

WESCAN GOLDFIELDS INC.



Management's Discussion & Analysis **March 31, 2008**

(A Development Stage Entity)

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis is prepared as of May 26, 2008 and should be read in conjunction with the unaudited financial statements for the quarter ended March 31, 2008. 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 the first quarter of 2008, Wescan completed its winter drill program on its 100% owned Jojay gold project in the La Ronge greenstone belt in northern Saskatchewan. The Company announced results from Phase II core drilling completed on the Wescan-Alto Ventures Ltd. ("Alto") Mud Lake Project located in the Beardmore-Geraldton gold belt in north-central Ontario (see Wescan news release dated February 21, 2008). 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. As well, subsequent to the end of the period, Wescan announced that it had applied for an extensive package of coal dispositions in the east central area of Saskatchewan.

Jojay Project

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 core 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 by the third quarter of 2008 and will include the current drilling results.

Mud Lake Option Agreement

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.

Athabasca Basin Properties

The planned field work program that was initiated during the fourth quarter of 2007 and carried



on during the first quarter of 2008 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.

Applications for Coal Dispositions

Wescan applied for an extensive package of coal dispositions in the east central area of Saskatchewan. Coal permit applications covering approximately 240,000 hectares were submitted subsequent to the quarter, in accordance with the *Coal Disposition Act* of Saskatchewan, immediately following the announcement of a significant coal discovery in that region.

Financial Highlights

Selected financial information of the Company for the quarters ended March 31, 2008 and 2007 is as follows:

	Three Months Ended March 31, 2008 \$	Three Months Ended March 31, 2007 \$
Revenues	31,120	52,733
Net (loss)	(259,712)	(340,715)
Net (loss) per share ⁽¹⁾	(0.00)	(0.01)
Total assets	11,960,817	11,075,727
Working capital	996,435	4,332,629

(1) Basic and diluted.

Results of Operations for the Quarter

For the quarter ended March 31, 2008, the Company recorded a net loss of \$259,712 (\$0.00 per share) compared to a net loss of \$340,715 (\$0.01 per share) for the same period in 2007. The difference between the quarter ended March 31, 2008 and 2007 is the result of a reduction in all expense categories and a smaller future tax recovery.

Revenues

The Company's sole source of income is the result of investing excess cash reserves in short-term deposits. For the quarter ending March 31, 2008, the Company reported interest revenue of \$31,120 as compared to \$52,733 for the quarter ending March 31, 2007.

Expenses

Total operating costs for the quarter ended March 31, 2008 equaled \$316,332 compared to \$489,448 for the quarter ended March 31, 2007. This represents a decrease of \$173,116 and is the result of decreases in all categories of expenditures. Administration expense decreased from \$383,675 in the first quarter of 2007 to \$285,265 for the quarter ended March 31, 2008. The \$98,410 decrease is predominately related to a decrease in stock based compensation during the first quarter of 2008 compared to 2007. Consulting fees were \$17,963 during the first quarter of



2008 compared to \$25,500 for the same period in 2007. Finally, professional fees decreased from \$62,806 for the first quarter of 2007 to \$1,867 for the corresponding quarter in 2008. The decrease in expense was primarily related to legal fees associated with due diligence procedures on a certain mineral property opportunity that did not warrant further investigation and accordingly was expensed in 2007 and did not exist in 2008.

Investing

Mineral properties cash additions totaled \$1,736,831 this quarter compared to \$337,466 for the quarter ended March 31, 2007. The majority of these costs relate to the completion of the winter drill program on the Company's 100% owned Jojay gold project and the continued advancement of the Company's 50% interest of its uranium claims in northern Saskatchewan.

Summary of Quarterly Results

	2008	2007				2006		
	Qtr 1 \$	Qtr 4 \$	Qtr 3 \$	Qtr 2 \$	Qtr 1 \$	Qtr 4 \$	Qtr 3 \$	Qtr 2 \$
Revenues ⁽¹⁾	31,120	59,406	51,023	36,086	52,733	44,680	51,228	53,417
Net (loss)	(259,712)	(184,624)	(197,915)	(325,564)	(340,715)	(273,544)	(176,017)	(272,672)
Net (loss)/share ⁽²⁾	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)
Capital expenditures ⁽³⁾	1,768,722	1,141,850	625,734	247,000	546,861	482,901	627,071	781,588
Shares outstanding ⁽⁴⁾	62,983,916	62,983,916	62,983,916	59,095,166	59,045,166	59,045,166	49,628,738	49,620,338

- (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 first quarter of 2008 and the second quarter of 2007, is due to interest from the cash proceeds from equity offerings during the third quarter of 2007 as 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 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. The additions in the first quarter of 2008 primarily relate to completion of the Company's 2007/2008 winter drill program on the Jojay gold project and continued advancement on the Company's 50% interest of its uranium claims in northern Saskatchewan.
- (4) Private placements in the fourth quarter 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 through the issuance of shares, 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.



Related Party Transactions

During the quarter management and consulting fees of \$18,000 (2007 - \$21,000) were paid to directors, officers and companies controlled by common directors; \$- (2007-\$3,000) of these fees were included as consulting fees and \$18,000 (2007- \$18,000) was included as administration expense.

During the quarter the Company was charged \$18,000 (2007 - \$112,054) from Shore Gold Inc. for administration services, office space and equipment leases. Accounts payable includes \$3,000 (2007 – \$29,000) due to Shore Gold Inc.

As at March 31, 2008 Shore Gold Inc. holds 11,474,086 common shares of the Company representing an 18.2% (2007 – 19.4%) interest in the Company

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

Liquidity

The Company does not currently operate any producing properties and as such, is dependent upon the issuance of new equity to finance its ongoing obligations and advance its exploration properties. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company's working capital 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.

Capital Resources and Outstanding Share Data

As at March 31, 2008, the Company has working capital of \$996,435 as compared to \$3.0 million at December 31, 2007 and \$4.3 million at March 31, 2007. As at May 26, 2008, the Company had a total of 62,983,916 common shares issued and outstanding as well as 181,938 broker warrants and 4,770,000 options. In the event all broker warrants and options were exercised, the Company would be required to issue a further 4,951,938 common shares for gross cash proceeds of \$2.0 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 audited consolidated financial statements. Certain 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.

A critical accounting estimate in determining the Company's financial results relates to the recoverability of the carried amounts of mineral properties. Management assesses carrying values of non-producing properties each time it issues financial statements 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 establish the existence of reserves and to complete the development of such reserves and the success of future operations. As at March 31, 2008, the Company has not yet determined whether any of its mineral properties contain economically recoverable reserves.

Accounting Changes

Financial Instruments – Presentation and Disclosure

On January 1, 2008, the Company adopted Canadian Institute of Chartered Accountants ("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 Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing this risk is to ensure that it is invested in highly liquid assets to meet its obligations when due.

Accounts payable and accrued liabilities are due within the current operating period.

Capital Disclosures

On January 1, 2008, the Company adopted CICA accounting standards relating to capital disclosure. This additional disclosure includes information regarding an entity's objectives, policies and processes for managing capital.

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

The Company considers the items included in shareholder's equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic



conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

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

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

The Company expects its current capital resources will be sufficient to carry out its exploration plans through its current operating period. The Company is not subject to externally imposed capital requirements, except as disclosed in the financial statements.

Disclosure Controls and Procedures

There have been no significant changes to the Company's internal controls over financial reporting during the most recent period that would have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Outlook

As at May 26, 2007, the Company has \$ 880,000 in cash and cash equivalents that will partially be used to continue exploration programs on the Jojay, Fork Lake and Mud Lake properties as well as the potential coal dispositions, 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.

