2008 Annual Report

WESCAN GOLDFIELDS INC.

Wescan Goldfields Inc. ("Wescan") is a Canadian based exploration and development company with its head office in the city of Saskatoon, Saskatchewan, Canada. The Company's mineral properties portfolio consists of gold, coal and base metals.

Wescan's objective is to significantly add shareholder value through exploration, development and growth. The Company is continuing the exploration of its current portfolio of properties to advance them to the development stage as well as actively pursuing new opportunities in both Canada and internationally.

The common shares of Wescan Goldfields Inc. trade on the TSX Venture Exchange (TSX-V) under the trading symbol "WGF".

The Annual General and Special Meeting of the Shareholders of Wescan Goldfields Inc. will be held in Saskatoon at the Radisson Hotel in the Venice Room at 10:00 am on Wednesday June 3rd, 2009. Shareholders are encouraged to attend. Those unable to do so should complete the form of Proxy included with the Shareholder Information Circular and forward it to Valiant Trust Company no later than 24 hours before the meeting.

Index

Message to Shareholders

Dear Shareholders,

The past year has been one of change for Wescan Goldfields Inc. In 2008, the Company diversified its asset base to include coal, along with base and precious metals. At the same time we made the difficult but necessary decision to withdraw ownership interest in uranium and one of our gold joint ventures.

After a significant discovery of coal in the east central area of the Saskatchewan, Wescan immediately applied for an extensive package of coal certificates adjacent to the discovery area. Late in 2008, the Company received its coal certificate for the areas around Hudson Bay, including additional coal certificates in the Pinehouse Lake area where historical drilling has found coal. The Company continued to focus efforts on its existing properties through a winter drill program that was completed on the Jojay gold project. We also completed further exploration on the Munro Lake joint venture in northern Saskatchewan.

To move the newly acquired coal assets and existing portfolio projects forward, the Company secured additional financing in the fourth quarter of 2008 in the amount of $2.9 million.

As we prepare this Annual Report economic conditions remain challenging, but the Company is confident it has taken the necessary steps to help forge through these economic uncertainties. We have a dedicated team of professionals, a highly prospective package of coal dispositions and more than $2 million of flow-through dollars that will be used primarily to explore these dispositions in 2009, which we strongly believe will build shareholder value.

For 2009, we remain optimistic and are prepared for the challenges and opportunities ahead, and will continue to rely on our skills and experience to continually move your Company forward.

We want to thank our Wescan shareholders for their continued support and our Board of Directors for their guidance and invaluable knowledge. To our employees, we thank them for their hard work and undying determination for Wescan's continued success.

Kenneth E. MacNeill
Chief Executive Officer

Property Discussions

Hudson Bay/Pinehouse Lake – Coal Exploration

During 2008, Wescan applied for an extensive package of coal dispositions in east central Saskatchewan on the announcement of a major coal discovery of coal intersections up to 41.1 metres in thickness. The near surface intersections discovered were made in two holes spaced 1.64 kilometres apart in an area 50 kilometres north of Hudson Bay, Saskatchewan.

A total of 324 coal permits have now been issued to the company encompassing a total area of 190,992 hectares (1,910 square kilometres) in the Hudson Bay region and 33,008 hectares (331 square kilometres) in the Pinehouse Lake area. The permits allow Wescan to actively explore the area for coal and cover a period of three years with two possible six-month extensions and are convertible to a 15-year lease.

A comprehensive drilling program is being planned to test several anomalies within the permit areas. As part of this first phase of exploration, a regional study of all geological data is in progress. This study will target structural anomalies, which are favorable for the formation of basins where thick coal beds can develop. Similar structures control the development of substantial coal beds elsewhere within the Mannville Group in Saskatchewan and Western Canada. Environmental permitting with the Saskatchewan Ministry of Environment for this exploration program is in progress.

Jojay – Gold Exploration

The Jojay gold deposit was formerly held by Wescan (25% and operator) and Claude Resources Inc. (75%) under a Joint Venture agreement, however in October 2006, Wescan acquired Claude's interest by the issuance of three and one half million (3.5M) Wescan common shares. The Jojay project is located 150 kilometres north east of La Ronge within the greenstone belt of northern Saskatchewan and consists of five claim blocks covering 1,496 hectares (ha). The property has a long history of exploration dating back to the eighties with considerable work being carried out by Cominco Ltd. and subsequent to that by Saskatchewan Mining and Development Corporation (one of Cameco Corp.'s predecessors). Claude Resources Inc. obtained the property in 1986 and ultimately entered into a Joint Venture agreement with Shore Gold Inc. and Shore's interest was subsequently transferred to Wescan in 2004.

The previous exploration work culminated in a 1987 Kilborn "preliminary economic analysis" of the project that reported a probable mining reserve of 313,174 tons at a grade of 0.26oz/ton gold which met the National Policy 2A. The reported reserve is not 43-101 compliant and Wescan has not relied on but rather has used it as a guide for evaluation. Wescan carried out a seven hole drill program in 2005 to confirm continuity and possible extensions to the mineralized zones. The program successfully confirmed the continuity and increased the confidence level of the various mineralized zones. During 2006 Wescan staked additional ground on the western boundary and developed a three dimensional model as an important tool to be used in planning the next phase of exploration for the project.

In December 2007 a winter drill program commenced and was completed in late February, 2008. This in-fill drill program included 6,336 metres of drilling over 22 holes as required for resource estimations and step out drilling to test deeper areas of mineralization. This step out drilling, down-plunge of the known mineralized zones resulted in a significant overall deepening of the deposit. The northern mineralized zone was extended from 200 metres to 300 metres from surface and the southern mineralization was extended from 150 metres to 250 metres from surface. These drill results demonstrate a significant increase of potential at Jojay.

Fork Lake/Jasper Mine – Gold Exploration

The Fork Lake property is located in the La Ronge Greenstone Belt of Northern Saskatchewan in the vicinity of a number of former gold producers. The property contains the high grade Jasper gold mine which mined 155,000 tons at 0.54 oz/ton in the early nineties. The property covers an area of 6,513 ha and is accessible by road 135 kilometres northeast of La Ronge, Saskatchewan. It is approximately 12 kilometres from an existing licensed gold processing plant.

Historical exploration from the early 1960s to the 1990s identified and investigated numerous mineralized showings and structural lineaments on the property, including the highly auriferous Jasper, Muskeg, and Roxy structures, the DMZ.X, Boulder, CP and DMZ.W zones. Wescan's on-going exploration of the Fork Lake property during 2006 included completion of two phases of drilling, and a prospecting and geochemical soil sampling program over the southwest portion of the property. In 2007 Wescan initiated an exploration program of soil sampling, prospecting and core drilling. Sampling covered 40 line-kilometres with 800 soil and 40 rock samples submitted for analysis. A drill program was carried out in the fall that attempted to locate new mineralization north of the Jasper mine. A preliminary review of the results has not identified any new zones.

Minimal exploration was carried out in 2008.

Munro Lake Joint Venture – Gold Exploration

Munro Lake is a joint venture between Wescan the operator, and Shane Resources Ltd. The Munro Lake gold project lies within the Glennie Lake Domain in north eastern Saskatchewan and is located seven kilometres north east of the currently producing Claude Resources Ltd.'s Seabee Mill. The Munro Lake claim area covers 2,489 ha and is accessible from La Ronge or Otter Lake by float or ski-equipped aircraft. The Munro Project is an early stage gold exploration play which encompasses the northeast projection of the Laonil Lake Shear Zone which is the main ore control structure for the Seabee Mine gold mineralization. Prior exploration work on the property and a review by an independent consultant has recommended a phased exploration program including further prospecting, soil geochemical sampling, ground based geophysics, and follow-up trenching and shallow drill testing. An initial ground reconnaissance program and re-sampling of earlier anomalies was carried out during the fall of 2007.

