WESCAN GOLDFIELDS INC.

Management's Discussion and Analysis
December 31, 2010

(A Development Stage Entity)

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis is prepared as of April 27, 2011 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010. 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 2010, Wescan 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) and also 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). Exploration results to date suggest that both the Company's gold and coal properties hold further potential given their early stage of exploration combined with their strategic locations.

During the year, the Company also successfully completed three separate private placements for gross proceeds of $1,320,000 (See Wescan's News Releases May 10, October 29 and December 7, 2010). These private placements resolved the Company's previous working capital deficiency and left the Company well funded to start 2011. Further financing efforts in the early part of 2011 along with the appointment of a new Vice-President of Exploration in late 2010 (see Wescan News Release dated December 16, 2010) have allowed the Company to refocus its exploration priorities for the 2011 year (see Wescan News Release dated March 7, 2011).

Jojay Gold Project

As announced on March 7, 2011, Wescan will be conducting a 2,500 metre drill program on its 100% owned Jojay Gold Project commencing in June. This program will be based on recommendations from a review of historical drilling data that was completed in February 2011 as well as the recommendations contained in the NI 43-101 Mineral Resource estimate completed earlier in 2010.

The independent Mineral Resource estimate for the Jojay Gold Project 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 Jojay 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 Jojay 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 Jojay Gold Project. The Jojay Deposit, as defined by the Mineral Resource estimate, represents only a small portion of the greater than 2.5 kilometre long volcanic-sedimentary contact and coincident Jojay structural zone in the Jojay Gold Project area. The Jojay 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 Jojay 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.

Hudson Bay and Pinehouse Lake Coal Projects

During 2010, Wescan announced the completion of Phase 1 drilling on the Company's Hudson Bay Coal Project. Results from this drilling found intersections of carbonaceous zones in 21 of 40 drill holes, with the largest zone intersected being 12.9 metres in thickness. Several drill holes also contained more than one carbonaceous zone, suggesting the potential for multiple carbonaceous horizons (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. Carbonaceous zones up to 14.8 metres in thickness were intersected in 6 out of 8 drill holes. 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).

Currently, a review is being performed on the Company's coal exploration properties for the purpose of identifying the most prospective areas. Dependant on the recommendations of this review, Wescan will explore the highest priority targets, which may include drill testing and further delineation using airborne geophysical surveys.

Selected Annual Information

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

	2010 $	2009 $	2008 $
Interest and other income	39,544	29,545	103,829
Net loss	936,380	5,511,058	2,403,082
Net loss per share (1)	0.01	0.07	0.04
Total assets	7,595,496	7,512,155	12,177,549
Working capital (deficiency)	371,813	(321,926)	2,342,971

(1) Basic and diluted.

Year to Date

Results of Operations

For the year ended December 31, 2010 the Company recorded a net loss of $936,380 ($0.01 per share) compared to a net loss of $5,511,058 ($0.07 per share) for 2009. The significant change in net loss in 2010 over 2009 was primarily due to the $5.2 million write-down of mineral properties that occurred during 2009. The Company remained focused on minimizing its operating expenses during 2010; however, the settlement with a former joint venture partner for unpaid exploration expenditures related to its previously held Mud Lake property added $200,000 to the Company's net loss for the year.

Revenues

The Company reported interest and other income of $39,544 for the year ended December 31, 2010 as compared to $29,545 for the year ended December 31, 2009. The increase in interest and other income is the result of having higher other income for the year ended December 31, 2010 related to rental fees charged for certain of the Company's assets.

Expenses

Total operating expenses for the year ended December 31, 2010 were $775,924 compared to $1,012,353 for the same period of 2009. This represents a decrease of $236,429 or 23 percent. The decrease in administration expenses of $243,132 from 2009 is the primary reason for the overall decrease in operating expenses. This decrease in administration expenditures in 2010 related to decreases in personnel costs and rent as result of the significant effort made to minimize administrative costs.

Income taxes

The future income tax recovery in 2010 was $0 compared to a recovery of $620,948 in 2009. The 2009 recovery was due to changes in the valuation allowance on net future income tax assets resulting from the write-down of mineral properties and the renunciation of flow-through expenditures.

Settlement with Alto Ventures Ltd.

In October of 2010, the Company announced the settlement of a claim for unpaid expenditures related to an exploration program on its previously held Mud Lake property. The settlement required the issuance of 3,000,000 common shares and payment of $50,000 to Alto Ventures Ltd.

