



(an exploration stage company)

Management's Discussion & Analysis

For the six-months ended August 31, 2020

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General

This Management's Discussion and Analysis ("MD&A") is dated October 28, 2020 and reflects the results for the six-months ended August 31, 2020 and should be read in conjunction with the audited financial statements and the audited consolidated financial statements for the year ended February 29, 2020 and the corresponding notes. This MD&A and the financial consolidated statements, as well as press releases issued by the Company and other information, are available either at the Company's website: www.wasecoresources.com, or at SEDAR: www.sedar.com.

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

Description of the Business 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 with encouraging drill results. During the quarter Management optioned the property. It considers this transaction to be transformational. The Company, while ceding its lead project, will benefit from a cash infusion and a material exploration campaign without incurring dilution. Upon completion of the program management has every expectation of a multi-million pay-out which will cover all current payables and provide working capital to proceed with its business model of acquiring and exploring additional properties of merit.
- A large land position in the Quebec Labrador Trough that is subject to a joint venture with ORANO Canada Inc. (formerly AREVA), which is a wholly owned subsidiary of ORANO Group S.A., the world's leading integrated nuclear company (see www.orano.com for more information);
- A 5% interest in a diamond exploration project immediately adjacent to the DeBeer's Victor mine, in the Attawapiskat region of Northern Ontario; and
- Historically, the Company carried out extensive work exploring and developing an alluvial gold project in Indonesia. It is in discussions with an operating dredging company in Indonesia to capitalise on its technical data base and realize on its intellectual property.



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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 if 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 August 31, 2020, the directors and officers of the Company are:

Derek Bartlett	Director
Michael Ellingson	Director
Gary O'Connor	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 August 31, 2020, the Company's cash position was approximately \$73,700 (February 29, 2020 - \$5,300). Working capital was negative \$844,352 compared to negative working capital of \$908,500 as at February 29, 2020. During the quarter, management completed an Option Agreement with SSR Mining Inc. on the BMR Property in Nevada which addresses the Company's short-term working capital concerns and is expected to eliminate the working deficiency.

As at August 31, 2020, the Company had 41,681,390 common shares outstanding.

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 mining sector having been generally out of favour, but now appears to be recovering. This adverse trend continued for an unusually extended period of time. It resulted in greater than usual difficulty in raising capital. With gold now flirting with US\$1,900 per ounce, the trend has now reversed. Funding is now available; however, it may be excessively dilutive. It is also

difficult to achieve material share appreciation based upon success in exploration results. 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. In recent times, Mr. Williams, the Chief Executive Officer has been supporting the Company's operations by extending shareholder advances to the Company with nil interest, no fixed terms of repayment or other considerations.

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 involve 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 gold, uranium 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 and other 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.

Market Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

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.

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 August 31, 2020 and August 31, 2019

The Company had a profit of \$124,900 or \$0.003 per share for the quarter ended August 31, 2020 compared to a loss of \$64,900 or \$0.002 per share compared to the three-months ended August 31, 2019.

General and administrative costs, shareholder relations and regulatory fees were \$100 for the three months compared to \$1,900 for the corresponding period to August 31, 2019.

Professional fees were \$20,400 for the second quarter compared to \$4,900 for the comparable period of 2019. The difference results from timing of accruals.

In the quarter, the Company recorded an amount (\$31,000) on Battle Mountain Ridge for exploration, Nevada (2019 - \$48,400) and \$200 on Quebec properties (2019 - \$Nil). The recovery of exploration expenses previously incurred by the Company of \$69,800 was part of the option agreement on the Battle Mountain Ridge property and this offset the quarterly expenses incurred of \$38,800.

Six Months Ended August 31, 2020 and August 31, 2019

The Company had a profit of \$64,200 or \$0.002 per share for the six-months ended August 31, 2020 compared to a loss of \$77,200 or \$0.002 per share compared to the six-months ended August 31, 2019. General and administrative costs, shareholder relations and regulatory fees were \$300 for the three months compared to \$100 for the corresponding period to August 31, 2019.

Professional fees were \$63,100 for the six months compared to \$20,400 for the comparable period of 2019. The difference results from timing of accruals and for legal expenses on the Battle Mountain Ridge option agreement.



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In the six-months, the Company recorded an amount \$(13,100) on Battle Mountain Ridge, Nevada (2019 - \$54,400) and \$200 on Quebec properties (2019 - \$Nil). The recovery of exploration expenses previously incurred by the Company of \$69,800 was part of the option agreement on the Battle Mountain Ridge property and this offset the six-months expenses incurred of \$56,700.

Summary of Quarterly Results

Selected financial information for the last eight quarters appear below:

Details	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Comprehensive loss	124,939.0	(60,750)	24,350	(48,785)	(64,880)	(12,259)	(129,351)	(29,849)
Loss per share	0.003	(0.001)	0.001	(0.001)	(0.002)	(0.000)	(0.001)	(0.001)

Exploration Activities

Battle Mountain Ridge

During the Quarter, the Company optioned the Battle Mountain Ridge project to SSR Mining Inc. The option covers the 29 claims on the Battle Mountain Gold Trend in Lander County, Nevada. SSR has advised that plans are in place to carry out exploration, including an extensive drilling program, in the coming year.

