

Management's Discussion & Analysis

for the year ending December 31, 2004

(as at April 4, 2005)

Overview

Wescan Goldfields Inc. ("Wescan") was originally incorporated as Shore Resources Inc. on January 17, 2003 and Articles of Amendment dated April 2, 2004 changed its name to Wescan Goldfields Inc. Wescan was formed by its former parent company – Shore Gold Inc. ("Shore") to provide Shore's shareholders with a more direct means of realizing the potential of Shore's gold property holdings. This was accomplished by agreement dated May 31, 2004, when Shore transferred its gold property holdings to Wescan in exchange for 12,000,000 shares in Wescan. Shore in turn distributed 3,529,995 of these shares to its shareholders of record dated September 10, 2004. Shore has also retained the balance of the shares received for its properties to further enhance its shareholders value.

Having now acquired a portfolio of precious metals properties worthy of exploration pursuits, the next stage of development for Wescan was to become a publicly traded company. This was accomplished when Wescan closed its Initial Public Offering ("IPO") on October 7, 2004. The IPO resulted in the issuance of an additional 14,000,000 shares for gross proceeds of \$1,400,000 that will be used for exploration activities as well as for general working capital purposes. The shares of Wescan began trading on the TSX – Venture Exchange under the trading symbol WGF on October 15, 2004.

As previously mentioned, Wescan's mandate is to take advantage of improved precious metal prices through the exploration and eventual development of its newly acquired gold property holdings as well as pursuing any other opportunities suitable for an aggressive junior development stage enterprise. In order to further this objective, the Company undertook a private placement financing towards the end of 2004 to further complement its cash position to insure that cash reserves would be sufficient to pursue opportunities as they present themselves. This private placement consisted of 2,394,000 units at a price of \$0.25 per unit for gross proceeds of \$598,500 and 2,680,393 Flow-Through shares at a price of \$0.30 per share for gross proceeds of \$804,118. The units included a half warrant. Each whole warrant entitled the holder to acquire an additional share of Wescan upon payment of \$0.30 for a period of 12 months following closing. A further private placement of units was completed in February 2005 when 3,250,000 units were issued at a price of \$0.27 per unit for gross proceeds of \$877,500. Each of these units included a half warrant and each whole warrant entitled the holder to acquire an additional share of Wescan for a period of 12 months from closing upon payment of \$0.32 per share. As at the date hereof, Wescan has 34,324,493 common shares issued and outstanding, and 38,488,676 fully diluted.



Wescan's brief history has led to it being well positioned at December 31, 2004 with working capital of \$2,120,391, several precious metals properties, no long-term debt and a knowledgeable group of individuals in management positions as well as on the board of directors. In addition, at present, crews have been mobilized to drill test the ore producing structures at the Jasper Mine on the Company's 100% owned Fork Lake property. Weather permitting, upon completion of drilling on the Fork Lake property, the crews will move to the Jojay project to perform additional drilling activities. Wescan holds a 25% joint venture ownership in the Jojay property.

On March 2, 2005, Wescan acquired a 50% working interest in 7 prospecting permits in northern Saskatchewan. These properties are situated in and around the Athabasca Basin and cover a range of geologic settings normally prospective for uranium mineralization.

Highlights

Selected financial information of the Company by year since incorporation (January 17, 2003) follows. Financial information for 2003 as well as the first three quarters of 2004 has been extracted from the consolidated financial statements of the Company's then parent company – Shore Gold Inc. Specifically:

	2004	2003
	\$	\$
Revenues (1)	7,629	0
Net loss (2)	228,400	108,153
Net loss per share	0.02	1,081.53
Total assets (3)	2,445,633	535
Working capital (4)	2,120,391	(108,153)

(1) The Company's revenues come exclusively from interest earned on cash reserves. The increase in revenue is related to new equity offerings during 2004; the proceeds of which have been invested in short-term instruments intended to maximize return while being readily available for ongoing costs of operation and general working capital purposes.

(2) The increase in loss from 2003 to 2004 is, in part, due to the fact that the Company was incorporated on January 17, 2003. Administration costs also increased as a result of assigning a fair value to stock options granted during the year as well as increased travel costs associated with financings completed during 2004.

