WESCAN GOLDFIELDS INC.

Annual Report
2007

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 mineral properties portfolio consists of gold, uranium and base metals.

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 the Venice Room at 10:00 am on Wednesday June 4, 2008. Shareholders are encouraged to attend. Those unable to do so 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.

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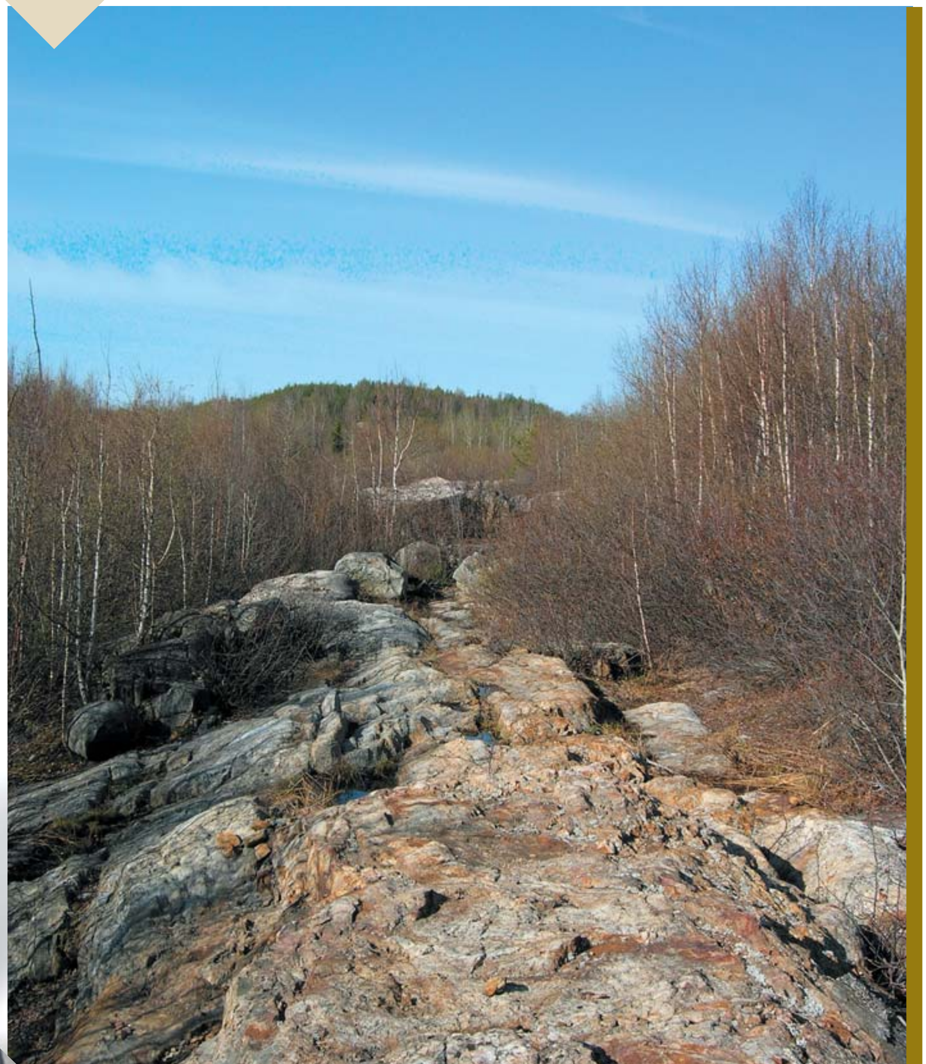
"Wescan enters 2008 with a well defined strategic plan, a renewed focus, strong management and geological teams in place with the energy to maximize shareholder value."



Message to shareholders

On behalf of the Board of Directors we present to you the 2007 Wescan Goldfields Inc. Annual Report.

In 2007 exploration expenditures and property acquisitions exceeded $2.1 million as Wescan commenced drilling programs on its 100% owned Fork Lake and Jojay gold projects in northern Saskatchewan. The Fork Lake drill program had just over 2,300 metres drilled in 14 holes and was completed late in the fourth quarter of 2007. Jojay's drill program totaled 6,336 metres over 22 holes and was completed in the first quarter of 2008. The Company also expanded is operations in 2007 with the signing of an option agreement with Alto Ventures Ltd. to explore the Beardmore-Geraldton gold belt in north-central Ontario. As well, Wescan along with it joint venture partner and operator Santoy Resources Ltd. continued to advance their six uranium exploration projects in the Athabasca Basin in northern Saskatchewan.

Subsequent to year end the Board of Directors were pleased to announce the appointment of Judy Stoeterau, P.Geo. as our new President of the Company. Mrs. Stoeterau brings a wealth of knowledge and experience to Wescan which provides a solid foundation for leadership. She has over 30 years experience in the fields of mineral exploration and corporate management, working for both major and junior companies on gold, base metal, uranium and diamond projects in Canada and South America. It remains a goal of the Wescan Board of Directors to build a strong management team in anticipation of future growth. The Board understands the importance of our stakeholders and continues to lead us with their experience and invaluable knowledge as we build your Company.

As you read our Annual Report, the Company is actively reviewing various stage projects in both Canada and internationally with the objective of adding to the Company's portfolio, diversifying its operations and creating real value for our shareholders.

Wescan enters 2008 with a well defined strategic plan, a renewed focus, strong management and geological teams in place with the energy to maximize shareholder value. In line with our corporate objectives, the Management team of Wescan remains committed to identifying opportunities to increase, expand and diversify the Company's already strong holdings in precious and base metal exploration as well as development properties.

The market has seen the first quarter of 2008 set all time records for worldwide gold prices, as gold climbed over the $1,000/oz mark for the first time in history. We feel the world market potential for the resource industry as a whole has incredible growth opportunities and Wescan is moving forward to take part in this.

Kenneth E. MacNeill
Chief Executive Officer

Todd M. Grychowski
Chief Financial Officer

Property Discussions

Jojay – Gold Exploration

The Jojay gold project was formerly held by Wescan (25% and operator) and Claude Resources Inc. (75%) under a joint venture agreement, however in October 2006, Wescan acquired Claude's interest by the issuance of three and one half million (3.5M) Wescan common shares. The Jojay project is located 150 kilometres north east of La Ronge within the greenstone belt of northern Saskatchewan and consists of five claim blocks covering 1,496 hectares. 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. and Shore's interest was subsequently transferred to Wescan in 2004.