Quebec Labrador Trough Project

There were no exploration activities in the field carried out on the Quebec Labrador Trough Project in the period under review. Uranium prices continue to be sufficiently depressed that we do not anticipate ORANA's wanting to make any significant expenditure on further exploration or development until prices have given an indication of recovering from present levels.

Management continues to be pleased with its working relationship with ORANO. 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 joint venture currently holds 104 claims covering approximately 6,500 hectares.

Indonesia

The Company retains a significant quantity of proprietary information with respect to the Tewah Alluvial Gold project. Much of this information had been embodied in a Positive Bankable Feasibility Study (the "Intellectual Property"). The Company continues to monitor developments in the area and retains the desire to monetize the intellectual property it owns from exploration of its former holdings.

The Company has recently received a request for data from a mining company actively dredging on the Tewah River and discussions are ongoing as to the terms under which the Company would share its data.

Attawapiskat

The Company holds a 5% interest in a 2,440-acre property, near Attawapiskat, in northern Ontario. The adjacent Victor Mine, held 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. Discussions of a preliminary nature have taken place with certain other mining companies and First Nations' representatives, for the joint-exploration and development of the area. Sufficient assessment work has been filed to maintain the property in good standing.

No additional amounts have been invested during the periods under review, but it is anticipated that there will be further investment if the Company takes on an added role during any new joint exploration and development program.

Other Balance Sheet Comparisons

There were no significant or unexpected balance sheet changes in the period other than the repayment of a shareholder loan of \$5,000. The main comparison points would be the increase in accumulated deficit set off by a somewhat similar increase in advances from related parties.

The Company's desire 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 by funding the programs directly.

It is also the Company's intention to pursue introducing a joint venture partner to achieve a return on its valuable intellectual property bearing on 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 the increasingly significant amounts due and accrued to a Director

resulting from the continued financial support of operations.

\$70,100 (2019 - \$9,500) was lent in the six-month period to the Company by Richard Williams, a director. The amounts are non-interest bearing and repayable on demand.

These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties and are not in excess of fair market values.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when required and to plan expenditures in line with available resources. Current assets at August 31, 2020 were \$85,600 (February 29, 2020 – \$8,800). Current liabilities were \$930,000 (February 29, 2020 - \$917,300) consisting of trade payables and accruals, shareholder loans and a deposit by a J/V partner. Working capital at August 31, 2020 was a deficiency of \$844,400 a decrease from \$908,500 deficiency at the prior year end as a result of the option sale.

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 the development of its Nevada property.

The Company will require additional capital to pursue its business objective. This may be partially addressed by the Option Agreement with SSR Mining Inc.

The Company is not subject to any capital requirements imposed by any regulatory body, other than the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

The willingness of senior, world-class explorationists, to lend their names to the Technical Advisory Committee is, in large part, a recognition of the potential of the Battle Mountain Ridge project. The property is strategically located, on one of the world's most prolific gold belts. It is immediately adjacent to a past producer and on strike with two producing gold mines. Several areas of gold mineralization have been found on the property. Follow-up drill programs are warranted. This brain trust, with collectively over 200 years of successful mineral exploration experience, will be providing the guidance in selecting additional exploration properties going forward.

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 a senior Officer and its directors 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, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this Management's Discussion and Analysis, management of the Company, with the participation of the President and Chief Executive 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 has 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, 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.



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(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 because of such transactions, it would be announced by way of a prompt press release.

Disclosure of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at August 31, 2020.

Common shares of no par value	August 31, <u>2020</u>	August 31, <u>2019</u>
Shares	41,681,390	40,271,390
Warrants	705,000	-
Options	2,200,000	800,000

Additional Disclosure for Venture Companies without Significant Revenue

This Management's Disclosure and Analysis document covers the period from March 1, 2020 to August 31, 2020. The comparative information for the latest reported year under this heading is fully disclosed in the audited consolidated annual statements for the year ended February 29, 2020.



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The following is additional financial information for the period under review regarding the Company as required by National Instrument 51-102 – Continuous Disclosure obligations, for TSX-V issuers.

	Three - month period ended	
	August 31, 2020	August 31, 2019
Exploration and evaluation expenses	(31,008)	48,419
Administrative expenses	40,069	16,461
Total assets	109,587	6,867

	Three - month period ended	
	August 31, 2020	August 31, 2019
Administration expenses/other income		
	\$	\$
General and administrative	66	1,864
Shareholder relations and regulatory fees	19,625	9,740
Professional fees	20,378	4,857
	40,069	16,461

SUBSEQUENT EVENTS

There were no material Subsequent Events.

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

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