WESCAN
GOLDFIELDS INC.

ANNUAL REPORT 2009


WESCAN GO

INTRODUCTION

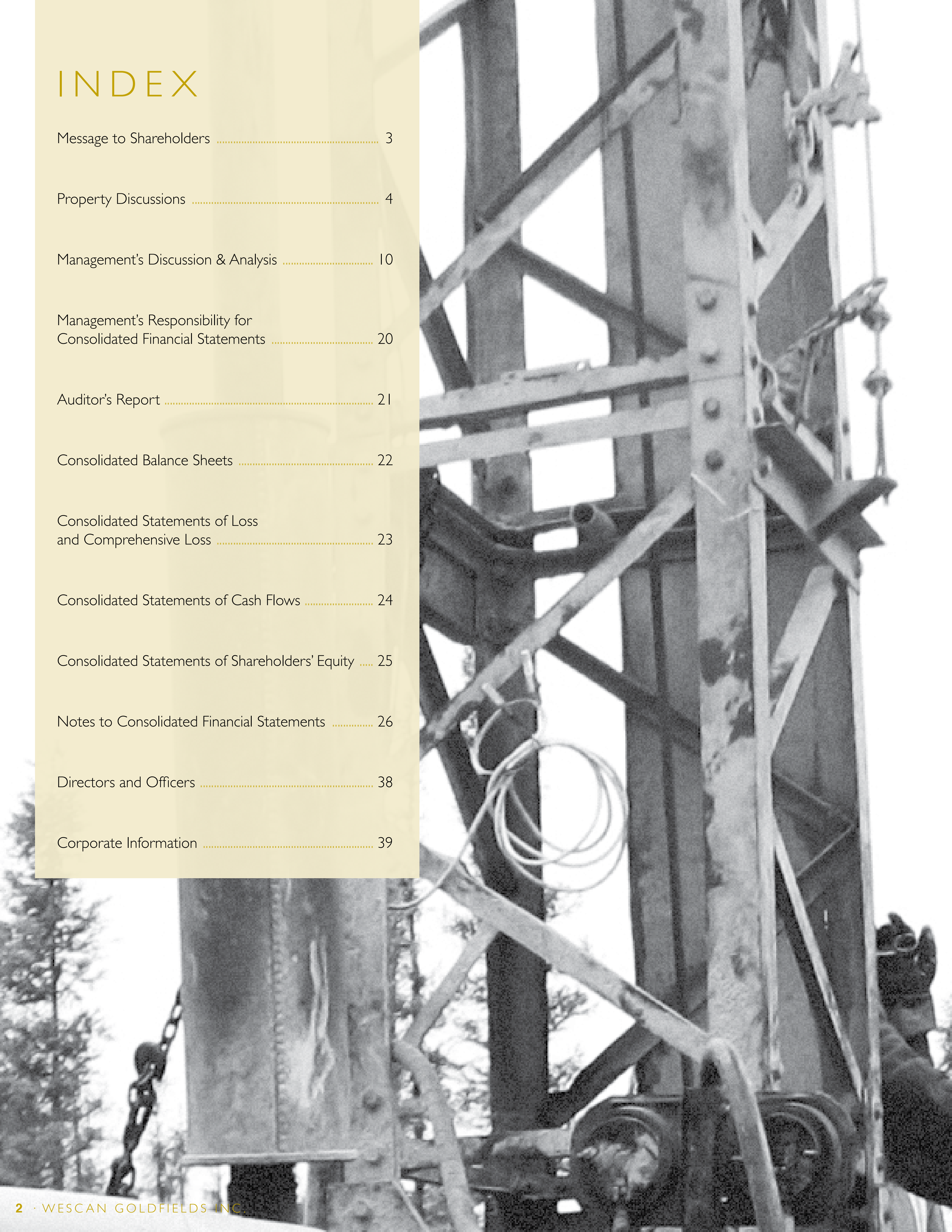
Wescan Goldfields Inc. ("Wescan") is a Canadian based exploration and development company with its head office in the city of Saskatoon, Saskatchewan, Canada. The Company's portfolio of mineral assets consists of coal and gold properties in Saskatchewan.

Wescan's objective is to significantly add shareholder value through exploration, development and growth. The Company is continuing the exploration of its current portfolio of properties to advance them to the development stage as well as actively pursuing new opportunities in both Canada and internationally.

The common shares of Wescan Goldfields Inc. trade on the TSX Venture Exchange (TSX-V) under the trading symbol "WGF".

The Annual General and Special Meeting of the Shareholders of Wescan Goldfields Inc. will be held in Saskatoon at the Radisson Hotel in Michelangelo "C" Room at 10:00 am on Wednesday June 23rd, 2010. Shareholders are encouraged to attend. Those unable to attend should complete the form of Proxy included with the Shareholder Information Circular and forward it to Valiant Trust Company no later than 24 hours before the meeting.

LDFIELDS INC



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MESSAGE TO SHAREHOLDERS

Dear Shareholders,

The 2009 year was one of excitement and success for Wescan Goldfields Inc. The Company commenced its Phase I exploration programs on its newly acquired coal properties in east and central, Saskatchewan and also completed a National Instrument 43-101 Resource Estimate on its Jojay gold asset in the La Ronge Gold Belt in northern Saskatchewan.

The completion of the Mineral Resource Estimate is a major milestone for the Jojay Gold Project and we are very pleased with the results achieved on this property thus far. The Company is analyzing as how to best utilize this asset its future plans given other recently announced gold resources in the area.

Wescan's Phase I coal exploration program was also very successful based on the drilling results achieved. At the Hudson Bay property, coal was intercepted in over fifty percent of the holes drilled. We were even more pleased with the results of the Pinehouse Lake area, seeing an outstanding seventy-five percent success rate.

Wescan's current portfolio of properties of coal and gold positions your Company well for future growth. Gold is at an all time high and is poised to continue upward movement while coal is and will continue to be a valuable resource, given the world's insatiable demand for energy.

Moving forward into 2010, we will be focusing on raising funds to further explore our coal properties to unlock the value these properties possess. We believe the knowledge gained in our first drill program will lead to further success in 2010 and that the accomplishments of the adjacent coal permit holders suggests a potential for a very large coal development in the area.

We look forward to a successful 2010 and would like to thank Wescan's shareholders for their continued support, our experienced Board of Directors for their guidance and our employees for their hard work and dedication.

Darren Anderson
President

PROPERTY DISC

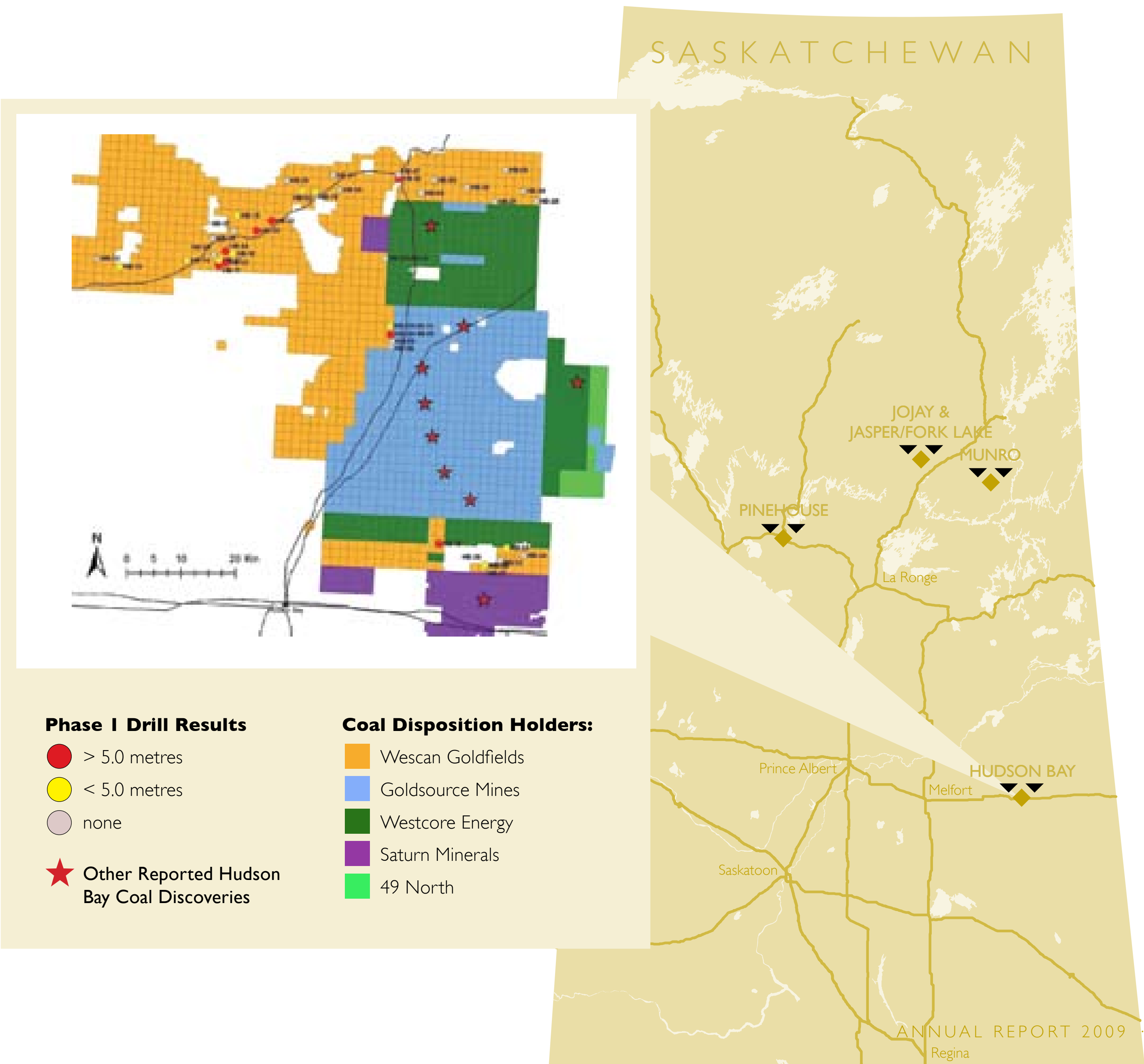
Hudson Bay COAL EXPLORATION

Phase 1 drilling was completed during 2009 on Wescan's 100 % owned Hudson Bay Coal Property, consisting of an extensive package of 324 coal permits totalling 190,992 hectares. Coal was intersected in 21 out of 40 drill holes, with a maximum coal zone thickness of 12.90 metres. These initial coal discoveries will direct the drilling locations in the upcoming 2010 Phase 2 Drill Program, aimed at targeting thicker intersections of coal. Coal zones ranged from continuous coal seams to coal zones with interbedded sand and carbonaceous material, with coal ranging from bright to dull. Eight holes contained coal zones greater than 5 metres thick. Several drill holes also contained more than one intersection of coal, suggesting the presence of multiple coal horizons.

Drilling results from the Phase 1 program indicates that the prospective area for coal is much greater than previously anticipated in the Hudson Bay area. Coal was intersected more than 50 kilometres to the west of and 10 kilometres to the south of previously reported coal intersections in the region, including intersections of coal northwest of the Pasquia Hills. These discoveries establish a new high priority focus for Wescan on four main areas of interest: The Red Deer Property, Bonus Property, Rice Property and Man River Property, proximal to Goldsource Mines Inc.'s Border Property hosting a National Instrument 43-101 compliant Indicated and Inferred coal Resource Estimate of 153.1 million tonnes.

Phase 1 drilling results have provided an excellent geological understanding of the regional sedimentary depositional environment. With this new information, Wescan has developed a new geoscientific data framework aimed to identify where sub-basins containing thicker intersections of coal may occur. This data framework will utilize all new stratigraphic data obtained from drill core and down-hole geophysics layered together with recently acquired airborne geophysics in order to assist and prioritize future drill targets on Wescan's four main areas of interest, which still remain 90 % unexplored.

