WESCAN ENERGY CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SECOND QUARTER REPORT

For the six months ended

September 30, 2014

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of Management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

WesCan Energy Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars – unaudited)

Balance Sheet	September 30, 2014 $	March 31, 2014 $
ASSETS		
Current Assets		
Cash and cash equivalents	355,825	139,359
Trade and other receivables (note 4)	9,965	6,153
Prepaid expenses and deposits	-	5,200
Total current assets	365,790	150,712
Non-current assets		
Oil and gas properties (note 5)	5,671	6,203
Exploration and evaluation assets (note 6)	71,307	13,557
Office equipment (note 7)	3,973	4,967
Total non-current assets	80,951	24,727
TOTAL ASSETS	446,741	175,439
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	154,897	234,940
Payable to related parties (note 8)	27,918	45,693
Payable to former related parties (note 8)	285,327	284,357
Loans payable (note 9)	244,230	240,181
Current portion of decommissioning liabilities (note 10)	86,400	86,400
Total current liabilities	798,772	891,571
Non-current Liabilities		
Decommissioning liabilities (note 10)	83,934	83,074
Total liabilities	882,706	974,645
Shareholders' Equity		
Share capital (note 11)	12,899,689	12,402,939
Equity reserves (note 11)	1,538,240	1,538,240
Accumulated deficit	(14,873,894)	(14,740,385)
	(435,965)	(799,206)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	446,741	175,439

The accompanying notes are an integral part of these consolidated financial statements.

WesCan Energy Corp.
Condensed Interim Consolidated Statements of Comprehensive Loss
For the three and six months ended
(unaudited)

	Three Months Ended September 30		Six Months Ended September 30	
	2014	2013	2014	2013
	$	$	$	$
Sales of oil and gas				
Petroleum and natural gas	12,682	749	24,682	1,551
Less: royalties	(369)	-	(1,122)	-
	12,313	749	23,560	1,551
Operating costs	13,176	147	18,839	342
Depletion and accretion	717	-	1,392	-
	13,893	147	20,231	342
Income from oil and gas operations	(1,580)	602	3,329	1,209
Operating expenses				
General and administrative	65,200	87,852	132,001	156,931
Net loss from operating activities	**(66,780)**	**(87,250)**	**(128,672)**	**(155,722)**
Other income (expenses)				
Interest expense	(2,351)	(4,753)	(4,836)	(8,599)
	(2,351)	(4,753)	(4,836)	(8,599)
Net loss and comprehensive loss	**(69,131)**	**(92,003)**	**(133,508)**	**(164,321)**
Basic and diluted loss per share	$ -	$ (0.01)	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	21,753,991	11,058,618	17,073,626	6,401,199

The accompanying notes are an integral part of these consolidated financial statements.

WesCan Energy Corp.
Condensed Interim Consolidated Statements of Cash Flows
For the three and six months ended
(unaudited)

	Three Months Ended September 30		Six Months Ended September 30	
	2014	2013	2014	2013
	$	$	$	$
Operating activities				
Total comprehensive loss	(69,131)	(92,003)	(133,508)	(164,321)
Non-cash items:				
Depletion and accretion	717	-	1,392	-
Depreciation of equipment	497	-	994	-
Interest expense	2,351	4,753	4,836	8,599
Share-based payments	-	-	-	-
	(65,566)	(87,250)	(126,286)	(155,722)
Change in non-cash working capital items:				
(Increase) decrease in trade and other receivables	(947)	(39,255)	(3,812)	(38,207)
(Increase) decrease in prepaid expenses and deposit	-	-	5,200	-
Increase (decrease) in trade and other payables	(9,203)	(81,867)	(79,861)	(64,212)
Net cash used in operating activities	(75,716)	(208,372)	(204,759)	(258,141)
Investing activities				
Expenditures on exploration and evaluation assets	(28,875)	(28,875)	(57,750)	(57,750)
Net cash used in investing activities	(28,875)	(28,875)	(57,750)	(57,750)
Finance activities				
Proceeds from issuance of common shares	-	206,963	500,000	435,886
Share issue costs	-	55,673	(3,250)	-
Loans received, net of repayments	-	-	-	12,542
Amounts received, net of payments, from related parties	2,290	-	(17,775)	-
Amounts received, net of payments, from former related parties	-	9,542	-	-
Net cash provided by financing activities	2,290	272,178	478,975	448,428
Change in cash	(102,301)	34,931	216,466	132,537
Cash, beginning of year	458,126	306,528	139,359	208,923
Cash, end of year	**355,825**	**341,460**	**355,825**	**341,460**
Supplemental cash flow information				
Debt settled through share issuances	-	-	-	-
Re-estimation of decomissioning liability	-	-	-	-
Cash paid for interest	-	-	-	-
Cash paid for income taxes	-	-	-	-

