WESCAN GOLDFIELDS INC.

Management's Discussion and Analysis
December 31, 2016

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

The following discussion and analysis is prepared by Management as of April 27, 2017 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 ("financial statements for the year ended December 31, 2016") available on SEDAR at www.sedar.com. Wescan Goldfields Inc. ("Wescan" or "the Company") prepared its financial statements for the year ended December 31, 2016 in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are quoted in Canadian Dollars, unless otherwise stated.

Overview

The Company is assessing future options for its portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan. No exploration and evaluation activities occurred during the years ended 2016 and 2015.

During 2016 the Company completed a private placement financing consisting of an aggregate of 7,200,000 common shares at a price of $0.05 per common share, for gross proceeds of $360,000 (see WGF News Release dated September 6, 2016).

Jojay Gold Project

Background

The Company holds a 100% interest in the Jojay gold property, consisting of five claim blocks covering 1,496 hectares located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 25% interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company. The remaining 75% was acquired from Claude Resources Inc. in 2006 in exchange for shares. The Company has an Indicated Mineral Resource and Inferred Mineral Resource, as defined under National Instrument ("NI") 43-101, on the Jojay gold deposit which was completed on February 4, 2010. The NI 43-101 compliant Mineral Resource Estimate completed by ACA Howe International Limited ("ACA Howe") includes 21 Wescan diamond drill holes completed in 2005 and 2007-2008 and 79 historic drill holes (see Wescan News Release dated February 4, 2010). At a block cut-off grade of 2.0 grams per tonne Au, non-diluted Indicated Mineral Resources, located entirely in the Red Zone, amount to 420,000 tonnes with an average grade of 3.7 grams per tonne Au, for 50,000 ounces gold. Non-diluted Inferred Mineral Resources, approximately half of which were located in the Red Zone, amount to 630,000 tonnes with an average grade of 4.3 grams per tonne Au, for 87,000 ounces gold. No Measured Mineral Resources or Mineral Reserves of any category were identified. Mineral resources are not mineral reserves and by NI 43-101 definition do not demonstrate economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into a Mineral Reserve.

Based on recommendations from a review of historical drilling data that was completed in February 2011 and the recommendations contained in the Technical Report that accompanied the NI 43-101 compliant Resource Estimate, Wescan commenced a 2,678.5 metre drill program (10 holes) in June 2011. The program successfully identified significant mineralized zones outside the existing drill-defined area of mineralization and successfully confirmed, as well as infilled, historical drilling results.

Current year and future activities
No activity occurred on the Jojay property during the year ended December 31, 2016. Management is currently assessing options for future work on this property.

Munro Lake Gold Project

Background
The Company holds a 100% interest in the Munro Lake gold property. The Munro Lake property consists of mineral dispositions covering 2,489 hectares located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 51% interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company and has increased based on non-participation of the former joint venture partner in past exploration programs. The Munro gold property is located 7 kilometers from a producing gold mine and is on trend with other known gold mineralized zones in the area.

During 2011 the Company conducted a magnetic and electromagnetic airborne geophysical survey on the Munro Lake property (see Wescan News Release dated June 22, 2011). The intent of the airborne geophysical survey was to assist in the interpretation of historic soil sampling and prospecting programs that had identified anomalous gold targets throughout the property. During 2013, the Company announced the results of a winter drill program on the Munro Lake property (see Wescan News Release dated June 17, 2013). This winter drill program consisted of 1,052.34 metres of diamond drilling over 4 holes. Drilling results included an interval of 67.1 g/t Au over 1.00 metres in a vein with associated visible gold as well as 7.1 g/t Au over 1.00 m.

Current year and future activities
No activity occurred on the Munro Lake property during the year ended December 31, 2016. Management is currently assessing options for future work on this property.

Jasper Gold Project

Background
The Company holds a 100% interest in the Fork Lake/Jasper/Tamar ("Jasper") gold property, consisting of certain mineral dispositions covering 6,513 hectares located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The property contains the high grade Jasper Gold Mine which mined and milled 140,127 tonnes at an average grade of 18.9 grams per tonne gold in the early 1990s. The Company's initial interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company. The Company performed drilling in 2005, 2006, and 2007 of certain deeper zones and during 2011 the Company completed a 2,313.5 metre drill program (9 holes) to further assess the future potential of this past producing gold mine. During 2013 the Company performed a drill program to further evaluate the Jasper property. This program was carried out following examination of Wescan's 2005, 2006 & 2011 diamond drill programs on the Jasper property and recommendations of the Technical

Report for the Jasper Gold Project, completed by A.C.A. Howe International dated November 30, 2005.

The Company intends to continue exploration efforts on the Jasper Gold deposit before an NI 43-101 Resource Estimate is completed to maximize any potential mineral resources.

Current year and future activities
No activity occurred on the Jasper property during the year ended December 31, 2016. Management is currently assessing options for future work on this property.

Financial Highlights

Selected Annual Information

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

	2016 **$**	**2015** **$**	**2014** **$**
Interest and other income	360	-	-
Net loss	103,696	60,623	85,212
Net loss per share	0.00	0.00	0.00
Total assets	388,582	87,743	14,885
Total non-current liabilities (1)	75,520	75,520	75,520
Working capital (deficiency)	127,794	(170,666)	(319,378)

(1) Non-current liabilities are comprised of an environmental rehabilitation provision.