USSIONS


SASKATCHEWAN
JOJAY &
JASPER/FORK LAKE
MUNRO
PINEHOUSE
La Ronge
HUDSON BAY
Prince Albert
Melfort
Saskatoon
Regina
Phase I Drill Results
> 5.0 metres
< 5.0 metres
none
Other Reported Hudson Bay Coal Discoveries
Coal Disposition Holders:
Wescan Goldfields
Goldsource Mines
Westcore Energy
Saturn Minerals
49 North

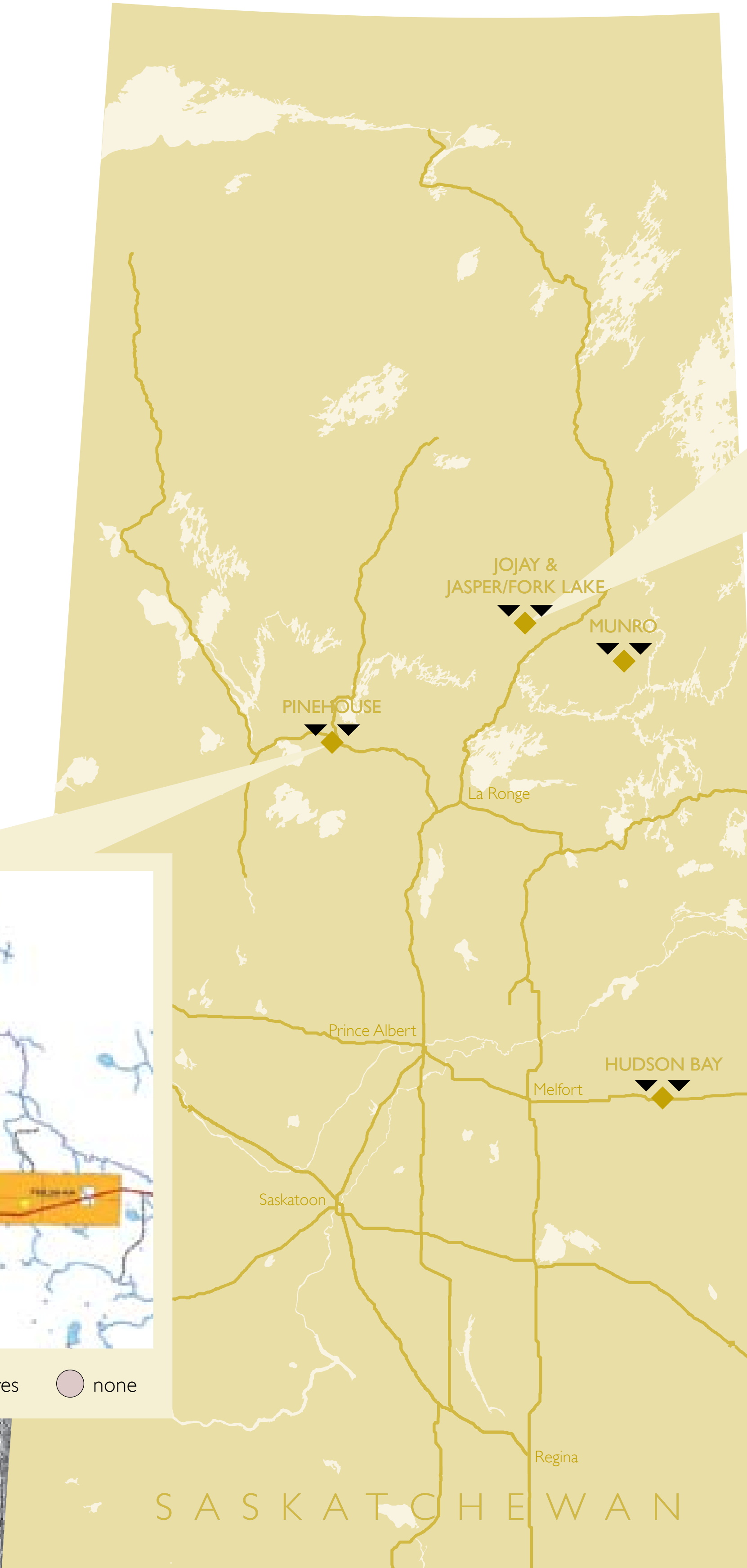
Pinehouse Lake COAL EXPLORATION

Wescan has initiated a coal exploration program on its 100 % owned property near Pinehouse Lake, Saskatchewan. The Company has 50 coal dispositions, covering 38,304 hectares in an area where Mannville aged coal (Cretaceous) is known to exist. Historical drilling in this region intersected 1 to 3 metre thick coal seams at approximately 50 metres below surface in a region where overburden is limited.

The initial drilling of 8 holes confirmed the presence of coal in 6 drill holes, with the largest carbonaceous zone up to 14.8 metres in thickness (see map below). Four holes contained coal zones greater than 5 metres thick. All completed drill holes penetrated through the Mannville section to the Paleozoic/Precambrian basement in order to identify areas that may have formed basins necessary to host thick intersections of coal. Definition of these basins in the Devonian paleosurface is critical to exploring for Mannville-aged coal occurrences. Utilization of airborne geophysics to identify such basins is currently being investigated.

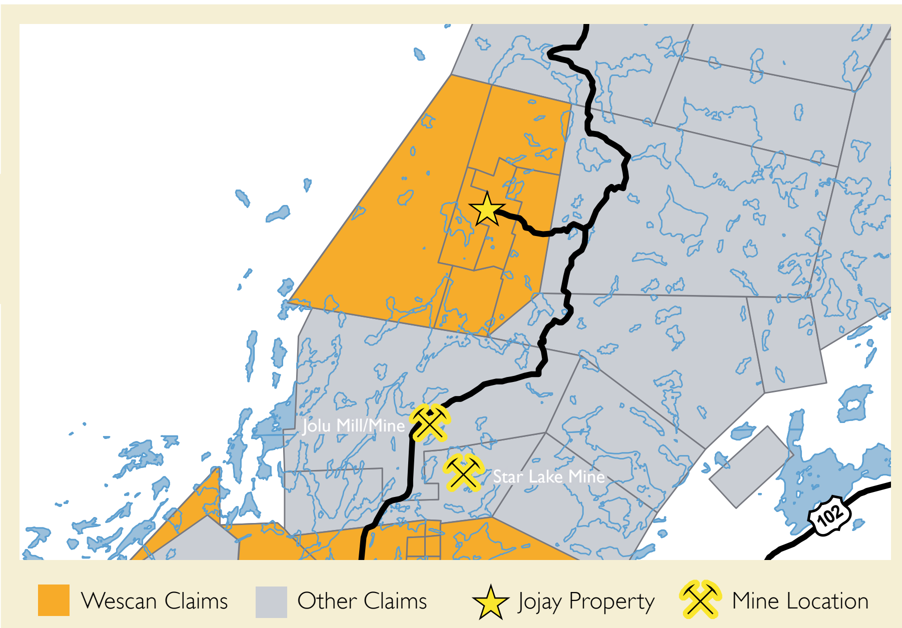
This initial drill program at the Pinehouse Lake Property aimed to confirm the historical coal intersections and obtain geological stratigraphic data that will be used in developing a stratigraphic and structural model for targeting thicker, near-surface coal seams. A second phase of drilling is currently being planned by Wescan and positive results from this second phase will lead to follow-up infill drilling to define a potential coal resource.

Phase I Drill Results > 5.0 metres < 5.0 metres none



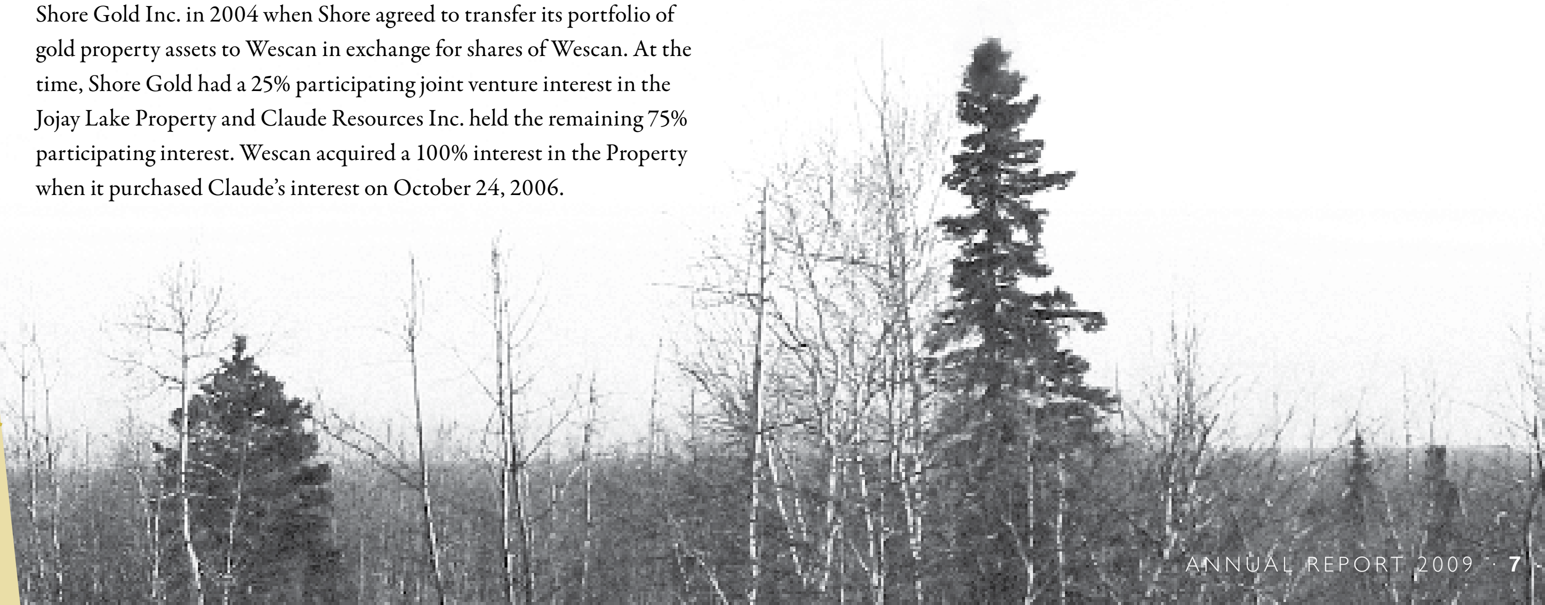
Jojay GOLD EXPLORATION

Wescan's 100% owned Jojay Property is easily accessed by a combination of 125 kilometres of highway north of La Ronge, Saskatchewan and 25 kilometres of mine and exploration roads. The project is located within the Greenstone Belt of northern Saskatchewan and consists of five claim blocks covering 1,496 hectares (ha). The property has a long history of exploration dating back to the eighties with considerable work being carried out by Cominco Ltd. and subsequent to that by Saskatchewan Mining and Development Corporation (one of Cameco Corp.'s predecessors). Claude Resources Inc. obtained the property in 1986 and ultimately entered into a Joint Venture agreement with Shore Gold Inc. Wescan's initial interest in the property was acquired from Shore Gold Inc. in 2004 when Shore agreed to transfer its portfolio of gold property assets to Wescan in exchange for shares of Wescan. At the time, Shore Gold had a 25% participating joint venture interest in the Jojay Lake Property and Claude Resources Inc. held the remaining 75% participating interest. Wescan acquired a 100% interest in the Property when it purchased Claude's interest on October 24, 2006.

