

# WESCAN GOLDFIELDS INC.



## **NEWS RELEASE**

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

**April 27, 2012**

**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, 2011 have been filed and may be viewed at [www.sedar.com](http://www.sedar.com). The financial statements for the year ended December 31, 2011 are the Company’s first annual consolidated financial statements prepared in accordance with International Financial Reporting Standard (“IFRS”) issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. A summary of key financial and operating results are as follows:

### **Highlights**

- Completed Phase I drilling at the Jojay gold property
- Commenced Phase II drilling at the Jojay gold property in 2012 based on encouraging results of Phase I
- Completed a drill program at the Jasper gold property
- Completed an airborne survey at the Munro Lake property
- Discontinued exploration on its Hudson Bay and Pinehouse Lake coal properties
- Raised \$2.6 million in financing during 2011
- Issued and outstanding shares of 126,737,835 at December 31, 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 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 results and significant intercepts for the Jojay and Jasper exploration program were released during the fourth quarter of 2011 (see Wescan News Releases dated November 18, 2011 and December 8, 2011, respectively). The Company raised an additional \$1.0 million in late December of 2011 to continue the exploration of its gold properties, with the primary focus being the Jojay property.

A review was also conducted of all regional geophysical and geological data relating to the Company’s coal exploration properties located near Hudson Bay and Pinehouse Lake,

Saskatchewan. Based on this review, and also factoring in the additional expenses that would be necessary to convert the coal permits to more expensive leases during 2011 and 2012, the Company determined that its financial resources would be better served pursuing its gold properties. As a result, the Company allowed all coal permits to lapse.

## Results of Operations

For the year ended December 31, 2011 the Company recorded a net loss of \$1,821,062 (\$0.02 per share) compared to a net loss of \$982,718 (\$0.01 per share) for 2010. The significant change in net loss in 2011 was primarily due to the exploration programs performed by the Company during the year of \$1,362,600 compared to the prior year exploration and evaluation expenditures of \$64,099. Contributing to the loss in 2010 was the settlement with a former joint venture partner for disputed exploration expenditures related to its previously held Mud Lake property for \$200,000. The remainder of the losses in 2011 and 2010 primarily related to ongoing operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest and other income.

### Selected financial highlights include:

<b>Consolidated Statement of Financial Position</b>	<b>As at December 31, 2011</b>	<b>As at December 31, 2010</b>
Current assets	\$ 1,137,039	\$ 517,599
Property and equipment	1,513,330	1,623,375
Current liabilities	150,018	145,786
Other liabilities	375,380	75,520
Share capital, warrants and broker warrants	19,610,688	17,799,395
Contributed surplus	2,110,267	1,895,195
Deficit	19,595,984	17,774,922

<b>Consolidated Statements of Loss and Comprehensive Loss</b>	<b>Year Ended December 31, 2011</b>	<b>Year Ended December 31, 2010</b>
Interest and other income	\$ 41,591	\$ 39,544
Operating expenses	1,957,462	822,262
Loss for the period before other items	1,915,871	782,718
Flow-through share premium recovery	(87,105)	-
Gain on sale of equipment	(7,704)	-
Settlement for exploration expenditures	-	200,000
Net and comprehensive loss for the period	1,821,062	982,718
Loss per share	0.02	0.01

<b>Consolidated Statements of Cash Flows</b>	<b>Year Ended December 31, 2011</b>	<b>Year Ended December 31, 2010</b>
Cash used in operations	\$ (1,765,272)	\$ (1,076,835)
Cash provided by (used) in investing activities	43,535	(79)
Cash provided by financing activities	2,317,546	1,286,424
Increase in cash and cash equivalents	595,809	209,510
Cash and cash equivalents – beginning of year	499,115	289,605
Cash and cash equivalents – end of year	1,094,924	499,115

## 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 fourth quarter of 2011 has allowed it to perform further exploration on the Company's Jojay gold

property in northern Saskatchewan located in the La Ronge Gold Belt and to potentially complete a preliminary economic assessment on this property (see Wescan News Release dated February 22, 2012). The funds may also be used to complete additional exploration work or complete a National Instrument 43-101 compliant Technical Report and Resource Estimate on the defined mineralized areas of the Jasper Gold deposit 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. The Company will also continue to evaluate the potential for the acquisition of other mineral properties that fit its 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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