Year Ended December 31, 2016

Results of Operations

For the year ended December 31, 2016 the Company recorded a net loss of $103,696 ($0.00 per share) compared to a net loss of $60,623 ($0.00 per share) for 2015. The losses during 2016 and 2015 were primarily due to ongoing operating costs incurred by the Company.

Expenses
Total expenses for the year ended December 31, 2016 were $104,056 compared to $60,623 for 2015. This increase of $43,433 is primarily due to higher administration expenditures incurred.

Administration expense incurred during 2016 increased to $99,591, compared to $57,151 in 2015. This increase of $42,440 was primarily due primarily due to non-cash share-based compensation ($43,500 compared to $0 during the same period in 2015). Costs in the administration category relating to amortization, interest, professional fees, regulatory requirements and other office related expenses decreased from period to period as a result of efforts to reduce costs.

During 2016, the Company incurred expenditures of $965 relating to the maintenance of certain mineral claims (2015 - $0).

Corporate development costs increased to $3,500 for 2016 compared to $1,920 for 2015.

Financing

On September 6, 2016 the Company completed a private placement financing consisting of an aggregate of 7,200,000 common shares at a price of $0.05 per common share, for gross proceeds of $360,000 (see WGF News Release dated September 6, 2016). During 2015, the Company announced the successful closing of a private placement, which consisted of 10,500,000 common shares of the Company at a price of $0.02 per common share, for gross proceeds of $210,000 (see Wescan News Release dated November 10, 2015).

Summary of Quarterly Results

	2016				2015			
	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $
Net loss(1)	(12,586)	(12,198)	(65,533)	(13,379)	(4,873)	(12,280)	(26,681)	(16,789)
Net loss/share (2)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Shares outstanding (3)	44,459,320	44,459,320	37,259,320	37,259,320	37,259,320	26,759,320	26,759,320	26,759,320

(1) The net loss in the second quarter of 2016 was higher due to expenditures relating to share-based payments. The remaining quarters reflect normal operations of the Company.
(2) Basic and diluted.
During the third quarter of 2016, the Company issued 7,200,000 common shares pursuant to a private placement. During the fourth quarter of 2015, the Company issued 10,500,000 common shares pursuant to a private placement.

Fourth Quarter Results

For the quarter ended December 31, 2016, the Company recorded a net loss of $12,586 ($0.00 per share) compared to a net loss of $4,873 ($0.00 per share) during the same period in 2015. The losses incurred during the fourth quarters of 2015 and 2016 were due to ongoing general operating costs. Administration expense for the fourth quarter of 2016 increased by $12,586 compared to the same period in 2015 as a result of professional fees incurred. Corporate development costs decreased to $0 in the fourth quarter of 2016 compared to $690 for the same period in 2015.

Related Party Transactions

During 2016 and 2015, 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 comprised of share-based payments of $35,705 (2015 - $0). These amounts have been included in administration expense on the statement of loss and comprehensive loss. The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The fair value of share-based payments was determined using the Black-Scholes model.

During the year ended December 31, 2014 the Company entered into a demand loan agreement for $10,000 from MacNeill Brothers Oil and Gas Ltd, a company controlled by a related party, for general administrative expenses and payment of certain outstanding payables. Annual interest rate on the demand loan was 3%. During the year ended December 31, 2015 the company received $64,500 in additional demand loans from MacNeill Brothers Oil and Gas Ltd. for general administrative expenses and payment of certain outstanding payables, with interest rates ranging from 2.70% - 3.00%. All demand loans and accrued interest were paid back in full in November 2015.

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.

The Company provided an indemnification to subscribers of flow-through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying expenditures as required under the subscription agreement. The Company is liable for any tax that will be payable by subscribers as a result of not incurring certain qualifying expenditures by December 31, 2012. An amount of $233,730 has been accrued at December 31, 2016 (2015 - $233,730).

As at December 31, 2016, the Company had working capital of $127,794 as compared to a working capital deficiency of $170,666 at December 31, 2015. Included in the working capital at December 31, 2016 are $22,262 of payables and accrued liabilities from operating activities, as well as the $233,730 provision representing estimated amounts to indemnify certain flow-through subscribers as a result of the Company not incurring certain qualifying expenditures by December 31, 2012. Management believes that, while this liquidity is sufficient to meet the Company's minimum cash requirements for the year ending December 31, 2017 including $43,502 of committed expenditures on certain mineral properties to keep these properties in good standing, it will not be sufficient to meet the Company's requirements beyond 2017. Management has suspended all activity at the mineral properties and, as such, does not believe there is opportunity to further reduce cash outflows. As such, there is a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

Capital Resources and Outstanding Share Data

As at December 31, 2016 the Company had 44,459,320 shares outstanding and 2,650,000 options with a weighted average exercise price of $0.06. As at April 27, 2017, the Company's issued and outstanding shares and options remained unchanged from December 31, 2016.

Financial Instruments

As at December 31, 2016, 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 December 31, 2016 relating to cash and cash equivalents and receivables of $383,252 (2015 - $81,207).