The previous exploration work culminated in a 1987 Kilborn "preliminary economic analysis" of the project that reported a probable mining reserve of 313,174 tons at a grade of 0.26oz/ton gold which met the National Policy 2A. The reported reserve is not 43-101 compliant and Wescan has not relied on but rather has used it as a guide for evaluation. Wescan carried out a seven hole drill program in 2005 to confirm continuity and possible extensions to the mineralized zones. The program successfully confirmed the continuity and increased the confidence level of the various mineralized zones.

During 2006 Wescan staked additional ground on the western boundary and developed a three dimensional model as an important tool to be used in planning the next phase of exploration for the project.

In December 2007 a winter drill program of 6,500 metres of drilling over 22 holes comenced. By the end of the year three core holes (779 metres) had been completed. This drill program focused on infill drilling required for resource estimations and step out drilling testing for deeper areas of mineralization. A National Instrument 43-101 compliant technical report and resource estimate is scheduled for completion in mid-2008.

Fork Lake/Jasper Mine – Gold

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 0.54 oz/ton in the early nineties. The property covers an area of 6,513 hectares 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 southwest 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.

Athabasca Basin Uranium Exploration

Since 2005 Wescan has acquired a 50% working interest in several prospective uranium properties, totaling 159,965 hectares over six claim blocks. Five of the properties are situated within the Athabasca Basin and one approximately 25 kilometres south of the present Athabasca Basin unconformity. The properties are held by a 50:50 joint venture with Santoy Resources Ltd. (Santoy) with Santoy acting as operator. The various properties were selected on the basis of regional geology, structural setting, regional magnetic coverage and proximity to known uranium mineralization.

Early exploration on the properties consisted of deep penetrating airborne geophysics followed by additional interpretation and evaluation of the geophysical results. Surface work during 2007 consisted of lake sediment geochemistry, muskeg and lake water sampling for multi-element analyses and radon determinations, detailed prospecting, sandstone boulder sampling and soil geochemical sampling.

The Fir Island property is very prospective for unconformity-style uranium deposits, with the Nisto Mine located on the west boundary. Structural features identified in both the airborne magnetic and electromagnetic interpretations suggest post-Athabasca movement on these features could be in excess of 200 vertical metres. Sampling results indicate the presence of anomalous uranium and pathfinder metals in lake sediments and waters, anomalous radon in waters, and elevated scintillometer readings in sandstone outcrop areas.

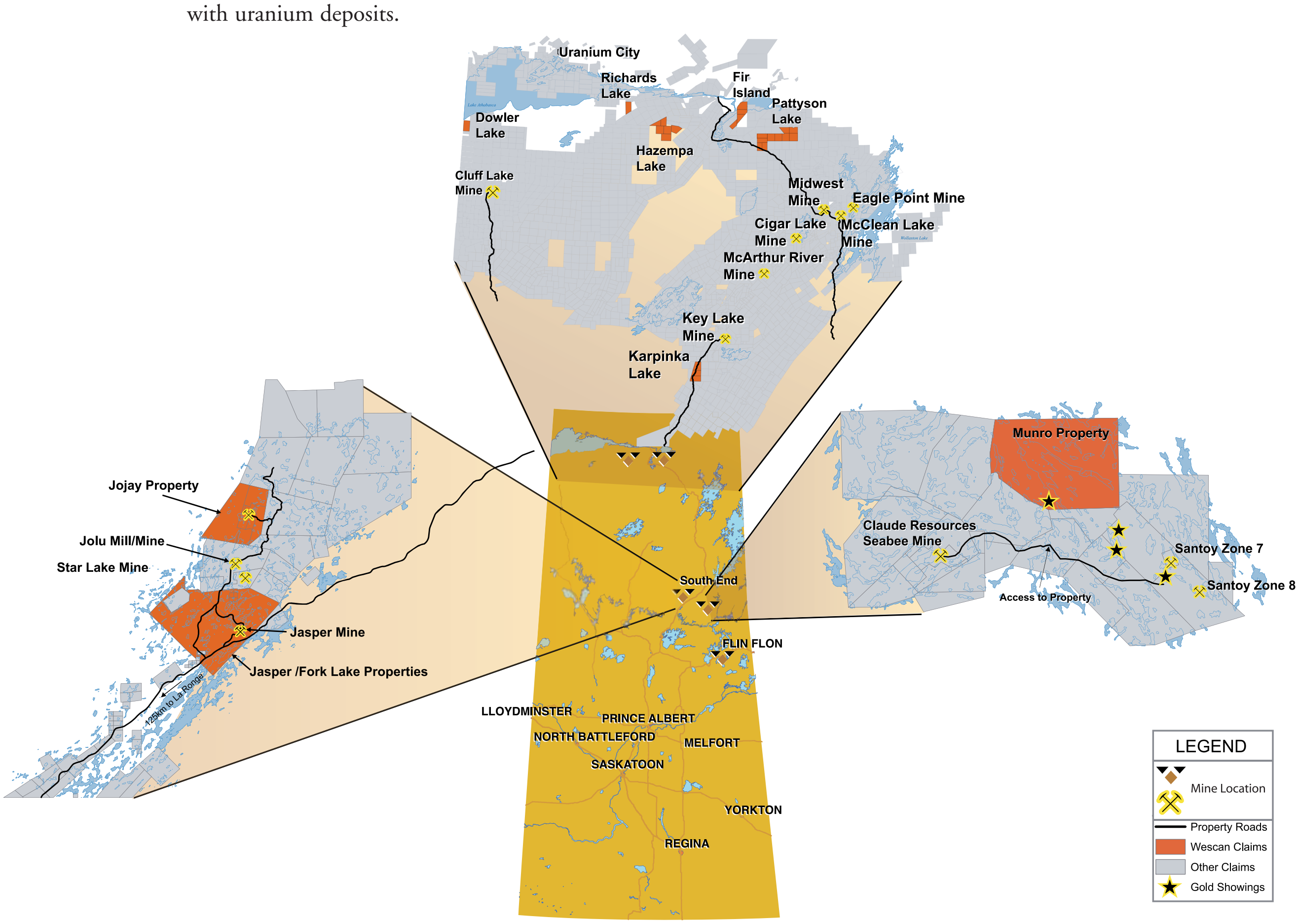
At Pattyson Lake, lake sediment sampling has identified a number of areas of interest with elevated uranium and pathfinder elements. Other target areas are indicated by the radon and multi-element analyses from water samples. These targets are supported by geophysical interpretations.

