

# WESCAN GOLDFIELDS INC.



## **NEWS RELEASE**

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

**November 24, 2011**

**Saskatoon, Saskatchewan**

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

Wescan Goldfields Inc. (“Wescan” or the “Company”) reports that the unaudited results of Wescan’s operations for the quarter ended September 30, 2011 will be filed today on SEDAR and may be viewed at [www.sedar.com](http://www.sedar.com) once posted. A summary of key financial and operating results for the quarter is as follows:

### **Highlights**

- Recently announced results of Jojay gold property summer drill program
- Issued and outstanding shares of 112,452,121 at September 30, 2011

### **Overview of activities**

During the first part of 2011, Wescan focused on reviewing historical drill, geological and geotechnical data in order to plan the 2011 exploration activities on its portfolio of gold and coal properties. Based on this review, the Company undertook the raising of sufficient capital during the first quarter in order to finance a significant portion of the planned 2011 exploration programs. Following the completion of a \$1.6 million financing on February 24, 2011, Wescan announced certain exploration programs for the year. The programs commenced in June of 2011 on the Company’s portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan. The significant intercepts for the Jojay Exploration program were recently released (see Wescan News Release dated November 18, 2011), with the remainder of the results for the Jasper program expected to follow once final assays have been received.

Following a review of the Company’s coal properties, it was decided that all coal permits will be allowed to lapse as opposed to converting them into more expensive leases. This decision allows the Company to focus its financial resources on its portfolio of gold properties, which the Company believes has the greatest potential given the current and long-term forecasts for the price of gold.

### **Quarterly Results**

For the quarter ended September 30, 2011 the Company recorded a net and comprehensive loss of \$2,776,477 (\$0.02 per share) compared to a net and comprehensive loss of \$105,081 (\$0.00 per share) for the same period in 2010. The

difference between the quarter ended September 30, 2011 and 2010 is primarily due to the impairment of its coal evaluation and exploration assets as a result of the Company's decision to focus on gold properties and allow its coal permits to lapse.

## Year to Date Results

For the nine months ended September 30, 2011, the Company recorded a net and comprehensive loss of \$3,613,612 (\$0.03 per share) compared to a net and comprehensive loss of \$582,495 (\$0.01 per share) for the same period in 2010. The difference from 2011 to 2010 is primarily the result of the impairment of the Company's coal exploration and evaluation assets.

### Selected financial highlights include:

<b>Condensed Consolidated Balance Sheets</b>	<b>As at September 30, 2011</b>	<b>As at December 31, 2010</b>
Current assets	\$ 606,117	\$ 517,599
Capital and other assets	4,781,798	7,077,897
Current liabilities	379,916	145,786
Other liabilities	94,199	75,520
Future income tax liability	-	163,336
Shareholders' equity	4,913,800	7,210,854

<b>Condensed Consolidated Statements of Loss and Comprehensive Loss</b>	<b>Three Months Ended September 30, 2011</b>	<b>Three Months Ended September 30, 2010</b>	<b>Nine Months Ended September 30, 2011</b>	<b>Nine Months Ended September 30, 2010</b>
Interest and other income	\$ 10,679	\$ 9,809	\$ 34,912	\$ 29,630
Operating expenses	108,063	114,890	387,171	612,125
Loss before other items	(97,384)	(105,081)	(352,259)	(582,495)
Impairment of exploration and evaluation assets	(2,806,995)	-	(3,507,260)	-
Flow-through share premium recovery	69,654	-	82,571	-
Deferred income tax recovery	58,248	-	163,336	-
Net and comprehensive loss for the period	(2,776,477)	(105,081)	(3,613,612)	(582,495)
Net and comprehensive loss per share	(0.02)	(0.00)	(0.03)	(0.01)

<b>Condensed Consolidated Statements of Cash Flows</b>	<b>Nine Months Ended September 30, 2011</b>	<b>Nine Months Ended September 30, 2010</b>
Cash flows from operating activities	\$ (155,001)	\$ (587,575)
Cash flows from investing activities	(1,266,756)	(62,566)
Cash flows from financing activities	1,416,524	442,619
Decrease in cash and cash equivalents	(5,233)	(207,522)
Cash and cash equivalents – beginning of period	499,115	289,605
Cash and cash equivalents – end of period	493,882	82,083

## Outlook

With the significant escalation in the price of gold, the Company believes the timing is right to focus exploration efforts on properties with known gold mineralization. The Company's success in raising additional flow-through financing during the first quarter of 2011 has allowed it to begin exploration programs on this portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan. This focus on gold properties has included exploration work on the Jojay, Jasper and Munro Lake properties. The positive

results from these programs thus far will require further evaluation and most likely additional exploration programs. The Company anticipates the results from its Jasper summer drill program to be released in the near term as it is currently awaiting final assay results. With the lapsing of the Company's coal permits, management is able to focus on its current gold properties. The Company will also 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 future plans.

### **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 timing of the release of the Jasper summer drill program results, the ability to raise funds to 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.

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