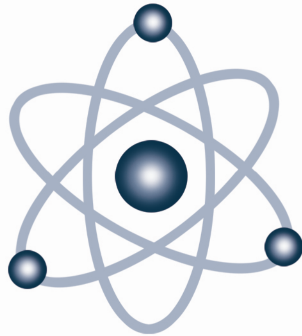

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Management's Discussion & Analysis- For the Year ended February 28, 2009

General

This Management's Discussion and Analysis (MD&A) is dated June 25, 2009, and reflects the year ended February 28, 2009 and should be read in conjunction with the audited financial statements for the year ended February 29, 2008 and the notes thereto. These financial statements, as well as press releases issued by the Company and other information, are available either at the Company's website: www.wasecoresources.com, or at SEDAR: www.sedar.com.

This MD&A is required to contain prospective and forward looking statements. The Company is not in the practice of making forecasts, financial or otherwise, as it believes its business of mineral exploration and development is not sufficiently foreseeable to permit such forecasts to be made with any accuracy. To the extent that it is obliged to include such prospective information herein, the Company claims the protection of safe harbour legislation and generally cautions readers that all forward looking statements are subject to change, inherent risks and uncertainties of many kinds. All statements made herein are made in good faith and in their belief as to best information and expectation available but no guarantee can be provided nor should any be inferred from any forward looking statement.

Description of the Business

The Company is a Tier 2 junior exploration company, listed on the TSX Venture Exchange ("WRI") and on the Frankfurt Exchange ("WSE"), engaged in the acquisition and exploration of mineral properties. The authorized capital is comprised of an unlimited number of no par value shares.

The Company's principal activities are currently focused on the Quebec Labrador Trough where it owns a 100% interest in certain mining claims. The Company is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The Company does not hold any interests in producing or commercial ore deposits. The Company has no production revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of uranium, gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These include commodity prices, availability of capital, exploration risks, regulatory risks, environmental risks, competition, dependence on key personnel, potential risks relating to mineral titles and aboriginal land claims, currency risk and potential amendments to tax laws.

As at June 25, 2009, the directors and officers of the Company were:

Derek Bartlett	Director
A.C.A. (Peter) Howe	Chairman and Director
Richard Ekstein	Director
James (Jay) Richardson	Director and Secretary-Treasurer (C.F.O.)
Richard Williams	Director and President (C.E.O.)

Overall Performance

The following paragraphs provide an analysis of the financial condition of the Company, results of operations, trends, events, uncertainties and industry and economic factors that affect the Company's performance. The MD&A was completed June 25, 2009 and may contain forward looking statements.

As at February 28, 2009, the Company's cash position was $565,873. This was a decrease of $107,539 from $674,412 at February 29, 2008.

For the period ended February 28, 2009, the Company's mineral properties and deferred exploration costs increased by $63,006 to $190,633 from $278,324 at November 30, 2008. This change is in large part attributable to a reclassification put through in 2009 based upon recognition that certain funds are still held in trust which are to be expended on property acquisition.

For the period ended February 28 2009, the Company had 30,311,155 common shares outstanding, compared to 29,511,155 common shares as at February 29, 2008, reflecting the exercise of options during the year.

Trends

There are no unusual trends, commitments, events or uncertainties presently known or identifiable to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations. The nature of the Company's business is demanding of capital for property acquisition costs, exploration commitments and holding costs. The Company intends to utilize cash on hand to meet these obligations and will continue to raise funds as necessary to augment this cash position.

Risks

There are certain risk factors that could have material effects on the Company that are not quantifiable at present due to the nature of the Company's industry segment and other considerations.

Exploration Development and Operating Risk
Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to property, and possible environmental damage. None of the properties in which the Company has an interest have a known body of commercial ore as defined under NI 43-101. Development of the Company's mineral properties would follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercially viable bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Business Risk
The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance

Commodity Prices
The price of the Company's common shares, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of uranium, gold and/or other metals. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various

central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Additional Capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings wiould be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, would not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company can not assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospective properties for mineral exploration in the future.

Land Title
The Company has not sought formal title opinions on its mineral property interests in Canada. Any of the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company has no present knowledge of any material defect in the title of any of the properties in which the Company has or may acquire an interest.

Review of Operations

12 Months Ended February 28, 2009 and February 29, 2008
The Company had a net profit of **$231,671** or **$0.008** per share for the twelve months ended February 28, 2009 compared to a net profit of $73,570 or $0.002 per share for the twelve months ended February 29, 2008.