Airborne geophysical results delineated east-west structural trends at Richards Lake that appear regional in nature. Geophysical profiles suggest vertical movements as well as possible sandstone alteration. Lake sediment sampling identified anomalous uranium values.

At Hozempa Lake the presence of post-Athabasca vertical faulting is indicated by the airborne geophysical interpretations and is further evident in Landsat imagery. This structure is further supported by the presence of elevated uranium and metal values in lake sediment and water sampling as well as elevated radon samples.

Dowler Lake results to date indicate possible basement structures and the possibility of an alteration halo in the overlying sandstones.

The Karpinka Lake property straddles the boundary of the Wollaston Fold Belt with the Mudjatik Domain, 25 kilometres south of the present Athabasca unconformity. With the presence of numerous uranium occurrences in the region, its location is considered to be prospective for basement-hosted unconformity style deposits. A TEMPEST Airborne geophysical survey was completed in 2007 which has outlined conductivity trends associated with uranium deposits.



Property Discussions

(continued)

Munroe Lake Joint Venture – Gold Exploration

Munroe Lake is a joint venture between Wescan with a 51% interest and operator, and Shane Resources Ltd. (49%). The Munroe 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 Mill. The Munro Lake claim area covers 2,489 hectares and is accessible from La Ronge or Otter Lake by float or ski-equipped aircraft. The Munroe Project is an early stage gold exploration play which encompasses the north east 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 has recommended a phased exploration program including, further prospecting, soil geochemical sampling, ground based geophysics, and follow-up trenching and shallow drill testing.

An initial ground reconnaissance program and re-sampling of earlier anomalies was carried out during the fall of 2007. An exploration program of line cutting, soil geochemistry and prospecting has been proposed to outline targets for a core drill program.

Mud Lake – Gold Exploration

Wescan entered into an option agreement with Alto Ventures Ltd. ("Alto") in the second quarter of 2007 on the Mud Lake Project in the Beardmore-Geraldton Gold Belt of northern Ontario. Under the terms of the agreement, Wescan has an option to acquire an undivided 50% interest in Alto's Mud Lake Project by making $600,000 in exploration expenditures and issuing 150,000 Wescan shares to Alto over a two year period. Upon exercising the option by Wescan at the completion of the two-year term, the parties will enter into a 50:50 joint venture agreement to carry out on-going exploration and or development. Alto will remain the project operator until the completion of a positive pre-feasibility study, at which time Wescan will have the option to assume the role of operator.

The Mud Lake Project consists of 2,592 hectares and is located 25 kilometres northeast of Beardmore, Ontario, in the Beardmore-Geraldton gold belt where historical production has exceeded 4.0M ounces of gold. A major auriferous shear extends for over 6.0 kilometres on the property but was never drilled prior to Alto's 2006/2007 winter drill program. This drilling program tested three of twelve surface gold showings and confirmed the existence of the strong shear system, the Mud Lake Shear, which contains gold-bearing quartz veins at each of the three showings. Gold values up to 13.9 grams/tonnes across 1.0 metre were intersected within a wider zone of gold mineralization that assays 3.39 grams/tonnes across 6.1 metre.

A fall exploration program included trenching, sampling and core drilling. The drilling objectives were to follow-up on gold mineralization intersected at two of the three occurrences drilled in February 2007 and test an additional three occurrences along the Mud Lake Shear Zone. Samples from the first nine holes were delivered for analyses late in the fourth quarter of 2007.

Limestone Lake/Hanson Lake - Base Metal Property

During 2005 and 2006 Wescan staked ground in the Limestone Lake region of north eastern Saskatchewan in an area adjacent to the past base metal producer Hanson Lake Mine and just to the west of the McIlvenna Bay polymetallic deposit. The property staked covers eight claims totaling 22,136 hectares. A previous airborne geophysical survey outlined a number of anomalies and the area is highly prospective for base metal occurrences.

In February of 2007 Wescan added to the holdings in the area with the staking of an additional claim covering 3,087 hectares to the north west of the old Hanson Lake mine. To date minimal exploration has been carried out.

Management's Discussion & Analysis

The following Management's Discussion and Analysis is prepared as of April 28, 2008, and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2007, and December 31, 2006. 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 2007 Wescan commenced drilling programs on its 100% owned Jojay and Fork Lake gold projects in northern Saskatchewan's La Ronge Greenstone Belt. As well, the Company and Alto Ventures Ltd. ("Alto") entered into an option agreement in the second quarter of 2007 to explore the Beardmore–Geraldton gold belt in north-central Ontario. Wescan and its joint venture partner and operator, Santoy Resources Ltd. ("Santoy") continued to advance their six uranium exploration properties in the Athabasca basin in northern Saskatchewan. In the third quarter of 2007 the Company successfully completed a non-brokered private placement of flow-through shares for gross proceeds of $1,555,500.

Fork Lake and Jojay Projects

During the year ended December 31, 2007, the Company announced the commencement of drilling programs on its 100% owned Jojay and Fork Lake projects in the La Ronge Greenstone Belt. Wescan awarded contracts to carry out drill programs valued at $900,000 for the two projects with possible extensions to the contract based on the results of the initial phases of the drilling programs.

The current phase of drilling on the Fork Lake project was completed in October 2007 with just over 2,300 metres drilled in fourteen holes. The program was focused on follow-up of targets identified during the summers of both 2006 and 2007.

Drilling on Wescan's advanced stage Jojay project commenced in the fourth quarter of 2007, following completion of the drill program on the Company's Fork Lake project. The 2007-2008 Jojay drill program included 6,336 metres of diamond drilling over 22 holes and was completed in late February 2008. This drill program focused on infill drilling required for a resource estimate. In addition, drilling down plunge of the known mineralized zone 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. These drill results demonstrate the significant increase of potential at Jojay. A National Instrument 43-101 compliant technical report and resource estimate is scheduled for completion in mid-2008 and will include the current drilling results.

