 2012, 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 rates 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 amounts of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 10% change in the exchange rate between the Canadian and United States dollar would have an effect on the loss before income taxes for the period ended June 30, 2012 of approximately $21,087. 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 June 30, 2012:

	June 30, 2012	December 31, 2011
Cash	$ 181,849	$ 51,774
Accounts receivable	53,655	70,499
Prepaids and other	9,070	10,426
Reclamation bond	127,951	127,311
Accounts payable and accrued liabilities	813,667	324,005

(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.

9. 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 $5,829,206 and in Nevada and Utah, USA totaled $8,409,735. The Company's executive and head office is located in Vancouver, British Columbia, Canada.

(Expressed in Canadian dollars)

	Canada	United States	Total
As at June 30, 2012			
Current Assets	$ 522,832	$ 244,574	$ 767,407
Mineral Properties	3,395,112	6,858,393	10,253,505
Other Assets	80,826	214,777	295,603
Total Assets	3,998,770	7,317,745	11,316,515
Accounts payable and accrued liabilities	247,718	813,667	1,061,385
For the six months ended June 30, 2012			
Net Loss	$ 2,545,462	$ 210,873	$ 2,756,335

	Canada	United States	Total
As at December 31, 2011			
Current Assets	$ 5,030,822	$ 132,699	$ 5,163,521
Mineral Properties	4,410,094	4,333,524	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

10. Related Party Transactions

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

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Administration fees	$ 10,500	$ 10,500	$ 21,000	$ 21,000
Professional fees (accounting)	15,000	15,000	30,000	30,000
Management and Consulting Fees	5,882	1,200	10,239	8,910
Directors Fees	30,500	25,250	54,500	52,750
Rent	22,204	21,820	44,237	43,641
Total Related Party Transactions	84,085	73,770	160,066	156,301

For the period ended June 30, 2012, the Company paid or accrued $21,000(June 30, 2011 - $21,000) for day-to-day administration, reception and secretarial services and $30,000 (June 30, 2011 - $30,000) for accounting services; and $Nil (June 30, 2011 - $6,576) 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 period ended June 30, 2012, the Company paid or accrued $44,237 (June 30, 2011 - $43,641) 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.

For the period ended June 30, 2012 the Company accrued $54,500 (June 30, 2011 - $52,750) in directors fees.

For the period ended June 30, 2012 the Company paid $10,239 (June 30, 2011 - $2,334) for management and consulting fees to a director and officer of the Company.

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.

11. Commitments and Contingencies

The Company has a firm commitment to a first year exploration expenditure of US$2,000,000 by October 31, 2012 (previously 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 5. The Company has no other identified commitments or contingencies.

12. Subsequent Events

On July 20, 2012 the Company completed a private placement of 4,828,603 units of the Company at a price of $0.35 per unit for gross proceeds of $1,690,011. The 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 $0.60 for a period of 18 months after the closing date. The brokers received a cash commission of $133,635, representing 7% of the gross proceeds raised plus additional fees.