Professional fees were $40,840 for the twelve months ended, February 28, 2009 compared to $28,364 for the twelve months ended February 29, 2008. These fees relate to routine professional services such as legal advice in the preparation of property agreements. A portion of these expenses will likely decrease as the Company focuses its efforts on its existing properties.

Office and general costs were $38,706 for the twelve months ended, February 28, 2009 compared to $55,373 for the twelve months ended February 29, 2008. There were certain office and general costs directly related to exploration activities and as a result were charged directly to mineral properties and deferred exploration expenditures. Office and general costs will increase as business activities grow.

Shareholders' Information for the year ended, February 28, 2009 was $18,534 for the electronic filing of disclosure documents on SEDAR compared to $52,756 for the twelve ended February 29, 2008. Some of these expenses will continue to increase as the Company considers other potential properties to explore and incurs travel costs.

Exploration Activities- Quebec Labrador Trough Project
The principal activity carried out in the first quarter of the year concluded on February 28, 2009 was the successful negotiation of the Extension Agreement with UraMin Inc. ("UraMin") and its new parent the AREVA Group. (AREVA) By this Extension Agreement, UraMin was provided additional time, to June 28, 2010, to complete its funding option to earn its 50% joint venture interest in certain Uranium prospects held by the Company, in exchange for increasing its funding option to an additional $2,000,000 as from the signing of the agreement.

This was followed in the second and third quarters by a helicopter assisted surface exploration program of geological mapping and sampling. Results of samples taken further confirmed the presence of Uranium at surface, as reported in the Company's press releases of March 10 and April 28, 2009.

Subsequent to year end, as further described below, the Company undertook a close-spaced helicopter borne Electro Magnetic (E-M) survey over an area which will be diamond drilled in the summer of 2009.

Management is very pleased with its working relationship with AREVA. It is the world's leader in the nuclear industry, and as such, provides valuable technical expertise to the projects. It has also developed an in depth knowledge of the area, having explored northern Quebec over the past 40 years. The work being undertaken not only advances our knowledge and understanding of the properties, but also generates revenue and profitability for the Company from the tax credits on exploration expenditures, as discussed in previous reports and below. These benefits are very positive for the Company; however, they can only be expected to continue for so long as the earn-in aspects of the joint venture agreement continue. Consideration is being given to supplementing the land package with corresponding additional

funding obligations to UraMin and AREVA, however, no such further agreements have been concluded to date

History

In fiscal 2006, the Company carried out airborne geophysical exploration activities on five uranium prospects that initially covered approximately 105 square kilometres (210 claims) in the Quebec Labrador Trough. As a result, the Company decided to undertake further staking in areas contiguous to these blocks. Waseco currently holds 775 claims, covering over 300 square kilometres. This was reflected in corresponding increases to the Mineral Properties accounts.

Following an earlier joint venture with UMC Energy Inc., in 2006, the Company entered into an agreement with UraMin, a company then listed on the Toronto Stock Exchange and the AIM in London. A follow up work program of airborne geophysics and ground geochemistry was initiated as part of a program totalling $1,600,000 that UraMin agreed to fund the Company to undertake over a two year period in order to acquire a 50% interest in the uranium and related metals discovered on the properties. In addition, UraMin was to make cash payments to the Company of $300,000, all of which has been received. Once the initial interest has been achieved, UraMin may elect to increase its interest in the uranium and related metals identified on the properties to 70% by agreeing to fund work resulting in a bankable feasibility study.

During the year ended February 28, 2007 and as part of the agreement with UraMin Inc., additional staking was undertaken on a 50:50 shared cost basis with them. This additional staking increases the Company's land position in this area to approximately 330 square kilometres, in aggregate.

In addition, during August of 2007, an initial field program of prospecting and sampling was carried out on a portion of the Du Portage claims (formerly called Blocks I and II). The results of this program were deemed to be incomplete and inconclusive by UraMin.

Subsequently, UraMin has advised the Company of the new depth of presence that it now has in the Province of Quebec as a result of UraMin's being taken over by AREVA, as discussed below. This new development provides the project with access to additional regional information, as well as a significant team of qualified geologists and technicians for the undertaking and supervision of future field work.

