WESCAN GOLDFIELDS INC.

2nd Quarter Report
June 30, 2012

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

The following discussion and analysis is prepared by Management as of August 23, 2012 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended June 30, 2012 ("financial statements for the period ended June 30, 2012") available on SEDAR at www.sedar.com. Wescan Goldfields Inc. ("Wescan" or "the Company") prepared its financial statements for the period ended June 30, 2012 in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Overview

During the second quarter of 2012, Wescan continued the exploration of its portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan, with the primary focus being the Jojay property. Following the successful drill programs on its Jojay and Jasper properties in 2011, which had significant intercepts (see Wescan News Releases dated November 18, 2011 and December 8, 2011, respectively), the Company raised an additional $1.0 million in late December 2011 to continue exploring these highly prospective areas. During the second quarter of 2012, the Company announced the results of a 1,903 metre drill program ("Phase II") on its Jojay property which included significant intercepts of gold in and outside the current Mineral Resource shell (see Wescan News Release dated May 22, 2012).

Jojay Gold Project

The Company has an Indicated Mineral Resource and Inferred Mineral Resource, as defined under National Instrument ("NI") 43-101 on the Jojay Gold deposit. This Mineral Resource was completed on February 4, 2010, the details of which are available at www.sedar.com. The non-diluted Indicated Mineral Resources amount to 420,000 tonnes with an average grade of 3.7 grams per tonne Au, for 50,000 ounces gold and the non-diluted Inferred Mineral Resources amount to 630,000 tonnes with an average grade of 4.3 grams per tonne Au, for 87,000 ounces gold. Based on recommendations from a review of historical drilling data that was completed in February 2011 and the recommendations contained in the Technical Report that accompanied the NI 43-101 compliant Resource Estimate, Wescan commenced a 2,678.5 metre drill program (10 holes) in June 2011. The program successfully identified significant mineralized zones outside the existing drill-defined area of mineralization and successfully confirmed, as well as infilled, historical drilling results. To follow this 2011 program, the Company announced the commencement of the Phase II drilling program during the first quarter of 2012. The program was designed to infill areas of the Mineral Resource base within the known mineralized zones as well as to test for further mineralization in areas of the Jojay Gold deposit considered "highly prospective". The 1,903 metre (8 holes) diamond drill program confirmed significant mineralization to the North of the current Mineral Resource shell as well as significant gold intersections from all five infill holes drilled. The infill results were highlighted by an interval of 2.31 grams per tonne Au over 36.19

metres and 63.12 grams per tonne Au over 1.56 metres. Results from the Phase II program will provide additional critical data required to complete a Preliminary Economic Assessment ("PEA") which will include an updated NI 43-101 Technical Report and Resource Estimate. Wescan has engaged A.C.A Howe International Limited to conduct the PEA.

Jasper Gold Project

Minimal activity occurred on the Jasper property during the first half of 2012. The Company decided to resume exploration work during 2011 on this property due to the significant escalation in the price of gold over the last few years. The Company successfully completed a 2,313.5 metre drill program (9 holes) in late 2011 to further assess the future potential of this past producing gold mine. The Company intends to continue exploration efforts on the Jasper Gold deposit before an NI 43-101 Resource Estimate is completed to maximize any potential mineral resources. However, further exploration work will not likely occur on this property until near the end of 2012 or later given the Company's current focus on its Jojay property.

Munro Lake Gold Project

No activity occurred on the Munro Lake property during the first half of 2012, however, during 2011, the Company completed a Magnetic and Electromagnetic airborne geophysical survey on this property which is located north of La Ronge, Saskatchewan. The Company will focus future exploration programs based on targets identified from this survey. The Company also anticipates it will perform a prospecting program on this property during 2012.

Financial Highlights

Selected financial information of the Company for the three and six months ended June 30, 2012 and 2011 is summarized as follows:

	Three Months Ended June 30, 2012 $	Three Months Ended June 30, 2011 $	Six Months Ended June 30, 2012 $	Six Months Ended June 30, 2011 $
Interest and other income	142	13,699	663	24,233
Net and comprehensive loss	269,384	318,793	796,014	456,297
Net and comprehensive loss per share (1)	0.00	0.00	0.01	0.01
Total assets	1,760,276	3,146,491	1,760,276	3,146,491
Working capital	49,938	1,350,689	49,938	1,350,689

(1) Basic and diluted.

Results of Operations for the Quarter

For the quarter ended June 30, 2012 the Company recorded a net and comprehensive loss of $269,384 ($0.00 per share) compared to a net and comprehensive loss of $318,793 ($0.00 per share) for the same period in 2011. The difference between the quarter ended June 30, 2012 and 2011 is primarily due to the Company expending less on exploration during the second quarter of 2012 compared to the same period in 2011 as well as a larger recovery of flow-through share premiums as the result of the Company partially satisfying its obligation to incur qualifying exploration expenditures before December 31, 2012.

Revenues

The Company reported interest and other income of $142 for the quarter ended June 30, 2012 as compared to $13,699 for the quarter ended June 30, 2011. The decrease in interest and other income is the result of the Company no longer renting certain equipment due to the sale of these assets at the end of 2011.

