WESCAN GOLDFIELDS INC.

Unaudited Condensed Interim Consolidated Financial Statements June 30, 2015

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For the Three and Six months ended
June 30, 2015

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, 2015 (along with the comparative interim periods in 2014). The Company's external auditors have not reviewed these statements.

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Financial Position

	(In Canadian dollars)	
	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 549	$ 5,146
Receivables	2,207	893
Prepaids	4,489	1,334
	7,245	7,373
Property and equipment (note 7)	6,757	7,512
	$ 14,002	$ 14,885
Liabilities and Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 296,036	$ 316,711
Loans payable (note 8)	73,302	10,040
	369,338	326,751
Environmental rehabilitation provision	75,520	75,520
Shareholders' equity:		
Share capital	20,073,519	20,073,519
Warrants and broker warrants	-	144,200
Contributed surplus	2,316,716	2,172,516
Deficit	(22,821,091)	(22,777,621)
	(430,856)	(387,386)
	$ 14,002	$ 14,885

Going concern (note 3)

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Financial Position

(unaudited)

	(In Canadian dollars) Three Months Ended June 30,		(In Canadian dollars) Six Months Ended June 30,	
	2015	2014	2015	2014
Income				
Interest and other	$ -	$ -	$ -	$ -
Expenses				
Exploration and evaluation (note 9)	-	-	-	-
Administration	26,681	34,255	43,470	50,675
Corporate development	-	2,013	-	2,013
	26,681	36,268	43,470	52,688
Net loss and comprehensive loss	$ (26,681)	$ (36,268)	$ (43,470)	$ (52,688)
Net loss and comprehensive loss per share				
Basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	26,759,320	19,573,796	26,759,320	19,573,796

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

	(In Canadian dollars) Six Months Ended June 30, 2015	2014
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	$ (43,470)	$ (52,688)
Non-cash items:		
Amortization	755	946
Net change in non-cash operating working capital items:		
Receivables	(1,314)	3,563
Prepaids	(3,155)	(2,503)
Payables and accrued liabilities	(20,675)	27,707
Accrued interest on loans payable	762	-
	(67,097)	(22,975)
Investing:		
Property and equipment	-	-
	-	-
Financing:		
Demand loan from related party (note 8)	62,500	-
	62,500	-
Decrease in cash position	(4,597)	(22,975)
Cash and cash equivalents, beginning of period	5,146	26,072
Cash and cash equivalents, end of period	$ 549	$ 3,097
Cash and cash equivalents consists of:		
Cash	$ 549	$ 3,097
	$ 549	$ 3,097

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Condensed Interim Consolidated Statements of Financial Position

(unaudited)

	(In Canadian dollars)					
	Three Months Ended June 30,				Year Ended December 31,	
	2015		2014		2014	
Share capital (note 10)						
Balance, beginning of period	$	20,073,519	$	19,716,664	$	19,716,664
Share for debt settlements		-		-		359,276
Share issue costs		-		-		(2,421)
Balance, end of period	$	20,073,519	$	19,716,664	$	20,073,519
Warrants (note 10)						
Balance, beginning of period	$	144,200	$	144,200	$	144,200
Issued		-		-		-
Expired		(144,200)		-		-
Balance, end of period	$	-	$	144,200	$	144,200
Broker warrants (note 10)						
Balance, beginning of period	$	-	$	-	$	-
Expired		-		-		-
Balance, end of period	$	-	$	-	$	-
Contributed surplus (note 10)						
Balance, beginning of period	$	2,172,516	$	2,172,516	$	2,172,516
Share-based payments		-		-		-
Warrants expired		144,200		-		-
Broker warrants expired		-		-		-
Balance, end of period	$	2,316,716	$	2,172,516	$	2,172,516
Deficit						
Balance, beginning of period	$	(22,777,621)	$	(22,692,409)	$	(22,692,409)
Net and comprehensive loss		(43,470)		(52,688)		(85,212)
Balance, end of period	$	(22,821,091)	$	(22,745,097)	$	(22,777,621)
Total Shareholders' Equity	$	(430,856)	$	(711,717)	$	(387,386)

See accompanying notes to consolidated financial statements

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, 2015 were authorized for issue by the Company's Audit Committee on, August 27, 2015. These financial statements 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 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. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that cast significant doubt upon the Company's ability to continue as a going concern. At June 30, 2015, the Company had an accumulated deficit of $22,821,091 a shareholders' deficit of $430,856 and a working capital deficiency of $362,093 and, as discussed in note 13, currently does not have sufficient resources to finance operating and exploration activities through its 2015 fiscal year. The ability of the Company to continue as a going concern and fund future exploration of its properties as well as general and administrative expenses in an orderly manner will require further equity issues or other forms of financings in 2015. There is no assurance that the Company will be successful in obtaining required financing at an acceptable cost as and when needed or at all. 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 carrying values and classification of asset amounts and liabilities, reported expense and the statement of financial position classifications used, that would be necessary if the going concern assumption were not appropriate.

