WESCAN GOLDFIELDS INC.

3rd Quarter Report
September 30, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

The following discussion and analysis is prepared by Management as of November 29, 2022 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2022 ("financial statements for the quarter ended September 30, 2022"), as well as the audited consolidated financial statements and annual MD&A for the year ended December 31, 2021 available on SEDAR at www.sedar.com. Wescan Goldfields Inc. ("Wescan" or "the Company") prepared its financial statements for the period ended September 30, 2022 in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All currency amounts are quoted in Canadian Dollars, unless otherwise stated.

Overview

Wescan is a growth oriented mineral exploration company based in Saskatchewan. Wescan is focused on the exploration of its current portfolio of gold properties and the acquisition of new exploration targets. The Company has previously focused exploration efforts on its northern Saskatchewan properties with known gold mineralization located in the La Ronge Gold Belt. No exploration programs were carried out during the nine months ended September 30, 2022. The Company will also continue to evaluate the potential for the acquisition of other mineral properties that fit the Company's strategic direction.

Financial Highlights

Selected financial information of the Company for the three and nine months ended September 30, 2022 and 2021 is summarized as follows:

	Three Months Ended September 30, 2022 $	Three Months Ended September 30, 2021 $	Nine Months Ended September 30, 2022 $	Nine Months Ended September 30, 2021 $
Interest and other income	47	-	188	-
Net loss	40,617	10,237	107,183	118,430
Net loss per share [(1)]	0.00	0.00	0.00	0.00
Total assets	241,118	10,278	241,118	10,278
Working capital (deficit)	221,464	(3,092)	221,464	(3,092)

(1) Basic and diluted.

Results of Operations

For the quarter ended September 30, 2022 the Company recorded a net loss of $40,617 ($0.00 per share) compared to $10,237 ($0.00 per share) for the same period in 2021.

Expenses

Total operating expenses for the quarter ended September 30, 2022 were $40,664 compared to $10,237 for the same period of 2021. The increase of $30,427 was primarily related to higher exploration and evaluation expenditures and higher corporate development related expenditures incurred. Exploration and evaluation costs were $10,727 for the quarter ended September 30, 2022 compared to $0 for the quarter ended September 30, 2021. The exploration and evaluation expenditures incurred during the quarter ended September 30, 2022 related to site and maintenance costs of certain mineral claims. Administration costs were $19,591 for the quarter ended September 30, 2022 compared to $10,237 for the quarter ended September 30, 2021. This increase of $9,354 was primarily due to professional fees incurred. Costs in the administration category includes share-based compensation, depreciation, interest, regulatory requirements, and other office related expenses. Share-based payment expenses during the quarters ended September 30, 2022 and 2021 were $0. Corporate development costs were $10,346 for the quarter ended September 30, 2022 compared to $0 for the quarter ended September 30, 2021.

Financing
No financing activities occurred during the quarters ended September 30, 2022 and September 30, 2021.

Year to Date

Results of Operations
For the nine months ended September 30, 2022, the Company recorded a net loss of $107,183 ($0.00 per share) compared to a net loss of $118,430 ($0.00 per share) for the same period in 2021.

Expenses
Total expenditures for the nine months ended September 30, 2022 were $107,371 compared to $118,430 for the same period of 2021. This decrease of $11,059 is primarily due to lower costs incurred relating to share-based payments, offset by higher exploration and evaluation expenditures incurred and expenditures relating to regulatory requirements during the nine months ended September 30, 2022 compared to the same period in 2021.

During the nine months ended September 30, 2022, the Company incurred exploration and evaluation expenditures of $25,854, compared to $0 incurred during the same period in 2021. The exploration and evaluation expenditures incurred during 2022 related to site and maintenance costs of certain mineral claims.

Administration expense decreased to $57,273 for the nine months ended September 30, 2022 compared to $118,430 for the same period in 2021. Costs in the administration category also relate to amortization, office and equipment rent, regulatory requirements and other office-related expenses. This decrease was primarily due to lower share-based compensation costs incurred ($0 during the nine months ended September 30, 2022 compared to $70,710 for the same period in 2021), offset by higher professional fees incurred. During 2021, a $70,710 share-based compensation expense related to amended options was recognized in the statement of loss and comprehensive loss for the year ended December 31, 2021. The net loss for the comparative period of nine months ended September 30, 2021 reflect this share-based compensation expense.