Expenses

Total operating expenses for the quarter ended June 30, 2012 were $315,019 compared to $345,409 for the same period of 2011. This decrease of $30,390 is primarily related to the $20,128 decrease in exploration expenditures over the same period in 2011. Exploration expenditures during the quarter ended June 30, 2012 were $159,225 compared to $179,353 during the same quarter of 2011. The expenditures for the quarter ended June 30, 2012 primarily related to the completion of the Phase II drill program on its Jojay property. The expenditures for the quarter ended June 30, 2011 primarily related to the completion of a review of historical data on the Company's gold properties as well as the costs associated with the commencement of drilling on the Jojay and Jasper properties. Administration expense remained relatively consistent for the second quarters of 2012 and 2011 at $151,602 and $155,394, respectively. Approximately 37 percent, or $55,835 (2011 - $56,110), of the administration expenses for the quarter ended June 30, 2012 were made up of contract fees for management services, wages and benefits of personnel, and share-based payments. The remaining costs in the administration category related to amortization, insurance, office and equipment rent, office supplies, regulatory related costs and other office related expenses, but have stayed relatively constant from period to period with the exception of amortization. Amortization has decreased by approximately $14,000 due to the Company's past leasehold improvements being fully depreciated at the end of 2011. Corporate development costs decreased by $6,470 to $4,192 in 2012 compared to $10,662 for the same period of 2011 as a result of lower costs incurred relating to investment trade shows and associated travelling expenses.

Premium on flow-through shares

The Company issued flow-through shares during 2011 for a premium over the market value of the shares. The premium over the market value of the shares is recognized as a liability until such time as the Company incurs qualifying exploration expenditures. Based on the amount of qualifying exploration expenditures incurred by the Company during the second quarter of 2012, the Company recognized a flow-through share premium recovery of $45,493 (2011 – $12,917) in the statements of loss and comprehensive loss.

Investing

No investing activities occurred during the second quarter of 2012. During the second quarter of 2011, the Company purchased computer software and equipment for $5,041.

Financing
No financing activities occurred during the second quarters of 2011 or 2012.

Year to Date

Results of Operations
For the six months ended June 30, 2012, the Company recorded a comprehensive and net loss of $796,014 ($0.01 per share) compared to a comprehensive and net loss of $456,297 ($0.01 per share) for the same period in 2011. This difference from 2012 to 2011 was primarily the result of higher exploration and evaluation expenditures incurred.

Revenues
During the first half of 2012 the Company reported interest and other income of $663 as compared to $24,233 for the six months ended June 30, 2011. The decrease in interest and other income was the result of the Company no longer renting certain equipment due to the sale of these assets at the end of 2011.

Expenses
Total operating costs for the six months ended June 30, 2012 were $946,888 compared to $493,447 for the same period of 2011. This increase of $453,441 is primarily related to the $474,797 increase in exploration expenditures over the same period in 2011. Exploration expenditures during the six months ended June 30, 2012 were $689,134 compared to $214,337 during the same period of 2011. The increase is primarily attributed to the Company completing the Phase II drill program on its Jojay property during the six months ended June 30, 2012. Exploration and evaluation expenditures for the six months ended June 30, 2011 were the result of a review of historical data on the Company's gold properties as well as the costs associated with the commencement of drilling on the Jojay and Jasper properties. In addition, during the six months ended June 30, 2011 the Company undertook a review of all regional geophysical and geological data on the Company's previously held coal exploration properties. Administration expense decreased $14,301 to $247,324 for the six months ended June 30, 2012 compared to $261,625 for the same period in 2011. Approximately 46 percent, or $112,962 (2011 - $113,910), of the administration expenses for the quarter ended June 30, 2012 were made up of contract fees for management services, wages and benefits of personnel, and share-based payments. The remaining costs in the administration category related to amortization, insurance, office and equipment rent, office supplies, regulatory related costs and other office related expenses. The decrease in administration expense is predominately related to a reduction in amortization expense and corporate reporting costs incurred by the Company. Amortization has decreased by approximately $28,000 due to the Company's past leasehold improvements being fully depreciated at the end of 2011 while corporate reporting costs decreased by approximately $22,000 as a result of the Company's efforts to decrease expenses. These reductions were offset by higher professional fees incurred by the Company relating to certain corporate initiatives such as the recently announced share consolidation. Corporate development costs decreased by $7,055 to $10,430 in 2012 compared to $17,485 for the same period of 2011 primarily as a result of lower costs incurred relating to investment trade shows and associated travelling expenses.

Investing
No investing activities occurred during the six months ended June 30, 2012. During the six months ended June 30, 2011, the Company purchased computer software and communications equipment for $6,464.

Financing
No financing activities occurred during the six months ended June 30, 2012. During the six months ended June 30, 2011, the Company completed a private placement financing for gross proceeds of $1,553,764 (net - $1,416,293). The financing included an aggregate of 10,125,000 (pre-consolidation) common shares in the capital of the Company issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) at a price of $0.15 per share for gross proceeds of $1,518,750. The Company, as part of the same financing, issued 250,100 (pre-consolidation) units of the Company ("Units") at a price of $0.14 (pre-consolidation) per Unit, for gross proceeds of $35,014. Each Unit consisted of one Common Share issued on a non flow-through basis, and one half of one Common Share purchase warrant (each a half "Unit Warrant"). Each whole Unit Warrant entitles the holder thereof to purchase one Common Share on a non flow-through basis at a price of $0.24 (pre-consolidation) for a period of twelve months from the date of issuance. As part of the private placement the Company issued 694,173 (pre-consolidation) broker warrants at an exercise price of $0.24 (pre-consolidation) for a period of twelve months from the date of issuance. The warrants and broker warrants related to this financing expired during the first quarter of 2012.