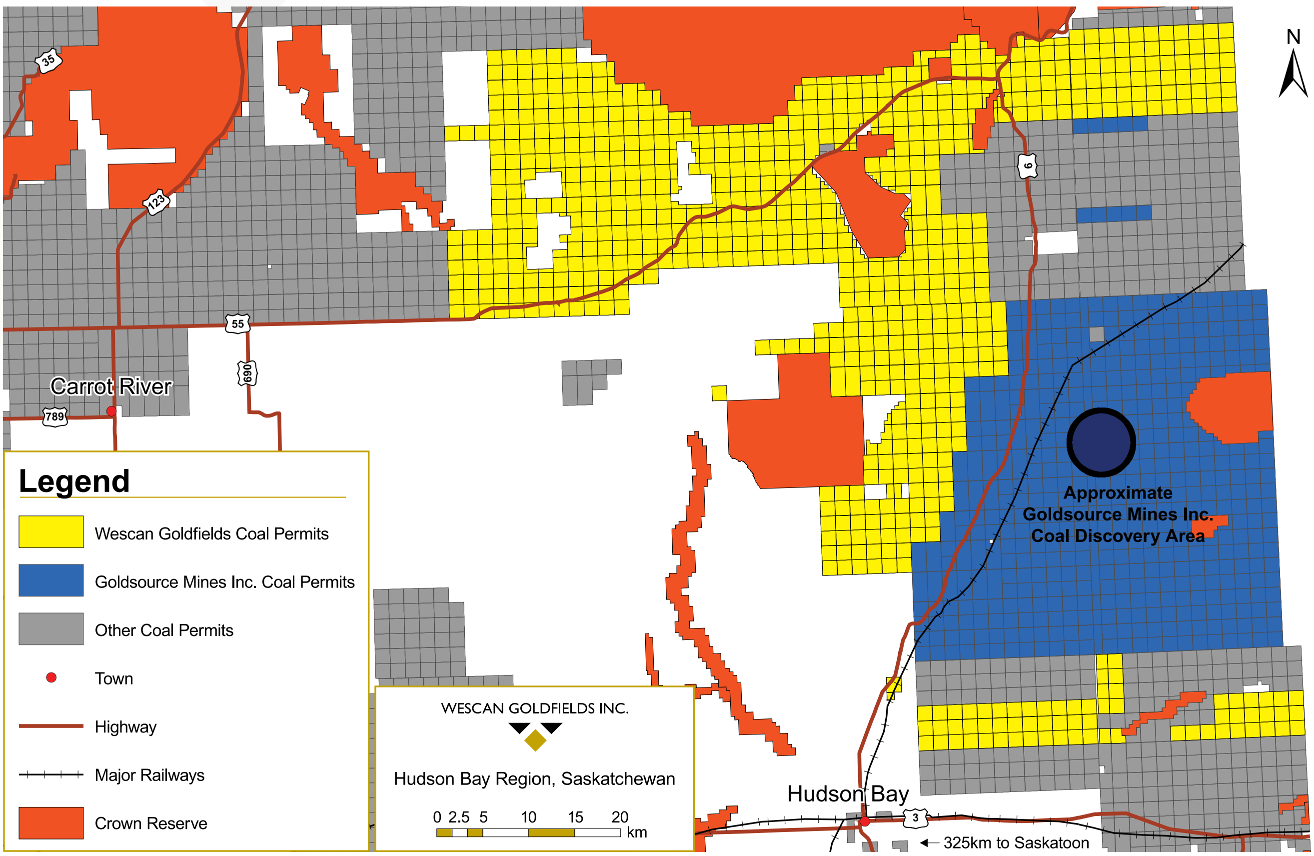
In 2008, the Company commenced work on a summer line-cutting and soil geochemistry program on the property. The current year program aimed to study the extent of gold mineralization on the property. During 2008, the Company's partner choose not to fund their portion of the current year exploration program and as a result their participating interest was reduced resulting in Wescan now owning 86.5%.

Limestone Lake/Hanson Lake – Base Metal Property

During 2005 and 2006 Wescan staked ground in the Limestone Lake region of North Eastern Saskatchewan in an area adjacent to the past base metal producer Hanson Lake Mine and just to the west of the McIlvenna Bay polymetallic deposit. The property staked covers eight claims totaling 22,136 ha. A previous airborne geophysical survey outlined a number of anomalies and the area is highly prospective for base metal occurrences. In 2007 Wescan added to the holdings in the area with the staking of an additional claim covering 3,087 ha to the north west of the old Hanson Lake mine.

To date minimal exploration has been carried out.

Hudson Bay Coal Permits



Management's Discussion & Analysis

The following Management's Discussion and Analysis is prepared as of April 24, 2009 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2008 and December 31, 2007. Wescan Goldfields Inc. ("Wescan" or "the Company") prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are reported in Canadian dollars unless otherwise indicated.

Overview

During 2008, Wescan expanded its areas of focus from base and precious metals to also include coal. The Company successfully received 324 coal permit certificates from the Saskatchewan Ministry of Energy and Resources for areas around Hudson Bay and Pinehouse Lake, Saskatchewan. The Company also completed its winter drill program on its 100% owned Jojay gold project in the La Ronge greenstone belt in northern Saskatchewan. As well, further work was completed on the exploration program on the 86.5% interest Munro Lake joint venture in northern Saskatchewan. In response to the Company's expanded asset base, the Company secured additional equity financing during the year. In the fourth quarter of 2008, Wescan successfully completed private placements in aggregate of 9,699,666 flow-through common shares and 2,007,745 units of the Corporation for gross proceeds of $2,877,550 (see Wescan News Releases dated October 20 and October 27, November 5 and November 20, 2008).

Coal Projects

In the second quarter of 2008, immediately following the announcement of a significant coal discovery in the east central area of Saskatchewan, Wescan applied for an extensive package of coal dispositions. Coal permit applications covering approximately 253,000 hectares in this region were submitted in accordance with the Coal Disposition Act of Saskatchewan.

During the third quarter of 2008, Wescan announced it had received an initial tranche of 229 coal permit certificates from the Saskatchewan Ministry of Energy and Resources. These permits comprised a total area of 161,777 hectares (1,618 square kilometres) in the Hudson Bay area which will allow the Company to actively explore the area for coal (see Wescan news releases dated July 30 and September 18, 2008).

In the fourth quarter of 2008, Wescan received 95 additional coal permit certificates comprised of 52 from the Hudson Bay area and 43 from the Pinehouse Lake area of northern Saskatchewan located west of La Ronge. A total of 324 coal permits have now been issued to the Company encompassing a total area of 190,992 hectares (1,910 square kilometres) in the Hudson Bay region and 33,008 hectares (331 square kilometres) in the Pinehouse Lake area. The permits cover a period of one year with two possible six-month extensions and thereafter convertible to a 15-year lease.

A review of regional geophysics and detailed topographic data is currently underway to define drill targets. Applications for environmental permitting with the Saskatchewan Ministry of Environment for an exploration program are also currently in progress. Upon receipt of these permits, the Company plans to test several anomalies within the permit areas through a multi-hole core drilling program.

Jojay Project

Drilling on Wescan's advanced stage Jojay project continued in the first quarter of 2008. This program commenced after the completion of the drill program on the Company's Fork Lake project in late 2007. The 2007-2008 Jojay drill program included 6,336 metres of core drilling over 22 holes and was completed in late February, 2008. This drill program focused on infill drilling required for a resource estimate. In addition, drilling down plunge of the known mineralized zone resulted in a significant overall deepening of the deposit. The northern mineralized zone was extended from 200 metres to 300 metres from surface and the southern mineralization was extended from 150 metres to 250 metres from surface. These drill results demonstrate the significant increase of potential at Jojay.

Munro Lake

In 2008, the Company commenced work on the summer line-cutting and soil geochemistry program on the Munro Lake joint venture project. The 2008 exploration program aimed to study the extent of gold mineralization on the property. Exploration was targeted on the mafic metavolcanics that extend from the southern claim boundary north-westwards through Munro Lake. This program, which commenced in the second quarter of 2008, included line-cutting, soil geochemical sampling (25 metre intervals), prospecting and mapping. Initial data interpretation from this program is currently underway. The Company's project partner Shane Resources Inc. chose not to fund their portion of the 2008 exploration program and as a result their participating interest was reduced in accordance with the joint venture agreement resulting in Wescan now owning 86.5%.

Mud Lake Option Agreement

The Company exercised its right to terminate its obligations pursuant to the Option Agreement between Wescan and Alto Ventures Ltd ("Alto"). As a result, Wescan forfeited its interest of any description in the mineral dispositions of the property in the Beardmore-Geraldton Gold Belt of northern Ontario and has written down all capitalized costs associated with the Mud Lake property.

Under the terms of the 2007 Option Agreement, Wescan had an exclusive and irrevocable option to acquire an undivided 50% interest in Alto's Mud Lake Project by making $600,000 in exploration expenditures and issuing 150,000 Wescan shares to Alto over a two year period.

