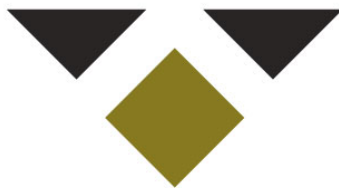


WESCAN GOLDFIELDS INC.



3rd Quarter Report 2005

(A Development Stage Entity)

MANAGEMENT'S DISCUSSION & ANALYSIS

For the nine-month period ended September 30, 2005
(as at November 22, 2005)

Overview

The first nine months of 2005 was a period of intensive exploration activity for the Company. A multiple phase drill program was initiated at the former Jasper Gold Mine and another drill program was completed on the Jojay Joint Venture property.

In early April, Wescan announced that diamond drilling commenced at the former Jasper Gold Mine on the Company's 100% owned Fork Lake property. The initial 1,630 metre program confirmed ore structures and grade immediately adjacent to and below mined stopes of the former producing mine. Based on the results of the first phase, the Company proceeded with the second phase of the drill program in August. The results of which identified a new gold zone, called the Deep Jasper Zone, as well as the continuation of a sub-parallel mineralized shear zone 80-100 meters west of the main Jasper Zone called the Roxy Zone. This program totaled 3,331 metres and consisted of six holes. An expanded drill program of 3,600 meters was announced November 22, 2005 to test the strike and plunge extensions of the Deep Jasper Zone as well as testing the continuation of gold mineralization hosted in a parallel mineralized shear zone that occurs approximately 300 meters to the east of the main gold-hosting shear zone at Jasper called the DMZ Zone.

In late June, the Company reported that a diamond-drilling program commenced on the Jojay gold deposit, in which Wescan holds a 25% joint venture interest. The results of that 1,219 metre drill program, which were released on August 2, 2005, confirmed multiple gold zones on the property. The program was successful in adding to the confidence level of previously indicated mineralized zones, as well as locating additional zones which warrant further investigation.

Company officials have also begun planning exploration programs with Santoy Resources Inc., the operator of Wescan's recently acquired 50% interest in several uranium properties in the Athabasca Basin. No programs have been finalized to date.

Highlights

Selected financial information of the Company for the quarters ended September 30, 2005 and 2004 as well as for the nine-month periods ended September 30, 2005 and 2004 is as follows. Financial information for the third quarter and the nine-month period ended September 30, 2004 has been extracted from the consolidated financial statements of the Company's then parent company Shore Gold Inc. Specifically:

Highlights (continued)

	Three Months Ended September 30, 2005 \$	Three Months Ended September 30, 2004 \$	Nine Months Ended September 30, 2005 \$	Nine Months Ended September 30, 2004 \$
Revenues	21,765	-	50,106	-
Net income (loss)	(69,568)	49,227	352	(85,487)
Net income (loss) per share ⁽¹⁾	(0.00)	0.00	0.00	(0.02)
Cash from operations ⁽²⁾	(55,797)	49,227	(210,749)	(85,487)
Working capital (deficit)	5,821,095	(193,640)	5,821,095	(193,640)

(1) Basic and diluted.

(2) Before net change in non-cash working capital items.

Third Quarter

Results of Operations

For the quarter ended September 30, 2005, the Company recorded a net loss of \$69,568 (\$0.00 per share) compared to net income of \$49,227 (\$0.00 per share) for the same period in 2004. The difference between the quarter ended September 30, 2004 and 2005 is predominately related to professional fee expenses in the first two quarters of 2004 related to the Initial Public Offering that were reclassified in the 3rd quarter of 2004 to deferred share issue costs. This reclassification in 2004, combined with the increase in administration expense for items that had been previously provided by the Company's parent Shore Gold Inc. at no cost, significantly distort the comparability of the three-month period ended September 2005 and 2004.

