

**WESCAN GOLDFIELDS INC.  
Unaudited Interim Financial Statements**

**For the Nine Month Period Ended  
September 30, 2004**

**Notice to Reader**

Management has compiled the unaudited interim financial statements of Wescan Goldfields Inc. for the nine-month period ended September 30, 2004. These statements have not been reviewed by the Corporation's external auditors.

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**Third Quarter Report**  
**For The Nine Months Ended September 30, 2004**

**Overview**

Wescan, a Canadian junior resource company, experienced a wealth of activity during the quarter in that it received conditional listing approval by the TSX – Venture Exchange in early September. The listing was conditional upon the closing of Wescan's Initial Public Offering ("IPO") that closed on October 5, 2004. The Company's IPO raised gross proceeds of \$1,400,000 from the issuance of 14,000,000 common shares. Subsequent to the closing of the IPO, a total of 26,000,100 common shares were issued and outstanding of which 8,470,105 are held by Shore Gold Inc. – Wescan's former parent company. The shares held by Shore Gold Inc. are in escrow and are scheduled for release over the next 36 months.

Shares of Wescan began trading on the TSX – Venture Exchange under the trading symbol WGF on October 15, 2004.

With the organizational matters of the Company concluded, management will now shift focus to its long-term mandate namely the acquisition, exploration and development of precious metal properties. Exploration plans are currently being reviewed relative to the Company's existing property portfolio (including the Jojay, Munro and Fork Lakes/Tamar properties) and expectations are that programs will commence during the first quarter of 2005.

**Highlights**

	<b>Nine Months Ended September 30, 2004</b> \$	<b>Twelve Months Ended December 31, 2003</b> \$
Revenue	0	0
Net income (loss)	(85,487)	(108,153)
Income (loss) per share	(0.02)	(1,081.53)
Cash from operations	(85,487)	(29,504)
Working capital	(193,640)	(49,032)

**Financial**

Wescan reported a net loss for the nine months ending September 30, 2004 of \$85,487 compared to a net loss of \$108,153 for the twelve-month period ended December 31, 2003. Total expenditures for the nine-month period are \$49,227 less than the \$134,714 reported for the six-month period ended June 30, 2004; the result of a reclassification of professional fees formerly recorded as operating costs and reclassified as deferred share issue costs in September which will be offset against the proceeds of the IPO financing that closed in October 2004.

**Revenues**

The Company does not currently generate any revenue. With the successful marketing of its IPO, the Company will generate modest interest revenues subsequent to the current quarter however it is expected that cash reserves will diminish throughout the remainder of 2004 and 2005 as exploration targets are finalized and programs are undertaken.

## **Expenditures**

During the quarter ended September 30, 2004, the Company reclassified certain costs associated with the IPO as deferred share issue costs that had previously been reported as operating costs. Subsequent to this reclassification, total expenditures for the nine-month period amounted to \$85,487 as compared to \$108,153 for all of 2003. Assuming similar expenditures for the fourth quarter of 2004, Wescan should experience comparable annualized costs for 2004 when compared to 2003.

## **Liquidity & Financial Resources**

Cash required for operations prior to receiving proceeds from the IPO that closed in October 2004 had been advanced by Shore Gold Inc. – Wescan's parent company. As such, as at September 30, 2004, Wescan is indebted to Shore Gold Inc. for approximately \$396,000.

With the successful marketing of the Company's IPO, gross proceeds of \$1,400,000 were received by the Company in October 2004. The intended use of these proceeds include general working capital as well as funding certain exploration programs expected to commence within the next several months. It is believed that existing cash reserves (subsequent to receipt of the IPO proceeds) will be sufficient to carry out planned exploration programs as well as to cover corporate operating costs through the next fiscal year.

## **Outlook**

With organizational matters essentially completed by quarter-end, and proceeds from the IPO in the bank, management is focusing its full attention to advancing the most promising exploration prospects with programs expected to commence in early 2005. The Company is well funded to carry out these programs as well as to cover corporate operating costs through 2005 and beyond.

## **Caution Regarding Forward-looking Information**

Some of the statements contained in this report are forward-looking statements, such as estimates that describe the Company's future plans, objectives or goals. This includes words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Further information relating to the Company has been filed on SEDAR and may be viewed at [www.sedar.com](http://www.sedar.com).