Use of proceeds
During 2011, the Company raised approximately $2.5 million from flow-through financing activities to be used on exploration and evaluation activities before the end of 2012. Until the end of June 30, 2012, $2.0 million of these proceeds have been used in the following manor:

Flow-through expenditures:	
Jojay drill programs	$ 1,357,659
Jasper drill program	543,807
Munro airborne geophysical survey	93,513
Total flow-through expenditures incurred (February 24, 2011 to June 30, 2012)	**$ 1,994,979**
Flow-through money raised during 2011	$ 2,518,750
Flow-through expenditures to be incurred by December 31, 2012	**$ 523,771**

The Company expects that the exploration and evaluation expenditures incurred in 2011 and the expenditures to complete its 2012 drill programs and analyses will approximate the $2.5 million flow-through financing raised during 2011. The majority of the remaining commitment of $523,771 is expected to be incurred on the Jojay property.

Based on the amount of qualifying exploration expenditures incurred by the Company during the six months ended June 30, 2012, the Company recognized a flow-through share premium recovery of $150,211 (2011 – $12,917) in the statements of loss and comprehensive loss.

Summary of Quarterly Results

	2012		2011				2010	
	Qtr 2 $	Qtr 1 $	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $	Qtr 4 $	Qtr 3 $
Revenues (1)	142	521	6,679	10,679	13,699	10,534	9,914	9,809
Net loss(2)	(269,384)	(526,630)	(291,082)	(1,073,685)	(318,793)	(137,504)	(337,736)	(105,363)
Net loss/share (3)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)
Shares outstanding (4)	126,737,835	126,737,835	126,737,835	112,452,121	112,452,121	112,452,121	102,077,021	83,577,022

(1) The Company's revenues are comprised of interest earned on cash balances. The Company also generated other income by leasing certain equipment during 2010 until the fourth quarter of 2011.

(2) The net losses in the first quarter of 2012 and the second and third quarters of 2011 were higher due to exploration and evaluation expenditures incurred. The net loss in the fourth quarter of 2011 was higher due to the fair value of share-based payments expensed during this timeframe. The higher net loss in the fourth quarter of 2010 is mostly attributed to a $200,000 settlement with a former joint venture partner regarding certain exploration expenditures. The remaining quarters reflect normal operations of the Company.

(3) Basic and diluted.

(4) The increase in shares during the first and fourth quarters of 2011 and the fourth quarter of 2010 were the result of the Company completing private placements during these timeframes. The fourth quarter of 2010 also required the issuance of shares for the settlement with a former joint venture partner regarding certain exploration expenditures.

Related Party Transactions

During the six months ended June 30, 2012, Mr. Kenneth E. MacNeill (Chief Executive Officer) and Mr. Harvey J. Bay (Chief Financial Officer), through their respective consulting companies, charged management and consulting fees of $36,000 (2011 - $36,000) and $15,000 (2011 - $15,000), respectively which were recorded as administrative expenses. At June 30, 2012 $42,500 (2011 - nil) of management and consulting fees were included in the Company's payables.

During the six months ended June 30, 2012 total compensation paid or payable to these officers (through companies controlled by Messrs. MacNeill and Bay) and to key management and directors of the Company was $105,574 (2011 - $107,239) which is included in administration expense. Included in these amounts are share-based payment transactions.

The above transactions were in the normal course of operations and are measured at an amount agreed to by the related parties. The fair value of share-based payments was determined using the Black-Scholes model.

Liquidity

The Company currently has no ongoing source of revenue and, as such, is dependent upon the issuance of new equity to finance its ongoing obligations and advance its exploration properties. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company anticipates it will have sufficient access to financial markets to fund its exploration plans through future equity contributions.

As at June 30, 2012, the Company had working capital of $49,938 as compared to working capital of $987,021 at December 31, 2011. As well, at June 30, 2012, the Company is required to spend $523,771 on qualifying exploration expenditures by the end of 2012 to fulfill its obligations under its flow-through commitments. The Company currently does not have sufficient resources to finance operating and exploration activities through its 2012 fiscal year, conditions which raise significant doubt about the Company's ability to continue as a going concern. Management estimates it will be required to raise an additional $700,000 to $800,000 to fund its commitments and working capital requirements to complete the 2012 year. Management believes the Company will have sufficient access to financial markets to raise the required funding.

Capital Resources and Outstanding Share Data

At June 30, 2012 the Company had 126,737,835 shares issued and outstanding which is consistent with December 31, 2011 issued and outstanding common shares. Effective August 7, 2012 Wescan proceeded with the consolidation of the outstanding shares of the Company. The consolidation, which was authorized by shareholders of the Company at the June 20, 2012 Annual General and Special Meeting, was on the basis of one post-consolidation share for every ten pre-consolidation common shares. The Company's outstanding stock options and share purchase warrants were adjusted on the same basis with proportionate adjustments being made to the exercise prices. As at August 23, 2012, after factoring in adjustments for the recent share consolidation, the Company's issued and outstanding post-consolidation common shares are 12,673,796 (126,737,835 pre-consolidation). In addition, the Company has 100,000 (999,999 pre-consolidation) broker warrants and 715,000 (7,150,000 pre-consolidation) options with weighted average exercise post-consolidation prices of $1.50 and $1.60, respectively. In the event all broker warrants and options were exercised, the Company would be required to issue a further 815,000 common shares for gross cash proceeds of $1.3 million.

