



(an exploration stage company)

***Management's Discussion & Analysis***  
***For the three months ended May 31, 2014***

c/o Suite 1500, 2 Queen Street East, Toronto, Ontario, M5C 3G5  
Phone: 416-425-8502 E-Mail: [blackwell@tcn.net](mailto:blackwell@tcn.net)

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## **General**

This Management's Discussion and Analysis ("MD&A") is dated July 28, 2014, and reflects the results for the three months ended May 31, 2014 and should be read in conjunction with the audited financial statements for the year ended February 28, 2014 and the corresponding notes. These financial statements and the related MD&A's, as well as press releases issued by the Company and other information, are available either at the Company's website: [www.wasecoresources.com](http://www.wasecoresources.com), or at SEDAR: [www.sedar.com](http://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 and Overview**

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 is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The Company has interests in the following exploration properties and these activities are more fully expanded upon under the heading "Exploration Activities" below:

- A 100% interest in a gold prospect in Nevada on which it has completed a significant drill program and has planned further drilling.
- A large land position in the Quebec Labrador Trough. These properties are presently subject to a joint venture with AREVA Resources Canada Inc. ("AREVA") a wholly owned subsidiary of AREVA Group S.A., the world's leading integrated nuclear company (see [www.areva.com](http://www.areva.com) for more information).
- The Company is also pursuing an opportunity to participate in the exploration and development of an alluvial gold project in Indonesia. Historically, the Company has carried out extensive work in the area and would like to capitalise on its technical data base and realize its valuable intellectual property.
- The Company also has a minority interest in diamond claims adjacent to DeBeer's Victor Mine in the James Bay Lowlands.

The Company does not hold any interests in producing or commercial ore deposits and 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 would be required to establish ore reserves. Additional substantial financial resources would be required to develop mining and processing for any ore reserves that may be discovered. If the Company were to be unable to finance the establishment of ore reserves or the development of mining and processing facilities

it might be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development. As a strategic consideration, the Company may find it more attractive to do so in any event, as it considers its primary business and expertise to be exploration, but it does not rule out the possibility of production in the appropriate circumstances.

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 May 31, 2014, the directors and officers of the Company are:

Derek Bartlett	Director
Richard Ekstein	Director
James (Jay) Richardson	Director and Secretary-Treasurer (C.F.O.)
Peter Sever	Director
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.

As at May 31, 2014 the Company's cash position was \$161,600. This was an increase from \$41,600 at February 28, 2014. Working capital was negative \$290,500 compared to negative \$189,600 for the twelve months ended February 28, 2014 as a result of expenditure on exploration and evaluation of \$93,800 (2013 - \$86,400) and routine administrative costs. Preparation for the follow up drill program in Nevada was initiated during the quarter.

During the period ended May 31, 2014 the Company had 30,311,155 common shares outstanding, unchanged from the prior year end and since July, 2008.

### ***Trends***

There are no unusual trends, commitments, events or uncertainties presently known or identifiable to management that would reasonably be expected to have a material effect on the Company's business, financial condition or results of operations beyond the greater than usual difficulty in raising capital which appears to be in a continuing uncertain trend continuing the extremely difficult period experienced by many companies in the last four to five years. 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, but presently has sufficient to satisfy the requirements of the next twelve months.

### ***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 has a known body of commercial ore as defined under NI 43-101. Development of the Company's mineral properties would follow only 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 could 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 consumption 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, would 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 delay or indefinite postponement of exploration and development of any and all of the Company's properties. 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 favourable 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. The Company has recently received a positive decision from the Bureau of Land Management of Nevada granting permission for the next phase of the Company's planned drilling program, subject to a modest increase in bond requirement of under \$8,000.

### ***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 properties or acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and their development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues on favourable terms, or that any acquisition completed would 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 it. 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, the United States and in Indonesia. 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 to any of the properties in which the Company has or may acquire an interest.

### ***Review of Operations***

#### ***Three Months Ended May 31, 2014 and 2013***

The Company had a net loss of \$100,900 or \$0.003 per share for the quarter ended May 31, 2014 compared to a net loss of \$111,600 or \$0.004 per share for the same period in 2013.

General and administrative costs, shareholder relations and regulatory fees were \$14,500 for the three months to May 31, 2014 compared to \$16,000 for the corresponding period in 2013.

