WESCAN GOLDFIELDS INC.

Consolidated Financial Statements
September 30, 2010

(A Development Stage Entity)

WESCAN GOLDFIELDS INC.
Unaudited Interim Consolidated Financial Statements

For the Nine-Month Period Ended
September 30, 2010

Notice to Reader

Management has compiled the unaudited consolidated financial statements of Wescan Goldfields Inc. for the nine-month period ended September 30, 2010 (along with the comparative interim period in 2009). The Corporation's external auditors have not reviewed these statements.

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

	September 30, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 82,083	$ 289,605
Receivables	29,594	92,948
Prepaids and deposits	14,545	34,246
	126,222	416,799
Property and equipment	209,146	270,371
Mineral properties (note 4)	6,887,472	6,824,985
	$ 7,222,840	$ 7,512,155
Liabilities & Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 432,205	$ 738,725
Future income tax liability (note 5)	163,336	-
Shareholders' equity:		
Share capital (note 6)	15,301,039	15,026,429
Warrants (note 6)	4,673	61,649
Contributed surplus (note 6)	1,878,118	1,643,855
Deficit	(10,556,531)	(9,958,503)
	6,627,299	6,773,430
	$ 7,222,840	$ 7,512,155

Nature of operations and going concern (note 1)
Subsequent event (note 9)

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

(A Development Stage Entity)

Consolidated Statements of Loss and Comprehensive Loss

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Income				
Interest and other	$ 9,809	$ 9,677	$ 29,630	$ 19,052
Expenses				
Administration	88,278	137,348	513,004	636,038
Professional fees	7,646	23,886	53,350	27,186
Amortization	20,334	23,971	61,304	68,206
	116,258	185,205	627,658	731,430
Loss before the undernoted items	(106,449)	(175,528)	(598,028)	(712,378)
Gain on sale of equipment	-	682	-	27,473
Loss before income taxes	(106,449)	(174,846)	(598,028)	(684,905)
Future income tax recovery	-	43,000	-	182,500
Net and comprehensive loss	$ (106,449)	$ (131,846)	$ (598,028)	$ (502,405)
Net loss per share				
Basic and diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	83,577,022	77,496,538	81,928,670	75,921,806

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

(A Development Stage Entity)

Consolidated Statements of Cash Flows

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Cash provided by (used in):				
Operations:				
Net and comprehensive loss	$ (106,449)	$ (131,846)	$ (598,028)	$ (502,405)
Non-cash items:				
Amortization	20,334	23,971	61,304	68,206
Fair value of stock options vested	14,802	15,550	172,614	139,357
Gain on sale of equipment	-	(682)	-	(27,473)
Future income tax recovery	-	(43,000)	-	(182,500)
Net change in non-cash operating working capital items:				
Receivables	3,661	(12,740)	63,354	74,948
Prepaids and deposits	5,210	(43,151)	19,701	(56,011)
Payables and accrued liabilities	(2,572)	462,564	(306,520)	620,153
	(65,014)	270,666	(587,575)	134,275
Investing:				
Additions to mineral properties	(282)	(1,053,495)	(62,487)	(1,502,946)
Property and equipment	187	44,380	(79)	125,540
	(95)	(1,009,115)	(62,566)	(1,377,406)
Financing:				
Issue of share capital (net of issue costs)	-	860,056	442,619	860,056
	-	860,056	442,619	860,056
Increase (decrease) in cash position	(65,109)	121,607	(207,522)	(383,075)
Cash and cash equivalents, beginning of period	147,192	2,044,753	289,605	2,549,435
Cash and cash equivalents, end of period	$ 82,083	$ 2,166,360	$ 82,083	$ 2,166,360
Cash and cash equivalents consists of:				
Cash	$ 82,083	$ 1,666,550	$ 82,083	$ 1,666,550
Guaranteed investment certificates and treasury bills	-	499,810	-	499,810
	$ 82,083	$ 2,166,360	$ 82,083	$ 2,166,360