Financial Instruments

As at June 30, 2012, the fair value of all of the Company's financial instruments approximates their carrying value. Certain financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that may have credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents are held by financial institutions with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required to meet budgetary requirements. The Company has gross credit exposure at June 30, 2012 relating to cash and cash equivalents of $184,815 (December 31, 2011 - $1,094,924).

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 is to forecast future cash flows to ensure that it will have sufficient liquidity to meet its obligations when due.

As at June 30, 2012, the Company is committed to trade payables of $206,150 and other operating leases of $414. In addition, the Company is required to incur an additional $523,771 ($496,980 net of prepaid amounts) in qualifying exploration expenditures related to flow-through shares before December 31, 2012. The Company's payables increased $56,048 over December 31, 2011 due to amounts owing to certain related parties for consulting and management fees as well as the exploration activity that occurred during the second quarter of 2012.

To project working capital requirements, the Company prepares annual capital and operating budgets which are regularly monitored and updated as considered necessary. As at June 30, 2012, the Company had working capital of $49,938. Based on the above obligations, this working capital will not be sufficient to meet financial obligations as they fall due.

The Company is pursuing options to finance the future exploration of its properties as well as for general and administrative expenses of the Company. Financing options include joint ventures arrangements, debt financing, equity financing or other means. There is no assurance that Wescan will be successful in obtaining required financing as and when needed. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration plans, forfeit rights in its properties or reduce or terminate its operations. The Company anticipates it will have sufficient access to financial markets to fund its exploration plans through future equity contributions.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of four types: foreign currency risk, interest rate risk, commodity price risk and equity risk. The Company currently does not have significant exposure to any market risks.

Future Accounting Changes

At the date of authorization of the condensed interim consolidated financial statements, the IASB and the IFRIC have issued certain new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods. The Company is yet to assess the full impact of the following and intends to adopt the standards no later than the accounting period beginning on January 1, 2013: IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IFRS 13 *Fair Value Measurement*, IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*. The Company is yet to assess the full impact of the following and intends to adopt the standard no later than the accounting period beginning on January 1, 2015: IFRS 9 *Financial Instruments*.

There are no other IFRSs or IFRIC interpretations that have been issued and are not yet effective that would be expected to have a material impact on the Company.

Outlook

The Company has focused exploration efforts on its properties with known gold mineralization. The Company's success in raising additional flow-through financing during the fourth quarter of 2011 has allowed it to perform further exploration work on the Company's Jojay gold property in northern Saskatchewan located in the La Ronge Gold Belt and to commence a preliminary economic assessment on this property (see Wescan News Release dated May 22, 2012). The funds may also be used to complete additional exploration work on the Jasper Gold deposit also located in the La Ronge Gold Belt. In addition, the Company intends to do a prospecting program on the Munro Lake gold property in northern Saskatchewan which is on trend with known mineralized zones in the immediate area. Management will also continue to evaluate the potential for the acquisition of other mineral properties that fit the Company's strategic direction. The Company will be required to raise additional funds during 2012 to meet its current commitments and ongoing working capital requirements. Management believes the Company will have sufficient access to financial markets to continue its future plans.

The Company recently announced that Mr. Maurice F. Lindsay resigned his position as director of the Company effective August 15, 2012 for personal reasons (see Wescan News Release dated August 8, 2012). Wescan management and fellow directors acknowledge the extensive and diligent work that has been performed by Mr. Lindsay and gratefully thank him for his service to the Company.

Risks and Uncertainties

The Company attempts to mitigate risks by identifying, assessing, reporting and managing risks of significance. The following are risks relating to the business of the Company. This information is only a summary of risks currently facing the Company based on its stage of development. Additional risks and uncertainties not presently known may also impact the Company's operations. Management's view on risks facing the Company will evolve as the Company's stage of development progresses.

Risks Associated With a Non-Producing Company

The principal risks faced by the Company during the exploration stage involve: Wescan's ability to obtain financing to further the exploration and development of exploration and evaluation properties in which Wescan holds interests; obtaining the required permits from various federal, provincial and local governmental authorities; and the ultimate economic feasibility of any future development projects.

The further development and exploration of exploration and evaluation properties in which Wescan holds interests or which Wescan acquires may depend upon Wescan's ability to obtain financing through debt financing, equity financing or other means. The Company does not have sufficient funds to put any of its property interests into production from its own financial resources. There is no assurance that Wescan will be successful in obtaining required financing as and when needed. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in its properties or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on Wescan's future cash flows, earnings, results of operations and financial condition. The relative prices of applicable commodities and future expectations for such prices have a significant impact on the market sentiment for investment in mining and exploration companies.

The future operations of the Company, including exploration activities and potential development of its properties, require permits from various federal, provincial and local governmental authorities. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations. The Company utilizes qualified individuals, service providers and external consultants and maintains communications with governmental authorities to ensure that the Company is in compliance with all applicable rules and regulations.

All of Wescan's exploration and evaluation property interests are currently in the exploration stage and are without a known body of commercial ore. The exploration, development and production of precious metals are capital-intensive, subject to the normal risks and capital expenditure requirements associated with mining operations. While the rewards can be substantial if commercial quantities of precious metals are found, there can be no assurance that Wescan's past or future exploration efforts will be successful, that any production therefrom will be obtained or continued, or that any such production which is attempted will be profitable. To ensure that exploration procedures are being performed effectively and those results are interpreted and reported in a proper manner, management ensures that qualified individuals, service providers and external consultants are utilized in the verification and quality assurance of analytical results.