Revenues

For the quarter ended September 30, 2005 the Company reported interest revenue of \$15,808 as compared to \$0 for the quarter ended September 30, 2004. The \$15,808 in interest revenue is the result of having surplus cash for investing after the completion of the Initial Public Offering on October 7, 2004 and subsequent equity financings during 2004 and the first quarter of 2005. The Company also reported \$5,957 as administration fees compared to \$0 for 2004 and are the result of administration fees paid from certain joint venture partners for acting as operator on the Jojay exploration program.

Expenses

Total operating costs for the quarter ended September 30, 2005 were \$77,562 compared to an overall recovery of \$49,227 for the quarter ended September 30, 2004. Administration expense increased \$36,178 from \$4,550 in the third quarter of 2004 to \$40,728 for the quarter ended September 30, 2005. The increase is due to items such as rent, insurance and personnel costs that had been previously provided to the Company at no charge from its then parent company Shore Gold Inc. Consulting fees remained relatively stable from quarter to quarter, increasing by \$4,181 over the same period last year. Finally, professional fees were \$8,084 for the third quarter of 2005 compared to a recovery of \$78,346 for the corresponding quarter in 2004. The recovery is a result of professional fees that were expensed in the first two quarters of 2004 but related to the

Initial Public Offering of the Company; consequently, the expenses were reclassified in the 3rd quarter of 2004 to deferred share issue costs.

Investing

Mineral properties additions totaled \$337,823 this quarter compared to \$0 for the quarter ended September 30, 2004. The additions in the third quarter of 2005 predominately relate to phase II of the drill program at the Fork Lake property that began in August of 2005 as well as a drill program that was carried out at the Jojay Joint Venture property.

Financing

During the quarter ended September 30, 2005, the Company completed a private placement of 5,437,628 units at a price of \$0.35 per unit for gross proceeds of \$1,903,170. Each unit consists of one share and one-half common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of \$0.45 for a period of 12 months from the closing. As part of the same financing the Company issued 4,691,236 flow-through shares at a price of \$0.43 per share for gross proceeds of \$2,017,231. Gross proceeds from the total financing were \$3.9 million.

Year to Date

Results of Operations

For the nine-month period ended September 30, 2005, the Company was virtually break-even; recording net income of \$352 (\$0.00 per share) compared to a net loss of \$85,487 (\$0.02 per share) for the same period in 2004. Income for the period ended September 30, 2005 is related to non-cash income tax recoveries of \$329,688 that were offset by increased operating costs and the expense associated with the fair-value of stock options granted during the second quarter of 2005. The income tax recovery is the result of the Company having unrecorded loss carryforwards and tax pools in excess of the future income tax liabilities created upon the renunciation of flow-through expenditures to investors during the period. Removing the effect of the income generated from the tax recovery and the expense of the fair-value of stock-based compensation results in the Company generating a net loss of \$226,886 (\$0.01 per share) for the nine-month period ended September 30, 2005. The increase in loss from the 2004 period is predominately related to increased administration costs. The administration costs have grown significantly as a result of 2005 being the first full year of the Company being a public entity. As well, certain of the 2004 administration expenses were paid for by the Company's then parent company, Shore Gold Inc.

Revenues

For the nine-month period ended September 30, 2005 the Company reported interest revenue of \$44,149 as compared to \$0 for the nine-month period ended September 30, 2004. The \$44,149 in interest revenue in the first three quarters of 2005 is the result of having surplus cash for investing after the completion of the Initial Public Offering on

October 7, 2004 and subsequent equity financings during the last quarter of 2004 and the first quarter of 2005. The Company also reported \$5,957 as administration fees compared to \$0 for 2004 and are the result of administration fees paid from certain joint venture partners for acting as operator on the Jojay exploration program.

Expenses

Total operating costs for the nine-month period ended September 30, 2005 equaled \$363,305 compared to \$85,487 for the same period of 2004. This represents an increase of \$277,818 or 325%. Administration expense increased \$241,688 from \$14,240 in the first nine months of 2004 to \$255,928 for the first nine months of 2005. The increase is due to the fair-value of stock options expensed of \$102,450 during the second quarter of 2005 and for items such as rent, insurance and personnel costs that had been previously provided to the Company at no charge from its then parent company, Shore Gold Inc. as well as increased costs for material and registrations associated with being a public company. Consulting fees remained relatively stable from period to period, increasing by \$16,106 over the same period last year. Finally, professional fees increased from \$1,678 for the period ended September 30, 2004 to \$21,702 for the corresponding period in 2005. The large expense in the first three quarters of 2005 is primarily related to professional fees in the normal course of business such as external audits and legal fees for regulatory filings that were not required prior to the Company going public in the 4th quarter of 2004.