Athabasca Basin Properties

Wescan elected not to fund its portion of the current year exploration program related to the Company's co-owned uranium exploration properties in the Athabasca basin of northern Saskatchewan. As a result of this decision, Wescan had its interest diluted in the eleven properties in accordance with the joint venture agreement. The Company's interest in the properties had been reduced to a non-participating, non-voting Net Smelter Return royalty of 0.5%. As a result, at December 31, 2008 the Company wrote down all capitalized costs associated with the Athabasca basin properties.

Selected Annual Information

Selected financial information of the Company by year is summarized as follows:

	2008 $	2007 $	2006 $
Revenues	103,829	199,248	201,800
Net loss	2,403,082	1,046,802	575,517
Net loss per share (1)	0.04	0.02	0.01
Total assets	12,177,549	11,966,442	11,261,212
Working capital	2,342,971	2,998,275	5,178,281
Mineral property expenditures	2,202,754	2,157,067	2,957,180

(1) Basic and diluted.

Year to Date

Results of Operations

For the year ended December 31, 2008, the Company recorded a net loss of $2,403,082 ($0.04 per share) compared to a net loss of $1,046,802 ($0.02 per share) for the same period in 2007. The increase in net loss during 2008 over 2007 was primarily due to the $1,215,707 write-down of mineral properties, increased personnel costs and higher charges for the fair value of stock based compensation. The larger loss was partially offset by the future income tax reduction of $387,500 as a result of the recognition of the tax benefit of loss carry-forwards to the extent a future income tax liability was created upon the renunciation of flow-through expenditures for the year-ended December 31, 2008. The Company also generated lower interest income for 2008 compared to 2007 which also contributed to the loss. This decrease was partially offset by an increase in other income.

Revenues

For the year ended December 31, 2008, the Company reported interest revenue and other income of $103,829 as compared to $199,248 for the year ended December 31, 2007. The reduction in interest revenue from the same period in 2007 is the result of having a smaller surplus of cash for investing and declining interest rates. Other income for the year ended December 31, 2008 relates to fees charged for the rental of the Fork Lake property camp.

Expenses

Total operating expenses for the year ended December 31, 2008 were $1,678,704 compared to $1,589,050 for the same period of 2007. This represents an increase of $89,654 or 6%. Administration expense increased $159,651 from $1,309,803 in 2007 to $1,469,454 in 2008. The increase in these expenditures predominately related to an increase in personnel costs and stock based compensation. Consulting fees decreased by $22,085 or 47% over the same period last year due to costs incurred for an executive search in 2007. Finally, professional fees decreased from $164,396 in 2007 to $78,763 in 2008. The decrease in 2008 was primarily related to professional fees associated with due diligence procedures on a certain mineral property opportunity that was not present in 2008.

Income Taxes

Income tax recoveries were $387,500 in 2008 compared to a recovery of $343,000 in 2007. The future income tax recovery that was recorded during the year ended December 31, 2008 resulted from the recognition of the tax benefit of loss carry-forwards to the extent a future income tax liability was created upon the renunciation of flow-through expenditures for the year-ended December 31, 2008.

Write-down of Mineral Properties

During the year ended December 31, 2008 the Company made the difficult decision to no longer fund the Athabasca Basin and Mud Lake Properties. With respect to the Athabasca Basin Properties, the Company elected not to fund its portion of the current year's exploration program and as a result had its interest diluted in the properties in accordance with the joint venture agreement. As at December 31, 2008, the Company's interest in the properties has been reduced to a non-participating, non-voting Net Smelter Return royalty of 0.5% and Wescan has written off all costs associated with the properties. With regards to the Mud Lake property the Company exercised its right to terminate its obligations pursuant to the option agreement. As a result, Wescan forfeited its interest of any description in the mineral dispositions of the property and has written off all costs associated with the property.

Investing

Mineral properties cash additions totaled $2,202,754 for 2008 compared to $2,157,067 for 2007. The majority of the additions for the year ended December 31, 2008 relate to the completion of the winter drill program on the Company's 100% owned Jojay gold project, a summer line-cutting and a soil geochemistry program on the Munro Lake joint venture project, staking fess and field reconnaissance work associated with coal permits received by the Company. The additions for the year ended December 31, 2007 predominately related to the Company's advancement of its exploration program on the 100% owned Fork Lake gold property, environmental baseline and scoping studies performed on the 100% owned Jojay property and a geophysical survey over uranium claims located in the Athabasca Basin region of northern Saskatchewan.

Financing

In October and November of 2008, the Company completed two private placement financings consisting of an aggregate of 9,699,666 common shares in the capital of the Corporation issued on a flow-through basis at a price ranging from $0.23 to $0.30 per flow-through share and 2,007,745 units of the Corporation at a price ranging from $0.20 to $0.27 per unit, for aggregate gross proceeds of $2,877,550. Each unit consisted of one common share issued on a non flow-through basis, and one half of one common share purchase warrant. The proceeds will be used by Wescan to incur Canadian exploration expenses prior to December 31, 2009 and general working capital purposes. (See Wescan News Releases dated October 20 and October 27, November 5 and November 24, 2008).

The Company paid finders' fees equal to 7% of the gross proceeds raised by the finder under each of the offerings and issued broker warrants equal to 7% of the gross proceeds sold by such a finder pursuant to the offerings.

In July of 2007, the Company completed a non-brokered private placement for 3,888,750 flow-through shares at a price of $0.40 per share for gross proceeds of $1,555,500. These proceeds were used by Wescan to incur Canadian exploration expenses prior to December 31, 2008 (See Wescan News Release July 19, 2007).

During the year ended December 31, 2008 there were 200,000 options and 180,063 broker warrants exercised resulting in additional cash flow from financing activities of $128,025 (2007 – Nil).

Summary of Quarterly Results

	2008				2007			
	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Revenues (1)	27,839	28,590	16,280	31,120	59,406	51,023	36,086	52,733
Net income (loss)	(1,363,768)	(234,289)	(545,313)	(259,712)	(184,624)	(197,915)	(325,564)	(338,699)
Net income (loss)/share (2)	(0.02)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
Shares outstanding (3)	75,121,390	63,413,979	63,045,892	62,983,916	62,983,916	62,983,916	59,095,166	59,045,166

1) *The Company's revenues come from interest earned on cash balances, camp rental fees as well as administration fees for acting as operator on certain joint operations. Interest earned during 2007 remained relatively stable due to keeping a steady investment base after the Company completed equity financings in fourth quarter of 2006 and third quarter of 2007. The downward trend in 2008 is the result of the Company not earning as much interest as ongoing exploration has reduced the amount of cash remaining to invest. Third and fourth quarter revenues of 2008 would have continued to decrease if not for the fees earned on the rental of the Fork Lake camp.*

2) *Basic and diluted.*

3) *A private placement in the third quarter of 2007, combined with the issue of shares in the second quarters of 2007 and 2008 as part of Mud Lake Option Agreement, the exercise of broker warrants and options in the third quarter of 2008, and the private placements in the fourth quarter of 2008 resulted in the changes to the common shares issued and outstanding.*

Fourth Quarter Results

For the quarter ended December 31, 2008, the Company recorded a net loss of $1,363,768 or $0.02 per share compared to a net loss of $184,624, or $0.00 per share for the same period in 2007. The difference between the quarter ended December 31, 2008 and 2007 is predominately related to the $1,215,707 write down of mineral properties due to the Company's decision to no longer fund the Athabasca Basin and Mud Lake properties.

The Company generated $27,839 in interest and other revenue during the fourth quarter compared to $59,406 for the corresponding period in 2007. The decrease is a result of the Company having less cash on hand for investing after incurring on-going exploration expenditures and declining interest rates. The decrease in interest income was partially offset by the fees earned on the rental of the Fork Lake camp.

Total operating costs for the quarter ended December 31, 2008 were $347,000 and remained relatively unchanged from $347,513 during the quarter ended December 31, 2007.

During the fourth quarter of 2008, the Company incurred $156,744 (2007 - $1,028,959) in mineral property cash additions, the majority of which related to the Company's coal permits and maintenance of the Company's remaining properties.

During the quarter ended December 31, 2008, the Company completed private placements consisting of an aggregate of 9,699,666 flow-through common shares and 2,007,745 units of the Corporation for aggregate gross proceeds of $2,877,550.