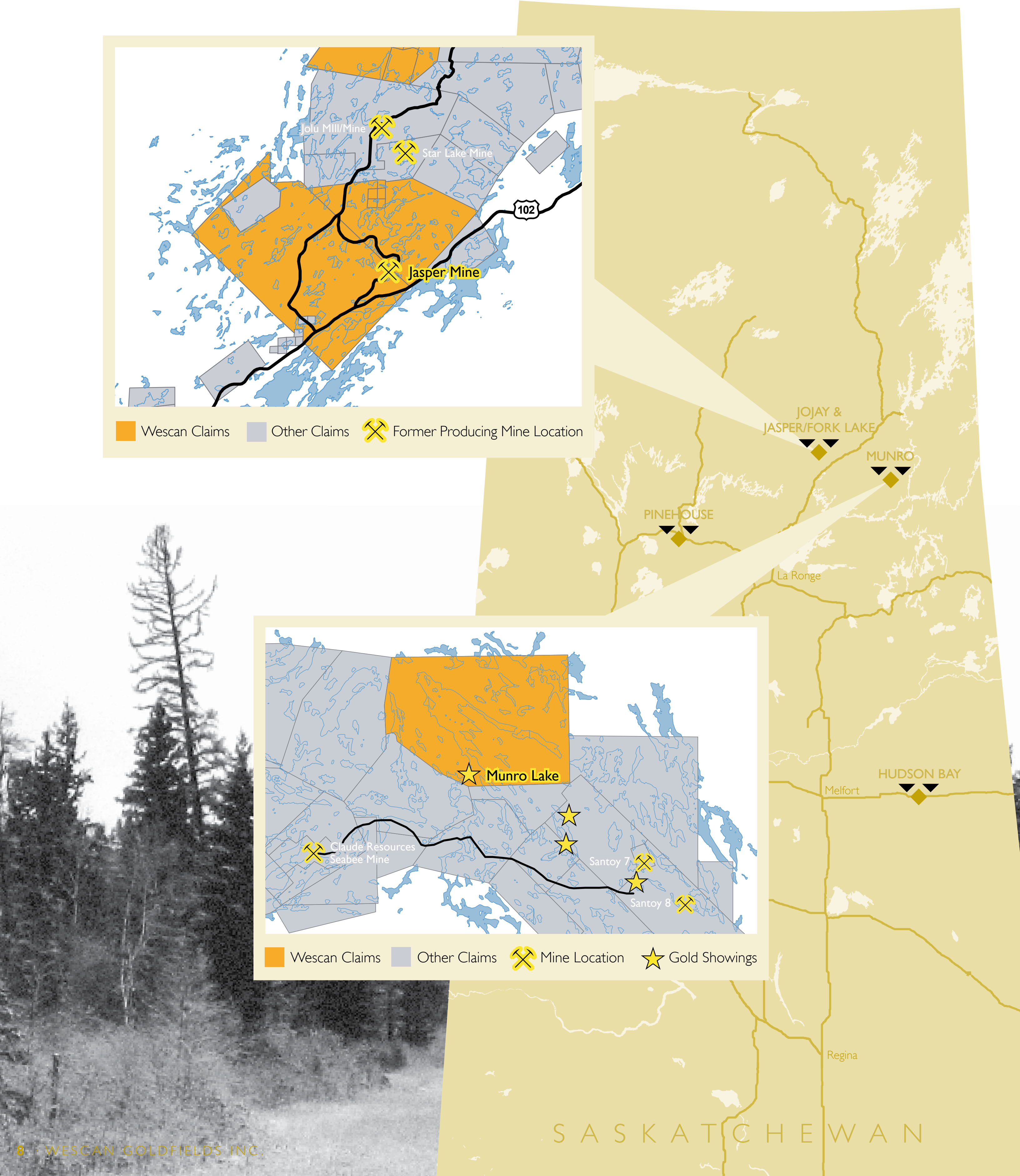


The last drill program on the property was completed in February, 2008. This in-fill drill program included 6,336 metres of drilling over 22 holes as required for NI 43-101 resource estimations and step out drilling to test deeper areas of mineralization. This down-plunge step-out drilling from the known mineralized zones resulted in a significant overall deepening of the deposit. The northern mineralized zone was extended from 200 metres to 300 metres from surface and the southern mineralization was extended from 150 metres to 250 metres from surface and demonstrates a significant increase of potential at Jojay.

On February 4, 2010, Wescan announced an updated independent geological model and corresponding mineral resource statement for Jojay. The Mineral Resource Estimate was completed by A.C.A. Howe International Limited in accordance with Canadian Securities Administrators NI43-101 and CIM Standards on Mineral Resources and Reserves. The Mineral Resources include 21 Wescan diamond drill holes completed in 2005 and 2007-2008 and 79 historic drill holes. The mineral resource estimate outlines the Red Zone and six minor mineralized zones. The zones are vertically dipping with a north-south strike. Wescan believes that there is a strong potential to define additional mineral resources at the Jojay Deposit. Additional drilling is warranted to follow-up both the Jojay Deposit along strike and the Red Zone mineralized shoot down plunge.



PROPERTY DISCUS



Fork Lake / Jasper Mine GOLD EXPLORATION

The Fork Lake property is located in the La Ronge greenstone belt of northern Saskatchewan in the vicinity of a number of former gold producers. The property contains the high grade Jasper gold mine which mined 155,000 tons at an average grade of 0.54 oz/ton in the early 1990s. The property covers an area of 6,513 ha and is accessible by road 135 kilometres northeast of La Ronge, Saskatchewan. It is approximately 12 kilometres from an existing licensed gold processing plant.

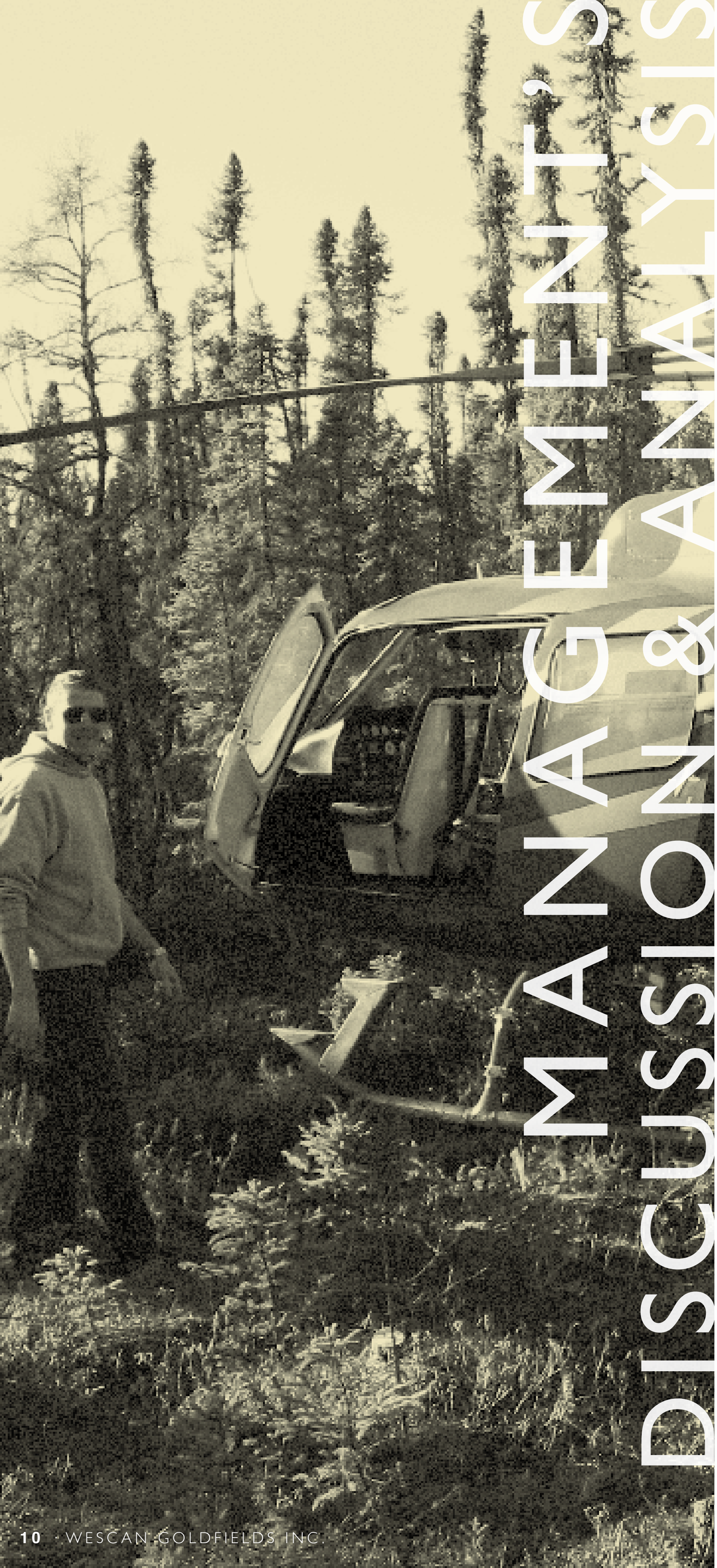
Historical exploration from the early 1960s to the 1990s identified and investigated numerous mineralized showings and structural lineaments on the property, including the highly auriferous Jasper, Muskeg, and Roxy structures, the DMZ.X, Boulder, CP and DMZ.W zones. Wescan's on-going exploration of the Fork Lake property during 2006 included completion of two phases of drilling, and a prospecting and geochemical soil sampling program over the south west portion of the property. In 2007, Wescan initiated an exploration program of soil sampling, prospecting and core drilling. Sampling covered 40 line-kilometres with 800 soil and 40 rock samples submitted for analysis. A drill program was carried out in the fall that attempted to locate new mineralization north of the Jasper Mine. A preliminary review of the results has not identified any new zones. No exploration work was conducted on this property in 2009.

Munro Lake Joint Venture GOLD EXPLORATION

Munro Lake is a joint venture between Wescan the operator, and Shane Resources Ltd. The Munro Lake gold project lies within the Glennie Lake Domain in north eastern Saskatchewan and is located seven kilometres north east of the currently producing Claude Resources Ltd.'s Seabee Mine. The Munro Lake claim area covers 2,489 ha and is accessible from La Ronge or Otter Lake by float or ski-equipped aircraft. The Munro Project is an early stage gold exploration play which encompasses the northeast projection of the Laonil Lake Shear Zone which is the main ore control structure for the Seabee Mine gold mineralization. Prior exploration work on the property and a review by an independent consultant recommended a phased exploration program including further prospecting, soil geochemical sampling, and ground based geophysics, followed by trenching and shallow drill testing.

An initial ground reconnaissance program and re-sampling of earlier anomalies was carried out during the fall of 2007. In 2008, the Company commenced work on a summer line-cutting and soil geochemistry program on the property. During 2008, the Company's joint venture partner chose not to fund their portion of the current year exploration program and as a result their participating interest was reduced resulting in Wescan now owning 86.5%.

MANAGEMENT'S DISCUSSION & ANALYSIS



The following Management's Discussion and Analysis is prepared as of April 27, 2010 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009. Wescan Goldfields Inc. ("Wescan" or "the Company") prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are reported in Canadian dollars unless otherwise indicated.

Overview

During 2009, Wescan completed Phase 1 drilling on its Hudson Bay and Pinehouse Lake coal properties in east central Saskatchewan (see Wescan News Release dated January 18, 2010) and most recently 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). During the year, the Company also successfully completed three private placements for gross proceeds of $998,870 (See Wescan's News Releases dated July 29, September 4 and December 14, 2009).

Hudson Bay Coal Project

In the first quarter of 2009, Wescan was pleased to announce that it had received the final 52 coal permit certificates from the Ministry of Energy and Resources. The receipt of these permits completed the coal permit applications made by Wescan for the Hudson Bay region.

In the third quarter, Wescan announced the commencement of drilling on the Company's Hudson Bay Coal Project. Results from this drilling found intersections of coal in 21 of 40 drill holes, with the largest carbonaceous zone intersected being 12.9 metres in thickness. Eight holes contained coal zones greater than 5 metres thick. Several drill holes also contained more than one intersection of coal, suggesting the presence of multiple coal horizons. These discoveries establish a new high priority focus for Wescan on four main areas of interest moving forward: The Red Deer Property, Bonus Property, Rice Property and Man River Property (see Wescan News Release January 18, 2010 for a map of the property).

Pinehouse Lake Coal Project

In the second quarter of 2009, Wescan initiated a coal exploration program on its property near Pinehouse Lake, Saskatchewan. From the 8 holes completed, coal was intersected in 6 drill holes; with the largest carbonaceous zone intersected being 14.8 metres in thickness. Four holes contained coal zones greater than 5 metres thick. This initial drill program at the Pinehouse Lake Coal Project aimed to confirm the historical coal intersections on the property and obtain geological stratigraphic data that will be used in developing a stratigraphic and structural model for targeting a second phase of drilling on thicker, near-surface coal seams (see Wescan News Release January 18, 2010 for a map of the property).