Investing

Mineral properties additions totaled \$618,473 for the first three quarters of 2005 compared to \$271,063 for the first three quarters of 2004. The additions for the nine-month period ended September 30, 2005 predominately relate to the acquisition of a 50% interest in 7 uranium properties located in the Athabasca Basin region of northern Saskatchewan and to drill programs for the Fork Lake property and Jojay Joint Venture. The additions during the first nine months of 2004 were related to a portfolio of gold properties that the Company acquired in exchange for 12,000,000 shares from its then parent company Shore Gold Inc.

Financing

During the period ended September 30, 2005, the Company completed two private placements for an aggregate of 8,687,628 units ranging in price from \$0.27 to \$0.35 per unit for gross proceeds of \$2,780,670. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share in the capital of Company for a period of 12 months from closing at prices ranging from \$0.32 to \$0.45 per share. As part of the latter financing, the Company also issued 4,691,236 flow-through shares at a price of \$0.43 per share for gross proceeds of \$2,017,231. The financings raised a total of \$4,797,901 in gross proceeds for the Company.

Summary of Quarterly Results

Selected financial information of the Company for the last 8 fiscal quarters is unavailable, as the Company did not become a reporting issuer until into the final quarter of 2004. Prior thereto, the Company was a wholly owned subsidiary of Shore Gold Inc. and its results of operations formed part of Shore's financial information. In accordance with National Instrument 51-102F1, a company does not need to provide information for a quarter prior to the company becoming a reporting issuer if the company has not prepared financial statements for those quarters. The Company has not prepared financial statements prior to the first quarter of 2004, accordingly the quarterly information for the last 7 fiscal quarters is as follows. Specifically:

	2005			2004			
	Qtr 3 \$	Qtr 2 \$	Qtr 1 \$	Qtr 4 \$	Qtr 3 \$	Qtr 2 \$	Qtr 1 \$
Revenues ⁽¹⁾	21,765	15,474	12,867	7,629	-	-	-
Net income (loss) ⁽²⁾	(69,568)	(179,834)	249,754	(142,914)	49,228	(91,433)	(43,281)
Net income (loss)/share ⁽³⁾	(0.00)	(0.01)	0.01	(0.01)	0.01	(0.02)	(432.81)
Capital expenditures ⁽⁴⁾	378,637	232,967	81,163	16,682	-	271,063	-
Shares outstanding ⁽⁵⁾	44,663,357	34,524,493	34,324,493	31,074,493	12,000,100	12,000,100	100

- (1) The Company's revenues come from interest earned on cash balances as well as administration fees for acting as operator on certain joint ventures. The increase in revenue is primarily related to interest from the cash proceeds from equity offerings during 2004 and the first quarter of 2005; the proceeds of which have been invested in short-term instruments intended to maximize return while being readily available for ongoing costs of operation and exploration activities.
- (2) The losses in the first two quarters of 2004 predominately related to consulting and professional fees associated with the Initial Public Offering of the Company that were reclassified in the 3rd quarter of 2004 to deferred share issue costs. This reclassification is the reason for the Company reporting income in the 3rd quarter of 2004. The larger losses in the 2nd quarter of 2005 and the 4th quarter of 2004 resulted from both the fair-value of stock options granted during the quarters as well as increased administration fees associated with being a public company. Finally, first quarter income reported in 2005 is predominately related to the income tax recovery as the result of the Company having unrecorded loss carryforwards and tax pools in excess of the future income tax liabilities created upon the renunciation of flow-through expenditures to investors during the quarter.
- (3) Basic and diluted.
- (4) Capital expenditures in the 2nd quarter of 2004 related to the acquisition of a portfolio of gold properties from Shore Gold Inc. in exchange for 12,000,000 shares of the Company. The additions in the first quarter of 2005 predominately related to the acquisition of a 50% interest in 7 uranium properties located in the Athabasca Basin region of northern Saskatchewan. The additions in the second and third quarters of 2005 are primarily due to exploratory drill programs at the Fork Lake property and the Jojay Joint Venture.
- (5) In the second quarter of 2004, the Company issued 12,000,000 shares in exchange for a portfolio of gold properties. The Initial Public Offering of the Company was closed in the 4th quarter of 2004 and resulted in the issue of an additional 14,000,000 common shares. Private placements in late 2004 and in the first and third quarters of 2005 as well as 200,000 options being exercised in the second quarter of 2005 resulted in the remaining changes to the common shares issued and outstanding.