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

(A Development Stage Entity)

Consolidated Statements of Shareholders' Equity

	September 30, 2010	December 31, 2009
Share Capital (note 6)		
Balance, beginning of period	$ 15,026,429	$ 14,781,186
Tax effect of renunciation of flow-through shares	(163,336)	(637,497)
Private placements	445,327	856,767
Shares issued in exchange for debt	-	80,454
Share issue costs	(7,381)	(54,481)
Balance, end of period	$ 15,301,039	$ 15,026,429
Warrants (note 6)		
Balance, beginning of period	$ 61,649	$ 18,143
Issued	4,673	61,649
Expired	(61,649)	(18,143)
Balance, end of period	$ 4,673	$ 61,649
Contributed Surplus (note 6)		
Balance, beginning of period	$ 1,643,855	$ 1,444,117
Stock based compensation	172,614	171,858
Broker warrants issued	-	9,737
Warrants expired	61,649	18,143
Balance, end of period	$ 1,878,118	$ 1,643,855
Deficit		
Balance, beginning of period	$ (9,958,503)	$ (4,447,445)
Net and comprehensive loss	(598,028)	(5,511,058)
Balance, end of period	$ (10,556,531)	$ (9,958,503)

See accompanying notes to consolidated financial statements

1. Nature of operations and going concern

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.

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.

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. At September 30, 2010, the Company had a working capital deficiency of $305,983 and does not have sufficient resources to finance operation and exploration activities through its 2010 fiscal year, conditions which raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern, to extinguish current liabilities, fund exploration expenditures in an orderly manner and provide funds for ongoing general and administrative costs will require further equity issues in 2010 which are currently being pursued (see subsequent events – note 9).

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and 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 ("GAAP") and follow the same accounting principles and methods of application as the most recent annual audited consolidated financial statements. These consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements filed on SEDAR.

3. Changes in accounting policies and 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. The International Accounting Standard Board ("IASB") has several projects currently underway to change standards; however, no significant changes are expected to be mandatory earlier than 2012. 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.

4. Mineral properties

Mineral properties are made up of the following:

	December 31, 2009	Exploration Costs	September 30, 2010
Munro (a)	$ 364,526	$ -	$ 364,526
Jojay (b)	3,057,380	-	3,057,380
Hudson Bay/ Pinehouse Lake (c)	3,403,079	62,487	3,465,566
Total	$ 6,824,985	$ 62,487	$ 6,887,472

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) Munro Property

The Company holds a 98.4% interest in the Munro property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan.

b) 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.

c) Hudson Bay/Pinehouse Lake

The Company holds a 100% interest in 331 coal permits that comprise a total area of 229,280 hectares (2,292 square kilometres) and are in close proximity to Hudson Bay and Pinehouse Lake, Saskatchewan.

5. Future Income taxes

The Company finances a portion of its exploration activities through the issuance of flow-through shares. During the first quarter of 2010, the Company renounced the deductions to investors and accordingly recorded share issue costs related to the future tax liability of the temporary difference arising from the renunciations. As a result, share capital was reduced and future income tax liabilities increased by the estimated tax cost of the deductions renounced by the Company to the investors in the amount of $163,336.

6. 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

	Common Shares	Amount
Balance - December 31, 2009	80,115,483	$ 15,026,429
Common share issued (a)	3,461,539	445,327
Issue costs	-	(7,381)
Future income taxes on renunciation of flow-through shares (b)	-	(163,336)
Balance - September 30, 2010	83,577,022	$ 15,301,039

a) Common shares

In May 2010, the Company issued 3,461,539 units for gross proceeds of $450,000. 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 $0.22. The value of common shares was recorded as $445,327 and the estimated fair value of the warrants was recorded as $4,673.

b) Flow-through shares

In July 2009, the Company issued 2,749,756 flow-through shares for gross proceeds of $604,946. The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2010; the deduction of which flows through to the shareholder. As a result, the Company reduced share capital by the tax effect of the renunciation of $163,336. At September 30, 2010, all expenditure commitments had been met related to this financing.

c) 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, 2009	870,750	$ 61,649	$ 0.30
Issued	1,730,770	4,673	0.22
Expired	(870,750)	(61,649)	0.30
Balance - September 30, 2010	1,730,770	$ 4,673	$ 0.22

The warrants expire May 2011.