Technical Information

All technical information in this report has been prepared under the supervision of Daniel Leroux, P.Geo, of A.C.A. Howe International Limited, Professional Geoscientist in the Province of Saskatchewan, and is the Company's "Qualified Person" under the definition of National Instrument 43-101.

Caution Regarding Forward-looking Information

This MD&A contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian Securities legislation and the United States Private Securities Litigation Reform Act of 1995. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements, and, in particular, statements regarding Wescan's future operations, future exploration and development activities or other development plans contain forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, the Jojay PEA, the ability to raise funds to meet commitments and pursue exploration activities, the use of such funds, future plans for the Jojay, Jasper and Munro Lake properties and the acquisition and exploration of additional properties.

These forward-looking statements are based on Wescan's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, developments in world gold markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Wescan, the effects of competition in the markets in which Wescan operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings and operational risks and the additional risks described in Wescan's most recently filed annual and interim MD&A, news releases and technical reports. Wescan's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to Wescan, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, Wescan does not undertake to update any forward-looking statement that may be made.

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

WESCAN GOLDFIELDS INC.
Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended
June 30, 2012

Notice to Reader

Management has compiled the unaudited condensed interim consolidated financial statements of Wescan Goldfields Inc. for the three and six months ended June 30, 2012 (along with the comparative interim period in 2011). The Corporation's external auditors have not reviewed these statements.

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Financial Position

	(In Canadian dollars)	
	June 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 184,815	$ 1,094,924
Receivables	11,571	15,552
Prepaids (note 7)	59,702	26,563
	256,088	1,137,039
Property and equipment	69,626	78,768
Exploration and evaluation assets (note 8)	1,434,562	1,434,562
	$ 1,760,276	$ 2,650,369
Liabilities and Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 206,150	$ 150,018
Premium on flow-through shares (note 10)	149,649	299,860
Environmental rehabilitation provision	75,520	75,520
Shareholders' equity:		
Share capital (note 11)	19,573,114	19,573,114
Warrants and broker warrants (note 11)	8,000	37,574
Contributed surplus (note 11)	2,139,841	2,110,267
Deficit	(20,391,998)	(19,595,984)
	1,328,957	2,124,971
	$ 1,760,276	$ 2,650,369

Going concern (note 3)

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

	(In Canadian dollars)		(In Canadian dollars)	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Income				
Interest and other	$ 142	$ 13,699	$ 663	$ 24,233
Expenses				
Exploration and evaluation (note 9)	159,225	179,353	689,134	214,337
Administration	151,602	155,394	247,324	261,625
Corporate development	4,192	10,662	10,430	17,485
	315,019	345,409	946,888	493,447
Loss before the undernoted items	(314,877)	(331,710)	(946,225)	(469,214)
Flow-through share premium recovery (note 10)	45,493	12,917	150,211	12,917
Net loss and comprehensive loss	$ (269,384)	$ (318,793)	$ (796,014)	$ (456,297)
Net loss and comprehensive loss per share				
Basic and diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	126,737,835	112,452,121	126,737,835	108,412,051

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.
Condensed Interim Consolidated Statements of Cash Flows

	(In Canadian dollars) Six Months Ended June 30, 2012	2011
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	$ (796,014)	$ (456,297)
Non-cash items:		
Amortization	8,748	36,977
Loss on disposal of property and equipment	394	-
Fair value of stock options vested	-	1,284
Flow-through share premium recovery	(150,211)	(12,917)
Net change in non-cash operating working capital items:		
Receivables	3,981	(15,490)
Prepaids	(33,139)	(45,034)
Payables and accrued liabilities	56,132	57,153
	(910,109)	(434,324)
Investing:		
Property and equipment	-	(6,464)
	-	(6,464)
Financing:		
Issue of share capital (net of issue costs)	-	1,416,293
	-	1,416,293
Increase (decrease) in cash position	(910,109)	975,505
Cash and cash equivalents, beginning of period	1,094,924	499,115
Cash and cash equivalents, end of period	$ 184,815	$ 1,474,620
Cash and cash equivalents consists of:		
Cash	$ 184,815	$ 774,620
Guaranteed investment certificates and treasury bills	-	700,000
	$ 184,815	$ 1,474,620

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.
Condensed Interim Consolidated Statements of Changes in Equity

	(In Canadian dollars)		
	Six Months Ended June 30,		Year Ended December 31,
	2012	2011	2011
Share capital (note 11)			
Balance, beginning of period	$ 19,573,114	$ 17,680,107	$ 17,680,107
Private placements	-	1,448,000	2,162,285
Share issue costs	-	(162,531)	(269,278)
Balance, end of period	$ 19,573,114	$ 18,965,576	$ 19,573,114
Warrants (note 11)			
Balance, beginning of period	$ 4,514	$ 116,573	$ 116,573
Issued	-	4,514	4,514
Expired	(4,514)	-	(116,573)
Balance, end of period	$ -	$ 121,087	$ 4,514
Broker warrants (note 11)			
Balance, beginning of period	$ 33,060	$ 2,715	$ 2,715
Issued	-	25,060	33,060
Expired	(25,060)	-	(2,715)
Balance, end of period	$ 8,000	$ 27,775	$ 33,060
Contributed surplus (note 11)			
Balance, beginning of period	$ 2,110,267	$ 1,895,195	$ 1,895,195
Share-based payments	-	1,284	95,784
Warrants expired	4,514	-	116,573
Broker warrants expired	25,060	-	2,715
Balance, end of period	$ 2,139,841	$ 1,896,479	$ 2,110,267
Deficit			
Balance, beginning of period	$ (19,595,984)	$ (17,774,922)	$ (17,774,922)
Net and comprehensive loss	(796,014)	(331,710)	(1,821,062)
Balance, end of period	$ (20,391,998)	$ (18,106,632)	$ (19,595,984)
Total Shareholders' Equity	$ 1,328,957	$ 2,904,285	$ 2,124,971

