WASECO RESOURCES INC.

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Management's Discussion & Analysis- For the nine months ended November 30, 2007.

General

This Management's Discussion and Analysis (MD&A) is dated January 28, 2008 and reflects the nine month period ended November 30, 2007 and should be read in conjunction with the unaudited financial statements for the nine months ended November 30, 2007 and the audited financial statements for the year ended February 28, 2007 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.

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.

Exploration Activity

Having completed the geophysical exploration activities on the Company's five uranium prospects that initially covered approximately 105 square kilometres in the Quebec Labrador Trough, the Company continued in the year ended February 28, 2007 with the compilation of the historical geochemical and geological data and the analysis of the information developed. As a result, the Company decided to undertake further staking in areas contiguous to these blocks. This was reflected in corresponding increases to the Mineral Properties accounts.

In 2006, the Company entered into an agreement with UraMin Inc. ("UMC"), 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 has 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, UMC has made cash payments to the Company of $300,000, of which the final $150,000 was received during the second quarter. 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.

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

In the Second Quarter and subsequently through and beyond the end of the period under review, an exploration manager was hired to oversee and control the program of ground exploration. An initial field program of prospecting and sampling was carried out on a portion of Blocks I & II in August. Results of this program and the analysis and evaluation of the assays are pending. Subsequently, UMC has advised the Company of the depth of presence that it now has in the Province of Quebec as a result of UMC's being taken over by Areva, as discussed below. This should provide the projects access to additional qualified personnel including Quebec qualified geologists for the undertaking and supervision of future field work.

The significant expenditure on exploration activity 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. This explains why the balance of the mineral properties account has actually gone down somewhat as a result of crediting the amount of the judgment received in the company's litigation against the province of Quebec for the expropriation of a Tantalum prospective property but increased as a result of the staking of the Tewah gold property in Indonesia, discussed below

The previous fiscal year 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. The previous year also saw a helicopter-borne high resolution geophysical survey project completed over Block I/II and expanded Block III and an initial geochemical survey which included nearly 1,000 samples.

During the second quarter, UraMin committed to continuing to fund the Company's continuing program 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. During this quarter, UraMin was acquired by Areva SA, a leader in the field of power generation and uranium mining. The Company's legal and contractual relationship with UraMin remains unchanged and the Company is presently working with Areva staff to complie the property database with theirs.

The Company, having previously severed its ties with its former Indonesian subsidiary, retains a significant quantity of proprietary information with respect to the Tewah Alluvial Gold project. Having learned that its former Contract of Work had been terminated, the Company addressed the re-establishment of holdings on significant portions of its former holdings. Now that this has been sustantially completed it intends to seek a funding partner and has already received expressions of interest in this regard. The Company's previously completed Final Feasibility Study on the project in Kalimantan puts it in an advanced position on this project. The increase in the price of 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 expended approximately $100,000 in this activity. This has been funded from unrestricted working capital while still leaving the Company with a healthy cash balance and more in the way of receivables anticipated to be received in cash in the coming quarters.

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 Pipe 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 new 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 join in the undertaking of that work by contributing its proportionate share of the cost of such program. Management believes that the property continues to have exploration merit and discussions with a view to resuming work are taking place. It is possible that the Company might seek to increase its share, presently standing at approximately 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. Management has considered and decided that it would be inappropriate at this time to reduce the carrying value of this property by an impairment charge in view of the participation in the ongoing exploration work. Subsequent to the end of the period under review, the Company received an amount of $2500 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.

<u>Other Balance Sheet Comparisons</u>

The continuing increases in cash and receivables (from GST and Refundable Provincial Exploration Tax Credits) balances last year, over the previous year and again in the period under review, reflect the profitability which the Company has achieved from having UraMin supply funds for the Company's exploration expense and obtaining the benefit of the Exploration Tax Credits,. The increase in amounts receivable of both GST and Refundable Provincial Exploration Tax Credit reflects the exploration activity undertaken during the periods. The decrease of about $78,000 in accounts payable and accruals compared to the year end reflects the subsequent payment of exploration costs outstanding at the year end and the continued reduction of old accounts payable from earlier days when the company's cash resources were more stressed. Working Capital continues at the very satisfactory level of over $330,000 as a result of the profitability from the factors referred to above.