Professional fees were \$1,500 for the first quarter in 2015 compared to \$9,300 for the comparable period of 2013. Over accruals in 2014 resulted in this reduction in expense.

Management fees, included in general and administrative costs above, were \$11,000 for the three months ended May 31, 2014 (2013 - \$15,000).

The Company spent \$43,800, which included USD25,000 for the Advance Royalty, on exploration and evaluation in the quarter on the Battle Mountain Property in Nevada. The total reported for the quarter of \$93,800 (2013 - \$86,400) also included USD50,000 accrued for two further Advance Royalty payments.

Interest income was \$9,000 for the three month period to May 31, 2014 compared to \$100 for the comparable period in 2013. This resulted from the receipt of the accumulation of interest on tax refunds.

### ***Exploration Activities***

#### ***Battle Mountain***

On April 18, 2012, the Company signed a letter of agreement whereby it optioned from Sparton Resources Inc., a 75% interest in a lease covering 29 claims on the Battle Mountain Gold Trend in Lander County, Nevada. In order to satisfy the terms of the option, the Company was to maintain the property in good standing by making quarterly lease payments of approximately US\$5,000, paying the annual advance royalty payments of US\$75,000 and carry out \$900,000 on exploration over three years. The Company also made a \$100,000 loan to Sparton, secured by their 25% interest in the lease. Following one extension on the loan, Sparton elected not to repay the loan, resulting in the Company now holding a 100% interest in the lease.

The Company has completed a diamond drilling program at a cost of \$575,000 as part of its initial exploration/evaluation program., The highlight of the program was Hole #5 (drilled at -55 degrees to the east) which returned an intersection of **25.39g/t Au** (0.9 oz./t) **over 3.7m** (12 feet) in the interval 150-153.7m down hole . This interval included intersections of:

**47.6 g/t Au** (1.68 oz. /t) **over 0.9m** (3 feet) and  
**61g/t Au** (2.15 oz. /t) **over 0.6m** (2 feet)

This hole is exceptional in that it has intersected the highest grade gold mineralization reported from any known exploration program completed on the property to date. This high grade zone remains open laterally and to depth. An upper zone, higher in the hole, between 128 and 141.72m (420-465 feet), returned gold values averaging of **1.82g/t Au** (0.06oz) over **13.72m** (45 feet).

These intersections were returned from the North Zone and represent the first analyses of drill core from the property. The Waseco program has utilized HQ (63mm diameter) core drilling for sample recovery at Battle Mountain Ridge. All previous programs utilized reverse circulation ("RC") drilling techniques. The improved quality of information available from core was felt to be worth the additional expenditure on a one time basis.

The two intersections correlate well with an earlier RC drill hole, #07-03, approximately 25 metres (80 feet) above Hole #5, that returned 29 metres (95 feet) of 1g/t Au. The intersections

appear to be approximately 85% of true widths based on core angles and information plotted on cross section.

“These results are very exciting, as they confirm the presence of a gold zone with grades that are significantly higher than the average grade being commercially mined in the camp. The North Zone has a strike length extending at least **400m** and remains open in all directions. There is a high degree of confidence that this zone can be significantly expanded.

The North Zone, previously identified by surface sampling and RC drilling methods, is now much better understood in terms of style of gold mineralization and structure. Earlier drilling successfully intersected the North Zone above the current hole in several intersections including values as high as 1.13g/t Au over 23m, 1.55g/t Au over 15.2m and 1g/t Au over 29m. A schematic cross-section of Hole #5 can be seen on the Waseco web site on Section 8570 N.

Two additional gold mineralized zones have also been identified on the property. The South Zone was tested during this campaign and confirmed to contain gold values and widths consistent with previous work. The third known zone on the property, the West Zone, has not yet been tested by core drilling but is well documented with historic RC drill results.

Prior to Waseco’s program, the claims have been reported to host a non-NI 43-101-compliant historic resource of **2,630,000 tonnes of 0.9 grams per tonne Au** reported by previous operators in 1997. (*The resource calculation is historical in nature and has not been reviewed by Waseco geologists and as such, should not be relied upon*). Based upon results from the 73 holes drilled to date, the three known zones remain open laterally and to depth. In 2007, the most recent previous drilling campaign, six of the holes completed by Sparton confirmed previous drilling results with good intercepts and the seventh was a step out to the east which **located a new (fourth) gold zone**. Geophysics and geochemistry carried out at that time also identified a number of near surface, coincident, anomalies that are now considered to be priority targets.