The significant expenditure on exploration activities commenced in the second quarter of the prior fiscal year and continued subsequently is not reflected in the closing balance of the Mining Properties account, as UraMin funded Waseco to undertake these activities. As such, the payments from UraMin to fund Waseco's expenditures, which otherwise would have increased the Mineral Properties account, are credited to the Mineral Properties account, effectively in matching amount, leaving the Mineral Properties account unchanged. Moreover, the refunds received and receivable from the Quebec and federal governments also go to reduce the carrying value of the Mining Properties. When these reductions result in the carrying value of a property being reduced to zero (as has occurred) further amounts are credited to income instead of reducing the value below zero. Any further net receipts with respect to the Quebec Labrador properties would be taken into income as a result of the carrying value having been reduced to nil.

Previous fiscal years also saw the commencement of work to digitize previous known exploration work carried out on the properties and surrounding lands and this work was deemed

to be extremely valuable. A previous year also saw a helicopter- borne high resolution geophysical survey project completed over the Du Portage claims and the expanded Block III as well as an initial geochemical survey which included nearly 1,000 samples.

During the second quarter of last year, UraMin committed to fund the Company's continuing program for the second year and remitted $450,000 to the Company in payment of the $150,000 unrestricted payment to the Company and $300,000 towards the program commenced in August. Following the UraMin acquisition by AREVA the Company's legal and contractual relationship with UraMin remains unchanged. The Company now works with AREVA staff to integrate the respective property databases and plan and carry out work programs. The Extension Agreement has subsequently called for an increased expenditure by UraMin to extend the time available to them to earn the 50% interest to June 28, 2010 and, in so doing, AREVA has become a party to the ongoing agreements.

A program of approximately $933,000 .was carried out by the Company during the course of the year under review, all funded by UraMin, as noted above. This was designed to provide the ground information preparatory to the drilling program which has been announced for the summer of 2009. As this MD&A is being written, the drill and ancillary equipment have been moved to the site and drilling is expected to begin June 29, 2009. During the part of the drilling program Waseco personnel will be on site to gain additional first hand knowledge of the program as it is being carrying out.

Drilling results are not expected to be available until later in the summer and will be released by way of press release (which will be posted on the Company's website and on SEDAR) in timely fashion, following review by management and consultation with AREVA.

As a result of the expenditures being funded by UraMin, there is no impact on the Mineral Properties as shown on the balance sheet as the amount funded by UraMin is credited to Mineral Properties completely offsetting the amount debited to the same account for the costs expended.

Indonesia

The Company, having previously severed its ties with its former Indonesian subsidiary, retained a significant quantity of proprietary information with respect to the Tewah Alluvial Gold project. Having learned that the Contract of Work covering the project had been terminated, the Company is in the process of re-establishing title to significant portions of its former holdings. Once this has been substantially advanced it intends to seek a funding partner and has already received expressions of interest in this regard. Substantial progress in this matter is not expected until the re-assembly of as much as possible of the former land position has been completed. As of the date of this MD&A, this process is still in progress as the speed of re-assembly has been adversely affected by multiple elections in Indonesia and new laws and regulations governing foreign based mining companies operating in Indonesia. The full implications of the new laws and regulations are not yet fully understood or established. The Company is working with local people with considerable depth of experience with mining companies in Indonesia and a Canadian consultant who is also well experienced in the area.

No additional amounts were advanced during fiscal 2009, but it is anticipated that there will be additional investment in furthering the re-assembly.

The Company's previously completed Final Feasibility Study on the project in Kalimantan puts it in an advanced position on this project. The recent prices for gold as well as zircon has attracted new potential investors to consider the opportunity. However, any discussions are viewed to be at a very preliminary stage at this time. The Company has advanced approximately $108,000 for this activity, of which $83,315 has been expended. This has been funded from unrestricted working capital while still leaving the Company with a healthy cash balance and more in prospect anticipated to be received in the coming quarters from the increased UraMin funding of exploration activities pursuant to the Extension Agreement.

Attawapiskat

The Company has participated in a geophysical survey on the Attawapiskat Diamond Property, in northern Ontario, where it holds a 5% interest. The development of the adjacent Victor Mine by De Beers and the work on the Macfadyen diamondiferous dykes to the west of the property, have rekindled interest in the camp. The Company has been informed of certain evaluation work which has been undertaken by one of the other joint owners of the property. As a result, the Company expects to be informed of plans for additional work to be done on the property and expects to contribute its proportionate share of the cost of such program. It is possible that the Company might seek to increase its share, presently standing at 5%, by contributing an amount to the program greater than its share, in the event that any participant does not opt to maintain its present interest. During the previous year, the Company received an amount of $2,500 as its proportionate share of a payment received from De Beers for the rental of a portion of the surface rights of one of the claims and paid $1,580 as its proportionate share of work done in the year. No additional amounts have been invested during the year but it is anticipated that there will be further investment as the exploration program continues and perhaps also further investment if the Company is provided the opportunity to increase its interest in the project.