The accompanying notes are an integral part of these consolidated financial statements.

WesCan Energy Corp.
Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended
(unaudited)

	Share Capital				
	Number of shares	Amount $	Equity reserves $	Deficit $	Total $
Balance at March 31, 2014	13,420,658	12,402,939	1,538,240	(14,740,385)	(799,206)
Shares issued for private placement	8,333,333	500,000	-	-	500,000
Share issue costs	-	(3,250)	-	-	(3,250)
Loss for the year	-	-	-	(133,508)	(133,508)
Balance at September 30, 2014	21,753,991	12,899,689	1,538,240	(14,873,893)	(435,965)
Balance at March 31, 2013	4,831,666	11,953,092	1,463,078	(14,322,350)	(906,180)
Share issued	8,302,602	435,887	-	-	435,887
Warrants attched to private placement	-	(55,673)	55,673	-	-
Loss for the year	-	-	-	(164,321)	(164,321)
Balance at September 30, 2013	13,134,268	12,333,306	1,518,751	(14,486,671)	(634,614)

The accompanying notes are an integral part of these consolidated financial statements.

1. REPORTING ENTITY AND GOING CONCERN

Reporting entity

WesCan Energy Corp. ("WesCan" or the "Company") changed its name from Great Pacific International Inc. effective October 4, 2012. WesCan was incorporated on November 4, 1993 under the Business Corporations Act (Alberta), Canada. WesCan is a junior public resource company in the business of oil and gas exploration and development with oil and gas operations and property interests in Alberta, Canada and Texas, U.S.A. The common shares of WesCan trade on the TSX Venture Exchange ("TSX-V") under the symbol WCE. The Company's registered office is located at Suite 1000, Livingston Place West, 250-2nd St. S.W., Calgary, Alberta, Canada T2P 0C1 and its mailing address is Suite 2500, 520 – 5th Avenue S.W., Calgary, Alberta T2P 3R7.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

At September 30, 2014 the Company has a working capital deficiency of $432,982 (September 30, 2013 - $655,862) and an accumulated deficit of $14,873,894 since inception, and is not yet generating positive cash flow from operations. These factors raise significant doubt about the Company's ability to continue as a going concern. Accordingly, external financing will be required in order for the Company to continue as a going concern. In order to continue as a going concern, meet property payment, participation and lease obligations, discharge all liabilities, and meet all commitments, the Company completed a private placement for total proceeds of $500,000 on April 23, 2014 and expects to raise additional funds through equity financings during the current fiscal year.

Furthermore, the Company will require additional financing to carry out the petroleum exploration and development required to offset production declines, increase oil and gas reserves and achieve a self-sustaining level of revenue. Management is actively pursuing new financings; however, there can be no assurance that it will be able to raise sufficient funds on acceptable terms. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") using the accounting policies and methods of computation disclosed in the Company's audited financial statements for the year ended March 31, 2014. These interim condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended March 31, 2014 and certain disclosures required to be included in the annual financial statements.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2014, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following new standards, amendments and interpretations that have not been early adopted in these consolidated financial statements, are not expected to have a significant effect on the Company's future results and financial position.

3. RECENT ACCOUNTING PRONOUNCEMENTS (Cont'd)

New accounting standards to be adopted April 1, 2014

IAS 36 Impairment of Assets In May 2013, the IASB issued an amendment to IAS 36 to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when and asset's or a CGU's recoverable amount is based on fair value less costs of disposal. Management is currently evaluating the impact the final interpretation is expected to have on the Company's consolidated financial statements.