Mud Lake Option Agreement

Wescan entered into an option agreement with Alto in the second quarter of 2007 on the Mud Lake Project in the Beardmore – Geraldton gold belt of northern Ontario. Under the terms of the Mud Lake Option Agreement Wescan can earn a 50% working interest in the property by funding $600,000 in exploration expenditures and issuing a total of 150,000 Wescan shares to Alto over two years. As at December 31, 2007, Wescan incurred $227,449 of exploration expenditures and has issued 50,000 shares to Alto in accordance with the terms of the option agreement.

Drilling on the Wescan - Alto Mud Lake Project started in late November 2007 and nine holes were completed prior to year end. This drilling continued to test targets along the Mud Lake Shear Zone where previous work identified twelve surface gold occurrences along a six kilometre segment of the shear zone (see Wescan news release dated November 22, 2007). The holes reported tested one kilometre of the shear zone near the northeast end, drilling three of the occurrences not drilled previously.

In the first quarter of 2008 nine holes were completed as part of a continuing program to evaluate the economic significance of the six kilometre segment of the shear. The results from these holes and from earlier drilling demonstrate the significant potential of the property. Further work is planned to test the gaps in information on the mineralization between drill holes along the shear zone and to identify deeper targets.

Management's Discussion & Analysis
(continued)

Athabasca Basin Properties
During the year ended December 31, 2007, Wescan and its 50:50 joint venture partner and operator Santoy, continued on their uranium exploration joint venture in the Athabasca Basin in northern Saskatchewan. The joint venture is made up of six properties totaling 134,217 hectares. The various properties were selected on the basis of regional geology, structural setting, regional magnetic coverage and proximity to known uranium mineralization.

The planned field work program was initiated during the fourth quarter of 2007 which included boulder, soil and lake sediment sampling on the properties, detailed prospecting, airborne geophysical surveys and additional analysis of previous airborne geophysical surveys; the final results and analysis are still pending.

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

	2007	2006	2005
Revenues	199,248	201,800	95,085
Net loss	1,046,802	575,517	85,491
Net loss per share (1)	0.02	0.01	0.00
Total assets	11,966,442	11,261,212	7,848,941
Working capital	2,998,275	5,178,281	6,092,520

(1) Basic and diluted.

Year to Date

Results of Operations
For the year ended December 31, 2007, the Company had a net loss of $1,046,802 ($0.02 per share) compared to a net loss of $575,517 ($0.01 per share) for the same period in 2006. For the year ended December 31, 2007 interest income remained relatively stable while the Company incurred increases in administration and amortization expenses matched with decreases in professional and consulting fees. The Company had an income tax recovery as a result of the recognition of the tax benefit of loss carryfowards. The Company has recorded a future income tax recovery of $343,000 for the year-ended December 31, 2007. The Company's loss before income taxes was $1,389,802 which is $200,735 over the 2006 loss before income taxes. The increase in loss can be explained by an overall increase in administration fees. The increases in expenditures are predominately related to an increase in personnel costs and office space requirements.

Revenues
For the year ended December 31, 2007, the Company reported interest revenue of $199,248 as compared to $201,800 for the year ended December 31, 2006. The $199,248 in interest revenue in 2007 is the result of having surplus cash for investing after the completion of equity financings during late in the fourth quarter of 2006 as well as the third quarter of 2007.

Expenses
Total operating expenses for the year ended December 31, 2007, were $1,589,050 compared to $1,390,867 for the same period of 2006. This represents an increase of $198,183 or 14%. Administration expense increased $353,702 from $956,101 in 2006 to $1,309,803 in 2007. The increase in these expenditures predominately related to an increase in personnel costs and office space requirements. Consulting fees decreased by $81,075 or 64% over the same period last year and the decrease is a result of the due diligence costs associated with exploration projects in Mexico during 2006 that were not incurred in 2007. Finally, professional fees decreased from $260,263 in 2006 to $164,396 in 2007. The decrease in 2007 was primarily related to professional fees associated with due diligence procedures on a certain mineral property opportunity that was not present in 2007.

Investing

Mineral properties cash additions totaled $2.2 million for 2007 compared to $3.0 million for 2006. The additions for the year ended December 31, 2007, relate to the Company's advancement of its exploration program on the 100% owned Fork Lake gold property, environmental baseline and scoping studies performed on the 100% owned Jojay property and a geophysical survey over the Fir Island uranium claims that were acquired in 2006 that are located in the Athabasca Basin region of northern Saskatchewan. Approximately $1.2 million out of the $2.2 million was incurred on the Fork Lake property.

Financing

During the year ended December 31, 2007, the Company completed a non-brokered private placement for 3,888,750 flow-through shares at a price of $0.40 per share for gross proceeds of $1,555,500. The Company paid finders' fees equal to 5% of the gross proceeds raised by the finder under the offering and issued finders' warrants equal to 5% of the gross proceeds sold by such a finder pursuant to the offering. Proceeds from this placement were applied to further exploration including drilling on Wescan's 100% owned Jojay and Fork Lake properties, for further exploration of the Company's 50% owned uranium properties in the Athabasca Basin and for exploration on the Company's other properties in northern Saskatchewan and Ontario.

Summary of Quarterly Results

	2007				2006			
	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Revenues [1]	59,406	51,023	36,086	52,733	44,680	51,228	53,417	52,475
Net income (loss)[2]	(184,624)	(197,915)	(325,564)	(338,699)	(273,544)	(176,017)	(272,672)	146,716
Net income (loss)/share	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	0.00
Capital expenditures [3]	1,141,850	625,734	247,000	548,877	482,901	627,071	781,588	1,225,172
Shares outstanding [4]	62,983,916	62,983,916	59,095,166	59,045,166	59,045,166	49,628,738	49,620,338	49,101,638

(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 overall increasing and stable trend in revenues; prior to the second quarter of 2007, is due to interest from the cash proceeds from equity offerings during the third quarter of 2007as well as the last quarter of 2006; the proceeds of which have been invested in short-term instruments intended to maximize return while being readily available for ongoing operational and exploration activities.

(2) Basic and diluted.