Other Balance Sheet Comparisons

The continuing increases in cash and significant fluctuations in receivables (from GST and Refundable Provincial Exploration Tax Credits) balances over the last three years, reflect the profitability which the Company has achieved from having UraMin (and a former partner) supply funds for the Company's exploration expense and obtaining the benefit of the Exploration Tax Credits. From the previous year end, there has been a decrease in cash from $674,412 to $566,873 at the current year end reflecting operations' expenditures less cash received from additional share issues from the exercise of options. The Share Capital increased from the same issue of shares upon exercise of options noted above. Refundable exploration Tax credits increased significantly from $41,727 at the previous year end to $403,477 at February 28, 2009 as a result of the exploration expenditures incurred in the current fiscal. Accounts Receivable and Accounts Payable have both also increased significantly reflecting that the funding for the program has not yet been received from UraMin nor have the corresponding expenses been paid to UraMin.

The Mineral Properties account has increased as a result of further expenditure during the year under review for the acquisition of additional property rights in Indonesia but remains unchanged with respect to the Quebec Labrador Trough property notwithstanding the expenditures there, owing to the funding of the expenditures by UraMin as previously explained.

As the Company anticipated being taxable for net profits on income in the current year, an amount of income tax payable was accrued in the second and third quarters and shown on the balance sheet and the statement of profit and loss,. Management had anticipated that the

Company's previous losses carried forward and available pools of Cumulative Exploration and Development Expenditures would be consumed. It is now estimated that this event will take place only after next year, given a continuation of the UraMin funding and its resulting profit generation to the Company.

Share capital increased during the year as a result of the issue of shares upon exercise of options. The Contributed Surplus increased in the fourth quarter as a result of 1,000,000 options issued to Directors to acquire shares at a price of $0.25 per share (a premium to the market at the time of the grant) for a period of three years from date of grant, consistent with the Option Plan of the Company. Finally, the deficit carried forward by the Company has been significantly reduced during the year as a result of the profit generated as more fully explained below.

Statement of Operations Comparisons

There was an improvement in net profit for the year ended February 28, 2009 in comparison to the prior fiscal year, primarily owing to the profitability generated by the exploration program in Quebec. Since the inception of the Quebec exploration program in 2006, the Company has generated significant option revenues as a direct result. As the Company has taxation losses and Canadian resource deductions available for carry forward, management has investigated the potential recognition of a future income tax asset in the Company accounts. Partially on account of the program expiring in June 2010, management has determined that a 100% valuation allowance in respect of these assets is most appropriate as at February 29, 2009.

Should the Company negotiate and enter into further mineral property optioning agreements which bring about further revenues and coupled with the Company's ongoing administrative and corporate overhead requirements, there may be the need to recognize a future income tax asset in future based on its more likely than not realization. Management will continue to monitor this recognition issue on an annual basis.

Management fees were a larger expense than in the previous year as a result of their only having commenced in the second quarter of last year (and as a result of a modest under-accrual at the year end which was expensed in the first quarter). Management fee income increased during the year reflecting the greater level of expenditure in the Quebec Labrador Trough project. Such expenses are the basis for the calculation of the Company's Management Fee income.

Stock based compensation expense increased during the year resulting from the grant of stock options to the Directors, as noted above. This was the first grant of such options in over three years and the Corporation continues to experience only very modest dilution from less than 31,000,000 shares outstanding (2008, less than 30,000,000); on a fully diluted basis, this is still less than 32,000,000 (2008, less than 31,000,000) shares which would be outstanding if all options outstanding were to be exercised. Such exercise would add $250,000 to the cash resources of the Corporation. The stock based compensation expense is a non-cash expense calculated according to the Black-Scholes Model in which the very subjective estimated expected volatility is the most significant single driver. As a result, management does not consider such expense to be other than a highly subjective estimate.

While professional fee costs increased during the year, other expense items were reduced from what they had been in the comparable year earlier.