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 December 31, 2016, the Company is committed to current liabilities of $255,992 (2015 - $252,407) with working capital of $127,794 (2015 - $170,666 deficiency). As a result, working capital is not sufficient to meet financial obligations as they fall due beyond 2017. The Company is pursuing options to meet these obligations, to finance the future exploration of its properties as well as for general and administrative expenses of the Company. Financing options may include joint venture arrangements, debt financing, equity financing or other means. There is no assurance that Wescan will be successful in obtaining required financing when needed or at all. 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. As at December 31, 2016 all of the Company's mineral property claims are in good standing with a requirement to incur $43,502 of committed expenditures on certain mineral properties in 2017 to keep these properties in good standing.

During 2014 and 2015 the Company entered into demand loan agreements from MacNeill Brothers Oil and Gas Ltd, a company controlled by a related party. These amounts were used for general administrative expenses and payment of certain outstanding payables. Annual interest rate on these demand loans was 2.7-3.0%. All demand loans were paid back following the private placement financing which was completed during the fourth quarter of 2015.

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 of risk: foreign currency risk, commodity price risk, interest rate risk and equity risk.

Foreign currency risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation since it is currently not producing.

Commodity price risk:

Commodity price risk is the risk that a variation in commodity price will affect the Company's operations and financial results. The Company does not have significant exposure to commodity price fluctuations since it is currently not producing.

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 borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Equity risk:

The Company does not have any equity investments and is not exposed to equity risk.

Accounting Changes

Future Accounting Changes

At the date of authorization of the consolidated financial statements, the IASB has issued the following new Standards which are not yet effective for the relevant reporting periods.

IFRS 9 – Financial Instruments

On July 24, 2015 the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement", and all previous versions of IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt IFRS 9 and has not yet fully evaluated the impact of this new standard however the impact is not expected to be material.

IFRS 15 – Revenue from contracts with customers

IFRS 15 will replace IAS 11, "Construction Contracts" and IAS 18, "Revenue" and related interpretations effective for annual periods commencing on or after January 1,

2018. IFRS 15 introduces a new single revenue recognition model for contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The Company does not intend to early adopt IFRS 15 and has not yet fully evaluated the impact of this new standard however the impact is not expected to be material.

IFRS 16 – Leases
IFRS 16 will replace IAS 17, "Leases" and related interpretations effective for annual periods commencing on or after January 1, 2019. Early application is permitted for companies that also apply IFRS 15. IFRS 16 follows a 'right-of-use' model which will require leases of more than twelve months to be reported on a company's financial statements as assets and liabilities, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The Company does not intend to early adopt IFRS 16 and has not yet fully evaluated the impact of this new standard however the impact is not expected to be material.

IFRS 2 – Share-based payments
In June 2016, the IASB issued amendments to IFRS 2. These amendments clarify how to account for certain share-based payment transactions, including accounting for cash-settled share-based payment transactions; accounting for share-based payment transactions with net settlement features; and accounting for modifications of share-based payment transactions from cash-settled to equity. IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt the amendments to IFRS 2 and has not yet fully evaluated the impact of the amendments however the impact is not expected to be material.

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.

Outlook

The Company has focused previous exploration efforts on its northern Saskatchewan properties with known gold mineralization located in the La Ronge Gold Belt. The Company successfully closed a private placement financing in 2015. The Company's past success in raising flow-through financing during 2011 and 2012 allowed it to perform further exploration work in 2013 on the Company's Jojay, Munro Lake and Jasper gold properties. The Company is assessing future options for these properties. The Company will also continue to evaluate the potential for the acquisition of other mineral properties that fit the Company's strategic direction. The Company will be required to raise additional funds to meet its current commitments as well as for ongoing working capital requirements beyond 2017. There is no assurance that the Company will be successful in obtaining required financing when needed or at all.

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.

Risks Associated With a Non-Producing 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 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 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 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 Province of Saskatchewan, 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, 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.

Consolidated Financial Statements
December 31, 2016

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 International Financial Reporting Standards. 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 Professional 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.

"Kenneth E. MacNeill"
Kenneth E. MacNeill
Chairman and Chief Executive Officer
Saskatoon, Canada
April 27, 2017

"Greg P. Shyluk"
Greg P. Shyluk
Chief Financial Officer
Saskatoon, Canada
April 27, 2017

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Wescan Goldfields Inc.

We have audited the accompanying consolidated financial statements of Wescan Goldfields Inc., which comprise the consolidated statements of financial position as at December 31, 2016, and December 31, 2015, the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wescan Goldfields Inc. as at December 31, 2016 and December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 in the consolidated financial statements, which indicates that Wescan Goldfields Inc. requires additional funding to finance its exploration and operating activities beyond its 2017 fiscal year. These conditions, along with other matters as set forth in Note 3 and Note 17(b) in the consolidated financial statements, indicate the existence of a material uncertainty that casts significant doubt upon Wescan Goldfields Inc.'s ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants

April 27, 2017
Saskatoon, Canada

Wescan Goldfields Inc.