(3) The additions in the first quarter of 2006 are primarily due to exploratory drill programs at the Fork Lake property. The first quarter of 2006 also had expenditures related to the acquisition of a 50% interest in 5 additional uranium properties located in the same proximity of the properties acquired during 2005 as well as airborne geophysical survey costs related to the uranium claims. The additions in the second, third and fourth quarters of 2006 relate to continued drilling on the Fork Lake property, airborne survey costs related to the Company's 50% interest of its uranium claims in northern Saskatchewan, additional staking done in the Limestone Lake area and the acquisition costs related to the purchase of the remaining 75% interest in the Jojay gold project from the Company's joint venture partner which closed on October 24, 2006. The additions in the first and second quarters of 2007 relate to staking costs incurred with the Company's joint venture partner on uranium properties in northern Saskatchewan, as well as on maintenance of the Company's remaining properties. The third quarter and fourth quarter of 2007 had expenditures primarily related to advancement of exploration programs on its 100% owned Fork Lake and Jojay gold properties as well as exploration costs related to the Company's 50% interest of its uranium claims in northern Saskatchewan.

(4) Private placements in the fourth quarters of 2006 and in the third quarter of 2007, in addition to exercise of warrants, broker warrants and options, combined with the purchase in the fourth quarter of 2006 of the remaining 75% interest in the Jojay gold project, and the issue of shares in the second quarter of 2007 as part of Mud Lake Option Agreement resulted in the remaining changes to the common shares issued and outstanding.

Management's Discussion & Analysis (continued)

Fourth Quarter Results

For the quarter ended December 31, 2007, the Company recorded a net loss of $184,624 or $0.00 per share compared to a net loss of $273,544, or $0.00 per share for the same period in 2006. The major difference between the quarter ended December 31, 2007 and 2006 is predominately related to an increase in personnel costs and additional office space requirements.

The Company generated $59,406 in interest revenue during the fourth quarter compared to $44,680 for the corresponding period in 2006. The increase is a result of the Company having more cash on hand after the completion of the financings during 2007 and one in late 2006.

During the fourth quarter the Company incurred $1,028,959 in mineral property additions the majority of which related to advancement of exploration programs on its 100% owned Fork Lake and Jojay gold properties.

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's working capital at December 31, 2007, is $3.0 million and is sufficient to cover all currently contemplated exploration programs for the Company's properties. Until the Company's surplus cash is required to fund exploration or development activities it is being invested in relatively risk-free, short-term instruments with maturities not exceeding three months.

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	$ 324,720	$ 81,180	$162,360	$81,180	$ -
Exploration expenditures	$1,555,550	$1,555,550	$ -	$ -	$ -
Total	$1,880,270	$1,636,730	$162,360	$81,180	$ -

Related Party Transactions

As at December 31, 2007, Shore Gold Inc. holds 11,474,086 common shares of the Company representing an 18.2% (2006 – 19.4%) interest in the Company.

During the year management and consulting fees of $76,000 (2006 - $157,024) were paid to directors, officers and companies controlled by common directors; $4,000 (2006 - $85,024) of these fees were included as consulting fees and $72,000 (2006 - $72,000) was included as administration expense.

During the year, the Company paid $326,915 (2006 - $473,944) to Shore Gold Inc. for rent of office space, administration services, and rental of equipment.

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

Capital Resources and Outstanding Share Data

As at December 31, 2007, the Company has working capital of $3.0 million as compared to $5.2 million at December 31, 2006. During the year ended December 31, 2007, the Company completed a non-brokered private placement for 3,888,750 flow-through shares at a price of $0.40 per share for gross proceeds of $1,555,500.

As at April 28, 2008, the Company had a total of 62,983,916 common shares issued and outstanding as well as 181,938 broker warrants and 4,510,000 options. In the event all broker warrants and options were exercised, the Company would be required to issue a further 4,691,938 common shares for gross cash proceeds of $2.1 million.

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 to the annual 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. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

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 of the options on the date of grant, which is determined by using an option-pricing model. The fair value estimate of the options is dependent on the assumptions of the expected term, volatility, risk-free rate of return and expected dividend yield which may be imprecise and depend partly on statistical inferences drawn from past experience. The estimated value of options can vary dramatically depending on the assumptions used and the actual value of the options may be materially different from the estimated value. Regardless of the actual value of the options or changes that may occur in any of the factors used in estimating the fair value, the expense recorded for stock compensation will not be adjusted.

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 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.

New Accounting Pronouncements

Financial instruments and comprehensive income

On January 1, 2007, the Company adopted Canadian Institute of Chartered Accountants ("CICA") handbook sections relating to financial instruments and comprehensive income. These adoptions had no impact on the Company's opening deficit. The Company had no "other comprehensive income or loss" transactions during the year ended December 31, 2007, and no opening or closing balances for accumulated other comprehensive income or loss.

Effective January 1, 2008, the Company will adopt new CICA handbook sections relating to financial instrument presentation and disclosure. These sections are intended to enhance the users' ability to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks. The implementation of this guidance is not expected to have a material impact on the Company's financial position and results of operations.

Capital disclosures

During 2007, the CICA issued new accounting standards relating to capital disclosures. This additional disclosure will include quantitative and qualitative information regarding an entity's objectives, policies and processes for managing capital. This section is applicable for the Company's fiscal year beginning January 1, 2008, and is not expected to have a material impact on the Company's financial disclosures.

NOTE TO READER

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (MI 52-109), the certificate filed by Wescan does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Outlook

As at April 28, 2008, the Company has $1.5 million in cash and cash equivalents that will partially be used to continue exploration programs on the Jojay, Fork Lake, Mud Lake and other properties, fund its 50% share of future exploration programs on the Company's uranium property interests, and evaluate the potential for acquisition of more mineral properties in Canada and internationally.

Caution Regarding Forward-looking Information

From time to time, Wescan makes written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the Ontario Securities Act. Wescan may make such statements in this MD&A, in other filings with Canadian regulators, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to Wescan's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. 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. In particular, statements regarding Wescan's future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on Wescan's current beliefs as well as assumptions made by and information currently available to Wescan concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world gold markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Wescan or its joint venture partners; 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; operational and infrastructure risks and the additional risks described in Wescan's most recently filed annual and interim MD&A and Wescan's anticipation of and success in managing the foregoing risks.