Jojay Gold Project

Wescan undertook to advance the Jojay Gold Project in 2009 by commissioning an independent 43-101 Mineral Resource Estimate based on all available data collected to date. The Company announced the completion of the Mineral Resource Estimate for the Jojay Gold Project in early 2010. The Mineral Resource Estimate was completed by A.C.A. Howe International Limited ("Howe") in accordance with NI 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves.

The Mineral Resource Estimate of the Jojay Gold Project includes a non-diluted Indicated Mineral Resource of 420,000 tonnes with an average grade of 3.7 g/tonne Au, for 50,000 ounces of gold and a non-diluted Inferred Mineral Resource, amounting to 630,000 tonnes with an average grade of 4.3 g/tonne Au, for 87,000 ounces of gold. No Measured Resources or Reserves of any category were identified. The Technical Report that documents the Mineral Resource Estimate on the Jojay Gold Project can be viewed on the Company's website (www.wescangoldfields.com) or on SEDAR (www.sedar.com).

The completion of the Mineral Resource Estimate is a major milestone for the Jojay Gold Project. The Jojay Deposit, as defined by the newly completed Mineral Resource Estimate, represents only a small portion of the greater than 2.5 kilometre long prospective volcanic-sedimentary contact and coincident Jojay structural zone in the Jojay Gold Project area. The Jojay structural zone is highly prospective and the model completed by Howe indicates mineralization is open down plunge to the north-northeast and there is potential for additional mineralization along strike. The Jojay Deposit is situated in the La Ronge Gold Belt which hosts numerous gold discoveries, four past producing mines and is located near a licensed gold mill.

Mineral Resources are not Mineral Reserves and by 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.

Selected Annual Information

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

	2009 $	2008 $	2007 $
Interest and other income	29,545	103,829	199,248
Net loss	5,511,058	2,403,082	1,046,802
Net loss per share (1)	0.07	0.04	0.02
Total assets	7,512,155	12,177,549	11,966,442
Working capital (deficiency)	(321,926)	2,342,971	2,998,275

(1) Basic and diluted.

Year to Date

Results of Operations

For the year ended December 31, 2009, the Company recorded a net loss of $5,511,058 ($0.07 per share) compared to a net loss of $2,403,082 ($0.04 per share) for the 2008 year. The Company's net loss for 2009 was approximately $3.1 million higher than 2008. The increase was primarily due to the $5.2 million write-down of mineral properties that occurred during 2009 compared to the $1.2 million write-down of mineral properties that occurred in 2008. The write-down of mineral properties in 2009 was offset by lower personnel costs, including a decrease in fair value of stock based compensation.

Revenues

The Company reported interest and other income of $29,545 for the year ended December 31, 2009 as compared to $103,829 for the year ended December 31, 2008. The reduction in interest and other income is the result of having a smaller surplus of cash for investing as well as declining interest rates during the year. Other income for the year ended December 31, 2009 relates to rental fees charged for certain of the Company's assets.

Expenses

Total operating expenses for the year ended December 31, 2009 were $1,012,353 compared to $1,678,704 for the same period of 2008. This represents a decrease of $666,351 or 40%. The decrease in administration expenses of $630,617 from 2008 is the primary reason for the overall decrease in operating expenses. The decrease in administration expenditures in 2009 related to a decrease in personnel costs, rent and stock based compensation, as a significant effort to minimize administrative costs was made to allow for the majority of the Company's financial resources to be used for its exploration efforts.

Income taxes

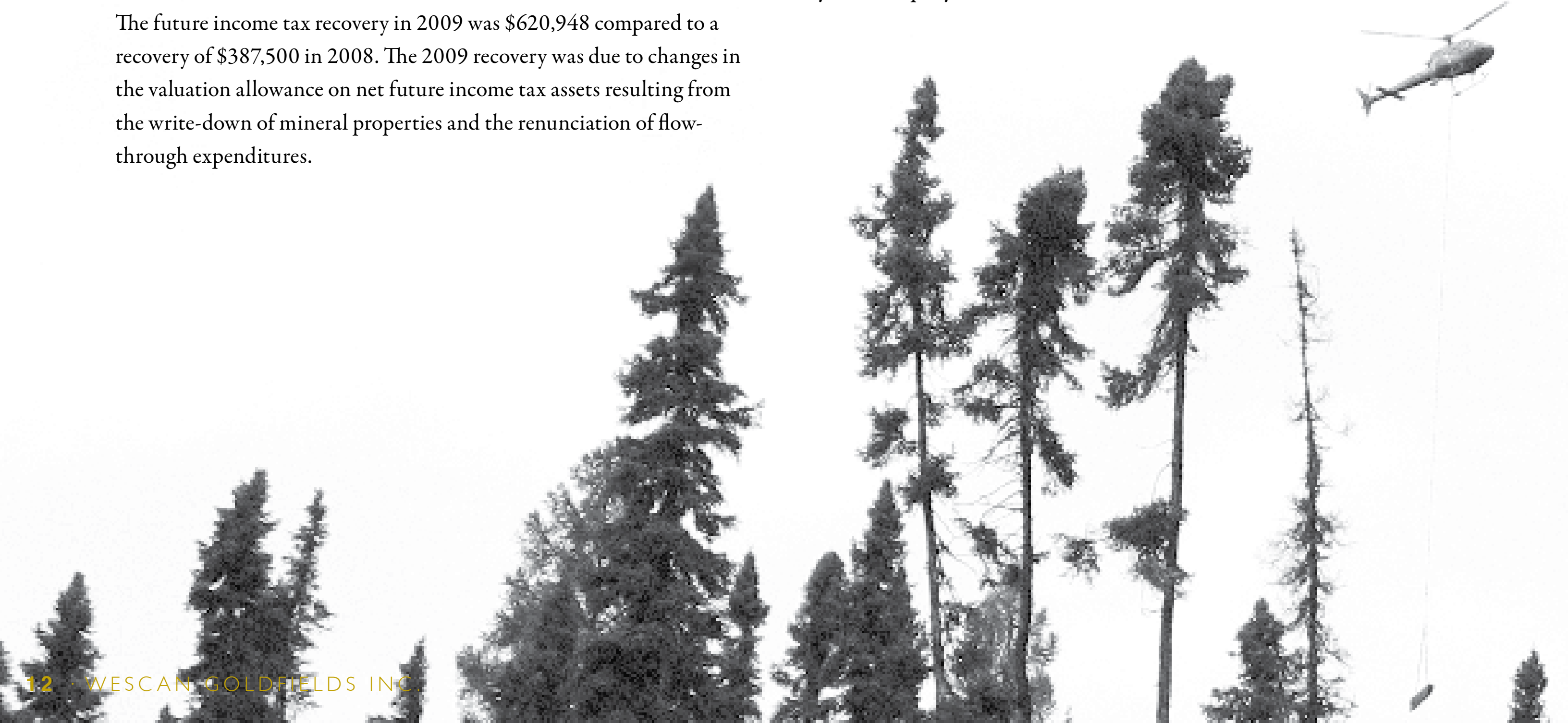
The future income tax recovery in 2009 was $620,948 compared to a recovery of $387,500 in 2008. The 2009 recovery was due to changes in the valuation allowance on net future income tax assets resulting from the write-down of mineral properties and the renunciation of flow-through expenditures.

Write-down of mineral properties

During the year ended December 31, 2009, the Company wrote down $5,186,102 of its mineral properties related to the Company's interest in its Fork Lake/Jasper/Tamar properties and eight mineral claims in the Limestone and Hanson Lake area of the province of Saskatchewan. Given the Company's current strategic focus and uncertainty surrounding financial resources, the Company has decided not to explore these properties in the short-term. As a result, the Company wrote down the carrying value of these properties to nil. The Limestone and Hanson Lake mineral claims were allowed to lapse and as a consequence were written off. For the year ended December 31, 2008, the Company wrote down $1,225,707 of its mineral properties. This write-down was the result of the decision to no longer fund the Athabasca Basin and Mud Lake Properties. By making this decision the Company's interest in the Athabasca Basin properties diluted in accordance with the joint venture agreement. As a result, the Company maintains a non-participating, non-voting Net Smelter Return royalty of 0.5% in this property. With regards to the Mud Lake property, the Company exercised its right to terminate its obligations pursuant to the option agreement. As a result, Wescan forfeited its interest in the mineral dispositions of the property and wrote down all costs associated with the property.

Investing

Mineral properties cash additions totaled $3,021,020 for 2009 compared to $2,202,754 for 2008. The majority of the expenditures for the year ended December 31, 2009 related to coal exploration programs on the Company's 100% owned properties near Pinehouse Lake and Hudson Bay, Saskatchewan. The additions for the year ended December 31, 2008 related to the completion of the winter drill program on the Company's 100% owned Jojay gold project, a summer line-cutting and a soil geochemistry program on the Munro Lake joint venture project, staking fees and field reconnaissance work associated with coal permits received by the Company.



Financing

During the year ended December 31, 2009, the Company issued a total 4,994,093 common shares of the Company for gross proceeds of $998,870 from three separate financings.

In July 2009, the Company completed a private placement financing consisting of 2,749,756 common shares issued on a flow-through basis at a price of $0.22 per flow-through share for gross proceeds of $604,946. The proceeds were used by Wescan to incur Canadian exploration expenses prior to December 31, 2010 (See Wescan News Releases dated July 29, 2009).

In September of 2009, the Company completed a non-brokered private placement for 1,741,499 units of the Corporation at a price of $0.18 per unit, for gross proceeds of $313,470. Each unit consisted of one common share and one half of one common share purchase warrant. The proceeds will be used by Wescan to incur exploration expenses and general working capital purposes (See Wescan News Releases dated September 4, 2009).

In December of 2009, the Company issued 502,838 common shares pursuant to a shares-for-debt agreement which extinguished $80,454 of a liability owed to a service provider. The shares were issued on December 14, 2009 when the Company's shares were trading at $0.16 per share (See Wescan News Release dated December 14, 2009).

During 2008, the Company completed two private placement financings consisting of an aggregate of 9,699,666 common shares issued on a flow-through basis at a price ranging from $0.23 to $0.30 per flow-through share and 2,007,745 units of the Corporation at a price ranging from $0.20 to $0.27 per unit, for aggregate gross proceeds of $2,877,550. Each unit consisted of one common share and one half of one common share purchase warrant. The proceeds were used by Wescan to incur Canadian exploration expenses prior to December 31, 2009 and general working capital purposes (See Wescan News Releases dated October 20 and 27 and November 5 and 24, 2008).

Summary of Quarterly Results

	2009				2008			
	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $
Revenues (1)	10,493	9,677	6,840	2,535	27,839	28,590	16,280	31,120
Net loss (2)	(5,008,653)	(131,846)	(215,244)	(155,315)	(1,363,768)	(234,289)	(545,313)	(259,712)
Net loss/share (3)	(0.07)	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.01)	(0.00)
Shares outstanding (4)	80,115,483	79,612,645	75,121,390	75,121,390	75,121,390	63,413,979	63,045,892	62,983,916

(1) The Company's revenues come from interest earned on cash balances, camp rental fees as well as leasing equipment. The decrease in revenues in the second quarter of 2008 is the result of the Company not earning as much interest as ongoing exploration had reduced the amount of cash remaining to invest. Third and fourth quarter revenues of 2008 would have continued to decrease if not for the fees earned on the rental of the Fork Lake camp. Revenues continued to decline in the first quarter of 2009 due to declining interest rates and the ceasing of the rental of the Fork Lake camp. A slight increase in revenues in the remainder of 2009 was the result of the Company leasing certain equipment.

(2) The significant net losses in the fourth quarter of 2009 and 2008 primarily related to write-downs in the Company's mineral properties as a result of the Company either electing not to fund exploration programs or changing its strategic focus. The net losses in the second quarter of 2009 and 2008 were also higher than normal due to the fair value of stock-based compensation being expensed during these quarters. The remaining quarters reflect normal operations of the Company and illustrate that operating costs have been decreasing since the beginning of 2008 as a result of the Company's focus on reducing administration costs.

