WESCAN GOLDFIELDS INC.
(A Development Stage Entity)
Unaudited Interim Consolidated Financial Statements

For the Six Month Period Ended
June 30, 2006

Notice to Reader

Management has compiled the unaudited consolidated financial statements of Wescan Goldfields Inc. for the six-month period ended June 30, 2006. The Corporation's external auditors have not reviewed these statements.

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

	June 30, 2006	December 31, 2005
Assets		
Current assets:		
Cash	$ 350,144	$ 338,449
Short-term investments	4,491,501	5,893,010
Receivables	185,311	127,547
Prepaids	13,208	10,230
	5,040,164	6,369,236
Mineral properties (note 3)	3,384,141	1,419,206
Equipment	96,415	60,499
	$ 8,520,720	$ 7,848,941
Liabilities & Shareholders Equity (Deficiency)		
Current liabilities:		
Payables and accrued liabilities	$ 313,386	$ 276,716
Future income tax liability	687,000	-
Shareholders equity (deficiency):		
Share capital (note 4 & 6)	7,809,922	7,749,253
Contributed surplus	258,412	245,016
Deficit	(548,000)	(422,044)
	7,520,334	7,572,225
	$ 8,520,720	$ 7,848,941

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

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005
Income				
Interest	$ 53,417	$ 15,474	$ 105,892	$ 28,341
Expenses				
Administration	$ 203,062	$ 152,421	$ 296,717	$ 215,200
Consulting fees	45,293	29,425	85,375	56,925
Professional fees	167,632	11,096	178,748	13,618
Amortization	11,102	2,366	19,008	2,366
	$ 427,089	$ 195,308	$ 579,848	$ 288,109
Net income (loss) before the undernoted items	$ (373,672)	$ (179,834)	$ (473,956)	$ (259,768)
Income tax recovery (note 6)	101,000	-	348,000	329,688
Net income (loss)	$ (272,672)	$ (179,834)	$ (125,956)	$ 69,920
Deficit, beginning of period	(275,328)	(86,799)	(422,044)	(336,553)
Deficit, end of period	$ (548,000)	$ (266,633)	$ (548,000)	$ (266,633)
Net income (loss) per share				
Basic and diluted	(0.01)	(0.01)	(0.00)	0.00
Weighted average number of shares outstanding	49,487,925	34,356,361	48,609,982	33,406,813

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

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005
Cash provided by (used in):				
Operations:				
Net income (loss)	$ (272,672)	$ (179,834)	$ (125,956)	$ 69,920
Non-cash item:				
Depreciation and amortization	11,102	2,366	19,008	2,366
Fair value of stock options granted	71,323	102,450	71,323	102,450
Income tax recovery	(101,000)	-	(348,000)	(329,688)
Net change in non-cash operating working capital items:				
Receivables	(64,410)	(17,366)	(34,658)	(25,541)
Prepaids	12,752	13,853	(2,978)	(6,190)
Payables and accrued liabilities	77,091	(22,876)	21,923	(35,213)
	$ (265,814)	$ (101,407)	$ (399,338)	$ (221,896)
Investing:				
Additions to mineral properties	$ (738,022)	$ (199,487)	$ (1,951,836)	$ (280,650)
Additions to equipment	(43,566)	(33,480)	(54,924)	(33,480)
Net change in non-cash investing working capital items:				
Receivables	102,640	-	(23,106)	
Payables and accrued liabilities	(71,426)	7,890	14,747	70,816
	$ (750,374)	$ (225,077)	$ (2,015,119)	$ (243,314)
Financing:				
Issue of common shares (net of issue costs)	$ 199,415	$ 55,421	$ 1,024,643	$ 904,373
	$ 199,415	$ 55,421	$ 1,024,643	$ 904,373
Increase (decrease) in cash position	$ (816,773)	$ (271,063)	$ (1,389,814)	$ 439,163
Cash position, beginning of period	5,658,418	2,856,347	6,231,459	2,146,121
Cash position, end of period	$ 4,841,645	$ 2,585,284	$ 4,841,645	$ 2,585,284
Cash position consists of:				
Cash	$ 350,144	$ 328,849	$ 350,144	$ 328,849
Short-term investments	4,491,501	2,256,435	4,491,501	2,256,435
	$ 4,841,645	$ 2,585,284	$ 4,841,645	$ 2,585,284

WESCAN GOLDFIELDS INC.
(A Development Stage Entity)

Notes to the unaudited Consolidated Financial Statements (Quarters ended June 30, 2006 and 2005)

1. Nature of 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"). Substantially all of the Company's efforts and its subsidiary 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.

