



(an exploration stage company)

Unaudited Interim Condensed Financial Statements
(Expressed in Canadian dollars)

**As at and for the nine months ended
November 30, 2013 and 2012**



(an exploration stage company)

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Waseco Resources Inc. [the "Company"] are the responsibility of management and have been approved by the Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies as disclosed in the notes to the unaudited interim condensed financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim financial statements have been prepared fairly, in all material respects and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings) (“NI 52-109”), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures (“DC&P”) and/or ICFR, as defined in NI 52-109.

“Richard Williams”
President

“James (Jay) Richardson”
Chief Financial Officer

NOTICE TO READER

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed financial statements for the nine months ended November 30, 2013 and 2012 have not been reviewed by the Company's auditors.



(an exploration stage company)

Statements of Financial Position
(Expressed in Canadian Dollars)

	Nine Months Ended November 30, 2013	Year Ended February 28, 2013
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	97,028	137,500
Refundable provincial exploration tax credits	18,858	18,858
Sales taxes recoverable	6,873	43,206
Short-term loan receivable - secured (Notes 6, 7 and 9)	-	105,250
Total Assets	122,758	304,814
Liabilities		
Current liabilities		
Trade payables and accruals	38,224	46,568
Exploration deposits received, net	212,510	112,349
	250,734	158,917
Shareholders' Equity		
Share capital	5,777,662	5,777,662
Share payment reserves	175,202	170,802
Deficit	(6,080,840)	(5,802,567)
Total Shareholders' Equity	(127,976)	145,897
Total Liabilities and Shareholders' Equity	122,758	304,814

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 14)

Approved by the Board:

("Signed") James (Jay) Richardson

CFO & Director

("Signed") Richard Williams

CEO & Director

The accompanying notes are an integral part of these financial statements



Unaudited Interim Statements of Comprehensive Loss and Deficit
(Expressed in Canadian Dollars)

(an exploration stage company)

	Nine month period ended		Three month period ended	
	November 30,		November 30,	
	2013	2012	2013	2012
	\$	\$	\$	\$
Expenses				
General and administrative	52,512	52,917	21,539	22,475
Shareholder relations and regulatory fees	13,426	21,743	3,656	4,248
Professional fees	18,720	27,388	2,720	9,500
Share based payments	4,400	-	-	-
Exploration and evaluation expenditures	194,544	492,105	(2,414)	210,417
	283,602	594,153	25,501	246,640
Loss before other income	(283,602)	(594,153)	(25,501)	(246,640)
Other income:				
Miscellaneous income	157	2,164	-	-
Interest	5,172	5,786	106	1,701
	5,329	7,950	106	1,701
Comprehensive loss	(278,273)	(586,203)	(25,395)	(244,939)
Loss per share -basic and diluted	(0.009)	(0.019)	(0.001)	(0.008)
Weighted average number of shares outstanding - basic and diluted	30,311,155	30,311,155	30,311,155	30,311,155

The accompanying notes are an integral part of these interim financial statements



Statements of Changes in Equity

(Expressed in Canadian Dollars)

(an exploration stage company)

	Capital Stock		Reserves		Total
	Number of shares	Amount	Share based payments	Retained earnings (Deficit)	
		\$	\$	\$	\$
Balance at March 1, 2012	30,311,155	5,777,662	170,802	(5,167,616)	780,848
Comprehensive loss for the year ended February 28, 2013	-	-	-	(634,951)	(634,951)
Balance at February 28, 2013	30,311,155	5,777,662	170,802	(5,802,567)	145,897
Share based payments	-	-	4,400	-	4,400
Comprehensive loss for the nine month period ended November 30, 2013	-	-	-	(278,273)	(278,273)
Balance at November 30, 2013	30,311,155	5,777,662	175,202	(6,080,840)	(127,976)