The fair value of the warrants issued in 2010 was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor of 60.6%, risk-free rate of return of 1.15%, expected dividend of 0%, and expected term of 1 year.

d) 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. 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 the quarter ended September 30, 2010, no options were granted (2009 - no options were granted). The amount that vested from previous issues during the quarter was $14,802 (2009 - $15,550).

During the nine-month period ended September 30, 2010, the Company granted 2,800,000 (2009 - 1,520,000) options to directors, officers and employees of the Company with an average strike price of $0.07 (2009 - $0.16). A summary of the outstanding options at September 30, 2010 is as follows:

	Options	Average Price
Balance - December 31, 2009	5,440,000	$ 0.42
Granted	2,800,000	0.07
Expired/Forfeited	(1,040,000)	0.29
Balance - September 30, 2009	7,200,000	$ 0.30

The options expire between the dates of April 2011 to June 2015.

The fair value of stock options issued in the nine-month period ended September 30, 2010 was estimated using the Black-Scholes option-pricing model with the following assumptions: 5 year weighted average expected option life, no expected forfeiture rate, dividend yield of 0.0%, a volatility factor of 111.5% (2009 - 77.75%) and a risk free rate of 2.20% (2009 - 1.60%). The fair value in respect of stock options granted for the nine-month period ended September 30, 2010 was $156,520 (2009 - $ 153,529). The amount that vested from this issue and previous issues during the nine-month period was $172,614 (2009 - $139,357).

Contributed surplus

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

	Amount
Balance - December 31, 2009	$ 1,643,855
Fair value of options vested	172,614
Contributed surplus related to warrants expired - note 6(c)	61,649
Balance - September 30, 2010	$ 1,878,118

7. Related party transactions

During the nine-month period ended September 30, 2010 management and consulting fees of $71,500 (2009 - $54,000) were paid or payable to companies controlled by certain officers of the Company; $71,500 (2009 - $54,000) of these fees were included as administration expense. As at September 30, 2010, accounts payable includes $92,400 (2009 - $56,700) due to these companies.

As at September 30, 2010 Shore Gold Inc. held 12,955,567 (2008 - 12,955,567) common shares of the Company representing a 15.5% (2009 - 16.3%) interest in the Company.

During the nine-month period ended September 30, 2010, the Company was charged $28,029 (2009 - $31,703) by Shore Gold Inc. for administration services and rent. Accounts payable includes $30,844 (2009 - $8,394) 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.

8. Financial instruments

As at September 30, 2010, the fair value of all the Company's financial instruments approximates their carrying value. Certain financial instruments are exposed to the following risks:

a) 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 is not considered significant.

b) 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 September 30, 2010 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 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 position.

c) 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.

9. Subsequent events

On October 29, 2010, the Company announced the completion of a private placement financing consisting of an aggregate of 6,000,000 units of the Corporation ("Units") at a price of $0.05 per Unit, for gross proceeds of $300,000. Each Unit consists of one common share, and one half of one common share purchase warrant (each a half "Unit Warrant"). Each whole Unit Warrant entitles the holder thereof to purchase one Common Share at a price of $0.10 for a period of 12 months from the date of issuance.

On October 29, 2010, the Company announced the settlement of a claim for unpaid expenditures related to an exploration program on its previously held Mud Lake property. The settlement was for the issuance of 3,000,000 common shares to Alto Ventures Inc. and $50,000 payable in two installments of $25,000 by October 31, 2010 (paid) and March 31, 2011.

The above amounts have not been reflected in the Company's financial statements for the quarter ended September 30, 2010.