

**WESTCAN URANIUM CORP.**

**UNAUDITED FINANCIAL STATEMENTS**

**September 30, 2009**

**MANAGEMENT'S COMMENTS ON UNAUDITED FINANCIAL STATEMENTS**

The accompanying unaudited financial statements of WestCan Uranium Corp. for the nine months ended September 30, 2009 have been prepared by management and approved by the Board of Directors of the Company.

# WESTCAN URANIUM CORP.

## BALANCE SHEETS

(Unaudited – Expressed in Canadian Dollars)

	SEPTEMBER 30 2009	DECEMBER 31 2008
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 129,850	\$ 352,659
Advances and prepaid expenses	7,336	6,487
GST receivable	157,563	145,604
	<u>294,749</u>	<u>504,750</u>
<b>Mineral Property Interests</b>	<b>560,015</b>	<b>552,516</b>
<b>Deferred Exploration Costs</b>	<b>1,819,515</b>	<b>1,758,181</b>
	<u>\$ 2,674,279</u>	<u>\$ 2,815,447</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 80,054	\$ 73,455
Due to related parties	32,490	10,327
	<u>112,544</u>	<u>83,782</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b>	<b>11,314,613</b>	<b>11,074,133</b>
<b>Contributed Surplus</b>	<b>875,833</b>	<b>858,580</b>
<b>Deficit</b>	<b>(9,628,711)</b>	<b>(9,201,048)</b>
	<u>2,561,735</u>	<u>2,731,665</u>
	<u>\$ 2,674,279</u>	<u>\$ 2,815,447</u>

Approved On Behalf of the Board of Directors:

"Chris England"  
Director

"Colin Bowdidge"  
Director

# WESTCAN URANIUM CORP.

## STATEMENT OF LOSS AND DEFICIT

(Unaudited – Expressed in Canadian Dollars)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
<b>Revenue</b>				
Interest income	\$ 126	\$ 3,240	\$ 490	\$ 8,908
Write off of GST	-	-	-	(3,412)
	126	3,240	490	5,496
<b>Administration Costs</b>				
Administration and management fees	\$ 22,500	\$ 22,500	\$ 67,500	\$ 67,500
Advertising	2,955	17,371	20,503	42,240
Bank charges and interest	640	1,509	1,352	1,968
Consulting fees	10,950	11,963	36,121	39,963
Directors' fees	6,000	9,000	18,000	21,000
Shareholder communications	22,500	22,500	67,500	87,259
Stock exchange and filing fees	-	6,846	14,437	15,254
Stock based compensation	-	29,537	17,253	10,013
Transfer agent	1,315	3,043	4,160	6,020
Office, rent, telephone and sundry	22,959	19,532	67,517	47,008
Professional fees	12,000	5,750	60,494	37,380
Travel and business promotion	22,692	21,850	53,316	46,840
	(124,511)	(171,401)	(428,153)	(422,445)
<b>Total Administration Costs</b>				
<b>Loss For The Period Before Other Item</b>	(124,385)	(168,161)	(427,663)	(416,949)
<b>Write-off of Accounts Payable</b>	-	18,392	-	25,958
<b>Recovery of GST</b>	-	-	-	36,046
	(124,385)	(149,769)	(427,663)	(354,945)
<b>Loss For the Period</b>				
<b>Deficit, Beginning Of Period</b>	(9,504,326)	(8,794,199)	(9,201,048)	(8,589,023)
<b>Deficit, End Of Period</b>	\$ (9,628,711)	\$ (8,943,968)	\$ (9,628,711)	\$ (8,943,968)
<b>Loss Per Share</b>	\$ (0.002)	\$ (0.002)	\$ (0.006)	\$ (0.006)