As previously noted, above, the Company, having earned a significant amount of net income in the year, was anticipating being liable to pay income taxes for the year and an estimated amount for the second quarter was accrued and shown as provision for income taxes. No amount was accrued in the third quarter owing to the small loss incurred. Now it appears that the exhaustion of the pools of CEE and CDE may take until next year and so the second quarter accrual has been reversed.

The fluctuating profitability reflects the variability of exploration activities. We anticipate a continuation in exploration activity next year with a corresponding continuation of profitability, subject to UraMin opting to continue its earn in and fund the corresponding program to do so. It is anticipated that exploration activity and profitability will resume in the second quarter of the next fiscal year,.

Other Cash Flow Comparisons

Expenditures related to mining properties and the corresponding option payments received both were increased from the previous year, which reflects the resumption of field activities. The main elements of the Statement of Cash Flows have been discussed above under Balance Sheet Comparisons or Statements of Operations Comparisons. Option Payments received decreased from $150,000 to nil as a result of UraMin's having completed their required payments in this regard. No amount of Provincial Exploration Tax Credit was received but accrued amounts are anticipated to be received in future periods.

The Company's main focus is on its uranium properties. It continues to review other projects that it believes would create added shareholder value while putting primary emphasis on acquiring additional properties of merit in the vicinity of its Quebec Labrador Trough properties.

Liquidity and Solvency

The Company's ability to conduct exploration and development on its properties has traditionally been primarily based upon its ability to enter into attractive joint venture arrangements with third parties to undertake exploration and development expenditures on its behalf or to fund it to undertake them. As the Company builds its resources from its profitable operations, its ability to undertake additional activities on its own has been enhanced.

Further funding for any corporate purposes will be forthcoming from refunds of costs of work undertaken which will be provided by the Quebec provincial and federal Governments pursuant to the Quebec Income Tax Act and the Mining Duties Act and the federal Income Tax Act and such further equity or other financing as the Company may feel advisable.

The Company's present and prospective resources from amounts anticipated from collection of receivables (the refunds from Quebec and federal incentive programs) represent sufficient funds in prospect to fund administrative costs and modest exploration and development of its own beyond the more significant exploration and development costs being funded by UraMin for at least the next four quarters. If UraMin completes its earn in but elects not to exercise its option to increase its interest to 70% by advancing to a bankable feasibility study, the Company would anticipate participating with UraMin in further expenditure in the 50:50 joint venture which would be formed.

It is also the Company's intention to seek a joint venture partner for the development of its Indonesian project and is optimistic from initial expressions of interest that this will be

achievable, particularly in the currently favourable environment of strong prices both for gold and for zircon, an important by-product in this project. The Company will address these possibilities more rigorously when the property re-assembly has been completed.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Related Party Transactions

There were no related party transactions during the year beyond the payment or accrual of $9,000 quarterly in management fees paid or payable to three officers and/or directors. There was no comparable item in the first quarter of the comparable prior year as such fee payments only commenced in the second quarter of the prior year.

Assessment of Recoverability of GST Recoverable

The carrying amount of GST Recoverable is considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Assessment of Recoverability of Mineral Property Costs

The Company’s recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company’s recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

Management is cognizant of the requirement that all public companies change their reporting to a system that conforms with International Financial Reporting Standards by December 31, 2011. Management is studying developments in this respect and will conform to the necessary changes in standards and will ensure that its accounting systems will provide the necessary information in timely fashion. The first impact may be felt as early as 2010 when comparable IFRS standard information would need to be available for use as comparative information for the following year’s quarterly reports. The Company will endeavour to keep its shareholders and others apprised of the implementation plans and their likely impacts. In view of the modest scale of the Company’s operations, it is not expected that there will be any significant disruption to any of the Company’s operations, but some accounting presentations will change as a result.

Additional Capital

The continued exploration work by the Company may require substantial additional financing. There can be no assurance that additional capital or other types of financing would be available

if needed or that, if available, the terms of such financings would be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing since the equity investment that constitutes the primary asset of the Company is linked to such prices.

Critical Accounting Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates relate primarily to the recoverable value of its mineral properties and related deferred exploration costs.

These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

Critical Accounting Policies

Revenue Recognition
The Company recognizes management fees as earned in accordance with the related exploration agreement. Interest revenue is accrued as earned. Payments received for mineral properties are recorded as a reduction of the corresponding property. When the carrying value has been reduced to nil the offsetting charge is to option income.