Corporate development costs for the nine months ended September 30, 2022 were $24,244 compared to $0 for the same period of 2021.

Financing

During the nine months ended September 30, 2022, the Company completed a private placement whereby an aggregate of 5,000,000 Units were issued for proceeds of $350,000 (see News Releases dated February 25, 2022 and Mach 8, 2022). Each Unit was comprised of one common share and one warrant. Each warrant entitles the holder thereof to purchase one common share at a price of $0.10, for a period of twelve months from the closing of the private placement. No financing activities occurred during the nine months ended September 30, 2021.

Summary of Quarterly Results

	2022			2021				2020
	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
Net loss(1) ($)	**40,617**	**45,696**	**20,870**	14,471	10,237	91,185	17,008	14,262
Net loss / share (2) ($)	**(0.00)**	**(0.00)**	**(0.00)**	(0.00)	(0.00)	0.00	(0.00)	(0.00)
Shares outstanding	**50,084,320**	**50,084,320**	**50,084,320**	45,084,320	45,084,320	45,084,320	45,084,320	45,084,320

(1) Net losses for the quarters reflects normal operations of the Company. The net loss for the second quarter of 2022 was higher due to higher exploration and evaluation expenditures incurred. The net loss for second quarter of 2021 includes share-based compensation of $70,710, as disclosed in note 14 to the December 31, 2021 annual audited consolidated financial statements.

(2) Basic and diluted.

(3) During the quarter ended March 31, 2022, the Company completed a private placement of 5,000,000 Units. Each Unit was comprised of one common share and one warrant.

Related Party Transactions

During the nine months ended September 30, 2022, Mr. Kenneth E. MacNeill (Chief Executive Officer), through his consulting company, waived his management fees.

Total compensation paid to key management personnel, including amounts paid or payable to related parties owned by key management personnel, executive officers and directors, was $0 (2021 - $62,160). The 2021 amounts relate to the share-based payments (as disclosed in note 14 of the Company's consolidated financial statements for the year ended December 31, 2021) and have been included in administration expense on the statement of loss and comprehensive loss. The fair value of share-based payments was determined using the Black-Scholes model.

Liquidity

The Company currently has no ongoing source of revenue and, as such, is dependent upon the issuance of new equity to finance its ongoing obligations and 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 could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

As at September 30, 2022, the Company had a working capital of $221,464 compared to working capital deficit of $17,465 at December 31, 2021. Included in the working capital at September 30, 2022 are payables and accrued liabilities of $18,324 (December 31, 2021 - $22,321).

Capital Resources and Outstanding Share Data

As at September 30, 2022 the Company had 50,084,320 shares issued and outstanding, 5,000,000 warrants (weighted average exercise price of $0.10) and 3,120,000 options (weighted average exercise price of $0.06). As at November 29, 2022, the Company's issued and outstanding shares and outstanding options remain unchanged from September 30, 2022.

Financial Instruments

As at September 30, 2022, the fair value of all of the Company's financial instruments approximates their carrying value. Certain financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that may have credit risk consist primarily of cash and cash equivalents and receivables. The Company's cash and cash equivalents are held by financial institutions with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required. The Company's receivables are mainly comprised of GST receivable and therefore credit risk is minimal. The Company has gross credit exposure at September 30, 2022 relating to cash and cash equivalents and receivables of $236,968 (December 31, 2021 - $3,488).

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 is to forecast future cash flows to ensure that it will have sufficient liquidity to meet its obligations when due.

As at September 30, 2022, the Company is committed to current liabilities of $18,324 (December 31, 2021 - $22,321) with a working capital of $221,464 (December 31, 2021 – working capital deficit of $17,465).

As at September 30, 2022, all of the Company's mineral property claims were in good standing. The Company has assessed that the existing working capital is sufficient to fund the minimum expenditures that the Company must incur to sustain its operations through 2022.