Liquidity & Financial Resources

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.

As at September 30, 2005, the Company has working capital of \$5.8 million as compared to \$2.1 million at December 31, 2004 and a working capital deficit of \$193,640 at September 30, 2004. In addition, as at September 30, 2005, the Company had approximately 5.5 million warrants outstanding that are “in the money” and could result in an additional \$2.1 million being added to cash reserves prior to October 2006. As at November 22, 2005, the Company had a total of 44,663,357 common shares issued and outstanding. In addition, the Company had 5,530,814 warrants, 735,588 broker warrants and 1,200,000 options outstanding. In the event all warrants and options were exercised, the Company would be required to issue a further 7,466,402 common shares.

Accounting Estimates

A summary of the Company’s significant accounting policies is contained in Note 2 of the audited consolidated financial statements for the years ended December 31, 2004 and 2003. The critical accounting estimate in determining the Company’s financial results relates to the recoverability of the carried amounts of mineral properties. Management periodically assesses carrying values of non-producing properties. As at September 30, 2005, the Company has not yet determined whether any of its mineral properties contains economically recoverable reserves.

Related Party Transactions

During the nine-month period ended September 30, 2005, management and consulting fees of \$84,650 (2004 – \$67,500) were paid to directors and officers of the Company. Of these fees, \$83,750 (2004 - \$67,500) were included as consulting fees and \$900 (2004 - \$0) were included as administration expense. The fair-value of stock-based compensation related to directors and officers of the Company was \$73,300 (2004 - \$0).

During the nine-month period ended September 30, 2005, the Company paid Shore Gold Inc. \$34,225 (2004 - \$0) for management and consulting services performed by Shore Gold Inc. and the use of office space. As at September 30, 2005, Shore Gold Inc. holds 8,470,105 common shares of the Company representing a 19.0% interest in the Company.

The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outlook

As at September 30, 2005, the Company has \$5.9 million in cash and cash equivalents that will partially be used to complete the third phase of a comprehensive drill program currently underway on the Fork Lake property as well as other drill programs on the Company’s three other gold properties. The balance of cash and cash equivalents will be

used to fund a further review of the Company's recently acquired uranium interests, general corporate matters, and other opportunities as they may arise.

Caution regarding Forward-looking Information

Some of the statements contained in this report are forward-looking statements, such as estimates that describe the Company's future plans, objectives or goals. This includes words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events or conditions, by their very nature they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

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

WESCAN GOLDFIELDS INC.
Unaudited Interim Financial Statements

**For the Nine-Month Period Ended
September 30, 2005**

Notice to Reader

Management has compiled the unaudited financial statements of Wescan Goldfields Inc. for the nine-month period ended September 30, 2005 (along with the comparative interim period in 2004). The Corporation's external auditors have not reviewed these statements.

