

WESCAN GOLDFIELDS INC.
Unaudited Interim Financial Statements

For the three Month Period Ended
March 31, 2006

Notice to Reader

Management has compiled the unaudited financial statements of Wescan Goldfields Inc. for the three-month period ended March 31, 2006. The Corporation's external auditors have not reviewed these statements.

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

| | <u>March 31,</u> <u>2006</u> | <u>December 31,</u> <u>2005</u> |
|--|---------------------------------|------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 713,853 | \$ 338,449 |
| Short-term investments | 4,944,565 | 5,893,010 |
| Receivables | 223,541 | 127,547 |
| Prepays | <u>25,960</u> | <u>10,230</u> |
| | 5,907,919 | 6,369,236 |
| Mineral properties (note 3) | 2,633,020 | 1,419,206 |
| Equipment | <u>63,951</u> | <u>60,499</u> |
| | <u>\$ 8,604,890</u> | <u>\$ 7,848,941</u> |
| Liabilities & Shareholders Equity | | |
| Current liabilities: | | |
| Payables and accrued liabilities | \$ 307,721 | \$ 276,716 |
| Future income tax liability | 788,000 | - |
| Shareholders equity: | | |
| Share capital (note 4) | 7,581,455 | 7,749,253 |
| Contributed surplus (note 4) | 203,042 | 245,016 |
| Deficit | <u>(275,328)</u> | <u>(422,044)</u> |
| | 7,509,169 | 7,572,225 |
| Commitments (note 6) | <u>\$ 8,604,890</u> | <u>\$ 7,848,941</u> |

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

| | Three Months Ended March 31, | |
|--|---------------------------------|-------------|
| | 2006 | 2005 |
| Income | | |
| Interest income | \$ 52,475 | \$ 12,867 |
| Expenses | | |
| Administration | 93,655 | 62,779 |
| Consulting fees | 40,082 | 27,500 |
| Professional fees | 11,116 | 2,522 |
| Amortization | 7,906 | - |
| | 152,759 | 92,801 |
| Net loss before the undernoted items | (100,284) | (79,934) |
| Future income tax recovery (note 6) | 247,000 | 329,688 |
| | 146,716 | 249,754 |
| Net income | 146,716 | 249,754 |
| Deficit, beginning of period | (422,044) | (336,553) |
| Deficit, end of period | \$ (275,328) | \$ (86,799) |
| Net income per share | | |
| Basic and diluted | \$ 0.00 | \$ 0.01 |
| Weighted average number of shares outstanding | 47,722,285 | 32,446,715 |

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

| | Three Months Ended March 31, | |
|---|---------------------------------|--------------|
| | 2006 | 2005 |
| Cash provided by (used in): | | |
| Operations: | | |
| Net income | \$ 146,716 | \$ 249,754 |
| Non-cash item: | | |
| Depreciation and amortization | 7,906 | - |
| Income tax recovery | (247,000) | (329,688) |
| Net change in non-cash operating working capital items: | | |
| Receivables | 29,752 | (8,175) |
| Prepays | (15,730) | (20,043) |
| Payables and accrued liabilities | (55,168) | (12,337) |
| | \$ (133,524) | \$ (120,489) |
| Investing: | | |
| Additions to mineral properties | \$ (1,213,814) | \$ (81,163) |
| Additions to equipment | (11,358) | - |
| Net change in non-cash investing working capital items: | | |
| Receivables | (125,746) | - |
| Payables and accrued liabilities | 86,173 | 62,926 |
| | \$ (1,264,745) | \$ (18,237) |
| Financing: | | |
| Issue of common shares (net of issue costs) | \$ 825,228 | \$ 848,952 |
| | \$ 825,228 | \$ 848,952 |
| Increase (decrease) in cash position | \$ (573,041) | \$ 710,226 |
| Cash position, beginning of period | 6,231,459 | 2,146,121 |
| Cash position, end of period | \$ 5,658,418 | \$ 2,856,347 |
| Cash position consists of: | | |
| Cash | \$ 713,853 | \$ 294,499 |
| Short-term investments | 4,944,565 | 2,561,848 |
| | \$ 5,658,418 | \$ 2,856,347 |

WESCAN GOLDFIELDS INC.

(A Development Stage Entity)

Notes to the Financial Statements (Quarters ended March 31, 2006 and 2005)

1. Nature of 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.

2. 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 2005 annual report.

3. Mineral Properties

| | Gold | | | | | Uranium | Total |
|-----------------------------|--------------------------------|-----------|-----------|-------------------|-----------|----------------------------------|--------------|
| | Fork Lake/ Jasper/ Tamar | Munro | Jojay | Limestone Lake | Other | Athabasca Basin Properties | |
| Balance - December 31, 2005 | \$ 1,227,045 | \$ 69,561 | \$ 45,704 | \$ 11,547 | \$ - | \$ 65,349 | \$ 1,419,206 |
| Acquisition & staking | - | - | - | - | 30,921 | 20,855 | 51,776 |
| Consulting/Personnel | 54,295 | - | - | - | - | - | 54,295 |
| Drilling | 916,725 | - | - | - | - | - | 916,725 |
| Surveying | - | - | - | - | - | 113,986 | 113,986 |
| Other | 77,032 | - | - | - | - | - | 77,032 |
| Balance- March 31, 2006 | \$ 2,275,097 | \$ 69,561 | \$ 45,704 | \$ 11,547 | \$ 30,921 | \$ 200,190 | \$ 2,633,020 |