Wescan cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Wescan, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Wescan does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Wescan or on our behalf.

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.

Todd M. Grychowski
Chief Financial Officer
Saskatoon, Canada
April 23, 2008

AUDITORS' REPORT

To the Shareholders of Wescan Goldfields Inc.

We have audited the consolidated balance sheets of Wescan Goldfields Inc. as at December 31, 2007 and 2006 and the consolidated statements of loss and comprehensive loss and deficit and cash flows 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, 2007 and 2006 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 23, 2008

WESCAN GOLDFIELDS INC.
(A Development Stage Entity)
CONSOLIDATED BALANCE SHEETS

	December 31, 2007	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	$ 3,413,275	$ 5,224,274
Receivables	100,432	95,017
Prepaids	12,653	14,024
	3,526,360	5,333,315
Mineral properties (note 3)	7,948,522	5,754,069
Property and equipment (note 4)	491,560	173,828
	$ 11,966,442	$ 11,261,212
Liabilities & Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 528,085	$ 155,034
Future income tax liability (note 8)	25,500	402,000
Shareholders' equity:		
Share capital (note 5)	12,698,522	11,205,312
Contributed surplus (note 5)	758,698	496,427
Deficit	(2,044,363)	(997,561)
	11,412,857	10,704,178
Commitments (note 9)		
	$ 11,966,442	$ 11,261,212

See accompanying notes to the consolidated financial statements.

On behalf of the Board

Kenneth E. MacNeill
Chief Executive Officer

Arnie E. Hillier
Director

WESCAN GOLDFIELDS INC.
(A Development Stage Entity)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT

	Year Ended December 31, 2007	2006
Income		
Interest	$ 199,248	$ 201,800
Expenses		
Administration	1,309,803	956,101
Consulting fees	46,575	128,280
Professional fees	164,396	260,263
Amortization	68,276	46,223
	1,589,050	1,390,867
Loss before the undernoted item	(1,389,802)	(1,189,067)
Future income tax recovery (note 8)	343,000	613,550
Net loss and comprehensive loss	(1,046,802)	(575,517)
Deficit, beginning of year	(997,561)	(422,044)
Deficit, end of year	$ (2,044,363)	$ (997,561)
Net loss per share		
Basic and diluted (note 6)	(0.02)	(0.01)
Weighted average number of shares outstanding	60,840,598	49,968,075

See accompanying notes to the consolidated financial statements.

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

	Year Ended December 31, 2007	2006
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	$ (1,046,802)	$ (575,517)
Non-cash items:		
Amortization	68,276	46,223
Fair value of stock options vested	256,958	308,447
Future income tax recovery	(343,000)	(613,550)
Net change in non-cash operating working capital items:		
Receivables	(3,250)	38,521
Prepaids	1,371	(3,794)
Payables and accrued liabilities	223,831	22,592
	(842,616)	(777,078)
Investing:		
Additions to mineral properties	(2,157,067)	(2,957,180)
Additions to property and equipment	(406,394)	(159,552)
Net change in non-cash investing working capital items:		
Receivables	(2,165)	(5,991)
Payables and accrued liabilities	149,220	(144,274)
	(2,416,406)	(3,266,997)
Financing:		
Issue of common shares (net of issue costs)	1,448,023	3,036,890
Decrease in cash and cash equivalents	(1,810,999)	(1,007,185)
Cash and cash equivalents, beginning of year	5,224,274	6,231,459
Cash and cash equivalents, end of year	$ 3,413,275	$ 5,224,274
Cash and cash equivalents, consists of:		
Cash	$ 228,408	$ 208,857
Guaranteed investment certificates	3,184,867	5,015,417
	$ 3,413,275	$ 5,224,274

See accompanying notes to the consolidated financial statements.

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" 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.

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 and the determination of future income tax assets and liabilities. 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. Interests in joint ventures are accounted for by the proportionate consolidation method.

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. Cash and cash equivalents are designated as held-for-trading ("HFT") and are carried at fair value.

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 ore 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 periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable ore reserves; the ability to obtain the necessary financing to establish the existence of ore reserves and to complete the development of such ore 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.

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 plus one renewal term. 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 bases. 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 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.

Flow-through shares

The Company finances a portion of its exploration activities through the issue 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 on loss carryfowards and tax pools in excess of book values available for deduction that are more likely than not to be realized 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.

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.

Stock-based compensation

The Company has a share option plan that is described in note 5 (g).

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.

Notes to Consolidated Financial Statements (continued)

Recently adopted accounting standards

Financial instruments

On January 1, 2007, the Company adopted Canadian Institute of Chartered Accountants ("CICA") handbook sections relating to financial instruments and comprehensive income. These adoptions had no impact on the Company's opening deficit. The Company had no "other comprehensive income or loss" transactions during the year ended December 31, 2007, and no opening or closing balances for accumulated other comprehensive income or loss.

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. The standards require that all financial assets be classified either as held-for-trading, available-for-sale, held-to-maturity, or loans and receivables. The standards require that all financial assets, including all derivatives, be measured at fair value.

New accounting pronouncements

Financial instruments and comprehensive income

Effective January 1, 2008, the Company will adopt new CICA handbook sections relating to financial instrument presentation and disclosure. These sections are intended to enhance the users' ability to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks. The implementation of this guidance is not expected to have a material impact on the Company's financial position and results of operations.

Capital disclosures

During 2007, the CICA issued new accounting standards relating to capital disclosures. This additional disclosure will include quantitative and qualitative information regarding an entity's objectives, policies and processes for managing capital. This Section is applicable for the Company's fiscal year beginning January 1, 2008, and is not expected to have a material impact on the Company's financial disclosures.