See accompanying notes to consolidated financial statements

WESCAN GOLDFIELDS INC.

Notes to the Condensed Interim Consolidated Financial Statements (for the three and six months ended June 30, 2012)
(In Canadian dollars)

1. Corporate Information

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 future development of its current exploration properties. Wescan is located at 300 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada.

2. Basis of preparation

The condensed interim consolidated financial statements of Wescan for the three and six months ended June 30, 2012 were authorized for issue by the Company's Audit Committee on August 23, 2012. The condensed interim consolidated financial statements of Wescan and its subsidiary have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. The Company's financial statements have been prepared on a historical cost basis, except as otherwise disclosed, using the Company's functional currency of Canadian dollars.

3. Going Concern

These financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. At June 30, 2012, the Company had working capital of $49,938 and, as discussed in note 14, currently does not have sufficient resources to finance operating and exploration activities through to the end of its 2012 fiscal year, conditions which raise significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and fund operating and exploration activities in an orderly manner will require further equity issues or other forms of financings in 2012. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration plans, forfeit rights in its properties or reduce or terminate its operations.

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

4. Summary of significant accounting policies

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those disclosed in note 4 of the Company's consolidated financial statements for the year ended December 31, 2011.

5. Use of estimates and judgment

In preparing these condensed interim consolidated financial statements, the significant judgments made by management applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those disclosed in note 5 of the Company's consolidated financial statements for the year ended December 31, 2011. In particular, the significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are: reserve and resource estimation, impairment of exploration and evaluation assets, environmental rehabilitation provisions, recovery of deferred tax assets and share-based payment transactions.

6. IFRS standards issued but not yet effective

At the date of authorization of these condensed interim consolidated financial statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") have issued certain new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods. The Company is yet to assess the full impact of the following and intends to adopt the standards no later than the accounting period beginning on January 1, 2013: IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IFRS 13 *Fair Value Measurement*, IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*. The Company is yet to assess the full impact of the following and intends to adopt the standard no later than the accounting period beginning on January 1, 2015: IFRS 9 *Financial Instruments*.

There are no other IFRSs or IFRIC interpretations that have been issued and are not yet effective that would be expected to have a material impact on the Company.

7. Prepaids

The Company's prepaids are as follows:

	June 30, 2012	December 31, 2011
Exploration and evaluation	$ 26,790	$ 10,986
Other	32,912	15,577
Total prepaids	$ 59,702	$ 26,563

8. Exploration and evaluation assets

The Company's exploration and evaluation assets arising from acquisitions are comprised of the following:

	Jojay (a)	Munro (b)	Fork Lake/ Jasper/ Tamar (c)	Total
Exploration and evaluation assets	$ 1,365,001	$ 69,561	$ 201,501	$ 1,636,063
Less: previous impairments	-	-	(201,501)	(201,501)
Total exploration and evaluation assets	$ 1,365,001	$ 69,561	$ -	$ 1,434,562

The Company has not yet determined whether any of its exploration and evaluation assets contain economically recoverable reserves.

a. Jojay

The Company holds a 100% interest in the Jojay gold property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 25% interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company. The remaining 75% was acquired from Claude Resources Inc. in 2006 in exchange for shares. The Company has an Indicated Resource and Inferred Resource, as defined under National Instrument 43-101, on the Jojay gold deposit. The Jojay gold property is located 11 kilometers from an operating gold mill.

b. Munro

The Company holds a 100% interest in the Munro gold property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 51% interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company and has increased based on Shane Resources Ltd.'s non-participation in past exploration programs. Based on the terms of the joint venture agreement, Shane Resources Ltd.'s interest has been converted to a 10% net profits interest in the property. The Munro gold property is located 7 kilometers from a producing gold mine.

c. Fork Lake/Jasper/Tamar

The Company holds a 100% interest in the Fork Lake/Jasper/Tamar gold property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's interest in the property was acquired from Shore Gold Inc. in 2004 in exchange for shares of the Company. In 2009, the Company's focus shifted away from this property to pursue other opportunities which resulted in the impairment.