	Capital Stock		Reserves		Total
	Number of shares	Amount	Share based payments	Retained earnings (Deficit)	
		\$	\$	\$	\$
Balance at March 1, 2012	30,511,155	5,777,662	170,802	(5,167,616)	780,848
Comprehensive loss for the nine months ended November 30, 2012	-	-	-	(586,203)	(586,203)
Balance at November 30, 2012	30,511,155	5,777,662	170,802	(5,753,819)	194,645

The accompanying notes are an integral part of these financial statements



Unaudited Interim Statements of Cash Flow

(Expressed in Canadian Dollars)

(an exploration stage company)

	Nine month period ended		Three month period ended	
	November 30,		November 30,	
	2013	2012	2013	2012
Operating activities				
Net comprehensive (loss)/gain for the period	(278,273)	(586,203)	(25,395)	(244,939)
Adjustments to reconcile net income to cash flow from operating activities:				
Share based payments	4,400	-	-	-
Write-off of short-term loan receivable (Note 9)	101,750	-	105,250	-
Impact on cash flow of net changes in non-cash working capital items:				
Sales taxes recoverable	36,333	(13,317)	(3,562)	(5,490)
Exploration deposits receivable	100,161	(2,164)	-	-
Accounts payable and accruals	(4,843)	(14,991)	(12,864)	7,345
	(40,472)	(616,675)	63,429	(243,084)
Investing				
Short term loan receivable - secured (Notes 7 and 9)	-	(103,500)	(93,250)	(1,750)
	-	(103,500)	(93,250)	(1,750)
Increase (decrease) in cash and cash equivalents	(40,472)	(720,175)	(29,821)	(244,834)
Cash and cash equivalents, beginning of period	137,500	914,267	126,849	438,926
Cash and Cash Equivalents at End of Period	97,028	194,092	97,028	194,092

The accompanying notes are an integral part of these financial statements



Notes to Unaudited Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Nine Months Ended November 30, 2013 and 2012

(an exploration stage company)

1. NATURE OF OPERATIONS AND GOING CONCERN

Waseco Resources Inc. ("Waseco" or the "Company") is continued under the laws of Ontario. The principal business activity of the Company is mineral exploration in Canada and Nevada, U.S.A. as more particularly described in Note 10. The Company's registered office is Suite 1500, 2 Queen Street East, Toronto, Ontario, M5C 3G5.

As at November 30, 2013, the Company had negative working capital of \$127,976 (February 28, 2013 - \$145,897), had accumulated losses of \$6,080,840 (February 28, 2013 - \$5,802,567) and expects to incur future losses in the development of its business, all of which casts significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

Management plans to secure necessary financing, as and when needed, through a combination of the issue of new equity or debt instruments and the entering into of joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

For further comments on the Company's liquidity risk refer to Note 4 (ii) below.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issuance by the Board of Directors of the Company on January 28, 2014.

(an exploration stage company)

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation and functional and presentation currency

These unaudited interim condensed financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's February 28, 2013 audited annual financial statements.

The financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2013. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- IFRS 9 '*Financial Instruments: Classification and Measurement*' – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IAS 1 '*Presentation of Financial Statements*' – The IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income ("OCI") on the basis of whether they are potentially re-classifiable to profit and loss.
- IAS 32 '*Financial instruments, Presentation*' – In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.
- IFRS 11 '*Joint Arrangements*' – is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues in accordance with the arrangement, whereas entities in the latter case account for the arrangements using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

Management has adopted the above standards in the Company's financial statements for the period beginning March 1, 2013, with the exception of IFRS 9, with no significant effect on the financial statements.



(an exploration stage company)

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company may be dependent on external financing to fund its activities. If, however, the joint venture decides to continue the exploration in Quebec then the Company would have a source of revenue. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There has been significant market turbulence worldwide due to the credit crisis and potential of a global recession. These market conditions have and are expected to continue to have an adverse impact on the ability of junior mining exploration companies to secure equity funding. The Company has historically relied, beyond revenue amounts generated, on equity financing to raise capital and expects to be able to continue to do so, but its ability to do so may be impacted by the current global situation and economic uncertainties. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting but management is confident of the sufficiency of its present working capital to at least meet its needs for the next twelve months.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended November 30, 2013. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash and cash equivalents as Fair Value Through Profit and Loss ("FVTPL"), which are measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of trade and other receivables, trade and other payables and due to related parties are determined from transaction values which were derived from observable market inputs.