Related Party Transactions

Certain senior officers of Wescan, through their consulting companies hold management and consulting contracts with the Company. During 2008, Mr. Kenneth E. MacNeill (Chief Executive Officer) through his consulting company was paid management and consulting fees of $72,000 (2007 - $72,000). Mr. Harvey J. Bay (former Chief Financial Officer) through his consulting company was paid $4,000 for management and consulting fees during the year ended December 31, 2007. Of these fees, nil (2007 - $4,000) was recorded as consulting fees and $72,000 (2007 - $72,000) was recorded as an administrative expense.

During the year, the Company paid $70,000 (2007 - $327,000) to Shore Gold Inc. for administration service and rental of equipment. Accounts payable includes $9,000 (2007 – $2,000) due to Shore Gold Inc.

As at December 31, 2008 Shore Gold Inc. holds 12,955,568 (2007 – 11,474,086) common shares of the Company representing a 17.2% (2007 – 18.2%) 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.

Liquidity

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. 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 additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. As at December 31, 2008, the Company anticipates it will have sufficient access to financial markets to fund its financial liabilities through future equity contributions.

As at December 31, 2008, the Company has working capital of $2.3 million as compared to $3.0 million at December 31, 2007. Until the Company's surplus cash is required to fund exploration or development activities it is being invested in relatively risk-free, short-term instruments with maturities not exceeding three months.

In addition, in the fourth quarter of 2008, the Company completed private placements of 9,699,666 flow-through common shares and 2,007,745 units of the Corporation for aggregate gross proceeds of $2,877,550. These funds will be used by Wescan to incur Canadian exploration expenses prior to December 31, 2009 and general working capital purposes (See WGF News Releases October 20 and 27, November 5 and 24, 2008).

The Company's contractual obligations are as follows:

	Payment due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter
Operating lease obligations	$ 345,400	$ 86,350	$ 259,050	$ -	$ -
Exploration expenditures	$ 2,361,099	$ 2,361,099	$ -	$ -	$ -
Total	$ 2,706,499	$ 2,447,449	$ 259,250	$ -	$ -

Capital Resources and Outstanding Share Data

As at December 31, 2008, the Company has working capital of $2.3 million as compared to $3.0 million at December 31, 2007.

At December 31, 2008, the Company had 75,121,390 shares issued and outstanding compared to 62,983,916 at December 31, 2007. As at April 24, 2009, the Company had a total of 75,121,390 common shares issued and outstanding as well as 1,003,873 warrants, 537,833 broker warrants and 6,477,500 options with weighted average exercise prices of $0.35, $0.35 and $0.39 respectively. In the event all warrants, broker warrants and options were exercised, the Company would be required to issue a further 8,019,206 common shares for gross cash proceeds of $3.1 million.

Critical Accounting Estimates

Wescan's consolidated financial statements are prepared in conformity with Canadian generally accepted accounting principles ("GAAP"). The Company's accounting policies are described in note 2 and note 3 to the annual consolidated financial statements. Certain of these policies involve critical accounting estimates because they require Management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. The uncertainties related to these areas could significantly impact the Company's results of operations, financial condition and cash flows.

Management considers the following polices to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements.

Mineral Properties

Subject to compliance with provincial mineral regulations, the Company holds the right to explore for and develop mineral resources on various Crown property dispositions within the Province of Saskatchewan. These rights are classified as mineral properties for financial statement purposes.

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against future income of the project using the unit of production method over estimated recoverable reserves. Interest on debt associated with the acquisition of mineral properties would be capitalized until commencement of commercial production. There have been no interest costs capitalized to date. Management assesses carrying values of non-producing properties each time it issues financial statements and if Management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of such reserves and the success of future operations. 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.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Stock-based Compensation Plans

Options granted under the share option plan are accounted for using the fair value method. Under this method, the fair value of stock options granted is measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options exercised is transferred to share capital.

Future Income Taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is recognized in earnings in the period which includes the enactment date. Future income tax assets and liabilities are recorded in the financial statements if realization is considered more likely than not. The valuation of future income taxes is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated recoverable amount.

Fair Value of Financial Instruments

Financial instruments are initially recorded at fair value. Cash and cash equivalents are stated at fair value. The fair values of receivables and payables approximate their recorded amounts due to their short-term nature.

Accounting Changes

Financial Instruments – Presentation and Disclosure

On January 1, 2008, the Company adopted Canadian Institute of Chartered Accountants ("CICA") handbook sections relating to financial instrument presentation and disclosure. These sections are intended to enhance the users' ability to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks.

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

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's approach to managing this risk is to only invest in highly liquid assets to meet its obligations when due. As at December 31, 2008, the Corporation had working capital of $2.3 million.

The Company does not currently operate any producing properties and as such, is dependent upon the issuance of new equity to advance its exploration properties. 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 additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in its properties or joint operations or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on Wescan's future cash flows, earnings, results of operations and financial condition.

The ability of the Company to continue as a going concern, fund exploration expenditures to satisfy flow-through share commitments in an orderly manner and provide funds for ongoing general and administrative costs is anticipated to require further equity issues in 2009. The Company is committed to incur $2,361,099 of qualifying exploration expenditures for tax purposes on or before December 31, 2009. As at December 31, 2008, the Company anticipates it will have sufficient access to financial markets to fund its financial liabilities through future equity contributions.

Capital Disclosures

On January 1, 2008, the Company adopted CICA accounting standards relating to capital disclosure. This additional disclosure includes information regarding an entity's objectives, policies and processes for managing capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholder's equity as capital and has financed its exploration efforts through the issuance of shares.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board of Directors.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's investment policy is to invest its cash in highly rated, liquid, short-term, interest-bearing investments with an initial term to maturity of three months or less, resulting in minimal exposure to interest rate and credit risk.

The Company is not subject to externally imposed capital requirements.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011. The Company's first financial statements presented in accordance with IFRS will therefore be the three-month period ended March 31, 2011. Though IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating some of the impact of adopting IFRS at the changeover date. The International Accounting Standard Board ("IASB") will, however, also continue to issue new accounting standards during the conversion period, and as a result, the final impact of IFRS on the Company's financial statements will only be measurable once all IFRS applicable at the conversion date are known.

As a result of this convergence, the Company has developed a plan to convert its financial statements to IFRS. Regular reporting to the Company's Audit Committee on the status of the IFRS implementation project has been established to ensure proper oversight.

The Company's implementation project consists of three primary phases:

- **Phase 1: Initial Scoping and Diagnostic Phase.** This phase includes the identification of key differences, important dates, development of milestones, and potential training issues.

- **Phase 2: Detailed Evaluation Phase.** In this phase, further evaluation of the financial statement areas impacted by IFRS will be completed. This will involve a more detailed systematic gap analysis of accounting and disclosure differences between Canadian GAAP and IFRS. This detailed assessment will facilitate final decisions around accounting policies and overall conversion strategy. This phase also involves specification of changes required to existing business processes.

- **Phase 3: Implementation and Review Phase.** This phase includes the final policy selection with the culmination of the necessary information systems and data required to prepare IFRS compliant financial statements and disclosures and any necessary adjustments to other business processes that may be impacted. Also included in this phase is the delivery of the necessary training to Wescan's Audit Committee, Board of Directors and staff.

During the initial scoping exercise completed in 2008, the Company has identified the accounting related to the carrying value of the Company's mineral properties to be the area of the most significant potential differences. The carrying value of the Company's mineral properties may be impacted by several standards in IFRS, including the treatment of exploration expenditures, and how potential impairments are analyzed.

Currently, Canadian GAAP and IFRS both allow a Company to establish an accounting policy that either capitalizes or expenses exploration expenditures incurred. IFRS related to exploration costs, however, are currently under review and are anticipated to change after January 1, 2011. The full extent of the changes are not yet known and, as a result, the Company may change its current policy of capitalizing exploration expenditures retroactively on the date of transition in order to minimize the impact future IFRS changes may have on the Company's financial statements.

As a result of the initial scoping exercise and given the stage of the Company's development, Management does not anticipate that the conversion to IFRS will have any significant impact to its business processes. Certain members of the conversion team have been provided training regarding IFRS. More specific training is anticipated and additional involvement of the Company's external auditors will be required once Management has fully evaluated the implications of the differences between Canadian GAAP and IFRS.

Management has not yet completed its quantification of the effects of adopting IFRS. The consolidated financial performance and financial position as presented in the Company's Canadian GAAP financial statements may be significantly different when presented in accordance with IFRS.