3. Mineral properties

Mineral properties are made up of the following:

	Gold/Other					Uranium	
	Fork Lake/ Jasper/ Tamar	Mud Lake	Munro	Jojay	Limestone Lake/ Hanson Lake/ Other	Athabasca Basin Properties	Total
Balance, December 31, 2005	$1,227,045	$ -	$ 69,561	$ 45,704	$ 11,547	$ 65,349	$1,419,206
Acquisition & Staking	-	-	-	1,402,940	37,921	20,880	1,461,741
Consulting/Personnel	204,033	-	-	-	-	-	204,033
Drilling	1,978,906	-	-	-	-	-	1,978,906
Surveying	-				-	407,685	407,685
Other	281,987	-	280		231	-	282,498
Balance, December 31, 2006	$3,691,971	$ -	$ 69,841	$ 1,448,644	$ 49,699	$ 493,914	$5,754,069
Acquisition & Staking	-	17,000	-		6,000	172,602	195,602
Consulting/Personnel	72,798	-	-	-	-	-	72,798
Exploration/Drilling	952,572	242,071	-	417,621	-	-	1,612,264
Surveying	-	-	-	-	-	49,927	49,927
Other	192,860	-	8,246	55,297	90	7,369	263,862
Balance, December 31, 2007	$4,910,201	$259,071	$ 78,087	$ 1,921,562	$ 55,789	$ 723,812	$7,948,522

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 the cost of properties acquired, less write-downs and recoveries, and does not necessarily reflect present or future 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 north east of La Ronge, Saskatchewan.

b) Mud Lake Property

In the second quarter of 2007, Wescan entered into an option agreement with Alto Ventures Ltd ("Alto"). Under the terms of the agreement, Wescan has an exclusive and irrevocable option to acquire an undivided 50% interest in Alto's Mud Lake property by making $600,000 in exploration expenditures and issuing 150,000 Wescan shares to Alto over a two year period. As at December 31, 2007, Wescan has incurred $227,449 of exploration expenditures and has issued 50,000 shares to Alto in accordance with the terms of the option agreement.

c) Munro Property

The Company holds a 51% interest in the Munro property, consisting of certain mineral dispositions located approximately 128 kilometres north east of La Ronge, Saskatchewan.

d) Jojay Property

The Company holds a 100% interest in the Jojay property, consisting of certain mineral dispositions located approximately 150 kilometers north east of La Ronge, Saskatchewan. The Company acquired the original 25% property interest in 2004 from its then parent company, Shore Gold Inc. On October 24, 2006, the Company acquired the remaining 75% property interest in a non-cash exchange for 3,500,000 shares valued at $1,365,000.

e) Limestone Lake/Hanson Lake Properties

The Company staked seven claims in the Limestone and Hanson Lake area located 85 kilometres west of Creighton, Saskatchewan during 2006. An additional claim was staked in 2007.

f) Athabasca Basin Properties

The Company acquired a 50% interest in six uranium properties in or around the Athabasca basin in northern Saskatchewan. A 50% interest in five additional claims in the same area was added during 2006. An additional claim was added in 2007.

4. Property and equipment

Property and equipment is made up of the following:

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Automotive equipment	$ 86,541	$ 39,571	$ 46,970	$ 67,101
Computer equipment	40,455	10,063	30,392	11,308
Computer software	55,182	47,605	7,577	1,500
Furniture and equipment	317,348	46,526	270,822	55,516
Leasehold improvements	151,636	15,837	135,799	38,403
	$ 651,162	$ 159,602	$ 491,560	$ 173,828

Amortization of property and equipment during the year ended December 31, 2007 was $88,662 (2006 - $46,223) of which $20,386 (2006 – nil) was capitalized to mineral properties.

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

Issued and outstanding

	2007			2006		
	Common Shares	Warrants	Amount	Common Shares	Warrants	Amount
Balance, Beginning of year	59,045,166	2,958,214	$11,205,312	46,802,464	4,298,814	$7,749,253
Common shares issued (a)	50,000	-	17,000	-	-	-
Flow-through shares issued (b)	3,888,750		1,555,500	-	-	-
Warrants expired (c)		(2,958,214)				
Common shares issued (d)				5,916,428	2,958,214	2,070,749
Common shares issued (e)				3,500,000	-	1,365,000
Warrants exercised/expired (c)				2,371,509	(4,298,814)	861,779
Broker warrants exercised (f)				154,765	-	100,922
Options exercised (g)				300,000	-	136,929
Issue costs – net of tax			(79,290)	-	-	(44,320)
Future income taxes on renunciation of flow-through shares	-	-	-	-	-	(1,035,000)
Balance, End of year	62,983,916	-	$12,698,522	59,045,166	2,958,214	$11,205,312

(a) Common shares
In June 2007, the Company issued 50,000 shares fair valued at $17,000 as part of the Wescan - Alto Ventures Ltd. Mud Lake Option Agreement. (see note 3b)

(b) Flow-through shares
In July 2007 the Company issued 3,888,750 flow-through shares for gross proceeds of $1,555,500. The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2008; the deduction of which flows through to the shareholder.

(c) 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	Average Price
Balance - December 31, 2005	4,298,814	$0.30
Issued	2,958,214	0.45
Exercised	(2,371,509)	0.36
Expired	(1,927,305)	0.45
Balance - December 31, 2006	2,958,214	$0.45
Issued	-	-
Exercised	-	-
Expired	(2,958,214)	0.45
Balance - December 31, 2007	-	$ -

No warrants were issued in 2007. The warrants issued in 2006 were fair-valued at $101,467. The fair value of the warrants issued in 2006 was determined using the Black-Scholes option-pricing model with the following assumptions: volatility 52%, risk-free rate of return of 3.92%, expected dividend of 0%, and expected term of 1 year.

(d) Common shares

In December of 2006 the Company issued 5,916,428 units for gross proceeds of $2,070,049. 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 $0.45 for a period of 12 months from the closing date.

(e) Common shares

In October of 2006 the Company issued 3,500,000 shares valued at $1,365,000 for a 75% interest in the Jojay gold deposit. (see note 3d)

(f) 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, 2005	493,405	$0.45
Issued	66,194	0.45
Exercised	(154,765)	0.45
Expired	(338,640)	0.45
Balance - December 31, 2006	66,194	$0.45
Issued	181,938	0.40
Exercised	-	-
Expired	(66,194)	0.45
Balance - December 31, 2007	181,938	$0.40

The broker warrants outstanding expire July 18, 2008.

The broker warrants issued in 2007 were fair-valued at $5,313 (2006 - $1,489). The fair value of the broker warrants was determined using the Black-Scholes option-pricing model with the following assumptions: volatility of 46% (2006 – 43%), risk-free rate of return of 4.64% (2006 – 3.92%), expected dividend of 0% (2006 – 0%), and expected term of 1 year (2006 – 1 year).