Mineral Properties
The Company considers its exploration costs to have the characteristics of property, plant and equipment, as such all costs related to mineral exploration are capitalized on a property-by-property basis. Such costs include acquisition, exploration, development and mining-related administration expenditures, net of any recoveries. Until the mineral properties are explored to a point where it is determined that the mineral properties are or are not capable of being economically developed through assessable exploration results or measurable reserves, in management's opinion, it is impractical to assess the realization of exploration and development costs capitalized to the mineral properties. When there is little prospect of future work on a property being carried out by the Company or its partners, the costs of the property will be charged to earnings. The recoverability of amounts shown as mineral properties is dependent on the identification and determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development of the properties and upon future profitable production.

Income Tax
The Company accounts for income taxes in accordance with the asset and liability method. The determination of future income tax assets and liabilities is based on the differences between the financial statement and the income tax bases of assets and liabilities, using substantively enacted tax rates in effect for the period in which the differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

Impairment of Long-Lived Assets
Senior management periodically reviews the carrying value of mineral properties to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the asset exceeds its estimated fair value, which is normally the discounted value of future cash flows. Where estimates of future cash flows are not available, and where other conditions

suggest impairment, management assesses if carrying value can be recovered and provides for impairment if so indicated, by reducing the carrying value of the property to its estimated fair value.

Financial Instruments
All financial instruments are classified into one of the following five categories: held-for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in accumulated other comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has made the following classifications for its Financial Instruments:

Cash and cash equivalents	Held for trading
Refundable provincial exploration tax	Loans and receivable
Accounts receivable	Loans and receivable
Accounts payable and accrued liabilities	Other financial liabilities
Exploration deposits received	Other financial liabilities

Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are expensed on initial recognition.

Adoption of New Accounting Standards

Effective January 1, 2009, the CICA has issued a new standard which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. The Company has adopted these standards where applicable. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new operations. The adoption of this new policy will have no impact on the Company at the present time.

There has been no change to accounting policy during the period other than as previously disclosed.

Accounting Policy Choice for Transaction Costs
On June 1, 2007, the Emerging Issues Committee ("EIC") of the CICA issued Abstract No. 166, Accounting Policy Choice for Transaction Costs ("EIC-166"). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. The Company has adopted EIC-166 effective September 30, 2007 and requires retroactive application to all transaction costs accounted for in accordance with CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement. The

Company has evaluated the impact of EIC-166 and determined that no adjustments are currently required.

Changes in Accounting Policies Including Initial Adoption
On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments - Disclosures (Handbook Section 3862), and Financial Instruments - Presentation (Handbook Section 3863). These new standards became effective for the Company on October 1, 2007.

Capital Disclosures
Handbook Section 1535, Capital Disclosures, establishes disclosure requirements regarding an entity's capital, including (i) an entity's objectives, policies, and processes of managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any externally imposed capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by the new Handbook section in its audited financial statements.

Financial Instruments
Handbook Sections 3862 Financial instruments — Disclosures and 3863 Financial Instruments — Presentation replace Handbook Section 3861 Financial Instruments — Disclosure and Presentation, revising and enhancing disclosure requirements while leaving presentation requirements unchanged. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in its audited financial statements.

Recent Accounting Pronouncement
The CICA issued a new accounting standard Handbook Section 3031 Inventory which becomes effective for the Company for its fiscal year beginning on October 1, 2008. Section 3031 establishes standards for the measurement of inventories, allocations of overhead, accounting for write-downs and disclosures. The Company has determined that this new standard will have no material impact on the financial statements.

New Accounting Pronouncements

Effective January 1, 2009
In February 2008, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3064, Goodwill and intangible assets, replacing Section 3062, Goodwill and other intangible assets and Section 3450, Research and development costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statements relating to fiscal years beginning on or after March 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning March 1, 2008. It establishes standards for the recognition of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company has determined that this new standard will have no material impact on the financial statements.

The CICA issued a new accounting standard Handbook Section 3031, Inventory which becomes effective for the Company for its fiscal year beginning on March1, 2008. Section 3031 establishes standards for the measurement of inventories, allocations of overhead, accounting

for write-downs and disclosures. The Company has determined that this new standard will have no material impact on the financial statements.

Effective January 1, 2009, the CICA has issued a new standard, which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. The Company will adopt the requirements commencing in the quarter ended May 30, 2009 and is considering the impact this will have on the Company's financial statements. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new operations.