(3) The increase in total assets from 2003 to 2004 is the result of acquisition and additions to mineral properties during 2004 totaling \$287,745 (2003 - \$0) as well as cash, cash-in-trust and short-term investments of \$2,146,121 (2003 - \$0) from the issuance of common shares as part of the Company's Initial Public Offering and subsequent private placement.

(4) The increase in working capital is the result of the successful marketing of the Company's Initial Public Offering and private placement during 2004.

Selected financial information of the Company for the last 8 fiscal quarters is unavailable, as the Company did not become a reporting issuer until into the final quarter of 2004. Prior thereto, the Company was a wholly owned subsidiary of Shore Gold Inc. and its results of operations formed part of Shore's financial information for the relevant quarters.

Management's Discussion & Analysis (continued)

Financial

The Company does not currently operate any producing properties and; as such, is dependent upon the issuance of new equity to finance its ongoing obligations and advance its exploration properties. Fiscal 2004 has proven to be highly successful in this regard allowing the Company to successfully market its Initial Public Offering as well as an additional private placement resulting in sufficient cash reserves to continue with future stages of development. The Initial Public Offering together with the subsequent private placement generated gross proceeds of \$2,802,618.

Revenues

The Company generated modest revenues during 2004 from the investment of proceeds from the issuance of common shares associated with the Initial Public Offering in October 2004 and a subsequent private placement in December 2004. The Company is considered a "Development Stage Entity" as it does not currently have any producing properties and as such, no future revenues are anticipated other than interest until such time as the Company is able to develop a property to the production phase.

Expenditures

Expenditures during 2004 totaled \$236,029 as compared to \$108,153 for the period from January 17, 2003 (date of incorporation) to December 31, 2003. The principle increases are related to the Black-Scholes calculation of the fair value of stock options granted in late 2004 that resulted in the addition of \$59,290 to expenditures as well as increased travel costs incurred in 2004 primarily associated with the successful financings described earlier. Professional fees increased from \$31,813 for 2003 to \$40,125 for 2004, or 26%. This was primarily due to increased legal fees associated with the Company's listing on the TSX – Venture Exchange in late 2004.

Liquidity & Financial Resources

The Company successfully completed two equity financings during 2004 contributing to its working capital position as at December 31, 2004 being \$2,120,391. This working capital position will comfortably allow the Company to pursue more immediate exploration programs as well as to fund general working capital requirements. The continuation of funding any current as well as future exploration programs and general working capital requirements will be contingent on successful future equity financings. Although the Company does not currently envision being unable to meet current



and future funding requirements, there can be no assurance that additional funding will be available to the Company for further exploration and development of its projects. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. During February 2005, the Company successfully completed an additional private placement of 3,250,000 units at \$0.27 per unit for gross proceeds of \$877,500. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share in the capital of Wescan for a period of 12 months from closing at a price of \$0.32 per share.

Transactions with Related Parties

During 2004, the Company acquired mineral property interests in three gold properties valued at \$271,063 from its then parent company, Shore Gold Inc. in exchange for 12,000,000 common shares of Wescan. During 2004 and 2003, Shore Gold Inc. provided management services and use of office space to the Company for no charge.

During the year management and consulting fees of \$143,510 (2003 - \$67,500) were paid to directors, officers and companies controlled by common directors. \$95,000 (2003 - \$67,500) of these fees was included as consulting fees; \$48,510 (2003 - \$0) of the fair value of stock options was included as administration. Also during the year, the Company repaid amounts advanced to it by its then parent company, Shore Gold Inc. in the amount of \$404,839 (2003 - \$0). As at December 31, 2004, Shore Gold Inc. holds 8,470,105 common shares of the Company representing a 27.3% interest in the Company.

Outlook

The primary focus during 2005 will be to commence specific exploration programs on the Company's existing property portfolio as well as on carrying out due diligence exercises on other potential property positions to further enhance the Company's existing property portfolio with a view to becoming a junior producing company in the near future.

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 or 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.