IFRIC 21 Levies In May 2013, the IASB issued IFRIC 21 an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. Management is currently evaluating the impact the final interpretation is expected to have on the Company's consolidated financial statements.

New accounting standards to be adopted April 1, 2018

IFRS 9 Financial Instruments was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

The IASB extended the mandatory effective date for IFRS 9 to on or after January 1, 2018 with early adoption permitted. As a result, there were amendments to IAS 32 Financial Instruments – Presentation to clarify the offsetting between financial assets and liabilities, which are mandatory effective on or after January 1, 2014. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

4. TRADE AND OTHER RECEIVABLES

Amounts presented as trade and other receivables consist of the following balances:

	September 30, 2014	March 31, 2014
	$	$
Net revenue receivable from oil and gas property operators	3,109	1,581
Oil and gas property expenditures incurred on behalf of joint interest partners	208	208
Goods and services tax recoverable	6,148	4,364
Other receivables	500	-
Total	**9,965**	**6,153**

5. OIL AND GAS PROPERTIES

Cost	Canada $	USA $	Total $
As at March 31, 2013	115,867	9,542	125,409
Change in decommissioning liabilities (Note 10)	(14,799)	-	(14,799)
As at March 31, 2014 and September 30, 2014	**101,068**	**9,542**	**110,610**

Depletion and impairment	Canada $	USA $	Total $
As at March 31, 2013	(90,645)	(8,458)	(99,103)
Depletion	(2,334)	-	(2,334)
Impairment charge	(2,970)	-	(2,970)
As at March 31, 2014	**(95,949)**	**(8,458)**	**(104,407)**
Depletion	(532)		(532)
As at September 30, 2014	(96,481)	(8,458)	(104,939)

Net book value	Canada $	USA $	Total $
As at March 31, 2013	25,222	1,084	26,306
As at March 31, 2014	5,119	1,084	6,203
As at September 30, 2014	**4,587**	**1,084**	**5,671**

Canada

Equisetum Wells / Peerless Lake

The Company holds a 36% working interest in four wells at Equisetum / Peerless Lake Alberta. The Operator of these wells were placed into receivership in 2012. In 2014, two of these wells were subsequently purchased from the Operator of which one well is currently producing and the other well is currently shut-in. During the year ended March 31, 2014, the Company recorded an impairment charge of $2,970 related to the shut-in well.

USA

Sedna-Nicko Well

In the fiscal year ended March 31, 2008, the Company acquired, for cash consideration of $32,166, a non-operated minority working interest of 3.67% in a producing natural gas lease in Arkansas, USA.

6. EXPLORATION AND EVALUATION ASSETS

	Canada $	USA $	Total $
As at March 31, 2013	34,090	-	34,090
Exploration and development expenditures	115,500	-	115,500
Writedown of properties	(136,033)	-	(136,033)
Change in decommissioning liabilities (Note 9)	-	-	-
As at March 31, 2014	**13,557**	**-**	**13,557**
Exploration and development expenditures	57,750	-	57,750
As at September 30, 2014	71,307	-	71,307

Undeveloped Land - Alberta

At September 30, 2014 the Company holds certain petroleum and natural gas ("P&NG") leases from the Crown throughout Alberta. These undeveloped, non-producing leases are exploration lands and have no reserves assigned to them.

6. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Sawn Lake/Red Earth

The Company held a 50% working interest in a P&NG lease near the Sawn Lake/Red Earth area of northern Alberta with Penn West Petroleum Ltd. (Penn West) as our joint venture partner. Penn West acquired their interest and operatorship by conducting a 3D seismic program in 2011 over the Company's Lands. Penn West has applied for a lease continuation of the P&NG lease. Approval of this continuation extended the lease for an additional one year period beyond the original primary term of June, 2008. The lease expired in June, 2014.

The Company also holds a 100% interest in other P&NG leases in the Sawn Lake/Red Earth area as well as a number of other PN&G lease interests in other areas of Alberta. During the year ended March 31, 2014, the Company recorded an impairment charge of $136,033 as the Company did not renew a number of its PN&G leases.

