

# WESCAN GOLDFIELDS INC.



## **NEWS RELEASE**

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

**April 27, 2011**

**Saskatoon, Saskatchewan**

## **WESCAN GOLDFIELDS INC. ANNOUNCES YEAR END RESULTS**

Wescan Goldfields Inc. (“Wescan” or the “Company”) reports the audited results of Wescan’s operations for the year ended December 31, 2010 have been filed and may be viewed at [www.sedar.com](http://www.sedar.com). A summary of key financial and operating results are as follows:

### **Highlights**

- Announced a National Instrument 43-101 (“NI 43-101”) compliant Mineral Resource on its Jojay Gold Project.
- Completed phase 1 drilling on Hudson Bay and Pinehouse Lake, Saskatchewan coal properties.
- Appointed new Vice-President of Exploration.
- Subsequent to year end completed \$1.5 million flow-through financing.
- Subsequent to year end announced follow up exploration programs on several of the Company’s properties.
- Issued and outstanding shares of 102,077,021 at December 31, 2010.

### **Overview of activities**

During 2010, Wescan announced the completion of a National Instrument 43-101 (“NI 43-101”) compliant gold resource for the Company’s Jojay Gold Project in northern Saskatchewan (see Wescan News Release dated February 4, 2010) and also announced the completion of Phase 1 drilling on its Hudson Bay and Pinehouse Lake coal properties in east central Saskatchewan (see Wescan News Release dated January 18, 2010). Exploration results to date suggest that both the Company’s gold and coal properties hold further potential given their early stage of exploration combined with their strategic locations.

During the year, the Company also successfully completed three separate private placements for gross proceeds of \$1,320,000 (See Wescan’s News Releases May 10, October 29 and December 7, 2010). These private placements resolved the Company’s previous working capital deficiency and left the Company well funded to start 2011. Further financing efforts in the early part of 2011 along with the appointment of a new Vice-President of Exploration in late 2010 (see Wescan News Release dated December

16, 2010) have allowed the Company to refocus its exploration priorities for the 2011 year (see Wescan News Release dated March 7, 2011).

## Results of Operations

For the year ended December 31, 2010 the Company recorded a net loss of \$936,380 (\$0.01 per share) compared to a net loss of \$5,511,058 (\$0.07 per share) for 2009. The significant change in net loss in 2010 over 2009 was primarily due to the \$5.2 million write-down of mineral properties that occurred during 2009. The Company remained focused on minimizing its operating expenses during 2010; however, the settlement with a former joint venture partner for unpaid exploration expenditures related to its previously held Mud Lake property added \$200,000 to the Company's net loss for the year.

### Selected financial highlights include:

| <b>Consolidated Balance Sheets</b> | <b>As at<br/>December 31,<br/>2010</b> | <b>As at<br/>December 31,<br/>2009</b> |
|------------------------------------|--|--|
| Current assets                     | \$ 517,599                             | \$ 416,799                             |
| Capital and other assets           | 7,077,897                              | 7,095,356                              |
| Current liabilities                | 145,786                                | 738,725                                |
| Future income tax liability        | 163,336                                | -                                      |
| Share capital and warrants         | 16,299,517                             | 15,097,815                             |
| Contributed surplus                | 1,881,740                              | 1,634,118                              |
| Deficit                            | 10,894,883                             | 9,958,503                              |

| <b>Consolidated Statements of Loss and Comprehensive Loss</b> | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> |
|---|---|---|
| Interest and Other Income                                     | \$ 39,544                                   | \$ 29,545                                   |
| Operating Expenses  | 775,924                                     | 1,012,353                                   |
| Loss for the period before other items                        | 736,380                                     | 982,808                                     |
| Settlement for exploration expenditures                       | 200,000                                     | -   |
| Gain on sale of equipment                                     | -   | (36,904)                                    |
| Write-down of mineral properties                              | -   | 5,186,102                                   |
| Future income tax recovery                                    | -   | (620,948)                                   |
| Net and comprehensive loss for the period                     | 936,380                                     | 5,511,058                                   |
| Loss per share  | 0.01  | 0.07  |

| <b>Consolidated Statements of Cash Flows</b>     | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> |
|--|---|---|
| Cash used in operations                          | \$ (1,012,736)                              | \$ (300,836)                                |
| Cash used in investing activities                | (64,178)                                    | (2,896,571)                                 |
| Cash provided by financing activities            | 1,286,424                                   | 937,577                                     |
| Increase (decrease) in cash and cash equivalents | 209,510                                     | (2,259,830)                                 |
| Cash and cash equivalents – beginning of period  | 289,605                                     | 2,549,435                                   |
| Cash and cash equivalents – end of period        | 499,115                                     | 289,605                                     |

## Outlook

The Company's success in raising an additional \$1.5 million of flow-through financing over the last few months will allow it to begin exploration programs on its portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan. With the significant escalation in the price of gold, the Company believes the timing is right to

focus exploration efforts on the properties with known gold mineralization. This focus on gold properties will include exploration work on the Jojay, Jasper and Murno Lake properties. The Company also remains committed to its coal holdings near Hudson Bay and Pinehouse Lake, Saskatchewan and will determine if more immediate work is warranted based on the review currently underway. The Company will continue to evaluate the potential for the acquisition of other mineral properties that fit its strategic direction. Management is confident the Company will have sufficient access to financial markets to continue its planned exploration activities in 2011.

### **Technical Information**

All technical information in this press release has been prepared under the supervision of Tabetha Stirrett, 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 ability to raise funds to pursue exploration activities, the use of such funds, 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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