Goodwill and Other Intangible Assets

Effective January 1, 2009, the Company will adopt a CICA handbook section relating to goodwill and intangible assets, which replaces existing standards relating to goodwill and intangible assets and research and development costs. The standard introduces guidance for the recognition, measurement and disclosure of goodwill and intangible assets, including internally generated intangible assets. The standard also harmonizes Canadian standards with IFRS and applies to annual and interim financial statements for fiscal years beginning on or after October 1, 2008. The Company does not expect the adoption of this standard will have a material impact on its consolidated financial statements.

Disclosure of Internal Controls

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (MI 52-109), the certificate filed by Wescan does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multilateral Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Outlook

As at April 24, 2009, the Company has $2.3 million in cash and cash equivalents that will be used to establish a drill program on the recently acquired coal permit properties as well as continue exploration programs on the Jojay, Fork Lake, and Munro properties. In addition, the Company will continue to evaluate the potential for acquisition of more mineral properties in Canada and internationally. Management has determined that the Company will continue to require additional financing and believes it will have sufficient access to financial markets to continue its planned objectives.

Risks and Uncertainties

The Company attempts to mitigate risks by identifying, assessing, reporting and managing risks of significance. The following are risks relating to the business of the Company. This information is a summary only of risks currently facing the Company based on its stage of development. Additional risks and uncertainties not presently known may also impact the Company's operations. Management's view on risks facing the Company will evolve as the Company progresses in its stage of development.

Risks Associated With an Exploration Stage Company

The principal risks faced by the Company during the exploration stage involve: Wescan's ability to obtain financing to further the exploration and development of mineral properties in which Wescan holds interests; obtaining the required permits from various federal, provincial and local governmental authorities; and the ultimate economic feasibility of any future development projects

The further development and exploration of mineral properties in which Wescan holds interests or which Wescan acquires may depend upon Wescan's ability to obtain financing through joint operations, debt financing, equity financing or other means. The Company does not have sufficient funds to put any of its property interests into production from its own financial resources. There is no assurance that Wescan will be successful in obtaining required financing as and when needed. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in its properties or joint operations or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on Wescan's future cash flows, earnings, results of operations and financial condition. The relative prices of applicable commodities and future expectations for such prices have a significant impact on the market sentiment for investment in mining and exploration companies. To ensure that exploration procedures are being performed effectively and those results are interpreted and reported in a proper manner, management ensures that qualified individuals, service providers and external consultants are utilized in the verification and quality assurance of analytical results.

The future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations. The Company utilizes qualified individuals, service providers and external consultants and maintains constant communications with governmental authorities to ensure that the Company is in compliance with all applicable rules and regulations.

All of Wescan's property interests are currently in the exploration stage and are without a known body of commercial ore. The exploration, development and production of base and precious metals are capital-intensive, subject to the normal risks and capital expenditure requirements associated with mining operations. While the rewards can be substantial if commercial quantities of base and precious metals are found, there can be no assurance that Wescan's past or future exploration efforts will be successful, that any production there from will be obtained or continued, or that any such production which is attempted will be profitable.

Technical Information

All technical information in this report has been prepared under the supervision of Kirsten Marcia, Vice-President of Exploration and Development, and Patrick J. Hannon M.A.Sc., P.Eng., Consultant, who are the Company's "Qualified Persons" under the definition of National Instrument 43-101.

Caution Regarding Forward-looking Information

From time to time, Wescan makes written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the Ontario Securities Act. Wescan may make such statements in this MD&A, in other filings with Canadian regulators, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to Wescan's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding Wescan's future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on Wescan's current beliefs as well as assumptions made by and information currently available to Wescan concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world gold markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Wescan or its joint operation partners; the effects of competition in the markets in which Wescan operates; the impact of changes in the laws and regulations regulating mining exploration and development; judicial or regulatory judgments and legal proceedings; operational and infrastructure risks and the additional risks described in Wescan's most recently filed annual and interim MD&A and Wescan's anticipation of and success in managing the foregoing risks.

Wescan cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Wescan, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities laws, Wescan does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Wescan or on our behalf.

Further information relating to the Company has been filed on SEDAR and may be viewed at www.sedar.com.

Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of Wescan Goldfields Inc. are the responsibility of management and have been approved by the Board of Directors.

Management has prepared the consolidated financial statements in conformity with Canadian generally accepted accounting principles. The consolidated financial statements include some amounts that are based on best estimates and judgments.

The management of the Company, in furtherance of the integrity and objectivity of data in the consolidated financial statements, has developed and maintains a system of internal accounting controls. Management believes the internal accounting controls provide reasonable assurance that financial records are reliable and form a proper basis for preparation of consolidated financial statements and that assets are properly accounted for and safeguarded.

The Board of Directors carries out its responsibility for the consolidated financial statements through its audit committee, the majority of which are outside directors. The audit committee reviewed the Company's annual consolidated financial statements and recommended their approval to the Board of Directors. The shareholders' auditors have full access to the audit committee, with and without management being present.

The shareholders' auditors, KPMG LLP, Chartered Accountants, in accordance with Canadian generally accepted auditing standards, have examined these consolidated financial statements and their independent professional opinion on the fairness of the consolidated financial statements is attached.

Todd M. Grychowski
Chief Financial Officer
Saskatoon, Canada
April 24, 2009

To the Shareholders of Wescan Goldfields Inc.

We have audited the consolidated balance sheets of Wescan Goldfields Inc. as at December 31, 2008 and 2007 and the consolidated statements of loss and comprehensive loss, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Saskatoon, Canada
April 24, 2009

Wescan Goldfields Inc.

(A Development Stage Entity)

Consolidated Balance Sheets

	December 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 2,549,435	$ 3,413,275
Receivables	152,141	100,432
Prepaids and deposits	22,943	12,653
	2,724,519	3,526,360
Mineral properties (note 4)	8,990,066	7,948,522
Property and equipment (note 5)	462,964	491,560
	$ 12,177,549	**$ 11,966,442**
Liabilities & Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 381,548	$ 528,085
Future income tax liability (note 6)	-	25,500
Shareholders' equity:		
Share capital (note 7)	14,781,186	12,308,919
Warrants (note 7)	18,143	-
Contributed surplus (note 7)	1,444,117	1,148,301
Deficit	(4,447,445)	(2,044,363)
	11,796,001	11,412,857
	$ 12,177,549	**$ 11,966,442**

Nature of operations (note 1)

Commitments (note 12)

Contingency (note 13)

On behalf of the Board

Kenneth E. MacNeill
Chairman & CEO

Arnie E. Hillier
Chairman of the Audit Committee

See accompanying notes to consolidated financial statements

Consolidated Statements of Loss and Comprehensive Loss

	Year Ended December 31, 2008	Year Ended December 31, 2007
Income		
Interest	$ 40,323	$ 199,248
Other	63,506	-
	103,829	199,248
Expenses		
Administration	1,469,454	1,309,803
Consulting fees	24,490	46,575
Professional fees	78,763	164,396
Amortization	105,997	68,276
	1,678,704	1,589,050
Loss before the undernoted items	(1,574,875)	(1,389,802)
Write down of mineral properties (note 4)	(1,215,707)	-
Future income tax reduction	387,500	343,000
Net loss and comprehensive loss	**$ (2,403,082)**	**$ (1,046,802)**
Net loss per share		
Basic and diluted (note 8)	(0.04)	(0.02)
Weighted average number of shares outstanding	65,107,834	60,840,598

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

(A Development Stage Entity)

Consolidated Statements of Cash Flows

	Year Ended December 31, 2008	2007
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	$ (2,403,082)	$ (1,046,802)
Non-cash items:		
Amortization	105,997	68,276
Fair value of stock options vested	309,763	256,958
Write-down of mineral properties	1,215,707	-
Future income tax reduction	(387,500)	(343,000)
Net change in non-cash operating working capital items:		
Receivables	(51,709)	(5,415)
Prepaids and deposits	(10,290)	1,371
Payables and accrued liabilities	(146,537)	373,051
	(1,367,651)	(695,561)
Investing:		
Additions to mineral properties	(2,202,754)	(2,157,067)
Additions to equipment	(94,898)	(406,394)
	(2,297,652)	(2,563,461)
Financing:		
Issue of common shares (net of issue costs)	2,801,463	1,448,023
	2,801,463	1,448,023
Decrease in cash position	(863,840)	(1,810,999)
Cash and cash equivalents, beginning of year	3,413,275	5,224,274
Cash and cash equivalents, end of year	**$ 2,549,435**	**$ 3,413,275**
Cash and cash equivalents consists of:		
Cash	$ 316,821	$ 228,408
Guaranteed investment certificates and treasury bills	2,232,614	3,184,867
	$ 2,549,435	**$ 3,413,275**