The Account Receivable reduction reflects the receipt of the amount due from UraMin for the Company's 5% management fee calculated on costs of the exploration program while receivables from tax refunds anticipated have increased modestly. The liability for Exploration Deposits Received represents an amount received from UraMin in excess of amounts incurred for exploration, the reverse of the situation at the previous year end (Exploration Deposit Received).

There were no changes in Capital Stock during the quarter.

There was a small loss incurred during the quarter resulting from overheads including management fees exceeding the amounts generated from refunds of taxes and management fees earned. In the nine month period net profit was over $110,000 from the receipt of the $150,000 second year option fee from UraMin and the previously identified amounts of refundable exploration tax credits and management fees accruing to the Company from exploration work done; however, the profitability was down from the previous year as a result of less exploration activity being undertaken and therefore a reduction in these refunds to the Company. This fluctuating profitability reflects the variability of exploration activities. In the previous year, somewhat higher levels of exploration activities resulted in higher management fees and only a portion of the initial annual option fee was received in the comparable period of last year. We anticipate an increase in exploration activity next year followed by the evaluation of the exploration results.

There was no change in Contributed Surplus during the quarter.

Statement of Operations Comparisons

Activity levels were modest during the quarter by comparison to the same quarter of the pervious year. The decreased profitability resulting from these activities has been discussed above.

Previous periods' increase in professional fees reflects increases in audit costs and the legal fees incurred in the litigation over a former tantalum prospective property. The Company was a co-plaintiff in an action against the Ministry of Natural Resources of the Province of Quebec arising from government expropriation of certain claims, optioned by the Company. The trial in this matter took place in the third quarter of the previous fiscal year and the Company recently received the judgment of the Court. The Company was awarded $10,000 and costs and $15,000 of anticipated recovery was set up in the first quarter. Subsequent to the second quarter end, the Company received a first instalment of reimbursement and additional amounts are anticipated which will be recorded when received.

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 in the vicinity of its Quebec Labrador Trough properties.

Liquidity and Solvency

As the Company does not generally derive revenues from its operations (except by virtue of the exploration tax credits refund referred to above), its ability to conduct exploration and development on its properties is based upon its ability to raise capital by way of joint-venture or equity funding. The Company's ability to raise capital by way of equity funding will be affected by general stock market conditions. The Company's dependence on these sources has been substantially reduced as a result of the favourable arrangements agreed in the UraMin agreement and the Quebec and federal tax credits from the substantial exploration work being undertaken which accrue to the Company. This has now put the Company in a position of positive working capital for the first time in many years and this favourable situation continues, with the result that the Company is no longer dependent on regularly raising additional capital.

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 for at least the next four quarters. If UMC 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 UMC in further expenditure in the 50:50 joint venture which would be formed.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Related Party Transactions

There were no related party transactions during the quarter beyond the accrual of $9,000 in management fees payable to three officers and/or directors. In the nine month period, there was the payment or accrual of $16,000 in management fees.

Subsequent Events

Following the completion of the quarter under review (November 30, 2007) and prior to the date of these financial statements (January 29, 2008), there were no material subsequent events.

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. The possibility of staking additional properties in the Quebec Labrador Trough camp, of particular interest to the Company, has been referred to above. Also 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.

Change in Accounting Policy

There has been no change to accounting policy during the period.

Summary of Quarterly Results

Selected financial information for the three quarters of fiscal 2008 and each of the previous eight quarters appears on the next page:

Fiscal years	2008	2007	2006
1st Quarter			
Revenue	-	-	$ 7,000
Gain (loss)	$ (9,337)	$ (30,337)	(1,842)
Gain (loss) per share	(0.000)	(0.000)	(0.000)
2nd Quarter			
Revenue	173,500	16,350	
Gain (loss)	117,739	(5,293)	(22,195)
Gain (loss) per share	0.004	(0.000)	(0.001)
3rd Quarter			
Revenue	12,186	162,236	-
Gain (loss)	(6,295)	151,000	(9,051)
Gain (loss) per share	(0.000)	0.005	(0.000)
4th Quarter			
Revenue		41,486	-
Gain (loss)		(2,597)	(135,267)
Gain (loss) per share		(0.000)	(0.005)

Disclosure Of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at November 30, 2007:

Common Shares of no par value	Number
Shares	29,511,155
Warrants	-
Options	800,000

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
January 28, 2008