(g) 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. As at December 31, 2007, the number of shares reserved under the plan is 2,288,392. 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 from the date of grant to twenty-four months after grant date and expire 5 years from the date of the grant of the options.

During 2007, the Company granted 1,535,000 (2006 – 2,550,000) 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:

	2007	2006
Number of options granted	1,535,000	2,550,000
Average strike price	$0.32	$0.61
Expected dividend	-	-
Expected volatility	44.67%	35.8%
Risk-free interest rate	4.40%	4.27%
Expected life of options	5.00	5.00
Weighted average grant date fair values	$189,342	$524,625

The fair value of the options granted during 2007, using the Black-Scholes option-pricing model was $189,342 (2006 - $524,625). The fair value attributable to options granted during the year and vested was $87,237 (2006 - $321,130). Of this amount, $ nil (2006 - $12,683) was capitalized as an addition to mineral properties and $87,237 (2006 - $308,477) was expensed with a corresponding increase of $87,237 (2006- $321,130) to contributed surplus. The fair value of options vested and expensed during 2007 was $256,958 (2006 - $308,447).

For options outstanding at December 31, 2007 and 2006, weighted average exercise prices are as follows:

	Options	Average Price
Balance December 31, 2005	1,200,000	$ 0.30
Granted	2,550,000	0.61
Exercised	(300,000)	0.32
Forfeited	(200,000)	0.65
Expired	(100,000)	0.30
Balance December 31, 2006	3,150,000	$ 0.54
Granted	1,535,000	0.31
Exercised	-	-
Forfeited	(225,000)	0.51
Expired	(450,000)	0.55
Balance December 31, 2007	4,010,000	$0.45

For options outstanding at December 31, 2007, 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 2007	Weighted Average Exercise Price	Weighted Average Remaining Life	Options December 31 2007	Weighted Average Exercise Price
$0.20 – 0.39	2,160,000	$0.31	3.74 years	1,075,000	$0.32
$0.40 – 0.59	500,000	0.50	3.58 years	500,000	0.50
$0.60 – 0.79	1,350,000	0.65	3.33 years	1,350,000	0.65
	4,010,000	$0.45	3.58 years	2,925,000	$0.49

(h) Contributed surplus

The fair-value of stock options and broker warrants has been determined using the Black- Scholes option-pricing model. The fair-value on the vesting of these securities is 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:

	2007	2006
Balance – beginning of year	$ 496,427	$ 245,016
Fair value of options vested	262,926	342,337
Fair value of broker warrants granted	5,313	1,489
Less: contributed surplus related to options exercised	-	(39,930)
Less: contributed surplus related to options forfeited	(5,968)	(21,207)
Less: contributed surplus related to broker warrants exercised	-	(31,278)
Balance – end of year	$ 758,698	$ 496,427

6. Per share amounts

Basic loss per common share is computed by dividing net loss applicable to common shares by the weighted average number of common shares issued and outstanding for the relevant period. Diluted loss per common share is computed by dividing net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued. The calculation of loss per share amounts is based on the following:

	2007	2006
Numerator:		
Loss applicable to common shares	$1,046,802	$ 575,517
Denominator:		
Weighted average common shares outstanding	60,840,598	49,968,075
Basic and diluted loss per common share	$ 0.02	$ 0.01

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

7. Related party transactions

As at December 31, 2007, Shore Gold Inc. holds 11,474,086 common shares of the Company representing an 18.2% (2006 – 19.4%) interest in the Company.

During the year management and consulting fees of $76,000 (2006 - $157,024) were paid to directors, officers and companies controlled by common directors; $4,000 (2006 - $85,024) of these fees were included as consulting fees and $72,000 (2006 - $72,000) was included as administration expense.

During the year, the Company paid $326,915 (2006 - $473,944) to Shore Gold Inc. for rent of office space, administration services, and rental of equipment.

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

8. Income taxes

The significant components of future income tax assets and liabilities at December 31, 2007 and 2006 are as follows:

	2007	2006
Future income tax assets		
Non-capital loss carry forwards	$ 748,100	$ 470,000
Share issue costs	88,800	119,000
Future income tax assets before valuation allowance	836,900	589,000
Future income tax liabilities - mineral properties	(862,400)	(991,000)
Net future income tax liabilities	$ 25,500	$ 402,000

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:

	2007	2006
Loss before income taxes	$ 1,389,802	$ 1,189,067
Combined federal and provincial tax rate	35.62%	39.59%
Expected tax recovery	(495,047)	(470,870)
Increase (decrease) in taxes resulting from:		
Non-deductible stock option expenses	91,528	122,157
Other non-deductible amounts	3,500	1,172
Effect of change in effective tax rates	57,019	101,568
Tax benefit not recognized on foreign exploration	-	91,753
Effect of tax rate change on renunciation of tax deductions	-	(267,330)
Change in valuation allowance		(192,000)
Future income tax recovery	$ (343,000)	$ (613,550)

As at December 31, 2007, the Company has operating losses for income tax purposes approximating $2,765,000 that are available to reduce taxes in future years and expire over the period to the year 2026.

9. Commitments

As at December 31, 2007, the Company is committed to an operating lease for office space, as follows:

Year	
2008	$ 81,180
2009	81,180
2010	81,180
2011	81,180
Thereafter	-
Total	$ 324,720

To satisfy its commitments pursuant to the issuance of flow-through shares, the Company is required to incur $1,555,550 of qualifying exploration expenditures for tax purposes on or before December 31, 2008.

10. Comparative Figures

Certain prior years' 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

Judy Stoeterau
President

Todd M. Grychowski
Chief Financial Officer

Kirsten Marcia
Vice President of Exploration

Maurice (Moe) Lindsay
Director

Harvey J. Bay
Director

Arnold E. Hillier
Director

Gary L. Billingsley
Director

Val L. Michasiw
Director

Corporate Information

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Auditors

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Solicitors

Bennett Jones LLP, Calgary, Alberta

Transfer Agent

Valiant Trust Company, Calgary, Alberta

Annual General and Special Meeting

Wednesday June 4, 2008 - 10 A.M.
Radisson Hotel – Venice Room
405 - 20th Street East
Saskatoon, SK

Exchange Listing

TSX Venture

Trading Symbol

WGF

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