See accompanying notes to consolidated financial statements

Consolidated Statements of Shareholders' Equity

	Year Ended December 31, 2008	2007
Share Capital (note 7)		
Balance, beginning of year	$ 12,308,919	$ 10,815,709
Shares issued for mineral property	37,000	17,000
Private placements	2,859,407	1,555,500
Shares issued on exercise of broker warrants	97,193	-
Shares issued on exercise of stock options	56,000	-
Share issue costs	(157,333)	(79,290)
Tax effect of renunciation of flow-through shares	(420,000)	-
Balance, end of year	**$ 14,781,186**	**$ 12,308,919**
Warrants (note 7)		
Balance, beginning of year	$ -	$ 101,467
Issued	18,143	-
Exercised	-	-
Expired	-	(101,467)
Balance, end of year	**$ 18,143**	**$ -**
Contributed Surplus (note 7)		
Balance, beginning of year	$ 1,148,301	$ 784,563
Stock based compensation	309,763	262,926
Broker warrants issued	11,221	5,313
Options exercised	(19,910)	-
Options forfeited	-	(5,968)
Broker warrants exercised	(5,258)	-
Warrants expired	-	101,467
Balance, end of year	**$ 1,444,117**	**$ 1,148,301**
Deficit		
Balance, beginning of year	$ (2,044,363)	$ (997,561)
Net loss and comprehensive loss	(2,403,082)	(1,046,802)
Balance, end of year	**$ (4,447,445)**	**$ (2,044,363)**

See accompanying notes to consolidated financial statements

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" or the "Company"). Substantially all of the Company's efforts are directed to the exploration and development of its mineral properties and the Company is considered to be in the development stage with respect to its current mineral property holdings.

These financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable mineral reserves. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the financing necessary to complete exploration and development and the success of future operations. The ability of the Company to continue as a going concern, fund exploration expenditures to satisfy flow-through commitments in an orderly manner and provide funds for ongoing general and administrative costs is anticipated to require further equity issues in 2009.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Generally accepted accounting principles require that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Areas of significance requiring the use of management estimates relate to the determination of the recoverability of capitalized mineral exploration costs and the determination of future income tax valuation allowances. Actual recovered amounts could differ from those estimates.

The following accounting policies are considered to be significant:

Consolidation principles

The consolidated financial statements include the accounts of the Company and its subsidiary. Interests in joint ventures are accounted for by the proportionate consolidation method.

Cash and cash equivalents

Cash and cash equivalents includes cash and investments that, upon acquisition, have an initial term to maturity of three months or less. Cash and cash equivalents are designated as held-for-trading and are carried at fair value.

Mineral properties

Subject to compliance with provincial mineral regulations, the Company holds the right to explore for and develop mineral resources on various Crown property dispositions within the Province of Saskatchewan. These rights are classified as mineral properties for financial statement purposes.

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production from a property, the related accumulated costs are amortized against future income of the project using the unit-of-production method over estimated recoverable reserves. Interest on debt associated with the acquisition and development of mineral properties is capitalized until commencement of commercial production. There have been no interest costs capitalized to date. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable reserves; the ability to obtain the necessary financing to establish the existence of reserves and to complete the development of such reserves and the success of future operations. 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.

When options to acquire mineral properties are granted or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Property and equipment

Property and equipment purchases are recorded at cost and amortized using the declining balance method except for leasehold improvements, which are amortized on a straight-line basis over a term equal to the remaining life of the current lease agreement plus one renewal term. Annual amortization rates are as follows:

Automotive equipment	30%
Computer equipment	30%
Computer software	100%
Furniture and equipment	20%

Future income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted and substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is recognized in earnings in the period which includes the enactment date. Future income tax assets and liabilities are recorded in the financial statements if realization is considered more likely than not. The valuation of future income taxes is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated recoverable amount.

Flow-through shares

The Company finances a portion of its exploration activities through the issue of flow-through shares. The Company renounces the deductions to investors and accordingly records 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 when renounced by the Company to the investors, except to the extent that the Company has unused tax benefits on loss carryfowards and tax pools in excess of book values available for deduction that are more likely than not to be realized against which a valuation allowance has been provided. In these circumstances, the future tax liability reduces the valuation allowance, if any, and the reduction is recognized in earnings.

Per share amounts

Basic per share amounts are calculated using the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated based on the treasury-stock method, which assumes that any proceeds received on the exercise of options and warrants would be used to purchase common shares at the average market price during the period. The weighted average number of shares outstanding is then adjusted by the net change.

Stock-based compensation

The Company has a share option plan that is described in note 7 (g).

Options granted under the share option plan are accounted for using the fair value method. Under this method, the fair value of stock options granted is measured at the estimated fair value at the grant date and recognized over the vesting period. When forfeitures occur during the period in which stock options vest no further amounts are recognized. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

Financial instruments presentation and disclosure

i) Financial assets

The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Due to the short-term maturity of accounts receivable, the carrying amounts approximate fair value.

The Company has not entered into any hedging relationships and does not hold any other available-for-sale securities that would result in the recognition of other comprehensive income or loss.

ii) Financial liabilities

Accounts payable are classified as other financial liabilities, which are measured at amortized cost.

Due to the short-term nature of accounts payable, the carrying amounts approximate fair value.

3. Changes in accounting policies

a) Recently adopted accounting standards

Effective January 1, 2008, the Company adopted the following accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"). These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

Going concern

Effective January 1, 2008, the Company adopted the amended CICA handbook section on General Standards of Financial Statement Presentation, which includes requirements to assess and disclose an entity's ability to continue as a going concern. The amendment requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date.

Capital disclosure

On January 1, 2008, the Company adopted CICA handbook sections relating to capital disclosure. This additional disclosure includes information regarding an entity's objectives, policies and processes for managing capital. This information is disclosed in note 9.

Financial Instruments – disclosures and presentation

Effective January 1, 2008, the Company adopted CICA handbook sections relating to financial instrument presentation and disclosure. These sections are intended to enhance the users' ability to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks. This information is disclosed in note 11.

b) New accounting pronouncements

International financial reporting standards

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards ("IFRS") effective in calendar year 2011. The Company's first financial statements presented in accordance with IFRS will therefore be the three-month period ended March 31, 2011. Though IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating some of the impact of adopting IFRS at the changeover date. The International Accounting Standard Board ("IASB") will, however, also continue to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's financial statements will only be measurable once all IFRS applicable at the conversion date are known.

As a result of this convergence, the Company has developed a plan to convert its financial statements to IFRS. Management has not yet completed its quantification of the effects of adopting IFRS. The consolidated financial performance and financial position as presented in the Company's Canadian GAAP financial statements may be significantly different when presented in accordance with IFRS.

Goodwill and other intangible assets

Effective January 1, 2009, the Company will adopt a CICA handbook section relating to goodwill and intangible assets, which replaces existing standards relating to goodwill and intangible assets and research and development costs. The standard introduces guidance for the recognition, measurement and disclosure of goodwill and intangible assets, including internally generated intangible assets. The standard also harmonizes Canadian standards with IFRS and applies to annual and interim financial statements for fiscal years beginning on or after October 1, 2008. The Company does not expect the adoption of this standard will have a material impact on its consolidated financial statements.