9. Exploration and evaluation expenses

The Company's exploration and evaluation expenses are comprised of the following:

Exploration and evaluation expenses	June 30, 2012	June 30, 2011
Jojay (a)	$ 683,978	$ 118,007
Fork Lake/Jasper/Tamar (b)	4,434	41,048
Munro (c)	-	30,700
Hudson Bay/Pinehouse Lake (d)	722	24,582
Total	$ 689,134	$ 214,337

a. Jojay

During 2012, the Company completed an eight hole, 1,903 metre drill program ("Phase II") on this property. During 2011, the Company drilled a ten hole, 2,678.5 metre drill program (Phase I). The costs incurred during the first two quarters of 2012 relate to the Phase II drill program while the costs incurred during the first two quarters of 2011 related to the Phase I drill program.

b. Fork Lake/Jasper/Tamar

The Company performed a 9 hole, 2,313.5 metre drill program during 2011 on this property which did not commence until the third quarter. Expenditures during 2012 relate to this program.

c. Munro

The Company performed a magnetic and electromagnetic airborne geophysical survey on this property during 2011. Initial planning costs of this program are reflected in the first quarter of 2011.

d. Hudson Bay/Pinehouse Lake

The Company performed certain assessments on its coal properties during 2011 and as a result allowed all permits in these areas to lapse by March 17, 2012.

10. Premium on flow-through shares

The Company, when issuing flow-through shares, will receive a premium over the market value of the shares as the Company has allowed the investor the deduction for its expenses incurred on qualifying exploration expenditures. As the Company incurs the qualifying expenditures, the liability to the investor is satisfied and accordingly the premium received on the initial issue of share capital is recognized in income. A summary of the activity related to the premium on flow-through shares is as follows:

	Issued February 2011(a)	Issued December 2011(b)	Total
Balance – December 31, 2011	$ 14,145	$ 285,715	$ 299,860
Settlement of flow-through share liability by incurring expenditures	(14,145)	(136,066)	(150,211)
Balance – June 30, 2012	$ -	$ 149,649	$ 149,649

a. In February 2011, the Company issued 10,125,000 flow-through shares for gross proceeds of $1,518,750. The premium was determined to be $0.01 per share. At March 31, 2012, the Company had spent all amounts related to this flow-through offering.

b. In December 2011, the Company issued 14,285,714 flow-through shares for gross proceeds of $1,000,000. The premium was determined to be $0.02 per share. At June 30, 2012, the Company was required to spend $523,771 ($496,980 net of prepaid amounts) related to this flow-through offering.

11. Share capital and reserves

The authorized share capital of the Company consists of an unlimited number of common shares. No common shares were issued during the six months ended June 30, 2012.

Nature and purpose of reserves

Warrant reserve

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. The warrant reserve is used to recognize the fair value of outstanding warrants. If the warrant is exercised or expires the fair value is transferred to share capital or contributed surplus, respectively. A summary of the outstanding warrants is as follows:

	Warrants	Amount	Average Price
Balance – December 31, 2010	9,480,770	$ 116,573	$ 0.12
Issued (February 24, 2011 – 1 year term)	125,050	4,514	0.24
Expired	(9,480,770)	(116,573)	0.12
Balance – December 31, 2011	125,050	4,514	0.24
Expired	(125,050)	(4,514)	0.24
Balance – June 30, 2012	-	$ -	$ -

The warrants issued in 2011 were fair valued at $4,514. The fair value of the warrants issued in 2011 was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor of 94.9%, risk-free rate of return of 1.35%, expected dividend of 0%, and expected term of 1 year.

Broker warrants reserve

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 to 24 months after closing. The broker warrant reserve is used to recognize the fair value of outstanding warrants. If the broker warrant is exercised or expires the fair value is transferred to share capital or contributed surplus, respectively. A summary of the outstanding broker warrants is as follows:

	Broker Warrants	Amount	Average Price
Balance – December 31, 2010	226,216	$ 2,715	$ 0.10
Issued (February 24, 2011 – 1 year term)	694,173	25,060	0.24
Issued (December 22, 2011 – 2 year term)	999,999	8,000	0.15
Expired	(226,216)	(2,715)	0.10
Balance – December 31, 2011	1,694,172	$ 33,060	$ 0.19
Expired	(694,173)	(25,060)	0.24
Balance – June 30, 2012	999,999	$ 8,000	$ 0.15

The broker warrants issued in 2011 were fair valued at $33,060. The fair value of the broker warrants was determined using the Black-Scholes option-pricing model with the following assumptions: a volatility factor ranging from 80.9% to 94.9%, risk-free rate of return ranging from 0.90% to 1.35%, expected dividend of 0%, and expected term of 1 or 2 years.

Contributed Surplus

Contributed surplus is used to recognize the fair value of equity-settled share-based payment transactions. The fair value of these securities is added to contributed surplus over the vesting period of the securities. Upon exercise, the corresponding fair value related to the security is removed from contributed surplus and added to share capital. Should the security go unexercised, the fair value will remain in contributed surplus. The fair value of warrants and broker warrants related to securities that go unexercised is transferred out of the respective reserves into contributed surplus.

A summary of the contributed surplus activity is as follows:

Balance – December 31, 2010	$ 1,895,195
Fair value of options vested	95,784
Contributed surplus related to warrants expired	116,573
Contributed surplus related to broker warrants expired	2,715
Balance – December 31, 2011	$ 2,110,267
Fair value of options vested	-
Contributed surplus related to warrants expired	4,514
Contributed surplus related to broker warrants expired	25,060
Balance – June 30, 2012	$ 2,139,841

12. Share-based payments

The Company has established a share option plan, as approved by the shareholders, whereby options may be granted to directors, officers, employees and service providers to purchase common shares of the Company. Options granted have an exercise price of not less than the closing price quoted on the stock exchange on which the shares are traded prior to the date on which the options were granted. Certain options vest immediately while others vest six to twenty-four months after grant date and all options granted under the plan expire five years from the date of the grant of the options. All options are to be settled by physical delivery of shares.