Plans for a follow up drill program have been approved by the Board of Directors, subject to financing. Application for drill permit and filing of a reclamation bond with the Bureau of Land Management were filed and accepted as at the date hereof.

### **Quebec Labrador Trough Project**

There was no exploration activity in the field carried out on the Quebec Labrador Trough Project in the period under review.

Management continues to be 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 undertaken not only advanced our knowledge and understanding of the properties, but also generated 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 and their continuation post the earn-in phase is now a possibility and provided for in the JV Agreement.

### **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.

Following an earlier joint venture with UMC Energy Inc., in 2006, the Company entered into an agreement with UraMin Inc. (“UraMin”), a company then listed on the Toronto Stock Exchange and the AIM in London. A series of work programs, including airborne geophysics, ground geochemistry, prospecting, sampling and drilling was initiated as part of an earn-in expenditure program totalling \$ 2,000,000, that UraMin, (which was acquired during this period by AREVA) 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 agreed to make cash payments to the Company of \$300,000, which have been received. A joint venture Agreement was executed between the Company and AREVA Resources Canada Inc. (AREVA) effective September 1, 2011.

As a result of UraMin being taken over by AREVA, the project benefits from access to additional regional information, as well as a significant team of qualified geologists and technicians for the undertaking and supervision of field work. The Company now works additionally with AREVA staff to integrate the respective property databases and plan and carry out work programs.

The joint venture currently holds 260 claims covering 12,415 hectares.

### ***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 continues to monitor developments in the area and retains the ability to re-establish title to significant portions of its former holdings. In conjunction with this position, the Company is seeking an Indonesian domestic funding partner. As of the date of this MD&A, we have suspended local expenditures. It is expected that further personal attendance in Indonesia by senior management may be required and will increase travel costs but will bring a much enhanced level of understanding and appreciation of the project and its potential for the Company.

Management is also evaluating other mineral property opportunities in Indonesia.

The Company’s previously completed Final Feasibility Study on the project in Kalimantan (“Intellectual Property”) puts it in an advanced position on this project. At current prices for gold as well as zircon, potential investors have expressed interest in the opportunity. However, any discussions are viewed to be at a very preliminary stage at this time.

### ***Attawapiskat***

The Company has participated in a geophysical survey on the 2,440 acre 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 increased the visibility and significance of 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 has now been informed of plans for additional work to be done on the property (now considerably delayed) 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. Sufficient assessment work has been filed to maintain the property in good standing.

An airborne survey has been flown over a portion of the claims by a joint venture partner. 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***

There were two significant changes in Balance Sheet items in the quarter under review. The first one relates to the receipt of Quebec tax refunds of \$170,000 with respect to the AREVA joint venture operations and the corresponding credit to exploration deposits received. The second one is the receipt of Quebec exploration tax credits of \$18,000.

### ***Other Cash Flow Comparisons***

The main elements affecting the Statement of Cash Flows have been discussed above. No financing activity was undertaken in the quarter.

The Company's main focus is on its gold project, the uranium properties and the re-establishment of its position in Indonesia. It continues to review other projects that it believes would create added shareholder value.

### ***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 built its resources from its profitable operations, its ability to undertake additional activities on its own was enhanced.

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

The Company's present resources represent sufficient funds in prospect to fund administrative costs for the next twelve months.

AREVA, having completed its earn in and elected not to exercise its option to increase its interest to 70% by advancing to a bankable feasibility study, the Company anticipates participating with AREVA in further expenditure in the 50:50 joint venture which has been formed.

It is also the Company's intention to pursue introducing a joint venture partner for the development of its former Indonesian project, which, in the context of current prices for gold and zircon, an important by-product in the project, remains a viable operation.

### ***Dividends***

The Company has neither declared nor paid any dividends on its Common Shares nor has any intention to do so in the foreseeable future. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in any near future short of establishing profitable production which there is no assurance of ever taking place.

### ***Off Balance Sheet Arrangements***

There are no off-balance sheet arrangements.

### ***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 \$8,600 owing to Richard Williams, a director, for advances made on behalf of the Company. These transactions are measured and recorded at their actual amounts, being the amounts paid by the related parties on behalf of the Company.