Consolidated Statements of Financial Position

	(In Canadian dollars)	
	December 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 382,801	$ 80,302
Receivables	451	905
Prepaids	534	534
	383,786	81,741
Property and equipment (note 7)	4,796	6,002
	$ 388,582	$ 87,743
Liabilities and Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities (note 10)	$ 255,992	$ 252,407
	255,992	252,407
Environmental rehabilitation provision (note 11)	75,520	75,520
Shareholders' equity:		
Share capital	20,638,794	20,281,344
Contributed surplus	2,360,216	2,316,716
Deficit	(22,941,940)	(22,838,244)
	57,070	(240,184)
	$ 388,582	$ 87,743

Going concern (note 3)

On behalf of the Board:

"Kenneth E. MacNeill"	"Gary L. Billingsley"
Kenneth E. MacNeill	Gary L. Billingsley
Chairman and Chief Executive Officer	Chairman of the Audit Committee

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31

	(In Canadian dollars)			
		2016		2015
Income				
Interest and other	$	360	$	-
Expenses				
Exploration and evaluation (note 9)		965		-
Administration		99,591		57,151
Interest expense		-		1,552
Corporate development		3,500		1,920
		104,056		60,623
Loss before the undernoted items		(103,696)		(60,623)
Net loss and comprehensive loss	$	(103,696)	$	(60,623)
Net loss and comprehensive loss per share				
Basic and diluted	$	(0.00)	$	(0.00)
Weighted average number of shares outstanding		39,541,287		28,226,443

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Consolidated Statements of Cash Flows

For the years ended December 31

(In Canadian dollars)

	2016	2015
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	$ (103,696)	$ (60,623)
Non-cash items:		
Amortization	1,206	1,510
Interest expense	-	1,552
Fair value of stock options vested	43,500	-
Net change in non-cash operating working capital items:		
Receivables	454	(12)
Prepaids	-	800
Payables and accrued liabilities	3,585	(64,304)
Accrued interest on loans payable	-	(1,592)
	(54,951)	(122,669)
Financing:		
Demand loans from related party (note 16)	-	64,500
Repayment of demand loans from related party (note 16)	-	(74,500)
Issuance of share capital (net of issue costs) (note 13)	357,450	207,825
	357,450	197,825
Increase in cash position	302,499	75,156
Cash and cash equivalents, beginning of period	80,302	5,146
Cash and cash equivalents, end of period	$ 382,801	$ 80,302
Cash and cash equivalents consists of:		
Cash	$ 382,801	$ 80,302
	$ 382,801	$ 80,302

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31

	(In Canadian dollars)	
	2016	2015
Share capital (note 13)		
Balance, beginning of period	$ 20,281,344	$ 20,073,519
Shares issued for cash	360,000	210,000
Share issue costs	(2,550)	(2,175)
Balance, end of period	$ 20,638,794	$ 20,281,344
Warrants (note 13)		
Balance, beginning of period	$ -	$ 144,200
Expired	-	(144,200)
Balance, end of period	$ -	$ -
Contributed surplus (note 13)		
Balance, beginning of period	$ 2,316,716	$ 2,172,516
Share-based payments (note 15)	43,500	-
Warrants expired	-	144,200
Balance, end of period	$ 2,360,216	$ 2,316,716
Deficit		
Balance, beginning of period	$ (22,838,244)	$ (22,777,621)
Net and comprehensive loss	(103,696)	(60,623)
Balance, end of period	$ (22,941,940)	$ (22,838,244)
Total Shareholders' Equity	$ 57,070	$ (240,184)

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 permits. Wescan is located at 300 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada.

2. Basis of preparation

The consolidated financial statements of Wescan for the year ended December 31, 2016 were authorized for issue by the Company's Board on April 27, 2017. The financial statements of Wescan have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's financial statements have been prepared on a historical cost basis, except as otherwise 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 December 31, 2016, the Company had working capital of $127,794 which is net of a $233,730 provision relating to 2011 flow-through financing as discussed in note 10. Management believes that, while this liquidity is sufficient to meet the Company's minimum cash requirements for the year ending December 31, 2017 including $43,502 of committed expenditures on certain mineral properties to keep these properties in good standing, it will not be sufficient to meet the Company's requirements beyond 2017. Management has suspended all activity at the mineral properties and, as such, does not believe there is opportunity to further reduce cash outflows. As such, there is a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments to carrying values and classification of asset amounts and liabilities, reported expense 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 Company's principal accounting policies are outlined below:

a. Basis of Consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary. All intra-company transactions, balances, income and expenses are eliminated in full upon consolidation.

b. Financial instruments

i. Non-derivative financial assets

The Company classifies its non-derivative financial assets into the following categories: held-to-maturity financial assets and loans and receivables.

Held-to-maturity financial assets

If the Company has the intent and ability to hold securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets are comprised of the Company's cash and cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables are comprised of the Company's accounts receivable.

ii. *Non-derivative financial liabilities*

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities are comprised of the Company's payables and accrued liabilities.

iii. *Impairment*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it has been impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. Interest on the impaired asset continues to be recognized. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss and comprehensive loss.

c. Cash and cash equivalents

Cash and cash equivalents include cash, and short-term investments that, upon acquisition, have a term to maturity of three months or less.

d. Property and equipment

Property and equipment are tangible assets that are stated at cost less accumulated depreciation and any impairment in value. Such cost includes costs of replacing parts that are eligible for capitalization when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement only if it is eligible for capitalization. All other repairs and maintenance are expensed as incurred.