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscals periods ending on or after January 20, 2009. The application of this new standard had no impact on the Company's operating results or financial position.

On March 27, 2009, the CICA approved EIC 174,"Mining Exploration Costs". This provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long lived assets in general. The application of this new standard had no impact on the Company's operating results or financial position.

Effective January 1, 2011

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of stakeholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company is currently evaluating the impact of adopting IFRS.

Financial Instruments Rick Exposure

A summary of the Company's risk exposures as they relate to Financial Instruments is reflected below:

Fair Value

The carrying value of the financial instruments approximate their fair value due to the relatively short periods to maturity of these vehicles. Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk
The Company is not exposed to credit risk attributable to customers. Additionally, the Company's cash and cash equivalents are held with Schedule A Canadian Chartered Banks in Canada.

Interest Rate Risk
The Company invests cash surplus to its operational needs in investment-grade short term deposit certificates issued by the banks where it keeps its Canadian Bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposit certificates. A change in the interest rate of 1% would cause interest income to change annually by $5,400 given its February 28, 2009 certificate holdings.

Political Risk
The properties are located in Canada and Indonesia; accordingly, the Company is subject to risks normally associated with exploration and development of mineral properties in these countries. The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which the Company has no control.

Business Risk
There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Liquidity Risk
The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient liquidity to meet its liabilities when due. As at February 28, 2009, the Company had working capital of $743,372. All of the Company's financial liabilities are subject to normal trade terms.

Commodity Price Risk
The price of the common shares in the capital the Company ("Common Shares"), its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of uranium, gold and/or other commodities. Gold and uranium prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of commodities or interests related thereto. The

effect of these factors on the prices of commodities, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Sensitivity Analysis

The Company has designated its cash and cash equivalents as held for trading, which is measured at fair value; the carrying amount of the financial instruments equals fair market value.

Management believes that, based on their knowledge and experience of financial markets, the following sensitivity analysis is appropriate for its cash and cash equivalents and its exposure to foreign exchange risk: The Company's funds are held primarily in short term investment grade deposits, the rates of which are fixed for a period not exceeding three months.

As of February 28, 2009, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Outlook

The business objective of the Company is the acquisition, exploration, development and production of mineral resources from properties in Canada and abroad. More particularly, the Company's primary business objective is to carry out exploration programs on the Quebec Labrador Trough property.

If the results of the initial exploration and test drilling programs prove to be encouraging, the Company may require additional capital that may require future financings. There can be no assurance that the Company will be able to raise such additional capital if and when required on terms it considers acceptable.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer,

evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Subsequent Events

Following the completion of the year under review and prior to the date of these financial statements (June 28, 2009), the only material subsequent event was the receipt by the Corporation of $45,000 in Management Fees in respect of accrued amounts regarding the Quebec Labrador Trough project with UraMin.

Proposed Transactions

Management is continuously examining potential acquisitions or options of additional properties as they are presented to the Company. No such transactions are presently pending while some possibilities are in early stages of discussion. Any such transactions would be announced by way of press release promptly upon their being committed to. Referred to above is the Company’s renewed interest in the Tewah project and the expectation of entering into discussions which may lead to arrangements for its exploitation.

Summary of Quarterly Results

Selected financial information for the quarters of fiscal 2009 and each of the previous four quarters appears on the following page.

Summary of Quarterly Results

Fiscal Period Ended		Feb '09		Feb '08
1st Quarter				
Revenue				-
Gain (loss)	$	12,091	$	(9,337)
Gain (loss) per share		0.000		(0.000)
2nd Quarter				
Revenue		383,760		173,500
Gain (loss)		189,545		117,739
Gain (loss) per share		0.006		0.004
3rd Quarter				
Revenue		7,195		12,186
Gain (loss)		(9,192)		(6,295)
Gain (loss) per share		(0.000)		(0.000)
4th Quarter				
Revenue		60,796		24,377
Gain (loss)		39,235		(28,537)
Gain (loss) per share		0.002		(0.002)

Disclosure Of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at June 25, 2009:

Common Shares of no par value	Number
Shares	30,311,155
Warrants	nil
Options	1,000,000

Management of the Company invites questions from its shareholders and will be pleased to consider how these statements may be made more useful to shareholders and others.

WASECO RESOURCES INC.

“Richard Williams”
Richard Williams
President
June 25, 2009