7. OFFICE EQUIPMENT

	Total $
As at March 31, 2014	5,961
As at September 30, 2014	**5,961**
Accumulated depreciation	
As at March 31, 2014	(994)
Accumulated depreciaiton	(994)
As at September 30, 2014	**(1,988)**
Net book value	
As at March 31, 2014	4,967
As at September 30, 2014	**3,973**

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions and balances entered into during the month ended September 30, 2014 and 2013 not disclosed elsewhere in these consolidated financial statements are as follows:

Key Management Compensation

The Company has identified its directors and certain senior officers as it key management personnel. The compensation costs for key management personnel and companies related to them were recorded as follows:

	September 30, 2014 $	March 31, 2014 $
Management Fees	82,500	165,000
Consulting fees	22,500	15,400
Share-based payments	-	66,518
Total	**105,000**	**246,918**

8. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

Payable to related parties

Balances due to related parties consists of amounts owing to officers, director (or to persons related to them or companies controlled by them) for services, travel expenses, and advances. These amounts are non-interest bearing, unsecured and due on demand, unless otherwise noted.

	September 30, 2014 $	March 31, 2014 $
Related party payable for services	27,918	45,693
Total	**27,918**	**45,693**

Payable to former related parties

	September 30, 2014 $	March 31, 2014 $
Related party payable for services	232,266	232,266
Related party payable for travel	18,939	18,939
Loans from related parties	34,122	33,152
Total	**285,327**	**284,357**

9. LOANS PAYABLE

At September 30, 2014, the Company has short-term loans owing to unrelated parties in the amount of $244,230 (2013: $285,727). These amounts are due on demand, bear interest rates up to 10% per annum and are unsecured.

10. DECOMMISSIONING LIABILITIES

The following table presents the reconciliation of the opening and closing aggregate carrying amounts of the decommissioning liabilities associated with the oil and gas assets:

	September 30, 2014 $	March 31, 2014 $
Balance, beginning of the year	169,474	268,667
Accretion	860	974
Change in estimates (Notes 5 and 6)	-	(14,799)
Liabilities derecognized	-	(85,368)
Balance, end of year	170,334	169,474
Less: current portion	(86,400)	(86,400)
Long-term portion	**83,934**	**83,074**

11. SHARE CAPITAL

Shares authorized, issued and outstanding at September 30, 2014 are as follows:

a) Authorized

An unlimited number of common shares without par value
An unlimited number of preferred shares without par value

b) Issued

	Number of common shares	Amount $
Balance, March 31, 2013	4,831,666	11,953,092
Shares issued for private placements (i)	8,302,602	435,886
Shares issued for debt settlement (ii)	286,390	21,029
Shares issued costs	-	(7,068)
	13,420,658	12,402,939
Shares issued for private placements (iii)	8,333,333	500,000
Shares issued costs	-	(3,250)
Balance at September 30, 2014	21,753,991	12,899,689

(i) On July 23, 2013, the Company completed a non-brokered private placement, issuing 8,302,602 units at $0.0525 per unit for total proceeds of $435,886 and incurring share issue costs of $7,068. Each unit consists of one common share and one-half of a share purchase warrant of the Company. Each full warrant is exercisable into one common share at $0.10 per share on or before July 23, 2015.

(ii) On November 15, 2013, the Company completed shares for debt settlements, issuing 286,390 common shares with an estimated fair value of $57,278 for debt settlement with a face value of $64,003.68 resulting in a gain on debt settlement of $36,249.