The further exploration, evaluation and/or development of exploration and evaluation properties in which the Company holds interests or which the Company acquires may depend upon the Company's ability to obtain financing through equity issues or other forms of financing. 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 exploration plans, forfeit rights in its properties or reduce or terminate its operations.

Market risk
Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types: foreign currency risk, commodity price risk, interest rate risk and equity risk. The Company currently does not have significant exposure to any market risks.

Accounting Changes

New IFRS standards, amendments and interpretations effective during the period

i. *IAS 16 – Property, Plant and Equipment*
On May 14, 2020, the IASB issued an amendment to IAS 16 Property, Plant and Equipment to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and in a condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The amendment did not have a material financial impact at the time of adoption.

ii. *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets*
On May 14, 2020, the IASB issued an amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling the contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for contracts for which the Company has not yet fulfilled all its obligations on or after January 1, 2022 with early adoption permitted. The amendment did not have a material financial impact at the time of adoption.

IFRS standards issued but not yet effective

At the date of authorization of these consolidated financial statements, the IASB has not issued any new standards which became effective for the reporting period that would have a material impact on the Company.

Future Accounting Changes

At the date of authorization of these consolidated financial statements, there are no IFRS or IFRIC interpretations that have been issued and are not yet effective that are expected to have a material impact on the Company.

Outlook

The Company has focused exploration efforts on its northern Saskatchewan properties with known gold mineralization located in the La Ronge Gold Belt. The Company is assessing future options for the Company's Jojay, Munro Lake and Jasper gold properties. The Company will also continue to evaluate the potential for the acquisition of other mineral properties that fit the Company’s strategic direction.

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 only a summary 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’s stage of development progresses.

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 exploration and evaluation 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 exploration and evaluation properties in which Wescan holds interests or which Wescan acquires may depend upon Wescan's ability to obtain financing through equity financing, debt 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 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.

The future operations of the Company, including exploration activities and potential development of 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 communications with governmental authorities to ensure that the Company is in compliance with all applicable rules and regulations.

All of Wescan's exploration and evaluation property interests are currently in the exploration stage and are without a known body of commercial ore. The exploration, development and production of 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 precious metals are found, there can be no assurance that Wescan's past or future exploration efforts will be successful, that any production therefrom will be obtained or continued, or that any such production which is attempted will be profitable. 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.

Technical Information

All technical information in this report has been prepared under the supervision of Mark Shimell, P.Geo, Vice President of Exploration, Professional Geoscientist in the Provinces of Saskatchewan and Alberta, and is the Company's "Qualified Person" under the definition of National Instrument 43-101.

Caution Regarding Forward-looking Information

This MD&A contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian Securities legislation and the United States Private Securities Litigation Reform Act of 1995. 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, and, in particular, statements regarding Wescan's future operations, future exploration and development activities or other development plans contain forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, the ability to raise funds to meet commitments and pursue exploration activities, the use of such funds, future plans for the Jojay, Jasper and Munro Lake properties and the acquisition and exploration of additional properties.

These forward-looking statements are based on Wescan's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but 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, the effects of competition in the markets in which Wescan operates, impact to the markets in which Wescan operates and to the Company's activities due to the continued spread of COVID-19, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings and operational risks and the additional risks described in Wescan's most recently filed annual and interim MD&A, news releases and technical reports. Wescan's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to Wescan, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, Wescan does not undertake to update any forward-looking statement that may be made.

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

WESCAN GOLDFIELDS INC.
Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended
September 30, 2022

Notice to Reader

Management has compiled the unaudited condensed interim consolidated financial statements of Wescan Goldfields Inc. for the three and nine months ended September 30, 2022 (along with the comparative interim periods in 2021). The Company's external auditors have not reviewed these statements.

Wescan Goldfields Inc.