Write down of mineral properties

During the year ended December 31, 2009 the Company wrote down $5,186,102 of its mineral properties related to the Company's interest in its Fork Lake/Jasper/Tamar properties and eight mineral claims in the Limestone and Hanson Lake area of the province of Saskatchewan. Given the Company's working capital deficiency at that time, the Company decided not to explore these properties in the short-term. As a result, the Company wrote down the carrying value of these properties to nil. In addition, the Limestone and Hanson Lake mineral claims were allowed to lapse and, as a consequence, were written off.

Investing

Additions to mineral properties during 2010 were $64,099 compared to $3,021,020 for 2009. The majority of these expenditures for 2010 and 2009 related to coal exploration programs on the Company's 100% owned properties near Pinehouse Lake and Hudson Bay, Saskatchewan.

Financing

During the year ended December 31, 2010, the Company issued a total 18,961,538 common shares of the Company for gross proceeds of $1,320,000 (net $1,286,424) from three separate financings.

In May 2010, the Company completed a private placement financing for 3,461,539 units of the Corporation at a price of $0.13 per unit, for gross proceeds of $450,000. Each unit consisted of one common share and one half of one common share purchase warrant. The proceeds were used by Wescan to resolve a working capital deficiency that arose near the end of 2009 (See Wescan News Releases dated May 10, 2010).

In October of 2010, the Company completed a non-brokered private placement for 6,000,000 units of the Corporation at a price of $0.05 per unit, for gross proceeds of $300,000. Each unit consisted of one common share and one half of one common share purchase warrant. The proceeds were used by Wescan for general working capital purposes (See Wescan News Releases dated October 29, 2010).

In December of 2010, the Company completed a non-brokered private placement for 9,499,999 units of the Corporation at a price of $0.06 per unit, for gross proceeds of $570,000. Each unit consisted of one common share and one half of one common share purchase warrant. The proceeds will be used by Wescan for general working capital purposes (See Wescan News Releases dated December 7, 2010).

In October of 2010, the Company also issued 3,000,000 common shares valued at $150,000 for the settlement of a claim for unpaid expenditures related to an exploration program on its previously held Mud Lake property (See Wescan News Release dated October 29, 2010).

During the year ended December 31, 2009, the Company issued a total 4,994,093 common shares of the Company for gross proceeds of $998,870 (net $937,577) from three separate financings. (See Wescan News Releases dated July 29, September 4, and December 14, 2009).

Summary of Quarterly Results

	2010				2009			
	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $
Revenues (1)	9,914	9,809	9,934	9,887	10,493	9,677	6,840	2,535
Net loss(2)	(338,352)	(106,449)	(306,018)	(185,561)	(5,008,653)	(131,846)	(215,244)	(155,315)
Net loss/share (3)	(0.01)	(0.00)	(0.00)	(0.00)	(0.07)	(0.00)	(0.00)	(0.00)
Shares outstanding (4)	102,077,021	83,577,022	83,577,022	80,115,483	80,115,483	79,612,645	75,121,390	75,121,390

(1) *The Company's revenues are comprised of interest earned on cash balances as well as equipment leasing. The Company began leasing certain equipment in the second quarter of 2009 which is expected to continue until the end of 2011.*
(2) *The significant net loss in the fourth quarter of 2009 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 2010 and 2009 were higher due to the fair value of stock-based compensation being expensed during these quarters. The higher net loss in the fourth quarter of 2010 is mostly attributed to the $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 second and fourth quarters of 2010 and the third quarter of 2009 were the result of the Company completing private placements during these timeframes. The fourth quarter of 2010 also required the issuance of 3,000,000 shares for the settlement with a former joint venture partner regarding certain exploration expenditures. 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.*

Fourth Quarter Results

For the quarter ended December 31, 2010, the Company recorded a net loss of $338,352 or $0.01 per share compared to a net loss of $5,008,653 or $0.07 per share for the same period in 2009. The difference between the quarters ended December 31, 2010 and 2009 is predominately related to the $5,168,102 write-down of mineral properties which occurred in 2009. The write-down in 2009 was the result of a change in priorities of the Company towards its coal properties and away from certain of its gold properties in the short-term while its working capital deficiency was resolved.

The Company generated $9,914 in interest and other revenue during the fourth quarter compared to $10,493 for the corresponding period in 2009. The decrease is primarily a result of the Company having less cash on hand during the same reporting period from the previous year.

Total operating costs for the quarter ended December 31, 2010 were $148,266 compared to $280,923 during the quarter ended December 31, 2009. The decrease of $132,657 is the result of the Company's significant effort to minimize administrative costs and is primarily the result of a reduction in personnel.