(an exploration stage company)

4. FINANCIAL INSTRUMENTS (continued)

As at November 30, 2013, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

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 and, 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 is reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

- a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.
- b. **Trade and other receivables** – Apart from the Subsequent Event identified in Note 15, the Company is exposed to minimal credit risks as a significant portion of the receivables are from the Canadian Government.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At November 30, 2013, the Company had negative working capital of \$127,976 (February 28, 2013 – \$145,897). In order to meet its longer-term working capital and property exploration expenditures, the Company would, if necessary, attempt to secure further financing to ensure that those obligations were properly discharged. Management believes that the Company has sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that Waseco will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Waseco may change and shareholders may suffer additional dilution.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

iv) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.



Notes to Unaudited Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Nine Months Ended November 30, 2013 and 2012

(an exploration stage company)

5. CASH AND CASH EQUIVALENTS

The balance at November 30, 2013, consists of \$97,028 (February 28, 2013 - \$137,500) on deposit with two major Canadian banks.

6. TRADE AND OTHER RECEIVABLES

	As at	
	November 30, 2013	February 28, 2013
Refundable provincial exploration tax credit	18,858	18,858
Sales taxes recoverable	6,873	43,206
Short-term loan receivable-secured (note 7)	-	105,250
	25,731	167,314

At November 30, 2013, the Company anticipated full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 4. The Company holds no collateral at November 30, 2013 against these receivables. The short-term loan receivable of \$105,250 has been written-off in consideration of the acquisition of the additional 25% interest in the Battle Mountain Ridge Properties.

7. SHORT-TERM LOAN RECEIVABLE

As noted above, during the third quarter when the extended loan to Sparton became due, in consideration of the acquisition of the remaining 25% of the Battle Mountain Ridge Project, the \$100,000 loan to Sparton and accrued interest of \$5,250 were written-off.

8. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities of the Company are principally amounts owing for operating activities and amounts owing to professional advisors in the normal course of business. Exploration deposits received is a deposit received re the AREVA joint venture.

	As at	
	November 30, 2013	February 28, 2013
Trade payables and accruals	38,224	46,568
Exploration deposits received, net	212,510	112,349
	250,734	158,917



Notes to Unaudited Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Nine Months Ended November 30, 2013 and 2012

(an exploration stage company)

9. RELATED PARTY TRANSACTIONS

The financial statements include no balances and transactions with directors and/or officers of the Company other than management fee payments and reimbursements of out of pocket amounts paid by them on behalf of the Company and \$7,347 owing to Richard Williams, a director, for advances made on behalf of the Company. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties which are not in excess of fair market values.

The Company's related parties consist of the following officers, directors, and companies:

Officers and directors	Title
Richard Williams	President, Chief Executive Officer and Director
James Richardson	Chief Financial Officer and Director
Rick Ekstein	Director
Derek Bartlett	Director
Peter Sever	Director

During the nine months ended November 30, 2013, The Company paid \$41,000 (2012 - \$45,000) to officers of the Company for management fees.

On April 18, 2012, the Company provided Sparton Resources Inc. ("Sparton") with a \$100,000 loan for one year as part of the terms of an option agreement with Sparton as detailed further in Note 7. Mr. Williams, the Company President and C.E.O., is a director of Sparton and as such Sparton is a related party. He abstained from voting on the transaction.

10. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenses for the Company are broken down as follows:

Property	(CANADA)	(CANADA)	(FOREIGN)
	James Bay Lowland Ontario	Labrador Trough Quebec	Battle Mountain Nevada
Balance, March 1, 2012	170,324	43,900	-
Property expenditures	-	23,192	489,003
Balance, February 28, 2013	170,324	67,092	489,003
Property expenditures	-	4,704	189,840
Balance, August 31, 2013	170,324	71,796	678,843



(an exploration stage company)

10. EXPLORATION AND EVALUATION EXPENDITURES (continued)

The Company has interests in the following properties:

1. Quebec-Labrador Trough – The Company controls these uranium properties which consist of multiple blocks. The Company has a joint venture agreement with AREVA and to date the Company’s monetary contribution has been \$71,796 in addition to the underlying properties.
2. James Bay Lowlands – The Company acquired a 5% interest in 2003 in a 2,440 acre claim block adjacent to the DeBeers Victor mine in the Attawapiskat Region in Northern Ontario. The property is subject to a 2% net smelter return (“NSR”), with the Company and its joint venture partners having a right of first refusal to buy out 1%.
3. Battle Mountain Nevada - The Company owns a 100% interest in a lease covering 29 claims on the Battle Mountain Gold Trend in Lander County, Nevada. The Company may maintain the property in good standing by making quarterly lease payments of \$4,250 and paying the annual advanced royalty payments of US\$75,000 (paid for 2013). Approximately \$679,000 has been spent on the property. (Refer to Note 7 above.)

11. CAPITAL STOCK

Share Capital

Waseco is authorized to issue an unlimited number of common shares. The issued and outstanding share capital consists of common shares.

An analysis of movements in Capital Stock is set out in the Equity analysis (Page 5) above.

11. CAPITAL STOCK (continued)

Share-Based Payment Plan

Waseco has established a stock option plan to provide additional incentive to its directors, officers, employees, service providers, or consultants in their efforts on behalf of the Company in the conduct of its affairs. The total number of shares which may be issued thereunder shall not exceed 10% of the then issued and outstanding shares of the Company. Under the terms of the plan, options shall vest immediately except those options granted to consultants or persons employed in investor relations activities, which are to vest over a twelve month period. All options expire on the fifth anniversary from the grant date, unless specified otherwise in a Director’s Resolution.

The exercise price of each option issued shall not be less than the closing market price of the Company’s stock on the day immediately preceding the date of grant.



Notes to Unaudited Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Nine Months Ended November 30, 2013 and 2012

(an exploration stage company)

Periods ended	November 30, 2013		February 28, 2013	
	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options
Outstanding at beginning of period	\$0.10	1,000,000	\$0.10	1,000,000
Transactions during the period				
Granted	\$0.10	200,000	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at end of period	\$0.10	1,200,000	-	1,000,000
Exercisable at end of period	\$0.10	1,200,000	\$0.10	1,000,000

12. RESERVE FOR SHARE BASED PAYMENTS

An analysis of movements in Share-Based Payments is set out in the Equity analysis above. During the nine months ended November 30, 2013, 200,000 options were issued to a director and a charge of \$4,400 was made to the Share Based Payments Account. This \$4,400 Black-Scholes calculation was based on the following: share price \$0.05, exercise price \$0.10, time to maturity 3 years, annual risk-free interest rate 3.5% and annualized volatility 90%.

13. INCOME TAXES

At February 28, 2013, the Company has \$799,000 (2012 - \$193,200) in non-capital losses carried forward for which no benefit has been recognized in the accounts. If these losses are not utilized they will expire between 2028 and 2033.

At February 28, 2013, the Company has \$5,099,500 (2012 - \$4,558,600) of unused CCEE, CCDE, FEDE and CFRE expenses and capital losses of \$312,400 (2012 - \$312,400). The tax benefits pertaining to these expenses are available to be carried forward and similarly no benefit has been recognized in the accounts.

14. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company may maintain the Battle Mountain Property in good standing by making quarterly lease payments of \$4,250 and paying the annual advanced royalty payments of US\$75,000 (paid for 2013).