4. Mineral properties

Mineral properties are made up of the following:

	December 31, 2007	Acquisition Costs	Exploration Costs	Write-down of Mineral Properties	December 31, 2008
Fork Lake/Jasper/Tamar (a)	$ 4,910,201	$ -	$ 211,806	$ -	$ 5,122,007
Mud Lake (b)	259,071	37,000	131,103	(427,174)	-
Munro (c)	78,087	-	246,627	-	324,714
Jojay (d)	1,921,562	-	1,139,783	-	3,061,345
Limestone Lake/Hanson Lake (e)	55,789	-	-	-	55,789
Athabasca Basin Properties (f)	723,812	-	64,721	(788,533)	-
Hudson Bay/Pinehouse Lake (g)	-	256,400	169,811	-	426,211
Total	**$ 7,948,522**	**$ 293,400**	**$ 1,963,851**	**$ (1,215,707)**	**$ 8,990,066**

	December 31, 2006	Acquisition Costs	Exploration Costs	Write-down of Mineral Properties	December 31, 2007
Fork Lake / Jasper / Tamar (a)	$ 3,691,971	$ -	$ 1,218,230	$ -	$ 4,910,201
Mud Lake (b)	-	17,000	242,071	-	259,071
Munro (c)	69,841	-	8,246	-	78,087
Jojay (d)	1,448,644	-	472,918	-	1,921,562
Limestone Lake / Hanson Lake (e)	49,699	6,000	90	-	55,789
Athabasca Basin Properties (f)	493,914	172,602	57,296	-	723,812
Total	**$ 5,754,069**	**$ 195,602**	**$ 1,998,851**	**$ -**	**$ 7,948,522**

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 and cost of properties acquired, less write-downs and does not necessarily reflect fair values.

a) Fork Lake/Jasper/Tamar Property

The Company holds a 100% interest in the Fork Lake/Jasper/Tamar property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan.

b) Mud Lake Property

In 2007, Wescan entered into an option agreement with Alto Ventures Ltd ("Alto"). Under the terms of the agreement, Wescan had an option to acquire an undivided 50% interest in Alto's Mud Lake property by incurring $600,000 in exploration expenditures and issuing 150,000 Wescan shares to Alto over a two year period. During 2008, the Company issued 50,000 shares (2007 – 50,000) with a value of $37,000 (2007 - $17,000) to Alto in accordance with the terms of the option agreement. The Company exercised its right to terminate its obligations. As a result, Wescan forfeited its interest in the property and has written off all costs, in the amount of $427,174, associated with the property.

c) Munro Property

The Company holds an 86.5% interest in the Munro property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan. In 2008, the Company's joint venture partner chose not to fund their portion of the 2008 exploration program and as a result their participating interest was reduced from 49% to 13.5% in accordance with the terms of the joint operating agreement.

d) Jojay Property

The Company holds a 100% interest in the Jojay property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan.

e) Limestone Lake/Hanson Lake Properties

The Company staked seven claims in the Limestone and Hanson Lake area located 85 kilometres west of Creighton, Saskatchewan during 2006. An additional claim was staked in 2007.

f) Athabasca Basin Properties

In 2005, the Company acquired a 50% interest in six uranium properties in or around the Athabasca basin in northern Saskatchewan. A 50% interest in five additional claims in the same area was added during 2006. An additional claim was added in 2007. In October of 2008 the Company elected not to fund its share of the current year exploration program and as a result had its interest diluted in the properties in accordance with the joint venture agreement. As at December 31, 2008, the Company's interest in the properties has been reduced to a non-participating, non-voting Net Smelter Return royalty of 0.5% and has written off all costs, in the amount of $788,533, associated with the property.

g) Hudson Bay/Pinehouse Lake

A total of 324 coal permits have been issued to the Company from the Saskatchewan Ministry of Energy and Resources as at December 31, 2008. These permits comprise a total area of 224,000 hectares (2,240 square kilometres) and are in close proximity to Hudson Bay, and La Ronge, Saskatchewan. These permits will allow the Company to explore the area for coal and cover a period of one year with two possible six-month extensions and are convertible to a 15-year lease.

5. Property and equipment

Property and equipment is made up of the following:

	Cost	Accumulated Amortization	2008 Net Book Value	2007 Net Book Value
Automotive equipment	$ 120,622	$ 58,773	$ 61,849	$ 46,970
Computer equipment	46,368	20,068	26,300	30,392
Computer software	66,325	60,752	5,573	7,577
Furniture and equipment	359,002	104,856	254,146	270,822
Leasehold improvements	153,741	38,645	115,096	135,799
	$ 746,058	**$ 283,094**	**$ 462,964**	**$ 491,560**

Amortization of property and equipment during the year ended December 31, 2008 was $123,494 (2007 - $88,662) of which $17,497 (2007 – 20,386) was capitalized to mineral properties.

6. Income taxes

The significant components of future income tax assets and liabilities at December 31, 2008 and 2007 are as follows:

	2008	2007
Future income tax assets		
Non-capital loss carry forwards	$ 1,152,000	$ 748,100
Share issue costs	88,000	88,800
Future income tax assets before valuation allowance	1,240,000	836,900
Future income tax liabilities – mineral properties	(959,000)	(862,400)
Valuation allowance	(281,000)	-
Net future income tax liabilities	**$ -**	**$ 25,500**

The provision for income taxes differs from the amount computed by applying the combined expected federal and provincial income tax rate to earnings before income taxes. The reasons for these differences are as follows:

	2008	2007
Loss before income taxes	$ 2,790,582	$ 1,389,802
Combined federal and provincial tax rate	32.00%	35.62%
Expected tax reduction	(892,986)	(495,047)
Increase in taxes resulting from:		
Non-deductible stock option expenses	99,124	91,528
Other non-deductible amounts	2,762	3,500
Effect of change in effective tax rates	122,600	57,019
Change in valuation allowance	281,000	-
Future income tax recovery	**$ (387,500)**	**$ (343,000)**

As at December 31, 2008, the Company has operating losses for income tax purposes approximating $4,267,265 that are available to reduce taxes in future years and expire over the period to the year 2028.

7. Share capital

Authorized

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 prorated and when declared by the Board of Directors and, to one vote per share at meetings of the shareholders of the Company. Upon dissolution or any other distribution of assets, the shareholders are entitled to receive a pro-rata share of such distribution.

Issued and outstanding

	2008		2007	
	Common Shares	Amount	Common Shares	Amount
Balance, Beginning of year	62,983,916	$ 12,308,919	59,045,166	$ 10,815,709
Common shares issued (a)	50,000	37,000	50,000	17,000
Common shares issued (b)	1,641,481	427,345		
Flow-through shares issued (c)	1,859,666	557,899	3,888,750	1,555,500
Flow-through shares issued (d)	7,840,000	1,803,200		
Common shares issued (e)	366,264	70,963		
Broker warrants exercised (f)	180,063	97,193		
Options exercised (g)	200,000	56,000		
Issue costs		(157,333)		(79,290)
Future income taxes on renunciation of flow-through shares		(420,000)		
Balance, End of year	75,121,390	$ 14,781,186	62,983,916	$ 12,308,919

a) Common shares

In June 2008 and June 2007, the Company issued 50,000 shares fair valued at $37,000 and $17,000 respectively as part of the Wescan - Alto Ventures Ltd. Mud Lake Option Agreement (see note 4b).

b) Common shares

In October 2008, the Company issued 1,641,481 units for gross proceeds of $443,199. The value of common shares was recorded as $427,345 and the estimated fair value of the warrants was recorded as $15,854. Each unit consisted of one common share 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 $0.35. The warrants expire, in October 2009.

c) Flow-through shares

In October 2008, the Company issued 1,859,666 flow-through shares for gross proceeds of $557,899. The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2009; the deduction of which flows through to the shareholder.

In July 2007, the Company issued 3,888,750 flow-through shares for gross proceeds of $1,555,500. The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2008; the deduction of which flows through to the shareholder.

d) Flow-through shares

In October and November of 2008, the Company issued 7,840,000 flow-through shares for gross proceeds of $1,803,200. The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2009; the deduction of which flows through to the shareholder.

e) Common shares

In November of 2008, the Company issued 366,264 units for gross proceeds of $73,252. The value of the common shares was recorded as $70,963 and the estimated fair value of the warrants was recorded as $2,289. Each unit consisted of one common share 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 $0.35. The warrants expire, in November 2009.

f) Broker warrants

On certain issues of common shares, the Company issued broker warrants as partial consideration to the agent for services associated with 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, 2006	66,194	$ 0.45
Issued	181,938	0.40
Exercised	-	-
Expired	(66,194)	0.45
Balance - December 31, 2007	181,938	$ 0.40
Issued	537,833	0.35
Exercised	(180,063)	0.40
Expired	(1,875)	0.40
Balance - December 31, 2008	**537,833**	**$ 0.35**

As at December 31, 2008 the broker warrants outstanding expire between October 17 and November 21, 2009.

The broker warrants issued in 2008 were fair valued at $11,221 (2007 - $5,313). The fair value of the broker warrants was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor of 65.9% - 68.4% (2007 – 46.0%), risk-free rate of return of 2.48% - 2.86% (2007 – 4.64%), expected dividend of 0% (2007 – 0%), and expected term of 1 year (2007 – 1 year).

g) Share option plan

The Company has established a share option plan whereby options may be granted to directors, officers, consultants and employees to purchase up to an aggregate of 10% of the issued and outstanding shares of the Company. As at December 31, 2008, the number of shares remaining under the plan is 2,534,639. Options granted have an exercise price of not less than the closing price of the common shares on the stock exchange on which the shares are traded prior to the date on which the options were granted. Certain options vest immediately while others vest six to twenty-four months after grant date and expire five years from the date of the grant of the options.