2. General

These unaudited consolidated 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 consolidated financial statements should be read in conjunction with the Company's annual audited financial statements included in the 2005 annual report.

3. Mineral Properties

	Gold				Uranium	
	Fork Lake/ Jasper/ Tamar	Munro	Jojay	Limestone Lake	Athabasca Basin Properties	Total
Balance - December 31, 2005	$ 1,227,045	$ 69,561	$ 45,704	$ 11,547	$ 65,349	$ 1,419,206
Acquisition & staking	-	-	-	-	20,855	20,855
Consulting/Personnel	54,295	-	-	-	-	54,295
Drilling	947,646	-	-	-	-	947,646
Surveying	-	-	-	-	113,986	113,986
Other	77,032	-	-	-	-	77,032
Balance - March 31, 2006	$ 2,306,018	$ 69,561	$ 45,704	$ 11,547	$ 200,190	$ 2,633,020
Acquisition & staking	-	-	-	37,921		37,921
Consulting/Personnel	44,677	-	-	-	-	44,677
Drilling	434,671	-	-	-	-	434,671
Surveying	-	-	-	-	151,175	151,175
Other	82,667	10	-	-	-	82,677
Balance - June 30, 2006	$ 2,868,033	$ 69,571	$ 45,704	$ 49,468	$ 351,365	$ 3,384,141

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.

a) Fork Lake/Jasper/Tamar

At June 30, 2006 the Company holds a 100% interest in the Fork/Jasper/Tamar property, consisting of certain mineral dispositions located approximately 130 kilometers northeast of La Ronge, Saskatchewan. The Company acquired this property in 2004 from its then parent company, Shore Gold Inc.

b) Munro

At June 30, 2006 the Company holds a 51% interest in the Munro property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company acquired this property interest from its then parent company, Shore Gold Inc. in 2004.

c) Jojay

At June 30, 2006 the Company holds a 25% interest in the Jojay property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company acquired this property interest in 2004 from its then parent company, Shore Gold Inc.

d) Limestone Lake

In 2005 and the second quarter of 2006, the Company staked claims on the Limestone Lake gold property located 157 kilometers southeast of La Ronge, Saskatchewan.

e) Athabasca Basin Properties

In 2005, the Company acquired a 50% interest in seven uranium properties in or around the Athabasca basin in northern Saskatchewan. An additional 50% interest in five claims in the same area were added during the first quarter of 2006.

4. Share Capital

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 pro rated and, when declared by the Board of Directors, to one vote per share at meetings of the shareholders of Wescan Goldfields Inc. Upon dissolution or any other distribution of assets, the common shares are entitled to receive a pro rated share of such assets of the Company as are distributable to the holders of the common shares.

Issued and outstanding

	Common Shares	Warrants	Amount
Balance – December 31, 2005	46,802,464	4,298,814	$ 7,749,253
Warrants exercised (a)	2,098,759	(2,098,759)	739,042
Broker warrants exercised (b)	150,415	-	98,086
Options exercised (c)	50,000	-	30,074
Issue costs	-	-	-
Future income taxes on renunciation of flow-through shares	-	-	(1,035,000)
Balance – March 31, 2006	49,101,638	2,200,055	$ 7,581,455
Warrants exercised (a)	265,250	(265,250)	119,362
Broker warrants exercised (b)	3,450	-	2,250
Options exercised (c)	250,000	-	106,855
Balance – June 30, 2006	49,620,338	1,934,805	$ 7,809,922

a) 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. A summary of the outstanding warrants is as follows:

	Warrants	Average Price
Balance - December 31, 2005	4,298,814	$ 0.40
Granted	-	-
Exercised	(2,098,759)	0.35
Balance - March 31, 2006	2,200,055	$ 0.45
Granted	-	-
Exercised	(265,250)	$0.45
Balance - June 30, 2006	1,934,805	$ 0.45

As at June 30, 2006 the warrants outstanding expire between September 22 and 28, 2006.

b) 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. A summary of the outstanding broker warrants is as follows:

	Warrants	Average Price
Balance - December 31, 2005	493,405	$ 0.45
Granted	-	-
Exercised	(150,415)	0.45
Balance - March 31, 2006	342,990	$ 0.45
Granted	-	-
Exercised	(3,450)	0.45
Balance - June 30, 2006	339,540	$ 0.45

As at June 30, 2006 the broker warrants outstanding expire between September 22 and 28, 2006.

c) 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 vest six to twelve months after grant date and expire 5 years from the date of the grant of the options.

The fair value of stock options issued in the period 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 ranging from 35.16% - 35.26% (2005 – 72.8%) and a risk free rate ranging from 4.13% to 4.30% (2005 – 4.25%). During the quarter and six-month period ended June 30, 2006, the Company granted 1,950,000 (2005 - 300,000) options to officers, directors, consultants and employees at strike price of $0.65 (2005 - $0.37). The fair value in respect of stock options issued for the quarter and six month period ended June 30, 2006 was $486,425 (2005 - $102,450). Of this amount $13,099 (2005 – $0) was capitalized as an addition to mineral properties and $71,323 (2005 – $0) was expensed, while the remainder of the fair-value will be recognized over the corresponding vesting periods.

A summary of the outstanding options at June 30, 2006 is as follows:

	Options	Average Price
Balance - December 31, 2005	1,200,000	$ 0.32
Granted	-	-
Exercised	(50,000)	0.37
Balance - March 31, 2006	1,150,000	$ 0.32
Granted	1,950,000	0.65
Exercised	(250,000)	0.31
Balance - June 30, 2006	2,850,000	$ 0.55

d) Contributed surplus

The fair-value of stock options and broker warrants have been determined using the Black-Scholes option-pricing model. The fair-value on the grant of these securities has been added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital. A summary of the contributed surplus activity is as follows:

	Amount
Balance – December 31, 2005	$ 245,016
Less: contributed surplus related to options exercised	(11,575)
Less: contributed surplus related to broker warrants exercised	(30,399)
Balance – March 31, 2006	$ 203,042
Add: contributed surplus related to options granted	84,422
Less: contributed surplus related to options exercised	(28,355)
Less: contributed surplus related to broker warrants exercised	(697)
Balance – June 30, 2006	$ 258,412

5. Related party transactions

During the six-month period ended June 30, 2006, management and consulting fees of $85,375 (2005 - $55,900) were paid to directors, officers and companies controlled by common directors; $85,375 (2005- $55,000) of these fees was included as consulting fees and $0 (2005 - $900) was included as administration expense. The fair-value of stock-based compensation for the six month period ended June 30, 2006 related to directors and officers was $274,450 (2005 - $73,300). Of this amount $48,029 (2005 – $73,300) was expensed, while the remainder of the fair-value will be recognized over the corresponding vesting periods.

During the quarter the Company was charged $210,043 (2005 - $18,000) from Shore Gold Inc. for management services, office space and equipment leases.

As at June 30, 2006 Shore Gold Inc. holds 8,474,086 common shares of the Company representing a 17.1% (2005 – 24.5%) 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. The fair-value of stock-based compensation was determined using the Black-Scholes model.

6. Income taxes

The Company finances a portion of its exploration activities through the issue of flow-through shares. During the first quarter, 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 of $1,035,000. To the extent the Company has unrecorded tax assets, the future income tax liabilities are reduced with a corresponding credit to income tax recovery. As at June 30, 2006, the Company had approximately $348,000 of unrecorded tax assets resulting in an income tax recovery of the same amount.

To satisfy its commitments pursuant to the issuance of flow-through shares, The Company is required to incur and renounce $2,517,231 of qualifying exploration expenditures for tax purposes on or before December 31, 2006.