

WESCAN GOLDFIELDS INC.
Unaudited Interim Financial Statements

**For the Six-Month Period Ended
June 30, 2005**

Notice to Reader

Management has compiled the unaudited financial statements of Wescan Goldfields Inc. for the six-month period ended June 30, 2005 (along with the comparative interim period in 2004). The Corporation's external auditors have not reviewed these statements.

Wescan Goldfields Inc.
(A Development Stage Entity)
Balance Sheets

	June 30, 2005	December 31, 2004
Assets		
Current assets:		
Cash	\$ 328,849	\$ 31,873
Cash-in-trust	-	209,200
Short-term investments	2,256,435	1,905,048
Receivables	37,308	11,767
Prepays	6,190	-
	2,628,782	2,157,888
Mineral properties (note 2)	568,395	287,745
Equipment (note 3)	31,114	-
	\$ 3,228,291	\$ 2,445,633
Liabilities & Shareholders Equity (Deficiency)		
Current liabilities:		
Payables and accrued liabilities	\$ 73,100	\$ 37,497
Shareholders equity (deficiency):		
Share capital (note 4 & 6)	3,276,864	2,685,399
Contributed surplus	144,960	59,290
Deficit	(266,633)	(336,553)
	3,155,191	2,408,136
	\$ 3,228,291	\$ 2,445,633

Wescan Goldfields Inc.
(A Development Stage Entity)
Statements of Income and Deficit

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2005	2004	2005	2004
Income				
Interest	\$ 15,474	\$ -	\$ 28,341	\$ -
Expenses				
Administration	\$ 152,421	\$ 6,212	\$ 215,200	\$ 9,690
Consulting fees	29,425	22,500	56,925	45,000
Professional fees	11,096	62,721	13,618	80,024
	<u>\$ 192,942</u>	<u>\$ 91,433</u>	<u>\$ 285,743</u>	<u>\$ 134,714</u>
Net income (loss) before the undernoted items	\$ (177,468)	\$ (91,433)	\$ (257,402)	\$ (134,714)
Depreciation and amortization	(2,366)	-	(2,366)	-
Income tax recovery (note 6)	-	-	329,688	-
	<u>\$ (179,834)</u>	<u>\$ (91,433)</u>	<u>\$ 69,920</u>	<u>\$ (134,714)</u>
Deficit, beginning of period	<u>(86,799)</u>	<u>(151,433)</u>	<u>(336,553)</u>	<u>(108,152)</u>
Deficit, end of period	<u><u>\$ (266,633)</u></u>	<u><u>\$ (242,866)</u></u>	<u><u>\$ (266,633)</u></u>	<u><u>\$ (242,866)</u></u>
Net income (loss) per share				
Basic and diluted	(0.01)	(0.02)	0.00	(0.07)
Weighted average number of shares outstanding	34,356,361	3,956,144	33,406,813	1,978,122

Wescan Goldfields Inc.
(A Development Stage Entity)
Statements of Cash Flows

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Cash provided by (used in):				
Operations:				
Net income (loss)	\$ (179,834)	\$ (91,433)	\$ 69,920	\$ (134,714)
Non-cash item:				
Depreciation and amortization	2,366	-	2,366	-
Fair value of stock options granted	102,450	-	102,450	-
Income tax recovery	-	-	(329,688)	-
Net change in non-cash operating working capital items:				
Receivables	(17,366)	-	(25,541)	-
Prepays	13,853	-	(6,190)	-
Payables and accrued liabilities	(22,876)	91,433	(35,213)	134,714
	\$ (101,407)	\$ -	\$ (221,896)	\$ -
Investing:				
Additions to mineral properties	\$ (199,487)	\$ -	\$ (280,650)	\$ -
Additions to equipment	(33,480)	-	(33,480)	-
Net change in non-cash investing working capital items:				
Payables and accrued liabilities	7,890	-	70,816	-
	\$ (225,077)	\$ -	\$ (243,314)	\$ -
Financing:				
Issue of common shares (net of issue costs)	\$ 55,421	\$ -	\$ 904,373	\$ -
	\$ 55,421	\$ -	\$ 904,373	\$ -
Increase (decrease) in cash position	\$ (271,063)	\$ -	\$ 439,163	\$ -
Cash position, beginning of period	2,856,347	-	2,146,121	-
Cash position, end of period	\$ 2,585,284	\$ -	\$ 2,585,284	\$ -
Cash position consists of:				
Cash	\$ 328,849	\$ -	\$ 328,849	\$ -
Short-term investments	2,256,435	-	2,256,435	-
	\$ 2,585,284	\$ -	\$ 2,585,284	\$ -

WESCAN GOLDFIELDS INC.

(A Development Stage Entity)

Notes to the Financial Statements (for the six-month period ended June 30, 2005)

Operations

Wescan Goldfields Inc. was originally incorporated as Shore Resources Inc. under the Business Corporations Act of Alberta on January 17, 2003 and by amended articles dated April 2, 2004 changed its name to Wescan Goldfields Inc. ("Wescan"). Substantially all of the Company's efforts are directed to the exploration and development of its mineral properties and is therefore, considered to be in the development stage with respect to its current mineral property holdings.

1. General

These unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as the most recent annual audited financial statements. These unaudited financial statements should be read in conjunction with the Company's annual audited financial statements included in the 2004 annual report.