(iii) On April 23, 2014, the Company completed a non-brokered private placement, issuing 8,333,333 units at $0.06 per unit for total proceeds of $500,000 and incurring share issue costs of $3,250. Each unit consists of one common share and one-half of a share purchase warrant of the Company. Each full warrant is exercisable into one common share at $0.10 per share on or before April 23, 2016.

c) Equity reserves

Equity reserve items are recognized as share-based payment expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

d) Share Purchase Warrants

A summary of share purchase warrants issued and exercised in the period ended September 30, 2014 and March 31, 2014 is as follows:

	September 30, 2014		March 31, 2014	
	Number of warrants	Weighted Average Exercise Price per warrant $	Number of warrants	Weighted Average Exercise Price per warrant $
Balance, beginning of year	4,151,301	0.10	-	-
Addition	4,166,667	0.10	4,151,301	0.10
Warrants, outstanding and exercisable, end of period	**8,317,968**	**0.10**	**4,151,301**	**0.10**

11. SHARE CAPITAL (Cont'd)

A summary of warrants outstanding and exercisable at September 30, 2014 is as follows:

Weighted Average Exercise Price		Date of Grant	Expiry Date	Outstanding	Exercisable	Weighted Average Remaining Life
$	0.10	July 23, 2013	July 23, 2015	4,151,301	4,151,301	0.81
$	0.10	April 23, 2014	April 23, 2016	4,166,667	4,166,667	1.56
$	**0.10**			**8,317,968**	**8,317,968**	**1.31**

e) Stock options

The Company established a stock option plan in the year ended March 31, 2006 (revised in fiscal 2010) under which it may grant stock options totaling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to officers, directors, regular employees and persons providing investor-relations or consulting services up to a limit of 5% and 2% respectively of the Company's total number of issued and outstanding shares per year. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed ten years from the grant date. The stock options vest immediately on the date of the grant or over a period of time as determined by the Board of Directors.

A summary of share purchase options cancelled, issued and exercised in the period ended September 30, 2014 and March 30, 2014 is as follows:

	2014 Number of options	Weighted average exercise price $	2014 Number of options	Weighted average exercise price $
Balance, beginning of year	7,500	2.33	7,500	2.33
Addition	1,300,000	0.06	1,300,000	0.06
Balance, end of period	**1,307,500**	**0.07**	**1,307,500**	**0.07**

A summary of stock options outstanding and exercisable at September 30, 2014 is as follows:

Exercise Price		Date of Grant	Expiry Date	Outstanding	Exercisable	Weighted average remaining life
$	0.06	October 25, 2013	October 25, 2018	1,300,000	1,300,000	4.07
$	3.00	January 28, 2011	January 28, 2016	2,500	2,500	1.33
$	2.00	December 30, 2010	December 1, 2015	5,000	5,000	1.17
$	**0.07**			**1,307,500**	**1,307,500**	**3.00**

The weighted average grant date fair value of options granted during the year ended March 31, 2014 was $0.06. The Company recognized $75,162 (2013 – ($65,169)) for the vested portion of stock options which has been recorded in equity reserves and charged to profit or loss for the year ended March 31, 2014. The fair values were determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

11. SHARE CAPITAL (Cont'd)

	Year ended March 31, 2014	Year ended March 31, 2013
Expected life of options	5 years	-
Annualized volatility	186%	-
Risk-free interest rate	1.71%	-
Dividend rate	0%	-
Share price on grant date	0.06	-
Exercise price	0.06	-

f) Per share data

The diluted earnings per share calculation includes the impact of all warrants and stock options outstanding during the year. At September 30, 2014, all warrants and stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive.

12. SEGMENTED INFORMATION

The Company operates in a single reporting segment, being oil and gas production and exploration. The Company's oil and gas property interests relate to two geographic cost centers, Canada and the USA. Set out below is segmented information on a geographic basis.

	Three months ended September 30, 2014			Three months ended September 30, 2013		
	Canada $	USA $	Total $	Canada $	USA $	Total $
Oil and gas revenue, net of royalties	11,083	1,230	12,313	-	749	749
Operating costs	(12,996)	(180)	(13,176)	-	(147)	(147)
Depletion and accretion	(717)	-	(717)	-	-	-
	(2,630)	**1,050**	**(1,580)**	**-**	**602**	**602**

	Six months ended September 30, 2014			Six months ended September 30, 2013		
	Canada $	USA $	Total $	Canada $	USA $	Total $
Oil and gas revenue, net of royalties	21,102	2,458	23,560	-	1,551	1,551
Operating costs	(18,444)	(395)	(18,839)	-	(342)	(342)
Depletion and accretion	(1,392)	-	(1,392)	-	-	-
	1,266	**2,063**	**3,329**	**-**	**1,209**	**1,209**

13. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, capital market risk and liquidity risk, interest rate risk, commodity price risk and foreign exchange risk.