During the fourth quarter of 2010, the Company incurred $1,612 (2009 – $1,518,074) in mineral property additions, which related to a difference in estimate to complete its NI 43-101 Mineral Resource estimate on its Jojay Gold Project. Expenditures incurred during the fourth quarter of 2009 were related to coal exploration programs on the Company's 100% owned properties near Pinehouse Lake and Hudson Bay, Saskatchewan.

During the quarter ended December 31, 2010, the Company issued 15,499,999 common shares for gross proceeds of $870,000 as well as an additional 3,000,000 common shares required to settle a claim from a former joint venture partner regarding exploration expenditures. During the quarter ended December 31, 2009, the Company issued 502,838 common shares pursuant to a shares-for-debt agreement which extinguished $80,454 of a liability owed to a service provider.

Related Party Transactions

During 2010, Mr. Kenneth E. MacNeill (Chief Executive Officer) and Mr. Harvey J. Bay (Chief Financial Officer) through their consulting companies charged management fees of $72,000 (2009 – $72,000) and $25,000 (2009 – nil), respectively. These fees were recorded as administrative expenses.

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.

As at December 31, 2010, the Company had working capital of $371,813 as compared to a working capital deficiency of $321,926 at December 31, 2009. With the recent $1.5

million flow-through financing (See Wescan News Release dated February 24, 2011), management is confident the Company will have sufficient access to financial markets to continue its planned activities through 2011.

The Company's contractual obligations are as follows:

	Payment due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter
Operating lease obligations	$ 93,071	$ 92,037	$ 1,034	$ -	$ -
Total	$ 93,071	$ 92,037	$ 1,034	$ -	$ -

As at December 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 December 31, 2010, the Company had working capital of $371,813 as compared to a working capital deficiency of $321,926 at December 31, 2009.

At December 31, 2010 the Company had 102,077,021 shares issued and outstanding compared to 80,115,483 at December 31, 2009. As at April 27, 2011, the Company had a total of 112,452,121 common shares issued and outstanding as well as 9,605,820 warrants, 920,389 broker warrants and 7,200,000 options with weighted average exercise prices of $0.12, $0.21 and $0.30, respectively. In the event all warrants, broker warrants and options were exercised, the Company would be required to issue a further 17,726,209 common shares for gross cash proceeds of $3.6 million.

Financial Instruments

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

<u>Credit risk</u>
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.

<u>Liquidity risk</u>
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 exploration 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.

As at December 31, 2010, the Company had incurred all necessary exploration expenditures required to fulfill its obligations under its flow-through commitments. 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 2011. The Company anticipates it will have sufficient access to financial markets to fund its planned activities through future equity contributions.

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 of these policies involve critical accounting estimates because they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. The uncertainties related to these areas could significantly impact the Company's results of operations, financial condition and cash flows.

Management considers the following polices to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements.

Mineral properties

Subject to compliance with provincial mineral regulations, the Company holds the right to explore for and develop mineral resources on various Crown property dispositions within the Province of Saskatchewan. These rights are classified as mineral properties for financial statement purposes.

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against future income of the project using the unit of production method over estimated recoverable reserves. Interest on debt associated with the acquisition of mineral properties would be capitalized until commencement of commercial production. There have been no interest costs capitalized to date. Management assesses carrying values of non-producing properties each time it issues financial statements. Where information and conditions suggest impairment and where independent estimates of reserves or resources are unavailable for which to estimate future net cash flows or the properties are allowed to lapse, carried costs are written down.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of such reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Stock-based compensation plans

Options granted under the share option plan are accounted for using the fair value method. Under this method, the fair value of stock options granted is measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options exercised is transferred to share capital.

Future income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is recognized in earnings in the period which includes the enactment date. Future income tax assets and liabilities are recorded in the financial statements if realization is considered more likely than not. The valuation of future income taxes is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated recoverable amount.

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 International Financial Reporting Standards (“IFRS”) effective January 1, 2011. The Company’s first financial statements presented in accordance with IFRS will therefore be the three-month period ended March 31, 2011. The Company will also provide comparative data on an IFRS basis, including an opening balance sheet as at January 1, 2010.

Though IFRS uses a conceptual framework similar to Canadian GAAP, there are some significant differences on recognition, measurement and disclosure requirements. 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.

As a result of this convergence, the Company 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 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 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.

The initial scoping phase was completed by the Company in 2008. 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 adjustments relate to share-based payments and property and equipment.

Throughout the detailed evaluation process management confirmed that the conversion to IFRS will have limited impact to its business processes, disclosure controls and controls over financial reporting. Certain of the Company's information systems have been converted to allow for the recognition, measurement and disclosure requirements of property and equipment in accordance with IFRS. Members of the conversion team have been provided training regarding IFRS to allow for a successful implementation. Management has not completely quantified the effects of adopting IFRS, however the quantification of most differences will not have a significant impact to the Company's financial statements.