Consolidated Statements of Financial Position

(unaudited)

	(In Canadian dollars) September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 236,018	$ 3,364
Receivables	950	124
Prepaids	2,820	1,368
	239,788	4,856
Property and equipment	1,330	1,565
	$ 241,118	$ 6,421
Liabilities and Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 18,324	$ 22,321
	18,324	22,321
Environmental rehabilitation provision	75,520	75,520
Shareholders' equity:		
Share capital	20,846,985	20,687,794
Warrants and broker warrants	186,686	-
Contributed surplus	2,594,165	2,594,165
Deficit	(23,480,562)	(23,373,379)
	147,274	(91,420)
	$ 241,118	$ 6,421

Going concern (note 3)

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(unaudited)

	(In Canadian dollars) Three Months Ended September 30, 2022	(In Canadian dollars) Three Months Ended September 30, 2021	(In Canadian dollars) Nine Months Ended September 30, 2022	(In Canadian dollars) Nine Months Ended September 30, 2021
Income				
Interest and other	$ 47	$ -	$ 188	$ -
Expenses				
Exploration and evaluation (note 7)	10,727	-	25,854	-
Administration	19,591	10,237	57,273	118,430
Corporate development	10,346	-	24,244	-
	40,664	10,237	107,371	118,430
Net loss and comprehensive loss	$ (40,617)	$ (10,237)	$ (107,183)	$ (118,430)
Net loss and comprehensive loss per share				
Basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	50,084,320	45,084,320	49,000,427	45,084,320

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

	(In Canadian dollars) Nine Months Ended September 30, 2022	2021
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	$ (107,183)	$ (118,430)
Non-cash items:		
Amortization	235	295
Share-based payments	-	70,710
Net change in non-cash operating working capital items:		
Receivables	(826)	101
Prepaids	(1,452)	(2,608)
Payables and accrued liabilities	(3,997)	(5,653)
	(113,223)	(55,585)
Financing:		
Issuance of share capital (net of issue costs) (note 8)	345,877	-
	345,877	-
Increase (decrease) in cash position	232,654	(55,585)
Cash and cash equivalents, beginning of period	3,364	61,340
Cash and cash equivalents, end of period	$ 236,018	$ 5,755
Cash and cash equivalents consists of:		
Cash	$ 236,018	$ 5,755
	$ 236,018	$ 5,755

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

	(In Canadian dollars)		
	Nine Months Ended September 30,		Year Ended December 31,
	2022	2021	2021
Share capital (note 8)			
Balance, beginning of period	$ 20,687,794	$ 20,687,794	$ 20,687,794
Shares issued (net of costs and warrants)	159,191	-	-
Balance, end of period	$ 20,846,985	$ 20,687,794	$ 20,687,794
Warrants (note 8)			
Balance, beginning of period	$ -	$ -	$ -
Issued	186,686	-	-
Balance, end of period	$ 186,686	$ -	$ -
Contributed surplus (note 8)			
Balance, beginning of period	$ 2,594,165	$ 2,523,455	$ 2,523,455
Share-based payments	-	70,710	70,710
Balance, end of period	$ 2,594,165	$ 2,594,165	$ 2,594,165
Equity (Deficit)			
Balance, beginning of period	$ (23,373,379)	$ (23,240,478)	$ (23,240,478)
Net and comprehensive loss	(107,183)	(118,430)	(132,901)
Balance, end of period	$ (23,480,562)	$ (23,358,908)	$ (23,373,379)
Total shareholders' equity (deficit)	$ 147,274	$ (76,949)	$ (91,420)

See accompanying notes to consolidated financial statements

1. Corporate information

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 future development of its current exploration properties. Wescan is located at 600 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada, S7K 5M5.

2. Basis of preparation

The condensed interim consolidated financial statements of Wescan for the three and nine months ended September 30, 2022 were authorized for issue by the Company's Audit Committee on November 29, 2022. These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. The Company's financial statements have been prepared on a historical cost basis, except as disclosed, using the Company's functional currency of Canadian dollars.