Financial instruments, consisting of trade and other receivables, trade and other payables, balances payable to related parties and former related parties, and loans payable, are recorded at amortized cost. Cash is recorded at fair value through profit or loss. All of the fair value items are transacted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

13. FINANCIAL INSTRUMENTS (Cont'd)

	Financial instrument classification	September 30, 2014 Carrying Value $	September 30, 2014 Fair Value $	March 31, 2014 Carrying Value $	March 31, 2014 Fair Value $
Financial assets					
Cash	Fair value through profit or loss	355,825	355,825	139,359	139,359
Trade and other receivables	Loans and receivables	9,965	9,965	6,153	6,153
Financial liabilities					
Trade and other payables	Other financial liabilities	154,897	154,897	234,940	234,940
Payable to related parties	Other financial liabilities	27,918	27,918	45,693	45,693
Payable to former related parties	Other financial liabilities	285,327	285,327	284,357	284,357
Loans payable	Other financial liabilities	244,230	244,230	240,181	240,181

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as of September 30, 2014 are as follows:

	Balance at September 30, 2014	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
Assets:					
Cash	355,825	355,825	-	-	355,825

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to cash and trade and other receivables. Cash is held in demand accounts at a Canadian chartered bank. The Company does not believe it is subject to any significant counterparty risk with respect to cash.

Trade receivables typically arise from normal joint operating arrangements governing the Company's producing oil and gas properties, and from cost-recovery billings. Credit valuations are performed on a regular basis and the consolidated financial statements take into account any requirement for an allowance for bad debts.

The carrying amount of trade and other receivables and cash represents the maximum credit exposure. The Company has an allowance for doubtful accounts of $10,160 as at September 30, 2014.

13. FINANCIAL INSTRUMENTS (Cont'd)

Capital market risk and 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company faces material liquidity risk in that it has approximately $155,000 in accounts payable which are overdue at September 30, 2014 and insufficient cash on hand to satisfy those debts should they be demanded.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Contractual undiscounted cash flow requirements for contractual obligations as at September 30, 2014 are due as follows:

	Due in 1-3 months $	Due in 4-12 months $	Due in 1-2 years $	Due in >2 years $	Total $
Accounts payable and accrued liabilities	154,897	-	-	-	154,897
Due to related parties	27,918	-	-	-	27,918
Due to former related parties	285,327	-	-	-	285,327
Loans payable	244,230	-	-	-	244,230
Decommissioning liabilities	86,400		-	83,934	170,334

Interest rate risk

The Company's loans payable bear interest at a fixed rate. The Company does not believe its overall exposure to interest rate risk is significant and a 1% change in the interest rate would have an insignificant effect on net loss and comprehensive loss.

Commodity price risk

The Company is exposed to material oil and gas commodity price risk. A relative decrease in the price of oil and gas would reduce the Company's cash flows, reduce the realizable market value of the Company's oil and gas assets, reduce the Company's economic reserves, and make it more difficult for the Company to raise the equity capital required to meet its commitments and carry out its development-stage business plans. Management has assessed that the Company's degree of exposure to commodity price risk is material, but consistent with the development stage oil and gas business operations.

Foreign exchange risk

The Company currently generates approximately 10% of its gross revenue from a natural gas well in the United States with a carrying value of $2,458. Oil and gas commodities tend to be priced in US dollars therefore a decrease in the value of the US dollar could have a material impact on the results of operations.

The Company's operational results and financial position are materially impacted by global financial and commodity market volatility over which it has no control. The following sensitivity analysis is suggestive of ways in which the financial results of the Company may reasonably be expected to be directly impacted by volatility in those markets:

(i) The Company is exposed to foreign currency risk on its US dollar denominated assets and financial liabilities. At September 30, 2014 the Canadian dollar cost of paying the Company's US dollar denominated liabilities and property payment commitments would increase nominally resulting in a 1% increase in the value of the US dollar relative to the Canadian dollar.