Depreciation is calculated using the declining balance method except for leasehold improvements, which would be amortized on a straight-line basis over a term equal to the remaining life of the current lease agreement. Annual amortization rates are as follows:

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

The carrying value of items of property and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values of an asset exceed its estimated recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the statement of loss and comprehensive loss in the year the item is derecognized.

e. <u>Exploration and evaluation</u>

i. *<u>Pre-permit costs</u>*

Pre-permit costs are expensed in the period in which they are incurred. These costs are intangible.

ii. *<u>Exploration and evaluation costs</u>*

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 intangible assets and classified as exploration and evaluation assets for financial statement purposes.

Once the legal right to explore has been established, exploration and evaluation expenditures are expensed as incurred, unless the Company concludes that a future economic benefit is more likely than not to be realized.

Exploration and evaluation expenditures incurred on permits where a National Instrument (“NI”) 43-101 compliant reserve and a final feasibility study have not yet been completed are expensed during this phase and included in “exploration and evaluation” expense in the statements of loss and comprehensive loss.

Upon the establishment of a NI 43-101 compliant reserve and the completion of a final feasibility study (at which point, the Company considers it probable that economic benefits will be realized), the Company capitalizes any further costs incurred for the particular permit to exploration and evaluation assets up to the point when a development decision is made.

Once NI 43-101 compliant reserves are established and development is approved by the Company, previously capitalized exploration and evaluation assets that will be transferred to “mine development costs” are tested for impairment on a cash generating unit basis (“CGU”). If facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the capitalized expenditure which is not expected to be recovered is charged to the statements of loss and comprehensive loss. No amortization of exploration and evaluation assets is charged during the exploration and evaluation phase nor while it is under construction.

Exploration and evaluation assets acquired in a business combination or through purchase of an asset are initially recognized at fair value. These costs are intangible. The Company assesses each CGU annually to determine whether an indication of impairment exists. Where an indicator of impairment exists a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assets are subsequently stated at cost less accumulated impairment.

When options to acquire exploration and evaluation assets are granted or exploration and evaluation assets are sold, proceeds are credited to the cost of the property. If proceeds exceed costs, the excess proceeds are reported as a gain.

f. <u>Employee Benefits</u>

i. *<u>Wages and salaries, and annual leave</u>*

The liability for employee entitlements to wages and salaries represents the amount which the Company has a present obligation to pay resulting from services provided up to the reporting date. A provision exists for annual leave as it is earned and is measured at the amount expected to be paid when it is settled and includes all related costs.

ii. *<u>Short-term employee benefits</u>*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iii. *Termination benefits*

Termination benefits are recognized as an expense when the Company is committed to provide termination benefits in accordance with certain contracts provided to officers of the Company. If benefits are payable for more than 12 months after the reporting date, then those benefits are discounted to their present value.

iv. *Share-based payment transactions*

The grant-date fair value of share-based payment awards granted to employees, officers or directors is recognized as an expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met.

g. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount, if material, is recognized as a finance cost.

Environmental rehabilitation

The Company may be required to decommission and rehabilitate exploration sites to a condition acceptable to the relevant authorities.

The expected cost of any decommissioning or rehabilitation program is recognized as a liability when the related environmental disturbance occurs. The offsetting cost is treated as an "exploration and evaluation" expense until a NI 43-101 reserve has been established and a final feasibility report completed. Once a NI 43-101 reserve has been established and a final feasibility study completed, the estimated cost (on a discounted basis, if material) of any new environmental disturbances are capitalized. Where there is a change in the expected decommissioning and rehabilitation costs, the value of the provision and any related asset are adjusted and the effect is recognized in the statements of loss and comprehensive loss on a prospective basis over the remaining life of the operation.

h. Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary difference between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i. Flow-through shares

The Company finances a portion of its exploration activities through the issuance of flow-through shares. Upon the sale of flow-through shares, the Company recognizes a liability for the excess purchase price paid by the investors over the fair value of common shares without the flow-through feature (the "premium") and records the fair value of the shares in equity. As the Company incurs qualifying expenditures, the liability is reversed and a deferred tax liability is recorded for the amount of the benefits renounced to the investors. To the extent the Company has unrecognized tax benefits from loss carry forwards or other tax pools in excess of book value that are not expected to expire the Company will offset the future income tax liability resulting in the premium being recognized in the statement of loss and comprehensive loss.