3. Going Concern

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 and commitments in the normal course of business. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that cast significant doubt upon the Company's ability to continue as a going concern. As at September 30, 2022, the Company had a working capital of $221,464. While the Company believes working capital will be sufficient to finance operating activities through its 2022 fiscal year, the ability of the Company to continue as a going concern and fund general and administrative expenses in an orderly manner will require further equity issues or other forms of financings. There is no assurance that the Company will be successful in obtaining required financing on terms acceptable to the Company as and when needed or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration and/or evaluation plans, forfeit rights in its properties or reduce or terminate its operations.

These financial statements do not include any adjustments to carrying values and classification of asset amounts and liabilities, reported expenses and the statement of financial position classifications used, that would be necessary if the going concern assumption were not appropriate.

4. Summary of significant accounting policies

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those disclosed in Note 4 of the Company's consolidated financial statements for the year ended December 31, 2021. Accordingly, the condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

5. Use of estimates and judgment

In preparing these condensed interim consolidated financial statements, the significant judgments made by management applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those disclosed in note 5 of the Company's consolidated financial statements for the year ended December 31, 2021. In particular, the significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are: reserve and resource estimation, environmental rehabilitation provisions and share-based payment transactions.

6. IFRS standards, amendments and interpretations

(a) IFRS standards issued but not yet effective

IAS 16 – Property, Plant and Equipment

On May 14, 2020, the IASB issued an amendment to IAS 16 Property, Plant and Equipment to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and in a condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The amendment did not have a material financial impact at the time of adoption.

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

On May 14, 2020, the IASB issued an amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling the contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for contracts for which the Company has not yet fulfilled all its obligations on or after January 1, 2022 with early adoption permitted. The amendment did not have a material financial impact at the time of adoption.

(b) IFRS standards issued but not yet effective

At the date of authorization of these consolidated financial statements, there are no other IFRSs or IFRIC interpretations that have been issued and are not yet effective that are expected to have a material impact on the Company.

7. Exploration and evaluation expenses

The Company is assessing options for future work on its portfolio of gold properties. During the nine months ended September 30, 2022, the Company incurred $25,854 (2021 – $0). relating to the maintenance of certain mineral claims.

8. Share capital and reserves

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

Common shares issued and fully paid:

	Common Shares	Amount
Balance – December 31, 2021	45,084,320	$ 20,687,794
Issuance of shares (net of issue costs and warrants) (a)	5,000,000	159,191
Balance – September 30, 2022	50,084,320	$ 20,846,985

(a) Unit financing

During the quarter ended March 31, 2022, the Company issued 5,000,000 Units at a price of $0.07 for total gross proceeds of $350,000. Each Unit was comprised of one common share and one warrant. Each warrant entitles the holder thereof to purchase one common share at a price of $0.10, for a period of twelve months from the closing of the private placement.

Nature and purpose of reserves

Warrant reserve

On certain issues of common shares, the Company has issued warrants entitling the holder to acquire additional common shares of the Company. The warrant reserve is used to recognize the fair value of outstanding warrants. If the warrant is exercised or expires the fair value is transferred to share capital or contributed surplus, respectively.

A summary of the outstanding warrants is as follows:

	Warrants	Average Price	Amount
Balance - December 31, 2021	-	$ -	$ -
Issued (a)	5,000,000	0.10	186,686
Balance - September 30, 2022	5,000,000	$ 0.10	$ 186,686

(a) During the quarter ended March 31, 2022, 5,000,000 warrants were issued in connection to a share financing. Each 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. The warrants issued were fair valued at $186,686. The fair value was determined using the Black-Scholes pricing model.

Contributed surplus

Contributed surplus is used to recognize the fair value of equity-settled share-based payment transactions. The fair value of these securities is added to contributed surplus over the vesting period of the securities. Upon exercise, the corresponding fair value related to the security is removed from contributed surplus and added to share capital. Should the option go unexercised, the fair value will remain in contributed surplus. The fair value of warrants and broker warrants related to securities that go unexercised is transferred out of the respective reserves into contributed surplus in the year of expiry.