(ii) Oil and gas revenues would not be significantly impacted by changes in oil and natural gas prices.

Commodity price risk affects the Company beyond its impact on realized revenue. In particular, the Company's future ability to raise capital for development stage activities is affected by, among many other factors, the price of oil and gas. Furthermore, changes in commodity prices will also affect the price of oil and gas leases, as well as exploration and drilling services and operating costs. Changes in oil and gas prices will also determine the Company's ultimate recoverable reserves.

14. CAPITAL MANAGEMENT

The primary capital management objective of the Company is to ensure adequate working capital is available to fund both the board-approved business development plans (i.e. oil and gas exploration and development), and the working capital requirements of each annual operating cycle, while also seeking to minimize the risk-adjusted cost of capital.

Capital is raised and retained for the purposes and to the extent necessary to fund exploration and corporate overhead costs, subject to the availability of financing on acceptable terms. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of its planned exploration activities and management's assessment of the expected availability of acceptably priced capital in future periods.

The Company defines capital as shareholders' equity. As the Company's major asset class – oil and gas properties without significant production – is highly illiquid, requiring significant additional expenditures to be fully monetized, and as the Company is not yet earning net income from oil and gas operations, management of externally financed working capital is, by necessity, a major function of the Company's capital management program. The chief source of working capital is equity financing obtained through the sale of common shares and share purchase warrants, and the exercise of warrants and options. The Company from time to time receives loans from related and unrelated parties and trade credit, but such financial instruments are typically only supplementary to equity financings. In any case, the Company does not consider debt to be a sustainable source of capital, as in the absence of positive cash flows from operations; any debt obtained must be retired with funds raised through equity financing.

The Company's capital management plan seeks to ensure adequate resources are available to fund its activities through the balance of the current fiscal year. A significant measure used in assessing capital adequacy is thus the expected number of days of operations that can be funded from current working capital. Capital levels are deemed sufficient if they can fund the balance of the annual exploration season and development goals and fund corporate overhead expenses in the near term. The Company lacks sufficient capital to carry out development or fund its corporate overhead expenses through the year ended March 31, 2015. Management must seek one or more equity financings to finance activities in the future periods. Additional capital raised will be invested primarily in oil and gas exploration and development activities.

Financing, and thus capital spending on exploration, will generally be limited to the extent that capital is available on acceptable terms. The acceptability of financing terms is generally determined by reference to the prevailing market price of the Company's shares. The terms on which the Company obtains financings are subject to the guidelines of the TSX. Venture Exchange.

The Company is not subject to material externally imposed capital constraints.

15. SUBSEQUENT SEVENT

On November 18, 2014, the Company announced that it had signed a purchase and sale agreement with an arm's length major exploration and production company to acquire oil and gas properties in Alberta. The purchase price will be satisfied by a cash payment in the amount of $2,000,000 (subject to standard closing adjustments) and the issuance of 2,100,000 units of the Corporation ("Units") at a deemed value of $0.065 per Unit. Each Unit will be comprised of one common share of WesCan and one common share purchase warrant ("Warrant"), with each Warrant entitling the Vendor to purchase an additional common share at a price of $0.10 per share exercisable for a period of two years from the closing date. WesCan expects to fund the cash portion of the purchase price through a combination of existing cash, bank debt and equity/debt financing.

Under the Acquisition, WesCan will purchase the working interests of the Vendor in certain assets in the Carrot Creek, Windfall and Three Hills Creek areas of central and Alberta.

The Carrot Creek property is located in central Alberta, where WesCan will acquire working interests in three producing units and several non-unitized wells. Production is both operated and non-operated and all wells are producing from the Cardium formation.

The Windfall property is located in central Alberta, where WesCan will acquire a significant working interest in a non-operated, long life, multi-zone, liquids-rich producing natural gas well.

The Three Hills Creek property is located in southern Alberta. WesCan will acquire various non-operated working and royalty interests in wells producing oil, gas and associated liquids.