Wescan Goldfields Inc.
(A Development Stage Entity)
Balance Sheets

	September 30, 2005	December 31, 2004
Assets		
Current assets:		
Cash	\$ 117,569	\$ 31,873
Cash-in-trust	-	209,200
Short-term investments	5,764,080	1,905,048
Receivables	130,045	11,767
Prepays	7,131	-
	6,018,825	2,157,888
Mineral properties (note 2)	906,218	287,745
Equipment (note 3)	58,157	-
	\$ 6,983,200	\$ 2,445,633
Liabilities & Shareholders Equity (Deficiency)		
Current liabilities:		
Payables and accrued liabilities	\$ 197,730	\$ 37,497
Shareholders equity (deficiency):		
Share capital (note 4 & 6)	6,976,711	2,685,399
Contributed surplus	144,960	59,290
Deficit	(336,201)	(336,553)
	6,785,470	2,408,136
	\$ 6,983,200	\$ 2,445,633

Wescan Goldfields Inc.
(A Development Stage Entity)
Statements of Income (Loss) and Deficit

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Income				
Interest	\$ 15,808	\$ -	\$ 44,149	\$ -
Administration fees	5,957	-	5,957	-
	<u>21,765</u>	<u>-</u>	<u>50,106</u>	<u>-</u>
Expenses				
Administration	40,728	4,550	255,928	14,240
Consulting fees	28,750	24,569	85,675	69,569
Professional fees	8,084	(78,346)	21,702	1,678
	<u>77,562</u>	<u>(49,227)</u>	<u>363,305</u>	<u>85,487</u>
Net income (loss) before the undernoted items	(55,797)	49,227	(313,199)	(85,487)
Depreciation and amortization	(13,771)	-	(16,137)	-
Income tax recovery (note 6)	-	-	329,688	-
	<u>-</u>	<u>-</u>	<u>329,688</u>	<u>-</u>
Net income (loss)	\$ (69,568)	\$ 49,227	\$ 352	\$ (85,487)
Deficit, beginning of period	<u>(266,633)</u>	<u>(242,866)</u>	<u>(336,553)</u>	<u>(108,152)</u>
Deficit, end of period	<u>\$ (336,201)</u>	<u>\$ (193,639)</u>	<u>\$ (336,201)</u>	<u>\$ (193,639)</u>
Net income (loss) per share				
Basic and diluted	\$ (0.00)	\$ 0.00	\$ 0.00	\$ (0.02)
Weighted average number of shares outstanding	36,606,757	12,000,100	34,485,183	5,343,166

Wescan Goldfields Inc.
(A Development Stage Entity)
Statements of Cash Flows

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Cash provided by (used in):				
Operations:				
Net income (loss)	\$ (69,568)	\$ 49,227	\$ 352	\$ (85,487)
Non-cash items:				
Depreciation and amortization	13,771	-	16,137	-
Fair value of stock options granted	-	-	102,450	-
Income tax recovery	-	-	(329,688)	-
Net change in non-cash operating working capital items:				
Deferred share issue costs	-	(208,551)	-	(208,551)
Receivables	(92,737)	147	(118,278)	147
Prepays	(941)	-	(7,131)	-
Payables and accrued liabilities	167,056	159,177	131,843	293,891
	17,581	-	(204,315)	-
Investing:				
Additions to mineral properties	(337,823)	-	(618,473)	-
Additions to equipment	(40,814)	-	(74,294)	-
Net change in non-cash investing working capital items:				
Payables and accrued liabilities	(42,426)	-	28,390	-
	(421,063)	-	(664,377)	-
Financing:				
Issue of common shares (net of issue costs)	3,699,847	-	4,604,220	-
	3,699,847	-	4,604,220	-
Increase (decrease) in cash position	3,296,365	-	3,735,528	-
Cash position, beginning of period	2,585,284	-	2,146,121	-
Cash position, end of period	\$ 5,881,649	\$ -	\$ 5,881,649	\$ -
Cash position consists of:				
Cash	\$ 117,569	\$ -	\$ 117,569	\$ -
Short-term investments	5,764,080	-	5,764,080	-
	\$ 5,881,649	\$ -	\$ 5,881,649	\$ -

WESCAN GOLDFIELDS INC.

(A Development Stage Entity)

Notes to the Financial Statements (for the nine-month period ended September 30, 2005)

Operations

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 is therefore, considered to be in the development stage with respect to its current mineral property holdings.