The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

a) Fork Lake/Jasper/Tamar

At March 31, 2006 the Company holds a 100% interest in the Fork/Jasper/Tamar property, consisting of certain mineral dispositions located approximately 130 kilometers northeast of La Ronge, Saskatchewan. The Company acquired this property in 2004 from its then parent company, Shore Gold Inc.

b) Munro

At March 31, 2006 the Company holds a 51% interest in the Munro property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company acquired this property interest from its then parent company, Shore Gold Inc. in 2004.

c) Jojay

At March 31, 2006 the Company holds a 25% interest in the Jojay property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company acquired this property interest in 2004 from its then parent company, Shore Gold Inc.

d) Limestone Lake

In 2005, the Company staked claims on the Limestone Lake gold property located 157 kilometers southeast of La Ronge, Saskatchewan.

e) Athabasca Basin Properties

In 2005, the Company acquired a 50% interest in seven uranium properties in or around the Athabasca basin in northern Saskatchewan. An additional 50% in five claims in the same area were added during the first quarter of 2006.

4. Share Capital

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

The common shares of the Company are entitled to dividends pro rated and when declared by the Board of Directors; to one vote per share at meetings of the shareholders of Wescan Goldfields Inc. and, upon dissolution or any other distribution of assets, to receive pro rated such assets of the Company as are distributable to the holders of the common shares.

Issued and outstanding

| | Common Shares | Warrants | Amount |
|--|---------------|-------------|--------------|
| Balance – December 31, 2005 | 46,802,464 | 4,298,814 | \$ 7,749,253 |
| Warrants exercised (a) | 2,098,759 | (2,098,759) | 739,042 |
| Broker warrants exercised (b) | 150,415 | - | 98,086 |
| Options exercised (c) | 50,000 | - | 30,074 |
| Issue costs | - | - | - |
| Future income taxes on renunciation of flow-through shares | - | - | (1,035,000) |
| Balance – March 31, 2006 | 49,101,638 | 2,200,055 | \$ 7,581,455 |

a) 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. A summary of the outstanding warrants is as follows:

| | Warrants | Average Price |
|-----------------------------|-------------|---------------|
| Balance - December 31, 2005 | 4,298,814 | \$ 0.40 |
| Granted | - | - |
| Exercised | (2,098,759) | 0.35 |
| Balance - March 31, 2006 | 2,200,055 | \$ 0.45 |

As at March 31, 2006 the warrants outstanding were as follows:

| Number | Exercise Price | Expiry date |
|-----------|----------------|--------------------|
| 800,733 | \$ 0.45 | September 22, 2006 |
| 1,399,322 | 0.45 | September 28, 2006 |
| 2,200,055 | \$ 0.45 | |

b) 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. A summary of the outstanding broker warrants is as follows:

| | Warrants | Average Price |
|-----------------------------|-----------|---------------|
| Balance - December 31, 2005 | 493,405 | \$ 0.45 |
| Granted | - | - |
| Exercised | (150,415) | 0.45 |
| Balance - March 31, 2006 | 342,990 | \$ 0.45 |

As at March 31, 2006 the broker warrants outstanding expire between September 22 and 28, 2006.

c) 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 vest immediately and expire 5 years from the date of the grant of the options.

A summary of the outstanding options at March 31, 2006 is as follows:

| | Options | Average Price |
|-----------------------------|-----------|---------------|
| Balance - December 31, 2005 | 1,200,000 | \$ 0.32 |
| Granted | - | - |
| Exercised | (50,000) | 0.37 |
| Balance - March 31, 2006 | 1,150,000 | \$ 0.32 |

d) Contributed surplus

The fair-value of stock options and broker warrants have been determined using the Black-Scholes option-pricing model. The fair-value on the grant of these securities has been added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital. A summary of the contributed surplus activity is as follows:

| | Amount |
|--|------------|
| Balance – December 31, 2005 | \$ 245,016 |
| Less: contributed surplus related to options exercised | (11,575) |
| Less: contributed surplus related to broker warrants exercised | (30,399) |
| Balance – March 31, 2006 | \$ 203,042 |

5. Related Party Transactions

During the quarter management and consulting fees of \$28,750 (2005 - \$28,400) were paid to directors, officers and companies controlled by common directors; \$28,750 (2005-\$27,500) of these fees was included as consulting fees and \$0 (2005 - \$900) was included as administration expense.

During the quarter the Company was charged \$97,322 (2005 - \$9,000) from Shore Gold Inc. for management services, office space and equipment leases.

As at March 31, 2006 Shore Gold Inc. holds 8,474,086 common shares of the Company representing a 17.3% (2005 – 24.7%) interest in the Company.

The above transactions were in the normal course of operations and are measured at an amount 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 quarter, 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 of \$1,035,000. To the extent the Company has unrecorded tax assets, the future income tax liabilities are reduced with a corresponding credit to income tax recovery. As at March 31, 2006, the Company had approximately \$247,000 of unrecorded tax assets resulting in an income tax recovery of the same amount.

To satisfy its commitments pursuant to the issuance of flow-through shares, The Company is required to incur and renounce \$2,517,231 of qualifying exploration expenditures for tax purposes on or before December 31, 2006.