(3) Basic and diluted.

(4) The exercise of broker warrants and options in the second and third quarter of 2008, combined with the issue of shares in the second quarter of 2008 as part of the Mud Lake Option Agreement, account for the changes during this period. The increase in shares during the fourth quarter of 2008 was the result of the Company completing a series of private placements in October and November of 2008. Two private placements were completed by the Company in the third quarter of 2009. The increase in shares outstanding from the third to fourth quarter of 2009 was the result of the Company issuing shares pursuant to a shares-for-debt settlement agreement with a service provider.

Fourth Quarter Results

For the quarter ended December 31, 2009, the Company recorded a net loss of $5,008,653 or $0.07 per share compared to a net loss of $1,363,768 or $0.02 per share for the same period in 2008. The difference between the quarters ended December 31, 2009 and 2008 is predominately related to the $5,168,102 write-down of mineral properties which occurred in 2009 compared to the $1,215,707 write-down of mineral properties that occurred in 2008. The write-down in 2009 is predominately the result of a change in priorities of the Company towards its coal properties and away from its gold properties in the short term. The write-down in 2008 was due to the Company's decision to no longer fund the Athabasca Basin and Mud Lake properties.

The Company generated $10,493 in interest and other revenue during the fourth quarter compared to $27,839 for the corresponding period in 2008. The decrease is primarily a result of the Company no longer renting the Fork Lake camp as it did in 2008.

Total operating costs for the quarter ended December 31, 2009 were $280,923 compared to $347,000 during the quarter ended December 31, 2008. The decrease of $66,077 is the result of the Company's significant effort to minimize administrative costs during the period.

During the fourth quarter of 2009, the Company incurred $1,518,074 (2008 – $156,744) in mineral property cash additions, the majority of which related to coal exploration programs on the Company's 100% owned properties near Pinehouse Lake and Hudson Bay, Saskatchewan.

During the quarter ended December 31, 2009, the Company issued 502,838 common shares pursuant to a shares-for-debt agreement which extinguished $80,454 of a liability owed to a service provider.

Related Party Transactions

During 2009, Mr. Kenneth E. MacNeill (Chief Executive Officer) through his consulting company was paid management and consulting fees of $72,000 (2008 – $72,000) which were recorded as an administrative expense. Accounts payable includes $21,800 (2008 – nil) due to Mr. MacNeill's consulting company.

During the year, the Company paid $40,648 (2008 - $70,543) to Shore Gold Inc. for administration service and rent. Accounts payable includes $5,569 (2008 – $9,136) due to Shore Gold Inc.

As at December 31, 2009, Shore Gold Inc. holds 12,955,567 (2008 – 12,955,567) common shares of the Company representing a 16.2% (2008 – 17.2%) interest in the Company.

The above transactions were in the normal course of operations and are measured at an amount agreed to by the related parties.

Liquidity

The Company does not currently operate any producing properties and, as such, is dependent upon the issuance of new equity to finance its ongoing obligations and 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 anticipates it will have sufficient access to financial markets to fund its financial liabilities through future equity contributions.

As at December 31, 2009, the Company had a working capital deficiency of $321,926 as compared to working capital of $2.3 million at December 31, 2008. The Company is currently in the process of resolving this issue by arranging additional financing. Management is confident the Company will have sufficient access to financial markets to continue its planned activities in 2010.

The Company's contractual obligations are as follows:

	Payment due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter
Operating lease obligations	$181,951	$ 89,277	$ 92,674	$ -	$ -
Total	$181,951	$ 89,277	$ 92,674	$ -	$ -

As at December 31, 2009, the Company had incurred all necessary exploration expenditures required to fulfill its obligations under its flow-through commitments.

Capital Resources and Outstanding Share Data

As at December 31, 2009, the Company had a working capital deficiency of $321,926 as compared to working capital of $2.3 million at December 31, 2008. The Company anticipates it will have access to financial markets to fulfill its working capital commitments in 2010.

At December 31, 2009 the Company had 80,115,483 shares issued and outstanding compared to 75,121,390 at December 31, 2008. As at April 27, 2010, the Company had a total of 80,115,483 common shares issued and outstanding as well as 870,750 warrants, 170,826 broker warrants and 5,440,000 options with weighted average exercise prices of $0.30, $0.30 and $0.42, respectively. In the event all warrants, broker warrants and options were exercised, the Company would be required to issue a further 6,481,576 common shares for gross cash proceeds of $2.6 million.

Financial Instruments

The Company's financial instruments are initially recorded at fair value. The fair values as at December 31, 2009, of the Company's financial instruments, which include cash and cash equivalents, short-term investments, receivables and payables, approximate their recorded amounts due to their short-term nature. Certain financial instruments are exposed to the following risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any significant exposure to credit risk.

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 does not currently operate any producing properties and as such, is dependent upon the issuance of new equity 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 on a timely basis may cause the Company to postpone development plans, forfeit rights to 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 position.

The ability of the Company to continue as a going concern, fund exploration expenditures and provide funds for on-going general and administrative costs is anticipated to require further equity issues in 2010. As at December 31, 2009, the Company had incurred all necessary exploration expenditures required to fulfill its obligations under its flow-through commitments. The Company anticipates it will have sufficient access to financial markets to fund its financial liabilities through future equity contributions.

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 significant exposure to interest rate risk.

Critical Accounting Estimates

Wescan's consolidated financial statements are prepared in conformity with Canadian generally accepted accounting principles ("GAAP"). The Company's accounting policies are described in note 2 and note 3 to the annual audited consolidated financial statements. Certain of these policies involve critical accounting estimates because they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. The uncertainties related to these areas could significantly impact the Company's results of operations, financial condition and cash flows.

Management considers the following polices to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements.

Mineral properties

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 classified as mineral properties for financial statement purposes.

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against future income of the project using the unit of production method over estimated recoverable reserves. Interest on debt associated with the acquisition of mineral properties would be capitalized until commencement of commercial production. There have been no interest costs capitalized to date. Management assesses carrying values of non-producing properties each time it issues financial statements. Where information and conditions suggest impairment and where independent estimates of reserves or resources are unavailable for which to estimate future net cash flows or the properties are allowed to lapse, carried costs are written down.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of such reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Stock-based compensation plans

Options granted under the share option plan are accounted for using the fair value method. Under this method, the fair value of stock options granted is measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options exercised is transferred to share capital.

Future income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is recognized in earnings in the period which includes the enactment date. Future income tax assets and liabilities are recorded in the financial statements if realization is considered more likely than not. The valuation of future income taxes is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated recoverable amount.

Accounting Changes

Goodwill and Other Intangible Assets

Effective January 1, 2009, the Company adopted a Canadian Institute of Chartered Accountants ("CICA") handbook section relating to goodwill and intangible assets, which replaces existing standards relating to goodwill and intangible assets and research and development costs. The standard introduces guidance for the recognition, measurement and disclosure of goodwill and intangible assets, including internally generated intangible assets. The standard also harmonizes Canadian standards with International Financial Reporting Standards ("IFRS") and applies to annual and interim financial statements for fiscal years beginning on or after October 1, 2008. The adoption of this standard did not impact the Company's consolidated financial statements.

Mining Exploration Costs (Emerging Issues Committee Abstract 174)

In March 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 174, "Mining Exploration Costs". The EIC provides guidance on the capitalization and impairment assessment of exploration costs. This abstract applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The new standard has been considered in the assessment of the carrying values of the properties.

Financial Instrument Disclosure

Effective October 1, 2009, the Company adopted the amendments to CICA handbook section relating to disclosure of financial instruments. The amendments establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The disclosures required by these amendments have been included in the Company's disclosure of significant accounting policies in the notes to the consolidated financial statements.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011. The Company's first financial statements presented in accordance with IFRS will therefore be the three-month period ended March 31, 2011. Though IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. The International Accounting Standard Board ("IASB") has several projects currently underway to change standards; however, no significant changes are expected to be mandatory earlier than 2012.

As a result of this convergence, the Company has developed a plan to convert its financial statements to IFRS. Regular reporting to the Company's Audit Committee on the status of the IFRS implementation project has been established to ensure proper oversight.

The Company's implementation project consists of three primary phases:

- **Phase 1:** Initial Scoping and Diagnostic Phase.
  This phase included the identification of key differences, important dates, development of milestones, and potential training issues.

- **Phase 2:** Detailed Evaluation Phase.
  In this phase, further evaluations of the financial statement areas impacted by IFRS were completed. This involved a detailed gap analysis of accounting and disclosure differences between Canadian GAAP and IFRS. This detailed assessment facilitates final decisions around accounting policies and overall conversion strategy. This phase also involved specification of changes required to existing business processes.

- **Phase 3:** Implementation and Review Phase.
  This phase includes the final policy selection with the culmination of the necessary information systems and data required to prepare IFRS compliant financial statements and disclosures and any necessary adjustments to other business processes that may be impacted. Also included in this phase is the delivery of the necessary training to Wescan's Audit Committee, Board of Directors and staff.

IFRS (continued)

During the initial scoping exercise completed in 2008 and the detailed evaluation phase completed during 2009, the Company identified the accounting related to the carrying value of the Company's mineral properties to be the area of the most significant potential difference. The carrying value of the Company's mineral properties may be impacted by several standards in IFRS, including the treatment of exploration expenditures, and how potential impairments are analyzed. Other areas of less significance that will require minimal adjustments related to share-based payments and property and equipment.

Currently, Canadian GAAP and IFRS both allow a Company to establish an accounting policy that either capitalizes or expenses exploration expenditures incurred. IFRS related to exploration costs, however, are currently under review and are anticipated to change after January 1, 2011. The full extent of the changes are not yet known and, as a result, the Company may change its current policy of capitalizing exploration expenditures retroactively on the date of transition in order to minimize the impact future IFRS changes may have on the Company's financial statements.

Throughout the detailed evaluation phase management confirmed that the conversion to IFRS will have limited impact to its business processes. Members of the conversion team have been provided training regarding IFRS to allow for a successful implementation. The Company's external auditors will be required to validate management's assessments of the differences between Canadian GAAP and IFRS.

Management has not yet completed its quantification of the effects of adopting IFRS. The consolidated financial performance and financial position as presented in the Company's Canadian GAAP financial statements may be significantly different when presented in accordance with IFRS.

Outlook

The Company is currently evaluating financing options to allow it to pursue exploration programs of its highly prospective coal properties as well as to continue exploration on its portfolio of gold properties. Wescan's focus over the next twelve months will be the continued exploration on the Hudson Bay and Pinehouse Lake coal projects. 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 activities in 2010.

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 a summary only 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 an Exploration Stage 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 mineral 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 mineral 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 development activities and commencement of production on 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 property interests are currently in the exploration stage and are without a known body of commercial ore. The exploration, development and production of base and 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 base and precious metals are found, there can be no assurance that Wescan's past or future exploration efforts will be successful, that any production there from 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 Kirsten Marcia, 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 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.

Further information relating to the Company has been filed on SEDAR and may be viewed at www.sedar.com.

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 Canadian generally accepted accounting principles. The consolidated financial statements include some amounts that are based on best estimates and judgments.