1. General

These unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as the most recent annual audited financial statements. These unaudited financial statements should be read in conjunction with the Company’s annual audited financial statements included in the 2004 annual report.

2. Mineral properties

Mineral properties is made up of the following:

	Gold				Uranium	Total
	Fork Lake/ Jasper/ Tamar	Munro	JoJay	Limestone Lake	Athabasca Basin Property Portfolio	
Balance, December 31, 2004	\$ 204,731	\$ 69,561	\$ 13,453	\$ -	\$ -	\$ 287,745
Expenditures during 2005						
Acquisition & staking	-	-	-	-	62,926	62,926
Consulting/Personnel	8,124	-	1,312	-	-	9,436
Drilling	6,114	-	1,525	-	-	7,639
Travel	1,162	-	-	-	-	1,162
Balance, March 31, 2005	\$ 220,131	\$ 69,561	\$ 16,290	\$ -	\$ 62,926	\$ 368,908
Acquisition & staking	3,135	-	942	-	2,423	6,500
Consulting/Personnel	33,740	-	-	-	-	33,740
Drilling	128,119	-	1,457	-	-	129,576
Travel	29,671	-	-	-	-	29,671
Balance, June 30, 2005	\$ 414,796	\$ 69,561	\$ 18,689	\$ -	\$ 65,349	\$ 568,395
Acquisition & staking	-	-	-	8,590	-	8,590
Consulting/Personnel	27,623	-	3,351	-	-	30,974
Drilling	223,986	-	23,341	-	-	247,327
Travel	50,609	-	323	-	-	50,932
Balance, September 30, 2005	\$ 717,014	\$ 69,561	\$ 45,704	\$ 8,590	\$ 65,349	\$ 906,218

3. Equipment

Equipment is made up of the following:

			For the period ended September 30, 2005	For the year ended December 31, 2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 25,332	\$ 2,850	\$ 22,482	\$ -
Computer equipment	2,365	266	2,099	-
Computer software	31,755	11,908	19,847	-
Furniture & equipment	14,842	1,113	13,729	-
Balance, end of period	\$ 74,294	\$ 16,137	\$ 58,157	\$ -

4. Share capital

Authorized

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

Issued and outstanding

	Common Shares	Warrants	Amount
Balance, December 31, 2004	31,074,493	1,197,000	\$ 2,685,399
Common shares issued (a)	3,250,000	1,625,000	877,500
Issue costs	-	-	(358,236)
Balance, March 31, 2005	34,324,493	2,822,000	\$ 3,204,663
Options exercised (f)	200,000	-	76,780
Issue costs	-	-	(4,579)
Balance, June 30, 2005	34,524,493	2,822,000	\$ 3,276,864
Common shares issued (b)	5,437,628	2,718,814	1,903,170
Flow-through shares issued (c)	4,691,236		2,017,231
Warrants exercised (d)	10,000	(10,000)	3,000
Issue Costs			(223,554)
Balance, September 30, 2005	44,663,357	5,530,814	\$ 6,976,711

a) Common shares

During the quarter ended March 31, 2005, the Company issued 3,250,000 units for gross proceeds of \$877,500. Each unit consisted of one common share in the capital of the Company 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 \$0.32 for a period of 12 months from the closing date.

b) Common shares

The Company issued 5,437,628 units for gross proceeds of \$1,903,170. Each unit consisted of one common share in the capital of the Company and one-half common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at an exercise price of \$0.45 for a period of 12 months from the closing date.

c) Flow-through shares

The Company issued 4,691,236 flow-through shares for gross proceeds of \$2,017,231. The shares issued requires that the Company make certain qualifying expenditures for tax purposes on behalf of investors on or before December 31, 2006; the deduction of which flows through to the shareholder.