## WESTCAN URANIUM CORP.

### STATEMENT OF CASH FLOWS (Unaudited – Expressed in Canadian Dollars)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
<b>Cash Flows From (Used By)</b>				
<b>Operating Activities</b>				
Loss for the period	\$ (124,385)	\$ (149,769)	\$ (427,663)	\$ (354,945)
Adjustment for:				
Stock based compensation	-	29,537	17,253	10,013
Recovery of GST previously written off	-	-	-	(36,045)
Write off of accounts payable	-	(18,392)	-	(25,958)
	<b>(124,385)</b>	<b>(138,624)</b>	<b>(410,410)</b>	<b>(406,935)</b>
Change in non-cash working capital items:				
GST receivable	<b>(3,650)</b>	(4,150)	<b>(11,959)</b>	(82,535)
Prepaid expenses	<b>945</b>	5,897	<b>(849)</b>	73,507
Accounts payable	<b>(3,599)</b>	(279,818)	<b>6,599</b>	(194,987)
Due to related parties	<b>5,987</b>	-	<b>22,163</b>	-
	<b>(124,702)</b>	<b>(416,695)</b>	<b>(394,456)</b>	<b>(610,950)</b>
<b>Cash Flows From Financing Activities</b>				
Shares issued for cash	<b>19,780</b>	419,568	<b>240,480</b>	832,668
<b>Cash Flows From Investing Activities</b>				
Interest in mineral properties	-	(23,023)	<b>(7,499)</b>	(174,276)
Deferred exploration expenditures	<b>(25,376)</b>	(71,404)	<b>(61,334)</b>	(532,583)
	<b>(25,376)</b>	<b>(94,427)</b>	<b>(68,833)</b>	<b>(706,859)</b>
<b>Decrease In Cash</b>	<b>(130,298)</b>	(91,554)	<b>(222,809)</b>	(485,141)
<b>Cash, Beginning Of Period</b>	<b>260,148</b>	611,012	<b>352,659</b>	1,004,599
<b>Cash, End Of Period</b>	<b>\$ 129,850</b>	\$ 519,458	<b>\$ 129,850</b>	\$ 519,458

# **WESTCAN URANIUM CORP.**

## **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2009**

(Unaudited – Expressed in Canadian Dollars)

### **1. BASIS OF PRESENTATION**

The interim financial statements of WestCan Uranium Corp. (the “Company”) have been prepared in accordance with accounting principles generally accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended December 31, 2008. The interim financial statements should be read in conjunction with the financial statements and the notes thereto in the Company’s annual report for the year ended December 31, 2008.

### **2. RELATED PARTY TRANSACTION**

During the quarter, the Company incurred consulting fees, director fees, administration and management fees totalling \$31,125 (2008 - \$31,125) with directors, officers, and with a company controlled by a director, and with a company with directors in common, and incurred shareholder communications expenses of \$22,500 (2008 - \$22,500) to a relative of a director. The Company also incurred secretarial fees and website management fees totalling \$7,390 (2008 - \$1,060) to a relative of a director as well as deferred exploration expenses totalling \$4,586 (2008 - \$24,362) to a director, a company controlled by a director, and relatives of a director. At quarter end an amount of \$32,490 (2008 - \$60,183) was owing to companies controlled by directors and companies with directors in common. The amounts due to related parties are payable on demand, unsecured and non-interest bearing.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration

### **3. SHARE CAPITAL**

There are 74,163,454 common shares issued and outstanding as of September 30, 2009.

### **4. SUBSEQUENT EVENTS**

In a news release dated **October 07, 2009** WestCan Uranium Corp., announced the Company has received notification from The Manitoba Energy and Mines Branch that it has issued a Quarry Exploration Permit to the Company for its coal property located in West-Central Manitoba, in close proximity to the Manitoba-Saskatchewan border. The permit is effective for a 3 year period and will allow WestCan to explore for coal over an area of 520 hectares.