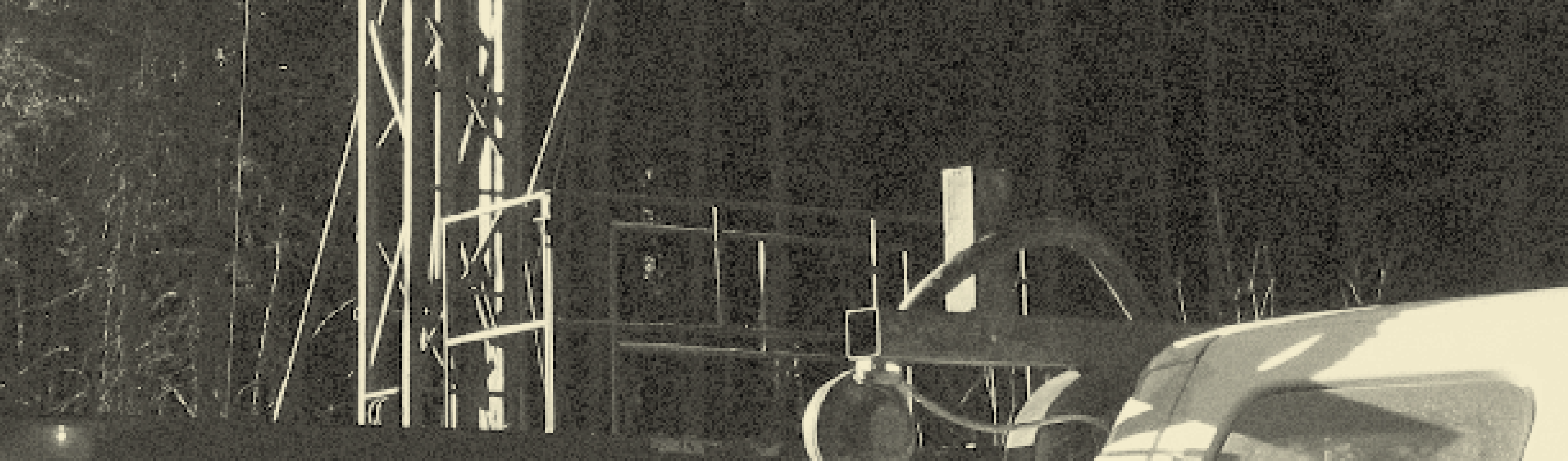
The management of the Company, in furtherance of the integrity and objectivity of data in the consolidated financial statements, has developed and maintains a system of internal accounting controls. Management believes the internal accounting controls provide reasonable assurance that financial records 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 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
Chairman and Chief Executive Officer
Saskatoon, Canada
April 27, 2010

Harvey J. Bay
Chief Financial Officer
Saskatoon, Canada
April 27, 2010



To the Shareholders of Wescan Goldfields Inc.

We have audited the consolidated balance sheets of Wescan Goldfields Inc. as at December 31, 2009 and 2008 and the consolidated statements of loss and comprehensive loss, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Saskatoon, Canada
April 27, 2010

WESCAN GOLDFIELDS INC. (A DEVELOPMENT STAGE ENTITY)

CONSOLIDATED

BALANCE SHEETS

	December 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 289,605	$ 2,549,435
Receivables	92,948	152,141
Prepaids and deposits	34,246	22,943
	416,799	**2,724,519**
Mineral properties (note 4)	6,824,985	8,990,066
Property and equipment (note 5)	270,371	462,964
	$ 7,512,155	**$ 12,177,549**
Liabilities & Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 738,725	$ 381,548
Shareholders' equity:		
Share capital (note 7)	15,026,429	14,781,186
Warrants (note 7)	61,649	18,143
Contributed surplus (note 7)	1,643,855	1,444,117
Deficit	(9,958,503)	(4,447,445)
	6,773,430	**11,796,001**
	$ 7,512,155	**$ 12,177,549**

Nature of operations and going concern (note 1)

Commitments (note 12)

Contingency (note 13)

See accompanying notes to consolidated financial statements

On behalf of the Board

Kenneth E. MacNeill
Chairman and Chief Executive Officer

Arnie E. Hillier
Chairman of the Audit Committee

CONSOLIDATED

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Year Ended December 31, 2009	Year Ended December 31, 2008
Income		
Interest	$ 2,924	$ 40,323
Other	26,621	63,506
	29,545	**103,829**
Expenses		
Administration	838,837	1,469,454
Consulting fees	-	24,490
Professional fees	68,469	78,763
Amortization	105,047	105,997
	1,012,353	**1,678,704**
Loss before the undernoted items	(982,808)	(1,574,875)
Gain on sale of equipment	36,904	-
Write down of mineral properties (note 4)	(5,186,102)	(1,215,707)
Loss before income taxes	(6,132,006)	(2,790,582)
Future income tax recovery (note 6)	620,948	387,500
Net and comprehensive loss	**$ (5,511,058)**	**$ (2,403,082)**
Net loss per share		
Basic and diluted (note 8)	$ (0.07)	$ (0.04)
Weighted average number of shares outstanding	79,875,520	65,107,834

See accompanying notes to consolidated financial statements

CONSOLIDATED
STATEMENTS OF CASH FLOWS

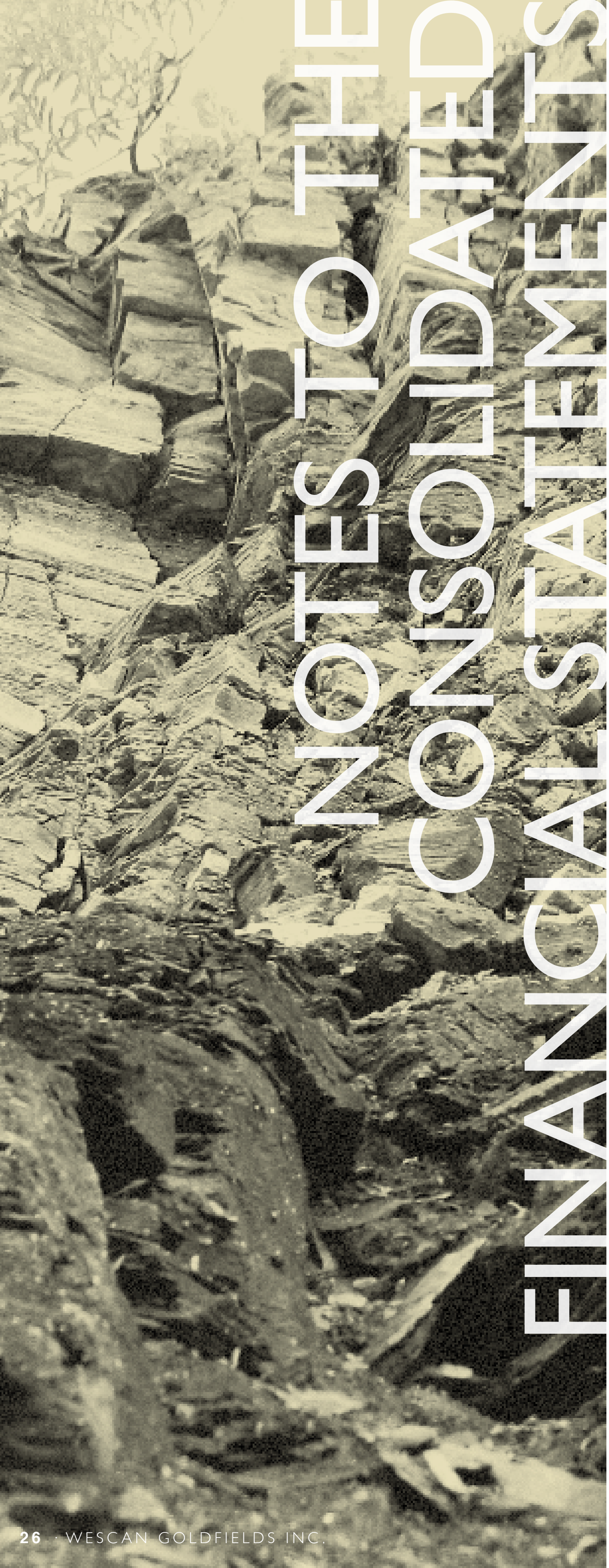
	Year Ended December 31, 2009	Year Ended December 31, 2008
Cash provided by (used in):		
Operations:		
Net and comprehensive loss	$ (5,511,058)	$ (2,403,082)
Non-cash items:		
Amortization	105,047	105,997
Fair value of stock options vested	171,858	309,763
Write-down of mineral properties	5,186,102	1,215,707
Gain on sale of equipment	(36,904)	-
Future income tax recovery	(620,948)	(387,500)
Net change in non-cash operating working capital items:		
Receivables	59,193	(51,709)
Prepaids and deposits	(11,303)	(10,290)
Payables and accrued liabilities	357,177	(146,537)
	(300,836)	**(1,367,651)**
Investing:		
Additions to mineral properties	(3,021,021)	(2,202,754)
Proceeds on sale of equipment	128,194	-
Additions to equipment	(3,744)	(94,898)
	(2,896,571)	**(2,297,652)**
Financing:		
Issue of share capital (net of issue costs)	937,577	2,801,463
	937,577	**2,801,463**
Decrease in cash position	(2,259,830)	(863,840)
Cash and cash equivalents, beginning of year	2,549,435	3,413,275
Cash and cash equivalents, end of year	**$ 289,605**	**$ 2,549,435**
Cash and cash equivalents consists of:		
Cash	$ 56,010	$ 316,821
Guaranteed investment certificates and treasury bills	233,595	2,232,614
	$ 289,605	**$ 2,549,435**

See accompanying notes to consolidated financial statements

CONSOLIDATED
STATEMENTS OF SHAREHOLDERS' EQUITY

	Year Ended December 31, 2009	Year Ended December 31, 2008
Share Capital (note 7):		
Balance, beginning of year	$ 14,781,186	$ 12,308,919
Shares issued for mineral property	-	37,000
Private placements	856,767	2,859,407
Shares issued in exchange for debt	80,454	-
Shares issued on exercise of broker warrants	-	97,193
Shares issued on exercise of stock options	-	56,000
Share issue costs (net of tax)	(54,481)	(157,333)
Tax effect of renunciation of flow-through shares	(637,497)	(420,000)
Balance, end of year	**$ 15,026,429**	**$ 14,781,186**
Warrants (note 7):		
Balance, beginning of year	$ 18,143	$ -
Issued	61,649	18,143
Expired	(18,143)	-
Balance, end of year	**$ 61,649**	**$ 18,143**
Contributed Surplus (note 7):		
Balance, beginning of year	$ 1,444,117	$ 1,148,301
Stock based compensation	171,858	309,763
Broker warrants issued	9,737	11,221
Options exercised	-	(19,910)
Broker warrants exercised	-	(5,258)
Warrants expired	18,143	-
Balance, end of year	**$ 1,643,855**	**$ 1,444,117**
Deficit:		
Balance, beginning of year	$ (4,447,445)	$ (2,044,363)
Net and comprehensive loss	(5,511,058)	(2,403,082)
Balance, end of year	**$ (9,958,503)**	**$ (4,447,445)**

See accompanying notes to consolidated financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND GOING CONCERN

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 development of its mineral properties and the Company is considered to be in the development stage with respect to its current mineral property holdings.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable mineral reserves. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the financing necessary to complete exploration and development and the success of future operations.

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 in the normal course of business. At December 31, 2009, the Company has a working capital deficiency of $321,926 and does not have sufficient resources to finance operation and exploration activities through its 2010 fiscal year, conditions which raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern, to extinguish current liabilities, fund exploration expenditures in an orderly manner and provide funds for ongoing general and administrative costs will require further equity issues in 2010 which are currently being pursued.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Generally accepted accounting principles require that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Areas of significance requiring the use of management estimates relate to the determination of the recoverability of capitalized mineral exploration costs, stock-based compensation costs and the determination of future income tax. Actual recovered amounts could differ from those estimates.

The following accounting policies are considered to be significant:

Consolidation principles

The consolidated financial statements include the accounts of the Company and its subsidiary.

Cash and cash equivalents

Cash and cash equivalents includes cash and investments that, upon acquisition, have an initial term to maturity of three months or less.

Mineral properties

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 classified as mineral properties for financial statement purposes. All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production from a property, the related accumulated costs are amortized against future income of the project using the unit-of-production method over estimated recoverable reserves. Interest on debt associated with the acquisition and development of mineral properties is capitalized until commencement of commercial production. There have been no interest costs capitalized to date. Management assesses carrying values of non-producing properties each time it issues financial statements. Where information and conditions suggest impairment and where independent estimates of reserves or resources are unavailable for which to estimate future net cash flows or the properties are allowed to lapse, carried costs are written down.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to establish the existence of reserves, to complete the development of such reserves, and the success of future operations. The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options to acquire mineral properties are granted or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Property and equipment

Property and equipment purchases are recorded at cost and amortized using the declining balance method except for leasehold improvements, which are 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:

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

Future income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax basis. Future income tax assets and liabilities are measured using enacted and substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are to be recovered or settled. The effect on future income tax assets and liabilities resulting from a change in rates is recognized in earnings in the period which includes the enactment date. Future income tax assets and liabilities are recorded in the financial statements if realization is considered more likely than not. The valuation of future income taxes is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated recoverable amount.