During 2008, the Company granted 1,217,500 (2007 – 1,535,000) options to officers, directors, consultants and employees. The fair value of these options was determined using the Black-Scholes option-pricing model with the following assumptions:

	2008	2007
Number of options granted	1,217,500	1,535,000
Average strike price	$0.48	$0.32
Expected dividend	-	-
Expected volatility	54.73%	44.67%
Risk-free interest rate	3.23%	4.40%
Expected life of options (in years)	5.00	5.00
Grant date fair values	$291,235	$189,342

The fair value of the options granted during 2008, using the Black-Scholes option-pricing model was $291,235 (2007 - $189,342). The fair value of options vested and expensed from options granted this year and previous years was $309,763 (2007 - $256,958).

For options outstanding at December 31, 2008 and 2007, weighted average exercise prices are as follows:

	Options	Average Price
Balance - December 31, 2006	3,150,000	$0.54
Granted	1,535,000	0.31
Exercised	-	-
Forfeited	(225,000)	0.51
Expired	(450,000)	0.55
Balance - December 31, 2007	4,010,000	$0.45
Granted	1,217,500	0.48
Exercised	(200,000)	0.28
Forfeited	-	-
Expired	(50,000)	0.36
Balance - December 31, 2008	**4,977,500**	**$0.46**

For options outstanding at December 31, 2008, the range of exercise prices; weighted average exercise price and the weighted average remaining contractual life is as follows:

	Outstanding			Exercisable	
Option Price Per Share	Options December 31, 2008	Weighted Average Exercise Price	Weighted Average Remaining Life	Options December 31, 2008	Weighted Average Exercise Price
$0.20 – 0.39	2,720,000	$0.30	2.26 years	1,912,500	$0.32
$0.40 – 0.59	500,000	0.50	2.57 years	500,000	0.50
$0.60 – 0.79	1,350,000	0.65	2.32 years	1,350,000	0.65
$0.80 – 0.99	407,500	0.91	4.47 years	401,875	0.91
	4,977,500	**$0.46**	**2.96 years**	**4,164,375**	**$0.51**

h) Warrants

On certain issues of common shares, the Company has issued warrants with the common shares entitling the holder to acquire additional common shares of the Company. A summary of the outstanding warrants is as follows:

	Warrants	Amount	Average Price
Balance - December 31, 2006	2,958,214	$ 101,467	$0.45
Issued	-		-
Exercised	-	-	-
Expired	(2,958,214)	(101,467)	0.45
Balance - December 31, 2007	-	-	-
Issued	1,003,873	18,143	0.35
Exercised	-	-	-
Expired	-	-	-
Balance - December 31, 2008	**1,003,873**	**$ 18,143**	**$0.35**

As at December 31, 2008, the warrants outstanding expire between October 17 and November 21, 2009.

The warrants issued in 2008 were fair valued at $18,143; no warrants were issued in 2007. The fair value of the warrants issued in 2008 was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor of 65.9% - 68.4%, risk-free rate of return of 2.48% - 2.86%, expected dividend of 0%, and expected term of 1 year.

i) Contributed surplus

The fair value of stock options, warrants and broker warrants has been determined using the Black-Scholes option-pricing model. The fair value on the vesting of these securities is 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:

	2008	2007
Balance - beginning of year	$ 1,148,301	$ 784,563
Fair value of options vested	309,763	262,926
Fair value of broker warrants granted	11,221	5,313
Contributed surplus related to warrants expired	-	101,467
Less: contributed surplus related to options exercised	(19,910)	-
Less: contributed surplus related to options forfeited	-	(5,968)
Less: contributed surplus related to broker warrants exercised	(5,258)	-
Balance - end of year	**$1,444,117**	**$1,148,301**

8. Per share amounts

Basic loss per common share is computed by dividing net loss applicable to common shares by the weighted average number of common shares issued and outstanding for the relevant period. Diluted loss per common share is computed by dividing net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued. The calculation of loss per share amounts is based on the following:

	2008	2007
Numerator:		
Loss applicable to common shares	$ 2,403,082	$ 1,046,802
Denominator:		
Weighted average common shares outstanding	65,107,834	60,840,598
Basic and diluted loss per common share	**$ 0.04**	**$ 0.02**

Excluded from the calculation of diluted loss per common share were the effects of outstanding options, warrants and broker warrants as the effect on basic loss per share would be anti-dilutive.

9. Capital disclosures

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital and has primarily financed its explorations efforts through the issuance of shares.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board of Directors.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's investment policy is to invest its cash in highly rated, liquid short-term interest-bearing investments with an initial term to maturity of three months or less.

The Company is not subject to externally imposed capital requirements.

10. Related party transactions

During the year management and consulting fees of $72,000 (2007 - $76,000) were paid to directors, officers and companies controlled by common directors; nil (2007 - $4,000) of these fees were included as consulting fees and $72,000 (2007 - $72,000) was included as administration expense.

As at December 31, 2008 Shore Gold Inc. holds 12,955,568 (2007 – 11,474,086) common shares of the Company representing a 17.2% (2007 – 18.2%) interest in the Company.

During the year, the Company paid $70,000 (2007 - $326,915) to Shore Gold Inc. for administration services and rental of equipment. Accounts payable includes $9,000 (2007 – $2,000) due to Shore Gold Inc.

The above transactions were in the normal course of operations and are measured at an amount agreed to by the related parties.

11. Financial instruments

As at December 31, 2008, the fair value of all the Company's financial instruments approximates their carrying value. Certain financial instruments are exposed to the following risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk primarily relates to accounts receivables and investments in guaranteed investment certificates and treasury bills and is not considered significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2008, the Company believes it will have sufficient access to financial markets to continue to fund its financial liabilities through future equity issues.

The Company does not currently operate any producing properties and as such, is dependent upon the issuance of new equity to advance its exploration properties. 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 additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in its properties or joint ventures or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on Wescan's future cash flows, earnings, results of operations and financial position.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any significant exposure to interest rate risk, except for limited exposure to interest rate changes on interest bearing assets.

12. Commitments

As at December 31, 2008, the Company is committed to an operating lease for office space, as follows:

Year	2008
2009	$ 86,350
2010	86,350
2011	86,350
2012 and thereafter	86,350
Total	**$ 345,400**

To satisfy its commitments pursuant to the issuance of flow-through shares, the Company is required to incur $2,361,099 of qualifying exploration expenditures for tax purposes on or before December 31, 2009.

13. Contingency

A statement of claim has been filed against the Company for unpaid expenditures of $278,946 related to an exploration program. A response to the claim has been made. At the time, the likelihood of the claim is not determinable.

14. Comparative figures

Certain prior year balances have been reclassified to conform to the current financial statement presentation.

Directors and Officers

Kenneth E. MacNeill
Chairman of the Board of Directors and Chief Executive Officer

Darren S. Anderson
Interim President

Todd M. Grychowski
Chief Financial Officer

Kirsten Y. Marcia
Vice President of Exploration

Maurice (Moe) Lindsay
Director

Harvey J. Bay
Director

Arnold E. Hillier
Director

Gary L. Billingsley
Director

Val L. Michasiw
Director

Corporate Information

Head Office

#600 - 224 4th Avenue South
Saskatoon, Saskatchewan
S7K 5M5
Tel: (306) 664-2422
Fax: (306) 667-3557
E-mail: info@wescangoldfields.com
www.wescangoldfields.com

Auditors

KPMG LLP, Saskatoon, Saskatchewan

Solicitors

Bennett Jones LLP, Calgary, Alberta

Transfer Agent

Valiant Trust Company, Calgary, Alberta

Annual General and Special Meeting

Wednesday June 3rd, 2009 - 10 A.M.
Radisson Hotel – Venice Room
405 - 20th Street East
Saskatoon, SK

Exchange Listing

TSX Venture

Trading Symbol

WGF

WESCAN GOLDFIELDS INC.

#600 - 224 4th Avenue South Saskatoon, Saskatchewan S7K 5M5
Tel: (306) 664-2422 Fax: (306) 667-3557 E-mail: info@wescangoldfields.com
TSX Venture Symbol: WGF www.wescangoldfields.com