5. Use of estimates and judgment

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in the statement of loss and comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Key sources of estimation uncertainty

The areas of estimation uncertainty considered by management that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a. Reserve and resource estimates

Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mineral properties. The Company currently only has mineral resources and does not have a basis to determine if any of its resources will be converted to reserves. The estimation of recoverable reserves is based upon factors such as estimations of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the Company's resource estimates may impact upon the carrying value of exploration and evaluation assets, property and equipment, environmental rehabilitation provision, recognition of deferred tax assets, and depreciation and amortization charges.

b. Impairment of exploration and evaluation assets

Should the Company identify an indicator of impairment, the Company is required to perform an impairment assessment. The impairment assessments for exploration and evaluation assets require the use of estimates and assumptions such as discount rates, future commodity prices, future foreign exchange rates, future royalty rates, recoverable grades, and future capital and operating expenditures. Fair value for exploration and evaluation assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Management assesses its CGUs as being an individual mine site that may include multiple ore bodies. This is the lowest level for which cash inflows are largely independent of those of other assets.

c. Environmental rehabilitation provision

Environmental rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on management's understanding of the current regulatory requirements. Significant changes in estimates of restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provision may be higher or lower than currently provided for.

d. <u>Income taxes</u>

Judgment and estimates are required in determining the recognition of deferred tax assets and tax uncertainties on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded, if any, could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The most significant provision for tax uncertainties relate to flow through offerings to the extent the Company is unable to meet qualifying expenditure requirements.

e. <u>Share-based payment transactions</u>

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 15.

6. IFRS standards, amendments and interpretations

a. <u>IFRS standards, amendments and interpretations issued but not yet effective</u>

At the date of authorization of these consolidated financial statements, the IASB has issued the following new Standards which are not yet effective for the relevant reporting periods.

i. <u>IFRS 9 – Financial Instruments</u>

On July 24, 2015 the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement", and all previous versions of IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt IFRS 9 and has not yet fully evaluated the impact of this new standard however the impact is not expected to be material.

ii. <u>IFRS 15 – Revenue from contracts with customers</u>

IFRS 15 will replace IAS 11, "Construction Contracts" and IAS 18, "Revenue" and related interpretations effective for annual periods commencing on or after January 1, 2018. IFRS 15 introduces a new single revenue recognition model for contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The Company does not intend to early adopt IFRS 15 and has not yet fully evaluated the impact of this new standard however the impact is not expected to be material.

iii. <u>IFRS 16 – Leases</u>

IFRS 16 will replace IAS 17, "Leases" and related interpretations effective for annual periods commencing on or after January 1, 2019. Early application is permitted for companies that also apply IFRS 15. IFRS 16 follows a 'right-of-use' model which will require leases of more than twelve months to be reported on a company's financial statements as assets and liabilities, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The Company does not intend to early adopt IFRS 16 and has not yet fully evaluated the impact of this new standard however the impact is not expected to be material.

iv. *IFRS 2 – Share Based Payments*

In June 2016, the IASB issued amendments to IFRS 2. These amendments clarify how to account for certain share-based payment transactions, including accounting for cash-settled share-based payment transactions; accounting for share-based payment transactions with net settlement features; and accounting for modifications of share-based payment transactions from cash-settled to equity. IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt the amendments to IFRS 2 and has not yet fully evaluated the impact of the amendments however the impact is not expected to be material.

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. Property and equipment

The Company's property and equipment are comprised of the following:

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Cost				
Balance – December 31, 2014	$ 2,234	$ 348	$ 36,925	$ 39,507
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Balance – December 31, 2015	$ 2,234	$ 348	$ 36,925	$ 39,507
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Balance – December 31, 2016	$ 2,234	$ 348	$ 36,925	$ 39,507

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Accumulated depreciation				
Balance – December 31, 2014	$ (2,234)	$ (269)	$ (29,492)	$ (31,995)
Charge for the year	-	(24)	(1,486)	(1,510)
Eliminated on disposals	-	-	-	-
Balance – December 31, 2015	$ (2,234)	$ (293)	$ (30,978)	$ (33,505)
Charge for the year	-	(16)	(1,190)	(1,206)
Eliminated on disposals	-	-	-	-
Balance – December 31, 2016	$ (2,234)	$ (309)	$ (32,168)	$ (34,711)

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Net book value				
Balance – December 31, 2015	$ -	$ 55	$ 5,947	$ 6,002
Balance – December 31, 2016	$ -	$ 39	$ 4,757	$ 4,796

8. Exploration and evaluation assets

The Company's exploration and evaluation assets arising from acquisitions are comprised of the following:

	Jojay (a)	Munro (b)	Fork Lake/ Jasper/ Tamar (c)	Total
Exploration and evaluation assets	$ 1,365,001	$ 69,561	$ 201,501	$ 1,636,063
Less: previous impairments	(1,365,001)	(69,561)	(201,501)	(1,636,063)
Exploration and evaluation assets – December 31, 2015 and 2016	$ -	$ -	$ -	$ -

The Company has not yet determined whether any of its exploration and evaluation assets contain economically recoverable reserves.

a. Jojay

The Company holds a 100% interest in the Jojay gold property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 25% interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company. The remaining 75% was acquired from Claude Resources Inc. in 2006 in exchange for shares. The Company has an Indicated Resource and Inferred Resource, as defined under National Instrument 43-101, on the Jojay gold deposit.

b. Munro

The Company holds a 100% interest in the Munro gold property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 51% interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company and increased to 100% based on non-participation of the former joint venture partner in past exploration programs. The Munro gold property is located 7 kilometers from a producing gold mine.

c. Fork Lake/Jasper/Tamar

The Company holds a 100% interest in the Fork Lake/Jasper/Tamar gold property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company.