Flow-through shares

The Company finances a portion of its exploration activities through the issuance of flow-through shares. The Company renounces the deductions to investors and accordingly records share issue costs related to the future tax liability of the temporary difference arising from the renunciation. As a result, share capital is reduced and future income tax liabilities are increased by the estimated tax benefits when renounced by the Company to the investors, except to the extent that the Company has unused tax benefits from loss carry forwards and tax pools in excess of book values available for deduction against which a valuation allowance has been provided. In these circumstances, the future tax liability reduces the valuation allowance, if any, and the reduction is recognized in earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

Per share amounts

Basic per share amounts are calculated using the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated based on the treasury-stock method, which assumes that any proceeds received on the exercise of options and warrants would be used to purchase common shares at the average market price during the period. The weighted average number of shares outstanding is then adjusted by the net change. 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.

Stock-based compensation

The Company has a share option plan that is described in note 7 (f).

Options granted under the share option plan are accounted for using the fair value method. Under this method, the fair value of stock options granted is measured at the estimated fair value at the grant date and recognized over the vesting period. When forfeitures occur during the period in which a stock option vests, no further amounts are recognized. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

Financial instruments presentation and disclosure

a) Financial assets

The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Due to the short-term maturity of accounts receivable, the carrying amounts approximate fair value.

The Company has not entered into any hedging relationships and does not hold any other available-for-sale securities that would result in the recognition of other comprehensive income or loss.

b) Financial liabilities

Accounts payable are classified as other financial liabilities, which are measured at amortized cost. Due to the short-term nature of accounts payable, the carrying amounts approximate fair value.

c) Fair value

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. 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.

The level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measure in its entirety. Based on these categories, all of the Company's financial instruments which are measured at fair value are categorized as Level 1.

3. CHANGES IN ACCOUNTING POLICIES

a) Recently adopted accounting standards

During the year, the Company adopted the following accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"). These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

Goodwill and other intangible assets

Effective January 1, 2009, the Company adopted a CICA handbook section relating to goodwill and intangible assets, which replaces existing standards relating to goodwill and intangible assets and research and development costs. The standard introduces guidance for the recognition, measurement and disclosure of goodwill and intangible assets, including internally generated intangible assets. The standard also harmonizes Canadian standards with IFRS and applies to annual and interim financial statements for fiscal years beginning on or after October 1, 2008. The adoption of this standard did not impact the Company's consolidated financial statements.

Mining exploration costs (Emerging Issues Committee Abstract 174)

In March 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 174, "Mining Exploration Costs". The EIC provides guidance on the capitalization and impairment assessment of exploration costs. This abstract applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The new standard has been considered in the assessment of the carrying values of the properties.

Financial instruments disclosure

Effective October 1, 2009, the Company adopted the amendments to a CICA handbook section relating to disclosure of financial instruments. The amendments establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The disclosures required by these amendments have been included in the Company's disclosure of significant accounting policies.

b) New accounting pronouncements

International financial reporting standards

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards ("IFRS") effective in calendar year 2011. The Company's first financial statements presented in accordance with IFRS will therefore be the three-month period ended March 31, 2011. Though IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. The International Accounting Standard Board ("IASB") has several projects currently underway to change standards however, no significant changes are expected to be mandatory earlier than 2012. If early adoption for any new or amended IFRS that might be issued during 2010 is permitted, the Company would have the option of applying these new standards on changeover (and for 2010 comparatives).

As a result of this convergence, the Company has developed a plan to convert its financial statements to IFRS. Management has not yet completed its quantification of the effects of adopting IFRS. The consolidated financial performance and financial position as presented in the Company's Canadian GAAP financial statements may be significantly different when presented in accordance with IFRS.

4. MINERAL PROPERTIES

Mineral properties are made up of the following:

	December 31, 2008	Acquisition Costs	Exploration Costs	Write-down of Mineral Properties	December 31, 2009
Fork Lake/Jasper/Tamar (a)	$ 5,122,007	$ -	$ 6,555	$ (5,128,562)	$ -
Munro (b)	324,714	-	39,812	-	364,526
Jojay (c)	3,059,594	-	(2,214)	-	3,057,380
Hudson Bay/Pinehouse Lake (d)	426,211	6,076	2,970,792	-	3,403,079
Limestone Lake/Hanson Lake (e)	57,540	-	-	(57,540)	-
Total	**$ 8,990,066**	**$ 6,076**	**$ 3,014,945**	**$ (5,186,102)**	**$ 6,824,985**

	December 31, 2007	Acquisition Costs	Exploration Costs	Write-down of Mineral Properties	December 31, 2008
Fork Lake/Jasper/Tamar (a)	$ 4,910,201	$ -	$ 211,806	$ -	$ 5,122,007
Munro (b)	78,087	-	246,627	-	324,714
Jojay (c)	1,919,811	-	1,139,783	-	3,059,594
Hudson Bay/Pinehouse Lake (d)	-	256,400	169,811	-	426,211
Limestone Lake/Hanson Lake (e)	57,540	-	-	-	57,540
Mud Lake	259,071	37,000	131,103	(427,174)	-
Athabasca Basin Properties	723,812	-	64,721	(788,533)	-
Total	**$ 7,948,522**	**$ 293,400**	**$ 1,963,851**	**$ (1,215,707)**	**$ 8,990,066**

The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date and cost of properties acquired, less write-downs and does not necessarily reflect fair values.

a) Fork Lake/Jasper/Tamar Property

The Company holds a 100% interest in the Fork Lake/Jasper/Tamar property, consisting of certain mineral dispositions located approximately 150 kilometres northeast of La Ronge, Saskatchewan. Given the Company's current strategic focus and uncertainty surrounding financial resources, the Company has decided not to explore these properties in the short-term. As a result, the Company wrote down the carrying value of the properties to nil in 2009.

b) Munro Property

The Company holds an 86.5% interest in the Munro property, consisting of certain mineral dispositions located approximately 128 kilometres northeast of La Ronge, Saskatchewan.

c) Jojay Property

The Company holds a 100% interest in the Jojay property, consisting of certain mineral dispositions located approximately 150 kilometres northeast of La Ronge, Saskatchewan.

d) Hudson Bay/Pinehouse Lake

The Company holds a 100% interest in 331 coal permits that comprise a total area of 229,280 hectares (2,292 square kilometres) and are in close proximity to Hudson Bay, and Pinehouse Lake, Saskatchewan.

e) Limestone Lake/Hanson Lake Properties

The Company held a 100% interest in 8 claims in the Limestone and Hanson Lake area located 85 kilometres west of Creighton, Saskatchewan.

5. PROPERTY AND EQUIPMENT

Property and equipment is made up of the following:

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Automotive equipment	$ 12,658	$ 12,658	$ -	$ 61,849
Computer equipment	46,137	27,864	18,273	26,300
Computer software	66,949	66,637	312	5,573
Furniture and equipment	296,622	129,028	167,594	254,146
Leasehold improvements	156,862	72,670	84,192	115,096
	$ 579,228	**$ 308,857**	**$ 270,371**	**$ 462,964**

Amortization of property and equipment during the year ended December 31, 2009 was $105,047 (2008 – $123,494) of which nil (2008 – $17,497) was capitalized to mineral properties.

6. INCOME TAXES

The significant components of future income tax assets and liabilities at December 31, 2009 and 2008 are as follows:

	2009	2008
Future income tax assets		
Non-capital loss carry forwards	$ 1,373,092	$ 1,152,000
Share issue costs	61,276	88,000
Future income tax assets before valuation allowance	1,434,368	1,240,000
Future income tax liabilities – mineral properties	(167,940)	(959,000)
Valuation allowance	(1,266,428)	(281,000)
Net future income tax liabilities	**$ -**	**$ -**

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. The reasons for these differences are as follows:

	2009	2008
Loss before income taxes	$ 6,132,006	$ 2,790,582
Combined federal and provincial tax rate	31.0%	32.0%
Expected tax recovery	(1,900,922)	(892,986)
Increase in taxes resulting from:		
Non-deductible stock option expenses	53,276	99,124
Other non-deductible amounts	2,995	2,762
Effect of change in effective tax rates	238,275	122,600
Change in valuation allowance	985,428	281,000
Future income tax recovery	**$ (620,948)**	**$ (387,500)**

As at December 31, 2009, the Company has operating losses for income tax purposes of $5,085,526 that are available to reduce taxes in future years. The losses expire as follows: 2010 –$108,153; 2014 – $246,217; 2015 – $435,501; 2026 – $746,142; thereafter – $3,549,513.

7. SHARE CAPITAL

Authorized

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

The common shares of the Company are entitled to dividends prorated and when declared by the Board of Directors and to one vote per share at meetings of the shareholders of the Company. Upon dissolution or any other distribution of assets, the shareholders are entitled to receive a prorata share of such distribution.

Issued and outstanding

	2009		2008	
	Common Shares	Amount	Common Shares	Amount
Balance, Beginning of year	**75,121,390**	**$ 14,781,186**	**62,983,916**	**$ 12,308,919**
Flow-through shares issued (a)	2,749,756	604,946	1,859,666	557,899
Flow-through shares issued (a)			7,840,000	1,803,200
Common shares issued (b)	1,741,499	251,821	1,641,481	427,345
Common shares issued (b)			366,264	70,963
Common shares issued (c)	502,838	80,454		
Common shares issued (d)			50,000	37,000
Broker warrants exercised (e)			180,063	97,193
Options exercised (f)			200,000	56,000
Issue costs (net of tax)		(54,481)		(157,333)
Future income taxes on renunciation of flow-through shares		(637,497)		(420,000)
Balance, End of year	**80,115,483**	**$ 15,026,429**	**75,121,390**	**$ 14,781,186**

a) Flow-through shares

In July 2009, the Company issued 2,749,756 flow-through shares for gross proceeds of $604,946. The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2010; the deduction of which flows through to the shareholder. At December 31, 2009, all expenditure commitments had been met.

In October 2008, the Company issued 1,859,666 flow-through shares for gross proceeds of $557,899. The shares issued required that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2009. At December 31, 2009, all expenditure commitments had been met.

In October and November of 2008, the Company issued 7,840,000 flow-through shares for gross proceeds of $1,803,200. The shares issued required that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2009. At December 31, 2009, all expenditure commitments had been met.

b) Common shares

In September 2009, the Company issued 1,741,499 units for gross proceeds of $313,470. Each unit consisted of one common share and one-half of one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of $0.30. The value of common shares was recorded as $251,821 and the estimated fair value of the warrants was recorded as $61,649. The warrants expire in September 2010.

In October 2008, the Company issued 1,641,481 units for gross proceeds of $443,199. Each unit consisted of one common share and one-half of one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of $0.35. The value of common shares was recorded as $427,345 and the estimated fair value of the warrants was recorded as $15,854. The warrants expire in October 2009.

In November 2008, the Company issued 366,264 units for gross proceeds of $73,252. Each unit consisted of one common share and one-half of one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of $0.35. The value of the common shares was recorded as $70,963 and the estimated fair value of the warrants was recorded as $2,289. The warrants expired in November 2009.

c) Common shares

In December 2009, the Company issued 502,838 common shares of Wescan pursuant to a shares for-debt settlement agreement with a service provider. The shares-for-debt settlement extinguished $80,454 of the Company's debt for the issuance of 502,838 common shares at a price of $0.16 per share.

d) Common shares

In June 2008, the Company issued 50,000 shares fair valued at $37,000 as part of the Wescan - Alto Ventures Ltd. Mud Lake Option Agreement.

e) Broker warrants

On certain issues of common shares, the Company issued broker warrants as partial consideration to the agent for services associated with the share issuance. Each broker warrant entitles the agent to acquire one common share of the Company for a period of 12 months from closing. A summary of the outstanding broker warrants is as follows:

	Warrants	Average Price
Balance - December 31, 2007	**181,938**	**$ 0.40**
Issued	537,833	0.35
Exercised	(180,063)	0.40
Expired	(1,875)	0.40
Balance - December 31, 2008	**537,833**	**$ 0.35**
Issued	170,826	0.30
Exercised	-	-
Expired	(537,833)	0.35
Balance - December 31, 2009	**170,826**	**$ 0.30**

As at December 31, 2009 the broker warrants outstanding expire in July 2010.