9. Share-based payments

The Company has established a share option plan, as approved by the shareholders, whereby each option may be granted to directors, officers, employees and service providers to purchase one common share of the Company. Options granted have an exercise price of not less than the closing price quoted on the TSX Venture exchange for the common shares of the Company on the trading day prior to the date on which the options were granted. Certain options vest immediately while others vest up to twenty-four months after grant date and all options granted under the plan expire five years from the date of the grant of the options. All options are to be settled by physical delivery of shares. During the nine months ended September 30, 2022 no options were issued while 1,070,000 expired (weighted average exercise price of $0.08).

During 2021, the Company extended the expiry date of an aggregate of 2,100,000 stock options (collectively, the "Amended Options") issued during the month of May 2016 with exercise prices of $0.05 per option share, to the date that is seven years from grant date of the Amended Options. As a result, as at December 31, 2021, the Company's outstanding options expire between the dates of May 2022 and June 2023. A $70,710 share-based compensation expense related to the Amended Options was recognized in the statement of loss and comprehensive loss for the year ended December 31, 2021. This share-based compensation expense has been included in administration expense for the comparative interim consolidated financial statements.

At September 30, 2022, total options outstanding were 3,120,000 (2021 - 4,190,000) at a weighted average exercise price of $0.06 (2021 - $0.06). Options outstanding at September 30, 2022 have exercise prices that range from $0.05 to $0.08 (2021 - $0.05 to $0.08) and a weighted average contractual life of 0.6 years (2021 -1.6 years). As at September 30, 2022, the Company's outstanding options expire between the dates of May 2023 and June 2023.

10. Related party transactions

Related party transactions with key management personnel

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The Company pays certain of its key management personnel through companies owned by certain executive officers and directors. Those companies are as follows:

MacNeill Brothers Oil and Gas Ltd.

During the nine months ended September 30, 2022, key management personnel waived their management and consulting fees. Total compensation paid to key management personnel, including amounts paid or payable to related parties owned by key management personnel, executive officers and directors, was $0 (2021 - $62,160). The 2021 amounts relate to share-based payments (as disclosed in note 14 of the Company's consolidated financial statements for the year ended December 31, 2021) and have been included in administration expense for the comparative interim consolidated financial statements. The fair value of share-based payments was determined using the Black-Scholes model.

11. Financial instruments

Fair values have been determined for measurement and/or disclosure purposes based on the fair value hierarchy for financial instruments that require fair value measurement after initial recognition. The classification of each financial instrument is described in note 4 of the December 31, 2021 consolidated financial statements.

The carrying amounts for cash and cash equivalents, receivables, and payables and accrued liabilities approximate their fair value due to the short-term nature of these instruments. These financial instruments are carried at amortized costs.

The Company does not have any financial instruments measured at fair value.

Risk management

Certain financial instruments are exposed to the following financial risks:

(a) Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that may have credit risk consist primarily of cash and cash equivalents and receivables. The Company's cash and cash equivalents are held by a financial institution with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required. The Company's receivables are mainly comprised of GST receivable and therefore credit risk is minimal. The Company has gross credit exposure at September 30, 2022 relating to cash and cash equivalents and receivables of $236,968 (December 31, 2021 - $3,488).

(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, 2022, the Company is committed to current liabilities of $18,324, with working capital of $221,464. Based on the above, the Company has sufficient resources to meet obligations as they become due through 2022.

The further exploration, evaluation and/or development of exploration and evaluation properties in which the Company holds interests or which the Company acquires may depend upon the Company's ability to obtain financing through equity issues or other forms of financing. 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 exploration plans, forfeit rights in its properties or reduce or terminate its operations.

(c) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market process are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity risk. The Company currently does not have significant exposure to any market risks.

WESCAN GOLDFIELDS INC.

CORPORATE INFORMATION

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Officers
Kenneth E. MacNeill – President and Chief Executive Officer
Greg P. Shyluk – Chief Financial Officer
Mark A. Shimell – Vice President, Exploration

Solicitors
Bennett Jones LLP
Calgary, Alberta

Auditors
KPMG, LLP
Saskatoon, Saskatchewan

Bank
Canadian Western Bank
Saskatoon, Saskatchewan

Exchange Listing
TSX Venture Exchange
50,084,320 common shares issued and outstanding as at November 29, 2022

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