9. Exploration and evaluation expenditures

The Company is assessing options for future work on its portfolio of gold properties. During the twelve months ended December 31, 2016, the Company incurred expenditures of $965 (2015 - $0) relating to the maintenance of certain mineral claims. No exploration and evaluation activities occurred during 2015 and 2016.

10. Payables and accrued liabilities

A summary of the payables and accrued liabilities is as follows:

	December 31, 2016	December 31, 2015
Trade payables and accrued liabilities	$ 22,262	$ 18,677
Provision relating to 2011 flow-through financing (a)	233,730	233,730
Balance - end of year	$ 255,992	$ 252,407

a. In December 2011, the Company issued flow-through shares for gross proceeds of $1,000,000. At December 31, 2012, the Company had not spent all amounts related to this flow-through offering. The Company has provided an indemnification to subscribers of flow-through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying expenditures as required under the subscription agreement.

11. Environmental rehabilitation provision

The Company estimates its present obligation of decommissioning and reclamation costs to be $75,520 (December 31, 2015 - $75,520). The provision has not been discounted as the effect of the time value of money is not material.

12. Deferred tax assets and liabilities

Reconciliation between expected tax recovery for accounting purposes and actual recovery

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 for the following reasons:

	December 31, 2016	December 31, 2015
Net loss before income taxes	$ (103,696)	$ (60,623)
Combined federal and provincial tax rate	27.0%	27.0%
Expected tax recovery	(27,998)	(16,368)
Increase in taxes resulting from:		
Other permanent differences	11,745	-
Change in unrecognized deferred tax assets	16,253	16,368
Deferred income tax recovery	$ -	$ -

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2014	Through net loss	Through share capital	Expiry of losses	December 31, 2015
Unrecognized Deferred tax assets					
Exploration and evaluation	$ 1,532,239	$ -	$ -	$ -	$ 1,532,239
Property and equipment	84,286	408	-	-	84,694
Non-capital loss carried forward	1,878,244	31,195	-	(117,585)	1,791,854
Share issue costs	15,955	(15,235)	588	-	1,308
Decommissioning and rehabilitation provision	20,390	-	-	-	20,390
Unrecognized deferred tax assets	$ 3,531,114	$ 16,368	$ 588	$ (117,585)	$ 3,430,485

	December 31, 2015	Through net loss	Through share capital	Expiry of losses	December 31, 2016
Unrecognized Deferred tax assets					
Exploration and evaluation	$ 1,532,239	$ -	$ -	$ -	$ 1,532,239
Property and equipment	84,694	326	-	-	85,020
Non-capital loss carried forward	1,791,854	16,759	-	-	1,808,613
Share issue costs	1,308	(832)	689	-	1,165
Decommissioning and rehabilitation provision	20,390	-	-	-	20,390
Unrecognized deferred tax assets	$ 3,430,485	$ 16,253	$ 689	$ -	$ 3,447,427

The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax assets to be recovered.

Tax losses

As at December 31, 2016, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses is provided below. These tax losses will expire as follows:

Year of Expiry	Taxable losses
2026	$ 746,142
2027	1,363,135
2028	1,368,116
2029	850,020
2030	581,344
2031	631,632
2032	577,675
2033	267,458
2034	135,438
2035	115,538
2036	62,069
Total	$ 6,698,567

The Company also had unrecorded investment tax credits totaling $311,000 (December 31, 2015 - $311,000) relating to pre-production mining expenditures. These investment tax credits expire starting in 2026.

13. Share capital and reserves

Authorized

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

Issued and outstanding

	2016		2015	
	Common Shares	Amount	Common Shares	Amount
Balance - beginning of year	37,259,320	$20,281,344	26,759,320	$20,073,519
Common shares issued (a)	7,200,000	360,000	10,500,000	210,000
Issue costs	-	(2,550)	-	(2,175)
Balance - end of year	44,459,320	$20,638,794	37,259,320	$20,281,344

a) Common shares

On September 6, 2016, the Company completed a private placement of 7,200,000 common shares for aggregate gross proceeds of $360,000.

On November 10, 2015, the Company completed a private placement of 10,500,000 common shares for gross proceeds of $210,000.

b) Share option plan

The Company has established a share option plan whereby options may be granted to directors, officers, employees and service providers to purchase up to an aggregate of 10% of the issued and outstanding shares of the Company. Refer to note 15 for further details of this plan.

c) Nature and purpose of reserves

Warrant reserve

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. 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. During the year ended December 31, 2015, 5,150,000 warrants expired. Accordingly in 2015, $144,200 was transferred to Contributed Surplus.

No warrants were issued in 2015 or 2016.

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 security 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.

A summary of the contributed surplus activity is as follows:

	2016	2015
Balance - beginning of year	$ 2,316,716	$ 2,172,516
Options issued	43,500	-
Contributed surplus related to warrants expired	-	144,200
Balance - end of year	$ 2,360,216	$ 2,316,716

14. Loss per share

The calculation of loss per share amounts is based on the following:

	December 31, 2016	December 31, 2015
Numerator:		
Net loss applicable to common shares	$ (103,696)	$ (60,623)
Denominator:		
Common shares outstanding at January 1	37,259,320	26,759,320
Weighted average effect of shares issued	2,281,967	1,467,123
Weighted average common shares outstanding at December 31 ─ basic and diluted	39,541,287	28,226,443
Basic and diluted loss per common share (a)	$ (0.00)	$ (0.00)

(a) Excluded from the calculation of diluted loss per common share are the effects of outstanding options, as the effect on basic loss per share would be anti-dilutive.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

15. Share-based payments

The Company has established a share option plan, as approved by the shareholders, whereby options may be granted to directors, officers, employees and service providers to purchase common shares of the Company. Options granted have an exercise price of not less than the closing price quoted 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 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.