The broker warrants issued in 2009 were fair valued at $9,737 (2008 – $11,221). The fair value of the broker warrants was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor of 120.2% (2008 65.9% – 68.4%), risk-free rate of return of 0.59% (2008 2.48% – 2.86%), expected dividend of 0% (2008 – 0%), and expected term of 1 year (2008 – 1 year).

7. SHARE CAPITAL (cont.)

f) Share option plan

The Company has established a share option plan whereby options may be granted to directors, officers, consultants and employees to purchase up to an aggregate of 10% of the issued and outstanding shares of the Company. Options granted have an exercise price of not less than the closing price of the common shares 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 expire five years from the date of the grant of the options.

During 2009, the Company granted 1,520,000 (2008 – 1,217,500) options to officers, directors, consultants and employees. The fair value of these options was determined using the Black-Scholes option-pricing model with the following assumptions:

	2009	2008
Number of options granted	1,520,000	1,217,500
Average strike price	$ 0.16	$ 0.48
Expected dividend	-	-
Expected volatility	95.19%	54.73%
Risk-free interest rate	1.60%	3.23%
Expected life of options (in years)	5.00	5.00
Grant date fair values	$ 176,168	$ 291,235

The fair value of the options granted during 2009, using the Black-Scholes option-pricing model was $176,168 (2008 – $291,235). The fair value of options vested and expensed from options granted this year and previous years was $171,858 (2008 – $309,763).

For options outstanding at December 31, 2009 and 2008, weighted average exercise prices are as follows:

	Options	Average Price
Balance - December 31, 2007	**4,010,000**	**$ 0.45**
Granted	1,217,500	0.48
Exercised	(200,000)	0.28
Expired/Forfeited	(50,000)	0.36
Balance - December 31, 2008	**4,977,500**	**0.46**
Granted	1,520,000	0.16
Exercised	-	-
Expired/Forfeited	(1,057,500)	0.25
Balance - December 31, 2009	**5,440,000**	**$ 0.42**

For options outstanding at December 31, 2009, the range of exercise prices; weighted average exercise price and the weighted average remaining contractual life is as follows:

	Outstanding			Exercisable	
Option Price Per Share	Options December 31, 2009	Weighted Average Exercise Price	Weighted Average Remaining Life	Options December 31, 2009	Weighted Average Exercise Price
$0.16 – 0.22	1,820,000	$ 0.17	4.08 years	1,430,000	$ 0.17
$0.34 – 0.39	1,370,000	0.36	2.32 years	1,305,000	0.35
$0.50 – 0.91	2,250,000	0.66	1.76 years	2,250,000	0.66
	5,440,000	**$ 0.42**	**2.68 years**	**4,985,000**	**$ 0.42**

g) Warrants

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. A summary of the outstanding warrants is as follows:

	Warrants	Amount	Average Price
Balance - December 31, 2007	**-**	**$ -**	**$ -**
Issued	1,003,873	18,143	0.35
Exercised	-	-	-
Expired	-	-	-
Balance - December 31, 2008	**1,003,873**	**18,143**	**0.35**
Issued	870,750	61,649	0.30
Exercised	-	-	-
Expired	(1,003,873)	(18,143)	0.35
Balance - December 31, 2009	**870,750**	**$ 61,649**	**$ 0.30**

As at December 31, 2009 the warrants outstanding expire in July 2010.

The warrants issued in 2009 were fair valued at $61,649 (2008 – $18,143). The fair value of the warrants issued in 2009 was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor of 132.0% (2008 – 65.9% - 68.4%), risk-free rate of return of 0.57% (2008 – 2.48% - 2.86%), expected dividend of 0% (2008 – 0%), and expected term of 1 year (2008 – 1 year).

h) Contributed surplus

A summary of the contributed surplus activity is as follows:

	2009	2008
Balance - beginning of year	**$ 1,444,117**	**$ 1,148,301**
Fair value of options vested	171,858	309,763
Fair value of broker warrants granted	9,737	11,221
Contributed surplus related to warrants expired	18,143	-
Less: contributed surplus related to options exercised	-	(19,910)
Less: contributed surplus related to broker warrants exercised	-	(5,258)
Balance - end of year	**$ 1,643,855**	**$ 1,444,117**

8. PER SHARE AMOUNTS

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

	2009	2008
Numerator:		
Loss applicable to common shares	$ 5,511,058	$ 2,403,082
Denominator:		
Weighted average common shares outstanding	79,875,520	65,107,834
Basic and diluted loss per common share	**$ 0.07**	**$ 0.04**

Excluded from the calculation of diluted loss per common share were the effects of outstanding options, warrants and broker warrants as the effect on basic loss per share would be anti-dilutive.

9. CAPITAL DISCLOSURES

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital and has primarily financed its explorations efforts through the issuance of shares.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board of Directors.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's investment policy is to invest its cash in highly rated, liquid short-term interest-bearing investments with an initial term to maturity of twelve months or less.

The Company is not subject to externally imposed capital requirements.

10. RELATED PARTY TRANSACTIONS

During the year management and consulting fees of $72,000 (2008 – $72,000) were paid to companies controlled by certain officers of the Company; $72,000 (2008 – $72,000) of these fees were included as administration expense. Accounts payable includes $21,800 (2008 – nil) due to these companies.

As at December 31, 2009 Shore Gold Inc. holds 12,955,567 (2008 – 12,955,567) common shares of the Company representing a 16.2% (2008 – 17.2%) interest in the Company.

During the year, the Company was charged $40,648 (2008 – $70,543) by Shore Gold Inc. for administration services and rent. Accounts payable includes $5,569 (2008 – $9,136) due to Shore Gold Inc.

The above transactions were in the normal course of operations and are measured at an amount agreed to by the related parties.

11. FINANCIAL INSTRUMENTS

As at December 31, 2009, the fair value of all the Company's financial instruments approximates their carrying value. Certain financial instruments are exposed to the following risks:

a) Credit risk

Credit risk is the risk of an unexpected loss by the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk primarily relates to accounts receivables and investments in guaranteed investment certificates and treasury bills and is not considered significant.

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, 2009, the Company believes it will have sufficient access to financial markets to continue to fund its financial liabilities through future equity issues.

The Company does not currently operate any producing properties and as such, is dependent upon the issuance of new equity 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 on a timely basis may cause the Company to postpone development plans, forfeit rights in its properties or joint operations 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 position.

c) 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 significant exposure to interest rate risk, except for limited exposure to interest rate changes on interest bearing assets.

12. COMMITMENTS

As at December 31, 2009, the Company is committed to an operating lease for office space and equipment, as follows:

Year	
2010	$ 89,277
2011	91,640
2012 and thereafter	1,034
Total	**$ 181,951**

13. CONTINGENCY

A statement of claim has been filed against the Company for unpaid expenditures of $278,946 related to an exploration program. A response to the claim has been made. At this time, the likelihood of the claim is not determinable.

14. COMPARATIVE FIGURES

Certain prior year balances have been reclassified to conform to the current financial statement presentation.

DIRECTORS AND OFFICERS

Kenneth E. MacNeill
Chairman of the Board of Directors
and Chief Executive Officer

Harvey J. Bay
Chief Financial Officer and Director

Darren S. Anderson
President

Maurice F. Lindsay
Director

Arnold E. Hillier
Director

Gary L. Billingsley
Director

Val L. Michasiw
Director

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Auditors

KPMG LLP, Saskatoon, Saskatchewan

Solicitors

Bennett Jones LLP, Calgary, Alberta

Transfer Agent

Valiant Trust Company, Calgary, Alberta

Annual General and Special Meeting

Wednesday June 23rd, 2009 - 10 A.M.
Radisson Hotel – Michaelangelo "C" Room
405 - 20th Street East
Saskatoon, SK

Exchange Listing

TSX Venture

Trading Symbol

WGF

NOTES

WESCAN GO

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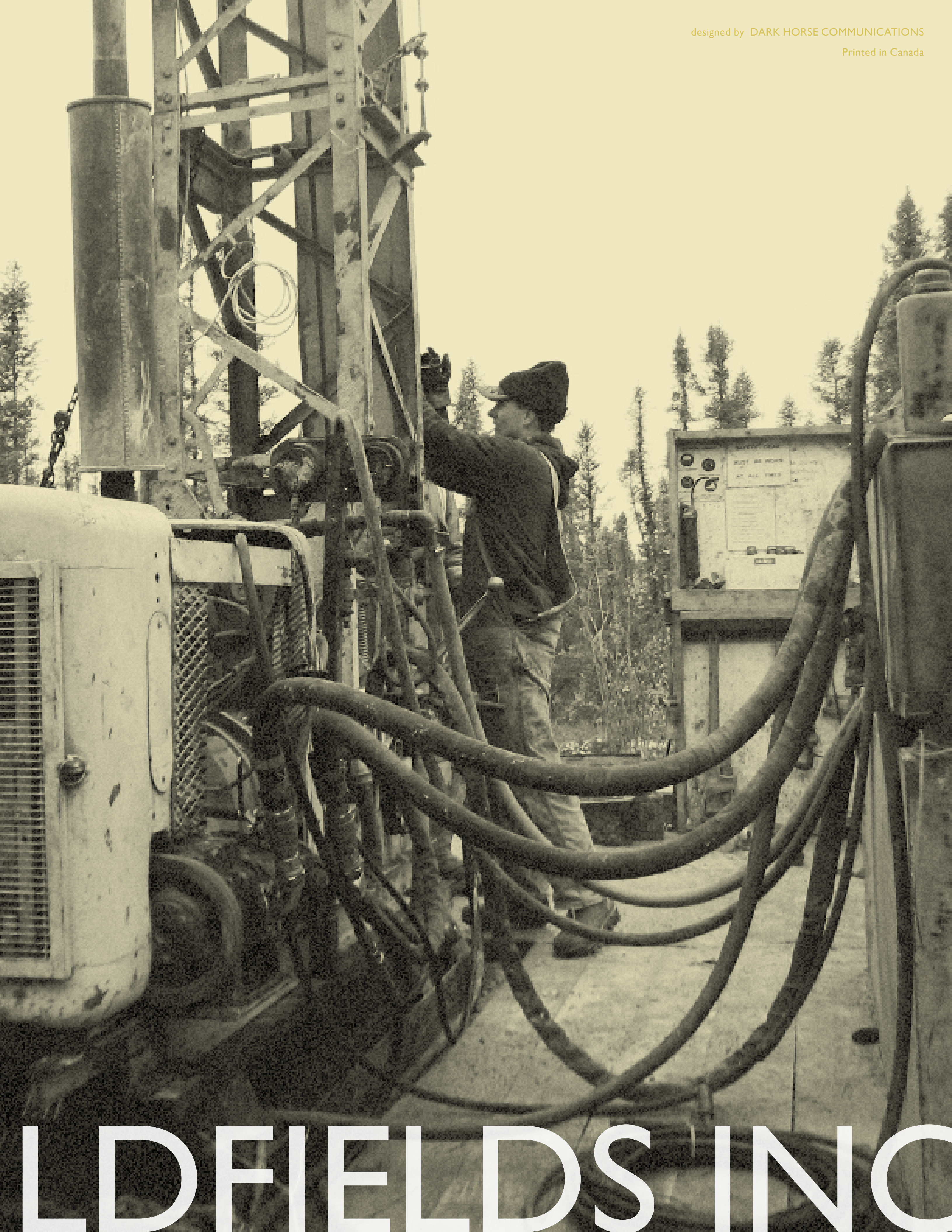
Printed in Canada



LDFIELDS INC

WESCAN GOLDFIELDS INC.