

WESCAN GOLDFIELDS INC.



Management's Discussion and Analysis *March 31, 2010*

(A Development Stage Entity)

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is prepared as of May 20, 2010 and should be read in conjunction with the unaudited consolidated financial statements for the period ended March 31, 2010, as well as the audited consolidated financial statements and annual MD&A for the year ended December 31, 2009 available on SEDAR at www.sedar.com. 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 2010, Wescan announced the completion of Phase 1 drilling on its Hudson Bay and Pinehouse Lake coal properties in east central Saskatchewan (see Wescan News Release dated January 18, 2010) and also announced the completion of a National Instrument 43-101 ("NI 43-101") compliant gold resource for the Company's Jojay Gold Project in northern Saskatchewan (see Wescan News Release dated February 4, 2010).

Hudson Bay and Pinehouse Lake Coal Projects

In the first quarter of 2010, Wescan was pleased to announce the completion of Phase 1 drilling on the Company's Hudson Bay Coal Project. Results from this drilling found intersections of coal in 21 of 40 drill holes, with the largest carbonaceous zone intersected being 12.9 metres in thickness. Eight holes contained coal zones greater than 5 metres thick. Several drill holes also contained more than one intersection of coal, suggesting the presence of multiple coal horizons. These discoveries establish a new high priority focus for Wescan on four main areas of interest moving forward: The Red Deer Property, Bonus Property, Rice Property and Man River Property (see Wescan News Release January 18, 2010 for a map of the property).

Wescan also announced the completion of an 8 hole drill program on its property near Pinehouse Lake, Saskatchewan. Coal was intersected in 6 of 8 drill holes, with the largest carbonaceous zone intersected being 14.8 metres in thickness. Four holes contained coal zones greater than 5 metres thick. This initial drill program at the Pinehouse Lake Coal Project aimed to confirm the historical coal intersections on the property and obtain geological stratigraphic data that will be used in developing a stratigraphic and structural model for targeting a second phase of drilling on thicker, near-surface coal seams (see Wescan News Release January 18, 2010 for a map of the property).

Wescan plans to perform follow up drill programs on both of these properties in 2010.



Jojoy Gold Project

In February 2010, the Company announced the completion of an independent NI 43-101 Mineral Resource Estimate for the Jojoy Gold Project. The Mineral Resource Estimate was completed by A.C.A. Howe International Limited (“Howe”) in accordance with NI 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Standards on Mineral Resources and Reserves.

The Mineral Resource Estimate of the Jojoy Gold Project includes a non-diluted Indicated Mineral Resource of 420,000 tonnes with an average grade of 3.7 g/tonne Au, for 50,000 ounces of gold and a non-diluted Inferred Mineral Resource, amounting to 630,000 tonnes with an average grade of 4.3 g/tonne Au, for 87,000 ounces of gold. No Measured Resources or Reserves of any category were identified. The Technical Report that documents the Mineral Resource Estimate on the Jojoy Gold Project can be viewed on the Company’s website (www.wescangoldfields.com) or on SEDAR (www.sedar.com).

The completion of the Mineral Resource Estimate is a major milestone for the Jojoy Gold Project. The Jojoy Deposit, as defined by the newly completed Mineral Resource Estimate, represents only a small portion of the greater than 2.5 kilometre long prospective volcanic-sedimentary contact and coincident Jojoy structural zone in the Jojoy Gold Project area. The Jojoy structural zone is highly prospective and the model completed by Howe indicates mineralization is open down plunge to the north-northeast and that there is potential for additional mineralization along strike. The Jojoy Deposit is located near a licensed gold mill and is situated in the LaRonge Gold Belt which hosts numerous gold discoveries including four past producing gold mines.

Mineral Resources are not Mineral Reserves and by definition do not demonstrate economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into a Mineral Reserve.

The Company may commence a follow up program on the Jojoy Gold Project later this year based on the recommendations in the Technical Report. This program will be dependent on the availability of technical and financial resources that are currently being dedicated toward the Company’s coal projects.

Financial Highlights

Selected financial information of the Company for the quarters ended March 31, 2010 and 2009 is summarized as follows:

	Three Months Ended March 31, 2010 \$	Three Months Ended March 31, 2009 \$
Interest and other income	9,887	2,535
Net loss	185,561	155,317
Net loss per share ⁽¹⁾	0.00	0.00
Total assets	7,337,427	11,930,110
Working capital (deficiency)	(527,823)	2,156,455

(1) Basic and diluted.



Results of Operations

For the quarter ended March 31, 2010 the Company recorded a net loss of \$185,561 (\$0.00 per share) compared to a net loss of \$155,317 (\$0.00 per share) for the same period in 2009. The Company's net loss for the first 3 months of 2010 was the result of on-going general and administration expenditures while the net loss for the same period in 2009 was the result of on-going general and administration expenditures offset by the effect of future incomes taxes.

Revenues

The Company reported interest and other income of \$9,887 for the quarter ended March 31, 2010 as compared to \$2,535 for the quarter ended March 31, 2009. The increase in interest and other income is predominately the result of receiving rental fees for certain of the Company's assets.