2. Mineral properties

Mineral properties is made up of the following:

	Gold			Uranium	Total
	Fork Lake/ Jasper/ Tamar	Munro	JoJay	Athabasca Basin Property Portfolio	
Balance, December 31, 2004	\$ 204,731	\$ 69,561	\$ 13,453	\$ -	\$ 287,745
Expenditures during 2005					
Acquisition & staking	-	-	-	62,926	62,926
Consulting/Personnel	8,124	-	1,312	-	9,436
Drilling	6,114	-	1,525	-	7,639
Travel	1,162	-	-	-	1,162
Balance, March 31, 2005	\$ 220,131	\$ 69,561	\$ 16,290	\$ 62,926	\$ 368,908
Acquisition & staking	3,135	-	942	2,423	6,500
Consulting/Personnel	33,740	-	-	-	33,740
Drilling	128,119	-	1,457	-	129,576
Travel	29,671	-	-	-	29,671
Balance, June 30, 2005	\$ 414,796	\$ 69,561	\$ 18,689	\$ 65,349	\$ 568,395

3. Equipment

Equipment is made up of the following:

			For the period ended June 30, 2005	For the year ended December 31, 2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 2,365	\$ 177	\$ 2,188	\$ -
Furniture & equipment	5,782	289	5,493	-
Automotive equipment	25,333	1,900	23,433	-
Balance, end of period	\$ 33,480	\$ 2,366	\$ 31,114	\$ -

4. Share capital

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares.

Issued and outstanding

	Common Shares	Warrants	Amount
Balance, December 31, 2004	31,074,493	1,197,000	\$ 2,685,399
Common shares issued (a)	3,250,000	1,625,000	877,500
Issue costs	-	-	(358,236)
Balance, March 31, 2005	34,324,493	2,822,000	\$ 3,204,663
Options exercised (d)	200,000	-	76,780
Issue costs	-	-	(4,579)
Balance, June 30, 2005	34,524,493	2,822,000	\$ 3,276,864

a) Common shares

During the quarter ended March 31, 2005, the Company issued 3,250,000 units for gross proceeds of \$877,500. Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of \$0.32 for a period of 12 months from the closing date.

b) Warrants

On certain issues of common shares, the Company has attached warrants to the common shares entitling the holder to acquire additional common shares of the Company. Each whole warrant is exercisable into one common share for a period of 12 months from the closing date at a price ranging from \$0.30 to \$0.32. The number of warrants outstanding at June 30, 2005 was 2,822,000 with expiration dates ranging from December 16, 2005 to February 23, 2006, the exercise of which would result in the issuance of an additional 2,822,000 common shares. There were no warrants exercised during the first two quarters.

c) Broker warrants

On certain issues of common shares, the Company granted broker warrants as partial consideration to the agent for services associated to the share issuance. Each broker warrant entitles the agent to acquire one common share of the Company for a period of 12 months from closing at a price of \$0.30. The number of outstanding broker warrants at June 30, 2005 is 242,183 with an expiry date

of December 16, 2005. The exercise of the broker warrants would result in the issue of an additional 242,183 common shares of the Company.

d) Share option plan

The Company has established a share option plan whereby options may be granted to directors, officers and key employees to purchase up to an aggregate of 10% of the issued and outstanding shares of the Company. Options granted have an exercise price of not less than the market price (on the date of grant) of the common shares on the stock exchange on which the shares are traded. Options granted expire 5 years from the date of grant of the option.

For options outstanding at June 30, 2005, weighted average exercise prices are as follows:

	2005 Options	Average Price
Beginning of year	1,100,000	\$0.30
Options granted	-	-
Options exercised	-	-
Balance, March 31, 2005	1,100,000	\$0.30
Options granted	300,000	0.37
Options exercised	(200,000)	0.30
Balance, June 30, 2005	1,200,000	\$0.32

The options expire between the dates of November 2009 to May 2010.

The fair value of stock options issued in the quarter was estimated using the Black-Scholes option-pricing model with the following assumptions: 5 year weighted average expected option life, no expected forfeiture rate, dividend yield of 0.0%, a volatility factor of 72.8% (2004 – 0%) and a risk free rate of 4.25% (2004 – 0%). During the quarter and six-month periods ended June 30, 2005, the Company granted 300,000 (2004 - 0) options to officers, directors, consultants and employees at an average strike price of \$0.37 (2004 - \$0). The compensation cost recorded in respect of stock options issued for the quarter and six-month periods ended June 30, 2005 was \$102,450 (2004 - \$0), this entire amount was expensed with a corresponding increase of \$102,450 (2004 – \$0) to contributed surplus.

5. Related party transactions

During the six-month period ended June 30, 2005, management and consulting fees of \$55,900 (2004 – \$45,000) were paid to directors and officers of the Company. Of these fees, \$55,000 (2004 - \$45,000) were included as consulting fees and \$900 (2004 - \$0) were included as administration expense. The fair-value of stock-based compensation related to directors and officers of the Company was \$73,300 (2004 - \$0).

During the six-month period ended June 30, 2005, the Company paid Shore Gold Inc. \$18,000 (2004 - \$0) for management services performed by Shore Gold Inc. and the use of office space. As at June 30, 2005, Shore Gold Inc. holds 8,470,105 common shares of the Company representing a 24.5% interest in the Company.

The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Income taxes

The Company finances a portion of its exploration activities through the issue of flow-through shares. During the first quarter ended March 31, 2005, the Company renounced the deductions to investors and accordingly recorded share issue costs related to the future tax liability of the temporary difference arising from the renunciation. As a result, share capital is reduced and future income tax liabilities are increased by the estimated tax benefits renounced by the Company to the investors. Because the Company has unrecorded loss carryforwards and tax pools in excess of book value available, the future income tax liabilities are reduced with a corresponding credit to income tax recovery of \$329,688.