During the three month period ended May 31, 2014 the Company paid \$7,000 and accrued \$4,000 for a total of \$11,000 expense (2013 - \$15,000) to officers of the Company for management fees.

### ***Liquidity Risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due and to plan expenditures in line with available resources. Current assets at May 31, 2014 were \$191,200 (February 28, 2014 - \$243,600). Current liabilities were \$484,700 (February 28, 2014 \$433,200), primarily deposits received from or on account of AREVA to support future JV work. As a result, working capital at May 31, 2014 was a deficiency of \$290,500 up from \$189,600 at the prior year end due to the reasons stated above.

### ***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 as mineral property investment, which constitutes the primary activity 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. With the transition to

IFRS, such estimates have significantly decreased in significance as Mineral Properties are no longer carried as an asset.

## **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 Nevada and Quebec Labrador Trough properties and to increase its landholding position and advance its project in Indonesia with a view to understanding and potentially re-establishing its feasibility.

If the results in Quebec of the initial exploration and test drilling programs prove to be encouraging and/or to continue a more active exploration and development program in Nevada, the Company may require additional capital that may require future financings. There can be no assurance that the Company would 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 current fiscal quarter, 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. In view of the small size of the Company's management team and the absence of staff beyond that small team, the Company relies fundamentally on the personal involvement of two senior Officers in all transactions and their scrutiny of same.

## **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 quarter 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 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.

### ***Timely Disclosure, Confidentiality and Insider Trading Policy***

Management has adopted the policy to ensure that Waseco Resources Inc. (the “Company”) and all persons to whom this Policy applies meet their obligations under the provisions of security laws and stock exchange rules by establishing a process for the timely disclosure of all Material Information.

(i) This policy covers disclosures in documents filed with the securities regulators and written statements made in the Company’s annual and quarterly reports, news releases, letters to shareholders, presentations by Directors, Officers, Employees or Contractors and information contained on the Company’s website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls and any other public disclosures on behalf of the Company, the content of which would reasonably be expected to affect the market value or price of any security of the Company.

(ii) All persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined herein):

(iii) all appropriate parties who have Undisclosed Material Information are prohibited from Insider Trading (as defined herein) and Tipping (as defined herein) under applicable law, stock exchange rules and this policy; and

(iv) Communications to the investing public about the company are timely, factual, accurate, complete and not misleading, and broadly disseminated in accordance with all applicable legal and regulatory requirements.

### ***Proposed Transactions***

Management is continuously examining potential acquisitions or options of additional properties as they are presented to the Company. No such other transactions are presently pending. If the Company makes any commitments as a result of such transactions it would be announced by way of a prompt press release.

### ***Additional Disclosure for Venture Companies without Significant Revenue***

This Management’s Disclosure and Analysis document covers the period from March 1, 2014. The comparative information normally set out under this heading is fully disclosed in the audited annual statements for the year ended February 28, 2014.

### ***Disclosure of Outstanding Share Information***

The following table sets forth information concerning the outstanding securities of the Company as at May 31, 2014:

<b>Common shares of no par value</b>	<b>May 31,</b>	May 31,
	<b><u>2014</u></b>	<b><u>2013</u></b>
Shares	30,311,155	30,311,155
Warrants	-	-
Options	1,200,000	1,000,000

### **Summary of Quarterly Results**

Selected financial information for the three months of fiscal 2015 and each of the previous seven quarters appears below:

Details	2015 Q1	2014				2013		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net earnings (loss)	(100,855)	(62,546)	(25,395)	(131,234)	(111,644)	(48,748)	(244,939)	(225,165)
Net earnings (loss) per share	(0.003)	(0.002)	(0.001)	(0.004)	(0.004)	(0.002)	(0.008)	(0.007)

### **SUBSEQUENT EVENTS**

During the quarter, with respect to the annual advance royalty payment of US\$75,000 due April 18, 2014, the royalty owners agreed to accept an instalment of US\$25,000 (which has been paid) with two further instalments of \$25,000 US each due July 17 and October 1 2014, either or both of which may be satisfied by delivering treasury shares to an equivalent value based on the average trading price of the previous 5 days. The Company has made application for the issuance of 315,885 shares in satisfaction of the second tranche advance royalty payment.

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”  
 President  
 July 28, 2014