d) Warrants

On certain issues of common shares, the Company has attached warrants to the common shares entitling the holder to acquire additional common shares of the Company. Each whole warrant is exercisable into one common share for a period of 12 months from the closing date at prices ranging from \$0.30 to \$0.45. The number of warrants outstanding at September 30, 2005 was 5,530,814 with expiration dates ranging from December 16, 2005 to September 27, 2006, the exercise of which would result in the issuance of an additional 5,530,814 common shares. For the quarter and nine month periods ended September 30, 2005 there were 10,000 warrants exercised for gross proceeds of \$3,000.

e) Broker warrants

On certain issues of common shares, the Company granted broker warrants as partial consideration to the agent for services associated to 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 at prices ranging from \$0.30 to \$0.45. The number of outstanding broker warrants at September 30, 2005 is 735,588 with an expiry date ranging from December 16, 2005 to September 27, 2005. The exercise of the broker warrants would result in the issue of an additional 735,588 common shares of the Company.

f) Share option plan

The Company has established a share option plan whereby options may be granted to directors, officers and key 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 market price (on the date of grant) of the common shares on the stock exchange on which the shares are traded. Options granted expire 5 years from the date of grant of the option.

For options outstanding at September 30, 2005, weighted average exercise prices are as follows:

	2005 Options	Average Price
Beginning of year	1,100,000	\$0.30
Options granted	-	-
Options exercised	-	-
Balance, March 31, 2005	1,100,000	\$0.30
Options granted	300,000	0.37
Options exercised	(200,000)	0.30
Balance, June 30, 2005	1,200,000	\$0.32
Options granted	-	-
Options exercised	-	-
Balance, September 30, 2005	1,200,000	\$0.32

The options expire between the dates of November 2009 to May 2010.

The fair value of stock options issued in the nine-month period ended September 30, 2005 was estimated using the Black-Scholes option-pricing model with the following assumptions: 5 year weighted average expected option life, no expected forfeiture rate, dividend yield of 0.0%, a volatility factor of 72.8% (2004 – 0%) and a risk free rate of 4.25% (2004 – 0%). During the nine-month period ended September 30, 2005, the Company granted 300,000 (2004 - 0) options to officers, directors, consultants and employees at an average strike price of \$0.37 (2004 - \$0). The compensation cost recorded in respect of stock options issued for the nine-month period ended September 30, 2005 was \$102,450 (2004 - \$0), this entire amount was expensed with a corresponding increase of \$102,450 (2004 – \$0) to contributed surplus.

5. Related party transactions

During the nine-month period ended September 30, 2005, management and consulting fees of \$84,650 (2004 – \$67,500) were paid to directors and officers of the Company. Of these fees, \$83,750 (2004 - \$67,500) were included as consulting fees and \$900 (2004 - \$0) were included as administration expense. The fair-value of stock-based compensation related to directors and officers of the Company was \$73,300 (2004 - \$0).

During the nine-month period ended September 30, 2005, the Company paid Shore Gold Inc. \$34,225 (2004 - \$0) for management and consulting services performed by Shore Gold Inc. and the use of office space. As at September 30, 2005, Shore Gold Inc. holds 8,470,105 common shares of the Company representing a 19.0% interest in the Company.

The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Income taxes

The Company finances a portion of its exploration activities through the issue of flow-through shares. During the first quarter ended March 31, 2005, the Company renounced the deductions to investors and accordingly recorded 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 renounced by the Company to the investors. Because the Company has unrecorded loss carryforwards and tax pools in excess of book value available, the future income tax liabilities are reduced with a corresponding credit to income tax recovery of \$329,688.

WESCAN GOLDFIELDS INC.
CORPORATE INFORMATION

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Directors

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Arnie Hillier
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Gary L. Billingsley

Officers

Kenneth E. MacNeill – Chairman, C.E.O.
George W. Sanders – President
Harvey J. Bay – C.F.O.

Solicitors

Bennett Jones LLP
Calgary, Alberta

Auditors

KPMG, LLP
Saskatoon, Saskatchewan

Bank

Canadian Western Bank
Saskatoon, Saskatchewan

Exchange Listing

TSX Venture Exchange
44,663,357 common shares issued and outstanding

Trading Symbol:

WGF

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