The Company did not have any share-based payments to recognize in the statement of loss and comprehensive loss for the six months ended June 30, 2012 (June 30, 2011 – $1,284). The amount recognized as a share-based payment expense during the first quarter of 2011 related to the vesting of previously granted options.

Option movements, including weighted average exercise prices, are as follows:

	Options	Average Price
Outstanding – December 31, 2011	8,100,000	$ 0.18
Expired during the period	(950,000)	0.32
Outstanding and Exercisable – June 30, 2012	7,150,000	$ 0.16

The options outstanding at June 30, 2012 expire between the dates of April 2013 to December 2016. The range of exercise prices; weighted average exercise price and the weighted average remaining contractual life is as follows:

	Outstanding and Exercisable		
Option Price Per Share	Options December 31, 2011	Weighted Average Exercise Price	Weighted Average Remaining Life
$0.10	5,400,000	$ 0.10	4.00 years
$0.16	1,250,000	0.16	2.07 years
$0.39	100,000	0.39	1.08 years
$0.91	400,000	0.91	1.22 years
	7,150,000	$ 0.16	3.22 years

13. Related party transactions

Related party transactions with key management personnel

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The Company pays certain of its key management personnel through companies owned by certain executive officers and directors. Those companies are as follows:

MacNeill Brothers Oil and Gas Ltd.
Baywatch Industries Inc.

Compensation of key management personnel, including amounts paid or payable to related parties owned by executive officers and directors, is as follows:

	June 30, 2012	June 30, 2011
Wages and short-term benefits to officers and directors	$ 54,574	$ 54,975
Consulting and management fees to related companies	51,000	51,000
Share-based payments	-	1,264
Total compensation paid to key management personnel	$ 105,574	$ 107,239

The above amounts have been included in administration expense on the statements of loss and comprehensive loss. The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The fair value of share-based payments was determined using the Black-Scholes model.

14. Financial instruments

Fair values have been determined for measurement and/or disclosure purposes based on the fair value hierarchy for financial instruments that require fair value measurement after initial recognition. The classification of each financial instrument is described in note 4 of the December 31, 2011 consolidated financial statements.

The carrying amounts for cash and cash equivalents, receivables, and trade payables approximate their fair value due to the short-term nature of these instruments. These financial instruments are carried at amortized costs.

The Company does not have any financial instruments measured at fair value.

Risk management
Certain financial instruments are exposed to the following financial risks:

(a) Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that may have credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents are held by financial institutions with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required to meet budgetary requirements. The Company has gross credit exposure at June 30, 2012 relating to cash and cash equivalents of $184,815 (December 31, 2011 - $1,094,924).

(b) 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 is to forecast future cash flows to ensure that it will have sufficient liquidity to meet its obligations when due.

As at June 30, 2012, the Company is committed to trade payables of $206,150 and other operating leases of $414. In addition, the Company is required to incur $523,771 ($496,980 net of prepaid amounts) in qualifying exploration expenditures related to flow-through shares before December 31, 2012.

To project working capital requirements, the Company prepares annual capital and operating budgets which are regularly monitored and updated as considered necessary. As at June 30, 2012, the Company had working capital of $49,938. Based on the above obligations, management believes this working capital will not be sufficient to meet financial obligations as they fall due.

The Company is pursuing options to finance the further exploration of its properties and general and administrative expenses of the Company. Financing options include joint ventures arrangements, debt financing, equity financing or other means. There is no assurance that Wescan will be successful in obtaining required financing as and when needed. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration plans, forfeit rights in its properties or reduce or terminate its operations. The Company anticipates it will have sufficient access to financial markets to fund its exploration plans through future equity contributions.

(c) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of four types: foreign currency risk, interest rate risk, commodity price risk and equity risk. The Company currently does not have significant exposure to any market risks.

15. Comparative figures

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

16. Subsequent event

Effective August 7, 2012 Wescan proceeded with the consolidation of the outstanding shares of the Company. The consolidation, which was authorized by shareholders of the Company at the June 20, 2012 Annual General and Special Meeting, was on the basis of one post-consolidation share for every ten pre-consolidation common shares. The Company's outstanding stock options and share purchase warrants were adjusted on the same basis with proportionate adjustments being made to the exercise prices.

WESCAN GOLDFIELDS INC.

CORPORATE INFORMATION

Head Office
300, 224 – 4th Ave. South
Saskatoon, Saskatchewan
Canada S7K 5M5
Tel: (306) 664-2422
Fax: (306) 667-3557

Directors
Kenneth E. MacNeill
Harvey J. Bay
Arnie E. Hillier
Val L. Michasiw
Gary L. Billingsley

Officers
Kenneth E. MacNeill – Chief Executive Officer
Darren S. Anderson – President
Harvey J. Bay – Chief Financial Officer
Mark A. Shimell – Vice President, Exploration

Solicitors
Bennett Jones LLP
Calgary, Alberta

Auditors
KPMG, LLP
Saskatoon, Saskatchewan

Bank
Canadian Western Bank
Saskatoon, Saskatchewan

Exchange Listing
TSX Venture Exchange
12,673,796 common shares issued and outstanding as at August 23, 2012

Trading Symbol:
WGF

Website:
www.wescangoldfields.com

Email:
info@wescangoldfields.com