Option movements during the years ended December 31 including weighted average exercise prices are as follows:

	2016		2015	
	Options	Average Price	Options	Average Price
Outstanding – January 1	730,000	$ 0.32	1,010,000	$ 0.46
Granted during the year	2,100,000	0.05	-	-
Expired during the year	(180,000)	1.00	(280,000)	0.81
Outstanding and Exercisable – December 31	2,650,000	$ 0.06	730,000	$ 0.32

The options outstanding at December 31, 2016 have exercise prices that range from $0.05 to $0.10 (2015 - $0.10 to $1.00) and a weighted average contractual life of 3.7 years (2015 – 1.9 years). The options expire between the dates of March 2018 to May 2021.

For options outstanding and exercisable at December 31, 2016, the range of exercise prices, weighted average exercise price and the weighted average remaining contractual life is as follows:

	Outstanding and Exercisable		
Option Price Per Share	Options December 31, 2016	Weighted Average Exercise Price	Weighted Average Remaining Life
$0.05	2,100,000	$ 0.05	4.4 years
$0.10	550,000	0.10	1.1 years
	2,650,000	$ 0.06	3.7 years

The expense related to the Company's share-based payment is recognized in the comprehensive statement of loss for the year ended December 31 in administration expense in the amount of $43,500 (2015 - $0).

The grant date fair value of stock options issued under the plan is estimated using the Black-Scholes option-pricing model. Expected volatility is estimated by considering historic average share price volatility. The option life is estimated based on the expected life of the options based on the individual receiving them.

The inputs used in the measurement of the fair values at grant date of the share-based payments during the year ended December 31, 2016 are as follows:

	December 31, 2016
Share price at grant date	$ 0.02 - 0.04
Exercise price	$ 0.05
Expected volatility	202.4 – 206.0%
Option life	5 years
Expected dividends	0 %
Expected forfeiture rate	0 %
Risk-free interest rate	0.69 – 0.73%
Fair value at grant date	$ 0.02 – 0.04

16. 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 current and former 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 year ended December 31, 2016 and 2015, certain of its key management personnel waived their management and consulting fees. Compensation for the year ended December 31, 2016 of key management personnel, including amounts paid or payable to related parties owned by executive officers and directors, was $0 (2015 - $0).

During the year ended December 31, 2014 the Company entered into a demand loan agreement for $10,000 from MacNeill Brothers Oil and Gas Ltd, a company controlled by a related party, for general administrative expenses and payment of certain outstanding payables. Annual interest rate on this demand loan was 3.0%. During 2015 the company received $64,500 in additional demand loans from MacNeill Brothers Oil and Gas Ltd. for general administrative expenses and payment of certain outstanding payables, with interest rates ranging from 2.7% - 3.0%. All demand loans ($74,500) and accrued interest ($1,592) was paid back in full during November 2015.

17. 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.

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 cost.

Fair value hierarchy

The Company does not have any financial instruments measured at fair value. If the Company acquires a financial instrument that would be required to be measured at fair value it would be categorized into one of three hierarchy levels as described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

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 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 December 31, 2016 relating to cash and cash equivalents and receivables of $383,252 (2015 - $81,207).

(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 December 31, 2016, the Company is committed to current liabilities of $255,992, which includes a $233,730 provision relating to 2011 flow-through financing as discussed in note 10. As a result, at December 31, 2016, the Company had working capital of $127,794. The Company is also committed to expenditures in 2017 of $43,502 on certain mineral properties to keep these claims in good standing. Based on the above, the Company does not have sufficient resources to meet obligations as they become due beyond 2017 which raise material uncertainties and casts significant doubt about the Company's ability to continue as a going concern.

The Company is pursuing options to meet these obligations, to finance the future exploration of its properties as well as for general and administrative expenses of the Company. Financing options may include joint venture arrangements, debt financing, equity financing or other means. There is no assurance that Wescan will be successful in obtaining required financing when needed or at all. 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 prices are comprised of four types of risk: foreign currency risk, commodity price risk, interest rate risk and equity risk.

Foreign currency risk:
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuations since it is currently not producing.

Commodity price risk:
Commodity price risk is the risk that a variation in commodity price will affect the Company's operations and financial results. The Company does not have significant exposure to commodity price fluctuations since it is currently not producing.

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 borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Equity risk:
The Company does not have any equity investments and is not exposed to equity risk.

18. Capital management

The Company manages its cash, common shares, warrants, broker warrants and stock options as capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to explore its exploration and evaluation properties, so that it can provide returns to shareholders.

In order to facilitate the management of its capital requirements, the Company monitors capital and operating cash flows which are updated as considered necessary.