In a news release dated **October 21, 2009** WestCan Uranium Corp. Announced it has received numerous enquiries regarding the Rare Earth Elements (REE) which were found in the analysis of diamond drill hole KEY005, drilled by CanAlaska Uranium Ltd., on WestCan's Key Lake Property during the 2007/2008 winter drill program. The property is located 12 kilometres south-west of the former producing Key Lake Uranium Mine, at the south-eastern edge of the Athabasca basin in Saskatchewan. The analysis was disclosed in a news release dated June 18, 2008. (Stockwatch).

The release outlined that a 17.5 metre section of anomalous radioactivity was determined to have been caused by thorium. A 10.7 metre section was sampled and gave an average of 0.076% ThO<sub>2</sub>, with individual samples carrying up to 1.03% ThO<sub>2</sub> across 0.05 metres. The thorium is accompanied by rare earth elements, with an average of 0.52% total rare earth elements (TREE) over the 10.7 metre interval. Individual samples assayed up to 6.35% TREE over 0.05 metres.

The rare earth mineralization consists mainly of light rare earth elements (lanthanum to samarium), with approximately 4% of the total consisting of the heavy rare earth elements (europium to ytterbium).

The mineralization is located in albitised white pegmatite within the lower part of a biotite gneiss assemblage. A sequence of pink, hematized pegmatitic granite follows the mineralised zone and the biotite gneiss. A thin section from the white pegmatite shows evidence of albititic metasomatism.

In a news release dated **October 22, 2009** WestCan Uranium Corp. announced the Company is offering a non brokered private placement for securities in the amount of \$300,000. The issue will consist of the following:

Up to 4,000,000 non flow through units at \$0.025 per unit. Each unit consists of one non flow through common share in the capital of the Company and one share purchase warrant. Each warrant will entitle the holder to buy one common share of the Company for a period of 36 months from the date of the closing of the Private Placement. The exercise price of the warrants will be \$0.05 for the first 12 month term of the warrants and \$0.10 for the remaining 24 month term of the warrants.

Up to 8,000,000 flow through units at \$0.025 per unit. Each unit consists of one flow through common share in the capital of the Company and one non flow through common share purchase warrant. Each warrant will entitle the holder to buy one common share of the Company for a period of 36 months from the date of the closing of the Private Placement. The exercise price of the warrants will be \$0.05 for the first 12 month term of the warrants and \$0.10 for the remaining 24 month term of the warrants.

The Company relied on the "Accredited Investor Exemption" (B.C., Alberta, Ontario) and the "Friends and Relatives Exemption" (B.C.), and therefore will not be preparing an offering document.

The gross proceeds of the offering will be used in part for general working capital and the "flow through portion" of the Private Placement will be used for qualified Canadian Exploration Expenditures.

The Company paid a finder's fee in connection with the Private Placement, of 10% cash plus 10% Agent's Warrants where permitted by the TSX Venture Exchange. The exercise price of the Agent's Warrants will be \$0.05 for the first 12 month term of the warrants and \$0.10 for the remaining 24 months term of the warrants.

In a news release dated October 27, 2009 WestCan Uranium Corp. announced that the Company has completed a non-brokered private placement announced October 22nd, 2009, for the issuance of 5,900,000 flow-through units (the "Units") at a price of \$0.025 per Unit, for gross proceeds of \$147,500 (the "Private Placement").

Each Unit consists of one common share and one non transferable share purchase warrant, (the "Warrants"). Each warrant will entitle the holder to purchase one additional common share at a price of \$0.05 per share for a period of one year ending October 27th, 2010 and at a price of \$0.10 for a further period of two years ending October 27, 2012.

Finder's Fees of \$14,750 were paid in conjunction with the Private Placement as well as the issuance of a total of 590,000 Agents Warrants. The Agent's warrants are exercisable at a price of \$0.05 per share for a period of one year ending October 27, 2010 and at a price of \$0.10 for a further period of two years ending October 27, 2012. Two pro group members have acquired an aggregate of 1,200,000 units of this private placement.

The shares and any shares acquired upon the exercise of the warrants are subject to a 4 month hold period ending February 28, 2010. The net proceed of the offering will be used for qualified Canadian Exploration Expenditures.