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Management's Discussion & Analysis- For the quarter ended May 31, 2007

General

This Management's Discussion and Analysis (MD&A) is dated July 30, 2007 and reflects the quarter ended May 31, 2007 and should be read in conjunction with the audited financial statements for the quarter ended May 31, 2007 and those 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.

Our former joint venture partner, UMC Energy plc, formerly Uranium Mining Corporation plc ("UMC") subsequently decided not to proceed to the next stage of our agreement and, as a result, relinquished all of its interest in these properties.

During the second quarter, the Company entered into an agreement with UraMin Inc., a company listed on the Toronto Stock Exchange and on the AIM in London under the symbol "UMN". 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 over a two year period in order to acquire a

50% interest in the uranium and related metals on the property. In addition, UMC is making unrestricted cash payments to the Company of $300,000, of which the final $150,000 was received subsequent to the end of the first quarter of Fiscal 2008, the period under review. Once the initial interest has been achieved, UraMin may elect to increase its interest in the uranium and related metals 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 cost basis with UraMin. This additional staking brings the Company's land position in this area to a total of approximately 330 square kilometres.

In the first quarter and subsequently beyond the end of the period under review, planning has continued. An exploration manager has been hired to oversee and control the program which will be advanced by drilling to be commenced later in the summer. At the time of writing, exploration and drilling crews are being mobilized to reach the properties in the early days of August. It is anticipated that the first drilling to be conducted on the properties by the Company will then follow later in August to be followed by a period of assaying, analysis and evaluation of their significance.

The significant expenditure on exploration activity commenced in the second quarter of the prior fiscal year and continuing 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 not changed since the end of the second quarter and has increased so modestly since the previous year end. In the Quarter under review, such amounts were Nil as the planning work was undertaken internally by the Company and UraMin resulting in no net expenditure.

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. The Company is very pleased with the progress and results of the exploration to date and especially pleased with its relationship with UraMin. In addition to the summer drilling program expected to involve approximately 1500 metres of drilling, a field crew is being assembled to prospect, map and prioritize targets.

Subsequent to the period under review, UraMin committed to fund the Company's continuing program and paid $450,000 to the Company in payment of the $150,000 unrestricted payment to the Company and $300,000 towards the program commencing in August.

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 a formal landholding on significant portions of its former holdings. When this is 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, most of which will be accounted for in the second quarter. 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 not undertaken any further work on the Attawapiskat Diamond Property, in northern Ontario, where it holds a 5% interest. The development of the adjacent Victor Pipe by DeBeers 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 possibility of its being called upon to share funding of additional exploration and its preparedness to do so.

Other Balance Sheet Comparisons

The increases in cash and receivables (from GST and Refundable Provincial Exploration Tax Credits) balances during the previous year 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, minus the payment of certain old accounts payable. The increase in amounts receivable of both GST and Refundable Provincial Exploration Tax Credit reflects the exploration activity undertaken during the year. The decrease of about $50,000 in accounts payable and accruals compared to the year end reflects the subsequent payment of exploration costs outstanding at the year end. The decrease of about $37,000 in GST Receivable resulted from the receipt of the anticipated amount. Working Capital continues at the very satisfactory level of over $300,000 as a result of the profitability from the factors referred to above.

The Account Receivable reflects the amount due from UraMin for the Company’s 5% management fee calculated on costs of the exploration program plus the anticipated recovery of the Quebec judgement. The liability for Exploration Deposits Received represents an amount received from UraMin in excess of amounts incurred for exploration. The management fee was received in cash subsequent to the quarter end.

There were no changes in Capital Stock during the quarter.

The lack of profitability and of loss during the quarter compared to the previous few quarters reflects the absence exploration activity which has driven this previous profitability and was cautioned in previous periods as to its variability depending on activity levels. The increased level of exploration activity which is already evident in the second quarter of the current year (still under way) suggests that profitability will return in this following period.

There was no change in Contributed Surplus during the quarter.

Statement of Operations Comparisons

Activity levels were curtailed during the quarter compared to the previous three quarters as referred above, owing to preparations for carrying out exploration in the current period, and were comparable to those of the year earlier comparative period.

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.

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 during the quarter under review. The Company was awarded $10,000 and costs. While it is not clear how much of the Company's costs will be reimbursed, $15,000 has been recorded in Accounts Receivable in the Quarter; this amount will be updated when received, anticipated to be in the 3rd quarter of the year in progress.

The above noted recognition in Accounts Receivable of this anticipated receipt from the judgement has its offset in professional fees which otherwise would have been $15,000 higher.

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 venture 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 the next several quarters.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Related Party Transactions

There were no related party transactions during the period.

Subsequent Events

Following the completion of the quarter under review (May 31, 2007) and prior to the date of these financial statements (July 30, 2007), the following events have taken place:

i. Uramin renewed its commitment to continue funding the Company's exploration of the Quebec Labrador Trough properties by paying to the Company $150,000 as an unrestricted payment to the Company for the second annual instalment of such and $300,000 as a deposit towards project costs to be expended by the Company.

ii. The Company Undertook activities in Indonesia resulting in the staking of SKP's covering gold and zircon on most of the Company's former Tewah Contract of Work resulting in expenditure of approximately $100,000.

iii. The Company received payment from UraMin of its 5% management fee on the Quebec Labrador Trough exploration project.

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 quarter and each of the previous eight quarters appears below:

Fiscal years	**2008**	**2007**	**2006**
1st Quarter			
Revenue	-	-	7,000
Gain (loss)	-9,337	-8,727	-1,842
Gain (loss) per share	-0.001	0.000	0.000
2nd Quarter			
Revenue		16,350	-
Gain (loss)		-5,293	-22,195
Gain (loss) per share		0.000	-0.001
3rd Quarter			
Revenue		162,236	-
Gain (loss)		151,000	-9,051
Gain (loss) per share		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 July 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

July 30th, 2007