First time adoption

The Company has determined it will adopt the choices allowed under IFRS-1 that will 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.

Exploration and evaluation assets

Currently, Canadian GAAP and IFRS both allow a Company to establish an accounting policy that either capitalizes or expenses exploration and evaluation expenditures incurred. The Company has decided that it will continue to capitalize exploration and evaluation expenditures on the date of transition.

Impairment

IFRS-6, *Exploration for and Evaluation of Mineral Resources*, requires entities to assess any exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the assets may exceed their recoverable amount.

IFRS-6 includes examples of "facts and circumstances" that may indicate when impairment testing is required. Based on this guidance, management believes that similar circumstances existed under both Canadian GAAP and IFRS to warrant write-downs in previous years. As such, on transition, the Company does not expect the carrying value of mineral properties to change significantly compared to Canadian GAAP. However, IFRS does allow for the reversal of impairments which is not allowed under Canadian GAAP which may cause differences in the future.

Decommissioning liability

IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, requires a provision to be recognized when there is a present obligation as a result of a past transaction or event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the obligations. The threshold for recognition of a provision under Canadian GAAP is higher than under IFRS. Therefore, it is possible that some contingent liabilities not recognized under Canadian GAAP such as decommissioning liabilities may meet the recognition criteria under IFRS. The Company does not expect any potential decommissioning liability under IFRS to be significant as the Company performs reclamation work on the majority of its properties as it carries out its exploration programs.

Share-based payments

An analysis of the effects to share-based payments has also been performed, which indicates that adoption will not have a significant impact as IFRS and Canadian GAAP are largely converged with only a few differences. Canadian GAAP allows either accelerated or straight line method of amortization for the fair value of stock options under graded vesting. Currently, the Company is using the straight line amortization method. IFRS, conversely, allows only the accelerated method. Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest and must be adjusted to actual by the vesting date, while under Canadian GAAP forfeitures can be recognized as they occur. Upon adoption of IFRS, the Company will change both the method of amortization, which would give rise to an accelerated compensation expense, and the method of forfeiture recognition. The Company does not intend to utilize the election in IFRS-1 to apply IFRS retrospectively to all equity instruments granted and vested at the January 1, 2010 transition date. As a result, options that were granted and that vested prior to the transition date will not be retrospectively restated. Any accelerated vesting on options under IFRS will have an insignificant impact to the Company's financial statements.

Flow-through shares

An analysis of the effects of flow-through shares has also been performed. Under Canadian GAAP, flow-through shares are recorded at their face value when issued and the tax impact is recorded when the deduction is renounced to the investor. To the extent that the Company has unused tax benefits from loss carry forwards and tax pools in excess of book values available for deduction against which a valuation allowance has been provided, the future tax liability reduces the valuation allowance, if any, and the reduction is recognized in earnings. Under IFRS, the difference between the issue price of flow-through shares and the fair value of the shares at the date of issuance ("premium") is recorded as a liability with a corresponding reduction to share capital. To the extent that the Company has unrecorded tax benefits the premiums are recognized in earnings at the time of renunciation to investors of the flow-through shares. The Company estimates the difference on transition will have a nominal impact on the future income tax recovery, as reported under Canadian GAAP in 2010.

Presentation and disclosure

Based on management's current estimates, the Company anticipates that the transition to IFRS will result in increased disclosures in the notes to the financial statements.

Transition to IFRS

Throughout the first quarter of 2011, the Company plans to complete the drafting of financial statements and note disclosures required for the conversion to IFRS, finalize accounting policy and transition elections and prepare the opening balance sheet as of January 1, 2010

Outlook

The Company's success in raising an additional $1.5 million of flow-through financing over the last few months will allow it to begin exploration programs on its portfolio of gold properties in the La Ronge Gold Belt in northern Saskatchewan. With the significant escalation in the price of gold, the Company believes the timing is right to focus exploration efforts on the properties with known gold mineralization. This focus on gold properties will include exploration work on the Jojay, Jasper and Murno Lake properties. The Company also remains committed to its coal holdings near Hudson Bay and Pinehouse Lake, Saskatchewan and will determine if more immediate work is warranted based on the review currently underway. 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 exploration activities in 2011.

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 a summary only 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 base 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 base and precious metals are found, there can be no assurance that Wescan's past or future exploration efforts will be successful, that any production there from 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 Tabetha Stirrett, 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, the acquisition and exploration of additional properties, and the plans and expectations concerning the transition to IFRS.

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 and coal 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.