

# WESCAN GOLDFIELDS INC.



## **NEWS RELEASE**

**Stock Symbol: WGF: TSX-V**

**May 29, 2012**

**Saskatoon, Saskatchewan**

## **WESCAN GOLDFIELDS INC. ANNOUNCES FIRST QUARTER RESULTS**

Wescan Goldfields Inc. (“Wescan” or the “Company”) reports the unaudited results of Wescan’s operations for the quarter ended March 31, 2012 have been filed today on SEDAR and may be viewed at [www.sedar.com](http://www.sedar.com). A summary of key financial and operating results are as follows:

### **Highlights**

- Recently completed Phase II drilling at the Jojay gold property in 2012 based on encouraging results of Phase I
- Engaged A.C.A. Howe International Limited to carry out a preliminary economic assessment on the Company’s Jojay gold property
- Issued and outstanding shares of 126,737,835 at March 31, 2012

### **Overview of activities**

During the first quarter of 2012, Wescan continued the exploration of its portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan, with the primary focus being the Jojay property. Following the successful drill programs on its Jojay and Jasper properties in 2011, which had significant intercepts (see Wescan News Releases dated November 18, 2011 and December 8, 2011, respectively), the Company raised an additional \$1.0 million in late December 2011 to continue exploring these highly prospective areas. In February 2012, the Company announced a planned 2,000 metre drill program (“Phase II”) on its Jojay property (see Wescan News Release dated February 22, 2012) and recently announced the results of the program which included significant intercepts of gold in and outside the current Mineral Resource shell (see Wescan News Release dated May 22, 2012).

### **Results of Operations**

For the quarter ended March 31, 2012 the Company recorded a net and comprehensive loss of \$526,630 (\$0.00 per share) compared to a net and comprehensive loss of \$137,504 (\$0.00 per share) for the same period in 2011. The difference between the quarter ended March 31, 2012 and 2011 is primarily due to the Company expending approximately \$0.5 million more on exploration during the first quarter of 2012 compared to the same period in 2011. The exploration expense during the first quarter of 2012 was offset by a recovery of flow-through share premiums as the result of the Company partially

satisfying its obligation to spend certain money on qualifying exploration expenditures before December 31, 2012.

### Selected financial highlights include:

<b>Consolidated Statement of Financial Position</b>	<b>As at March 31, 2012</b>	<b>As at December 31, 2011</b>
Current assets	\$ 776,208	\$ 1,137,039
Property and equipment	1,508,956	1,513,330
Current liabilities	416,161	150,018
Other liabilities	270,662	375,380
Share capital, warrants and broker warrants	19,581,114	19,610,688
Contributed surplus	2,139,841	2,110,267
Deficit	20,122,614	19,595,984

<b>Consolidated Statements of Loss and Comprehensive Loss</b>	<b>Three Months Ended March 31, 2012</b>	<b>Three Months Ended March 31, 2011</b>
Interest and other income	\$ 521	\$ 10,534
Operating expenses	631,869	148,038
Loss for the period before other items	631,348	137,504
Flow-through share premium recovery	(104,718)	-
Net and comprehensive loss for the period	526,630	137,504
Loss per share	0.00	0.00

<b>Consolidated Statements of Cash Flows</b>	<b>Three Months Ended March 31, 2012</b>	<b>Three Months Ended March 31, 2011</b>
Cash used in operations	\$ (468,218)	\$ (163,383)
Cash used in investing activities	-	(1,423)
Cash provided by financing activities	-	1,416,293
Increase (decrease) in cash and cash equivalents	(468,218)	1,251,487
Cash and cash equivalents – beginning of period	1,094,924	499,115
Cash and cash equivalents – end of period	1,094,924	1,750,602

### Outlook

The Company continues to believe the timing is right to focus exploration efforts on its properties with known gold mineralization. The Company's success in raising additional flow-through financing during the fourth quarter of 2011 has allowed it to perform further exploration work on the Company's Jojay gold property in northern Saskatchewan located in the La Ronge Gold Belt and to commence a preliminary economic assessment on this property (see Wescan News Release dated May 22, 2012). The funds may also be used to complete additional exploration work on the Jasper Gold deposit also located in the La Ronge Gold Belt. In addition, the Company intends to do a prospecting program on the Munro Lake gold property in northern Saskatchewan which is on trend with known mineralized zones in the immediate area. Management 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 during 2012 to meet its current commitments and ongoing working capital requirements. Management is confident the Company will have sufficient access to financial markets to continue its future plans.

### Technical Information

All technical information in this press release has been prepared under the supervision of Daniel Leroux of A.C.A. Howe International Limited, Professional Geoscientist in the

Province of Saskatchewan, and is the Company's "Qualified Person" under the definition of NI 43-101.

### **Caution Regarding Forward-looking Information**

This press release 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 press release include, but are not limited to, the Jojay Phase II drill program, 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 coal and 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.

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