Expenses

Total operating expenses for the quarter ended March 31, 2010 were \$195,448 compared to \$229,833 for the same period of 2009. The decrease of \$34,385 or 15 percent primarily related to a decrease in administration expenses due to reduced personnel, rent and stock based compensation costs, as a result of the significant efforts by the Company to minimize administrative costs during the quarter ended March 31, 2010.

Investing

Additions to mineral properties totaled \$47,220 for the quarter ended March 31, 2010 compared to \$40,062 for the same period in 2009. The expenditures for the period ended March 31, 2010 related to the completion of Phase 1 drilling and the planning of new exploration programs on the Company's 100 percent owned coal properties near Pinehouse Lake and Hudson Bay, Saskatchewan. The additions for the period ended March 31, 2009 related to the review of regional geophysics and detailed topographic data to define drill targets for the Hudson Bay property as well the application of an additional seven coal permits in close proximity to Pinehouse Lake, Saskatchewan.

Financing

No financing activities occurred during the three-month periods ended March 31, 2010 or 2009.



Summary of Quarterly Results

	2010	2009				2008		
	Qtr 1 \$	Qtr 4 \$	Qtr 3 \$	Qtr 2 \$	Qtr 1 \$	Qtr 4 \$	Qtr 3 \$	Qtr 2 \$
Revenues ⁽¹⁾	9,887	10,493	9,677	6,840	2,535	27,839	28,590	16,280
Net loss ⁽²⁾	(185,561)	(5,008,653)	(131,846)	(215,244)	(155,317)	(1,363,768)	(234,289)	(545,313)
Net loss/share ⁽³⁾	(0.00)	(0.07)	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.01)
Shares outstanding ⁽⁴⁾	80,115,483	80,115,483	79,612,645	75,121,390	75,121,390	75,121,390	63,413,979	63,045,892

- (1) The Company's revenues are comprised of interest earned on cash balances, camp rental fees as well as equipment leasing. The third and fourth quarter revenues of 2008 were predominately the result of fees earned on the rental of the Company's Fork Lake camp. The Company ceased renting the Fork Lake Camp in the first quarter of 2009 and began leasing other equipment in the second quarter of that year and is expected to continue until the end of 2011.
- (2) The significant net losses in the fourth quarter of 2009 and 2008 primarily related to write-downs of certain of the Company's mineral properties as a result of the Company either electing not to fund exploration programs or changing its strategic focus. The net losses in the second quarters of 2009 and 2008 were higher due to the fair value of stock-based compensation being expensed during these quarters. The remaining quarters reflect normal operations of the Company.
- (3) Basic and diluted.
- (4) The exercise of broker warrants and options in the third quarter of 2008 account for the changes during this period. The increase in shares during the fourth quarter of 2008 was the result of the Company completing a series of private placements in October and November of that year. Two private placements were also completed by the Company in the third quarter of 2009. The increase in shares outstanding in the fourth quarter of 2009 was the result of the Company issuing shares pursuant to a shares-for-debt settlement agreement with a service provider.

Related Party Transactions

During the quarter ended March 31, 2010, 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 \$18,000 (2009 - \$18,000) and \$2,500 (2009 - nil), respectively which were recorded as an administrative expense. Accounts payable includes \$43,200 (2009 - 18,900) due to Messrs. MacNeill's and Bay's consulting companies.

As at March 31, 2010, Shore Gold Inc. holds 12,955,567 (2008 - 12,955,567) common shares of the Company representing a 16.2% (2009 - 17.2%) interest in the Company.

During the three month period ended March 31, 2010, the Company was charged \$8,920 (2009 - \$12,889) by Shore Gold Inc. for administration services and rent. Accounts payable includes \$17,816 (2009 - \$23,467) due to Shore Gold Inc.

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 anticipates it will have sufficient access to financial markets to fund its financial liabilities through future equity contributions.

As at March 31, 2010, the Company had a working capital deficiency of \$527,823 as compared to a working capital deficiency of \$321,926 at December 31, 2009. The Company is currently in the process of resolving this deficiency by arranging additional financing. Subsequent to the quarter ended March 31, 2010, the Company announced the completion of the first tranche of a private placement financing for gross proceeds of \$450,000 (see Wescan News Release dated May 10, 2010). Management is confident the Company will have sufficient access to financial markets to fund its working capital deficiency and to continue its planned activities in 2010.

As at March 31, 2010, the Company had incurred all necessary exploration expenditures required to fulfill its obligations under its flow-through commitments.

Capital Resources and Outstanding Share Data

As at March 31, 2010, the Company had a working capital deficiency of \$527,823 as compared to working capital deficiency of \$321,926 at December 31, 2009. Subsequent to the quarter ended March 31, 2010, the Company raised \$450,000 to reduce its working capital deficiency and anticipates it will have future success raising additional capital to fund the Company's planned exploration budget in 2010.