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, 2014. Accordingly, the condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014.

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, 2014. 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. International financial reporting standards ("IFRS"), amendments and interpretations

(a) <u>IFRS standards, amendments and interpretations issued and effective</u>

At the date of authorization of these consolidated financial statements, the IASB has issued the following new Standards which is not yet effective for the relevant reporting periods.

i. *<u>IFRS 9 – Financial Instruments</u>*
On July 24, 2014 the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement", and all previous versions of IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt IFRS 9 and has not yet fully evaluated the impact of this new standard.

ii. *<u>IFRS 15 – Revenue from contracts with customers</u>*
IFRS 15 will replace IAS 11, "Construction Contracts" and IAS 18, "Revenue" and related interpretations effective for annual periods commencing on or after January 1, 2018. IFRS 15 introduces a new single revenue recognition model for contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The Company does not intend to early adopt IFRS 15 and has not yet fully evaluated the impact of this new standard.

7. Property and equipment

The Company's property and equipment are comprised of the following:

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Cost				
Balance – December 31, 2014	$ 2,234	$ 348	$ 36,925	$ 39,507
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Balance – June 30, 2015	$ 2,234	$ 348	$ 36,925	$ 39,507

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Accumulated depreciation				
Balance – December 31, 2014	$ (2,234)	$ (269)	$ (29,492)	$ (31,995)
Charge for the six month period	-	(12)	(743)	(755)
Eliminated on disposal	-	-	-	-
Balance – June 30, 2015	$ (2,234)	$ (281)	$ (30,235)	$ (32,750)

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Net book value				
Balance – December 31, 2014	$ -	$ 79	$ 7,433	$ 7,512
Balance – June 30, 2015	$ -	$ 67	$ 6,690	$ 6,757

8. Loan payable

During the six months ended June 30, 2015 the Company entered into demand loan agreements in the amount of $62,500 from MacNeill Brothers Oil and Gas Ltd. a company controlled by a related party, for general administrative expenses and payment of certain outstanding payables. Total demand loans at June 30, 2015 are $72,500 (December 31, 2014 - $10,000), excluding accrued interest. The annual interest rates on these demand loans are 2.85% - 3.00 %. Accrued interest as of June 30, 2015 is $802 (December 31, 2014 - $40).

9. Exploration and evaluation expenses

The Company is assessing future options for its portfolio of gold properties. No exploration and evaluation expenditures have been incurred during the six months ended June 30, 2015 and 2014.

10. Share capital and reserves

The authorized share capital of the Company consists of an unlimited number of common shares. As at June 30, 2015 the Company had 26,759,320 shares outstanding. No common shares were issued during the six months ended June 30, 2015.

Nature and purpose of reserves

Warrant reserve

On certain issues of common shares, the Company has issued warrants 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. No warrants were issued during the six months ended June 30, 2015. During the six months ended June 30, 2015, 5,150,000 warrants at a weighted average price of $0.10 expired.

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. No broker warrants were issued or expired during the six months ended June 30, 2015.

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.

11. 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 on the day prior to the date on which the options were granted. Certain options vest immediately while others vest up 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.

At June 30, 2015, total options outstanding were 730,000 (2014 – 1,010,000) at a weighted average exercise price of $0.32 (2014 – $0.46). Options outstanding at June 30, 2015 have exercise prices that range from $0.10 to $1.00 (2014 – $0.10 to $1.00) and a weighted average contractual life of 2.4 years (2014 – 3.0 years). The options expire between the dates of December 2016 and March 2018.

12. 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 or has paid 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.

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

	June 30, 2015	June 30, 2014
Wages and short-term benefits to officers and directors	$ -	$ -
Consulting and management fees to related companies	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	$ -	$ -

During the three months ended June 30, 2015, certain of its key management personnel waived their management and consulting fees.

As of June 30, 2015 the Company has entered into demand loan agreements of $72,500 from MacNeill Brothers Oil and Gas Ltd. a company controlled by a related party, for general administrative expenses and payment of certain outstanding payables. Annual interest rates on these demand loans are 2.85% - 3.00 %. Subsequent to June 30, 2015 the Company entered into an additional demand loan agreement for $2,000. Annual interest rate on this demand loan is 2.70%.

13. 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, 2014 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 and receivables. The Company's cash and cash equivalents are held by a financial institution with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required. The Company's receivables are mainly comprised of GST receivable and therefore credit risk is minimal. The Company has gross credit exposure at June 30, 2015 relating to cash and cash equivalents and receivables of $2,756 (December 31, 2014 – $6,039).

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at June 30, 2015, the Company is committed to current liabilities of $369,338. As at June 30, 2015, the Company had a working capital deficiency of $362,093. Based on the above obligations, the Company does not have sufficient resources to meet these obligations as they become due.

The Company is pursuing options to meet these obligations, 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 when needed or at all. 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.

(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.