At March 31, 2010, the Company had 80,115,483 shares issued and outstanding, unchanged from December 31, 2009. At May 20, 2010, the Company had a total of 83,577,022 common shares issued and outstanding as well as 2,601,520 warrants, 170,826 broker warrants and 4,440,000 options with weighted average exercise prices of \$0.25, \$0.30 and \$0.42, respectively. In the event all warrants, broker warrants and options were exercised, the Company would be required to issue a further 7,212,346 common shares for gross cash proceeds of \$2.6 million.

Financial Instruments

The Company's financial instruments are initially recorded at fair value. The fair values as at March 31, 2010 of the Company's financial instruments, which include cash and cash equivalents, receivables and payables, approximate their recorded amounts due to their short-term nature. Certain financial instruments are exposed to the following risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any significant exposure to credit risk.



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 does not currently operate any producing properties and as such, is dependent upon the issuance of new equity to 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 on a timely basis may cause the Company to postpone development plans, forfeit rights to 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 position.

The ability of the Company to continue as a going concern, fund exploration expenditures and provide funds for on-going general and administrative costs is anticipated to require further equity issues in 2010. The Company anticipates it will have continued success with future equity financings to fund its working capital deficiency and its planned 2010 exploration activities.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any significant exposure to interest rate risk.

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 and note 3 to the annual audited 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.

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, 2010, the Company has not yet determined whether any of its mineral properties contain economically recoverable reserves.



Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011. The Company's first financial statements presented in accordance with IFRS will therefore be the three-month period ended March 31, 2011. Though IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. The International Accounting Standard Board ("IASB") has several projects currently underway to change standards; however, no significant changes are expected to be mandatory earlier than 2012.

As a result of this convergence, the Company has developed a plan to convert its financial statements to IFRS. Regular reporting to the Company's Audit Committee on the status of the IFRS implementation project has been established to ensure proper oversight.

The Company's implementation project consists of three primary phases:

- **Phase 1: Initial Scoping and Diagnostic Phase.** This phase included the identification of key differences, important dates, development of milestones, and potential training issues.
- **Phase 2: Detailed Evaluation Phase.** In this phase, further evaluations of the financial statement areas impacted by IFRS were completed. This involved a detailed gap analysis of accounting and disclosure differences between Canadian GAAP and IFRS. This detailed assessment facilitates final decisions around accounting policies and an overall conversion strategy. This phase also involved specification of changes required to existing business processes.
- **Phase 3: Implementation and Review Phase.** This phase includes the final policy selection (including an assessment regarding choices under *IFRS-1, First Time Adoption of International Financial Reporting Standards* and potential changes to IFRS in 2012 that may impact the Company's policy selection) with the culmination of the necessary information systems and data required to prepare IFRS compliant financial statements and disclosures and any necessary adjustments to other business processes that may be impacted. Also included in this phase is the delivery of the necessary training to Wescan's Audit Committee, Board of Directors and staff.

During the initial scoping exercise completed in 2008 and the detailed evaluation phase completed during 2009, the Company identified the accounting related to the carrying value of the Company's mineral properties to be the area of the most significant potential



difference. The carrying value of the Company's mineral properties may be impacted by several standards in IFRS, including the treatment of exploration expenditures, and how potential impairments are analyzed. Other areas of less significance that will require minimal adjustments relate to share-based payments and property and equipment.

Currently, Canadian GAAP and IFRS both allow a Company to establish an accounting policy that either capitalizes or expenses exploration expenditures incurred. IFRS policies related to exploration costs, however, are currently under review and are anticipated to change after January 1, 2011. The full extent of the changes are not yet known and, as a result, the Company may change its current policy of capitalizing exploration expenditures retroactively on the date of transition in order to minimize the impact future IFRS changes may have on the Company's financial statements. The Company has determined it will adopt the choices allowed under IFRS-1 that have the least impact to the Company's current Canadian GAAP financial statements on areas of lesser significance. For example, the Company is planning to use historical cost under Canadian GAAP on transition for property and equipment instead of fair value, as allowed under IFRS-1.

Throughout the detailed evaluation phase management confirmed that the conversion to IFRS will have limited impact to its business processes. Members of the conversion team have been provided training regarding IFRS to allow for a successful implementation. The Company's external auditors will be required to validate management's assessments of the differences between Canadian GAAP and IFRS.

Management has not yet completed its quantification of the effects of adopting IFRS. The consolidated financial performance and financial position as presented in the Company's Canadian GAAP financial statements may be significantly different when presented in accordance with IFRS.

Outlook

The Company is currently evaluating financing options to allow it to pursue exploration programs of its highly prospective coal properties as well as to continue exploration on its portfolio of gold properties. Wescan's focus over the next twelve months will be the continued exploration on the Hudson Bay and Pinehouse Lake coal projects. The Company will continue to evaluate the potential for the acquisition of other mineral properties that fit its strategic direction. Management is confident the Company will have sufficient access to financial markets to continue its planned activities in 2010.

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 an Exploration Stage 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 mineral 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 mineral 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 development activities and commencement of production on 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 property interests are currently in the exploration stage and are without a known body of commercial ore. The exploration, development and production of coal and 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 coal and 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 Kirsten Marcia, 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 ability to raise funds to pursue exploration activities, the use of such funds, 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 coal and 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.

