WASECO
RESOURCES INC.

(an exploration stage company)

Management's Discussion & Analysis

For the six months ended August 31, 2011

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General

This Management's Discussion and Analysis ("MD&A") is dated October 27, 2011, and reflects the results for the six months ended August 31, 2011 and should be read in conjunction with the unaudited interim financial statements for the corresponding period and the audited financial statements for the year ended February 28, 2011 and their corresponding notes. These financial statements and their 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, or at SEDAR: www.sedar.com.

This represents the second filing of financial statements by the Company under International Financial Reporting Standards ("IFRS"). There are considerable differences between IFRS and the Generally Accepted Accounting Practices ("GAAP") that formerly governed the preparation of Canadian public company financial statements. Considerable effort has gone into the conversion process from GAAP to IFRS and every effort has been made within the financial statements and this MD&A to explain the differences, the elections made where alternatives were available and the exemptions claimed in the conversion process.

While the differences in many respects are far reaching, the Company, by virtue of its exploration stage of existence, has not experienced as comprehensive a change as many other companies have. The principal difference the reader will notice is the dramatic change to Mineral Properties values: Formerly capitalized, until and unless brought to commercial production or effectively abandoned, acquisition and exploration expenses are now expensed in the period in which they are incurred. This reduces the significance of the Company's balance sheet and increases its deficit and regular periodic losses (while eliminating the irregular large one time losses incurred when a property was effectively abandoned).

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's principal activities are currently focused on a large land position in the Quebec Labrador Trough. These properties are presently subject to a joint venture in the process of being formally documented 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 for more information) under arrangements more fully explained below. The Joint Venture Agreement has now been substantially settled between the Company and AREVA and awaits only execution by both parties. The Company is also seeking to explore a large alluvial gold prospect in Indonesia, which is also described further, below.

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 October 27, 2011, the directors and officers of the Company are:

Derek Bartlett	Director
A.C.A. (Peter) Howe	Chairman and Director
Richard Ekstein	Director
James (Jay) Richardson	Director and Secretary-Treasurer (C.F.O.)
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, 2011, the Company's cash position was $976,358. This was a decrease from $1,036,306 at May 31, 2011 resulting from the expenditure on routine administrative costs. Working capital increased to $833,000 from $825,000, as detailed below and the change was attributable to adjustments to accounts payable and accruals.

During the quarter ended August 31, 2011, the Company had 30,311,155 common shares outstanding, unchanged from February 28, 2011.

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 variability of ease or difficulty in raising capital which appears to be in a continuing uncertain trend after the extremely difficult period experienced by many companies in the last three years and the aforementioned expectation of bearing 50% of the ongoing exploration costs of the Quebec Labrador Trough exploration Joint Venture. The Company is fortunate that, as noted below, it does not presently or in near term prospect have any need to raise funds as it has more than enough for its present and prospective needs for the next twelve months in its available resources. 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, if necessary, to augment this cash position. At the time of writing, no such need is anticipated. As AREVA has now spent its full commitment of exploration funding to earn a 50% interest in the uranium related metals, the flow of profitability the Company has enjoyed from the benefits of the exploration tax credits has been interrupted during the lull in activity. However, the joint venture agreement now awaiting execution embodies a similar arrangement which may contribute to profitability in the future but, at present, no ongoing exploration programs are being undertaken.

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 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. No such adverse impacts are presently being experienced for the reason cited above.

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 or is currently pursuing, 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 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 Month Period Ended August 31, 2011 and 2010

The Company had a loss from operations of $40,231 or $0.001per share for the quarter ended August 31, 2011 compared to $87,172 or $0.003 per share for 2010. In the latest period other income of $48,290 converted the loss above to a profit of $8,059. Other income comprised interest of $2,549 and miscellaneous income of $45,741 which is made up of old accounts payable balances written off of $9,400, over accrued and other amounts reversed of $36,379.

Professional fees were $16,540 for the quarter ended August 31, 2011 compared to $7,453 for the comparable period of 2010. These fees relate primarily to the annual audit requirement and the related annual tax filings and the cost of the conversion to IFRS.

Office and general costs (including Shareholders' Information and regulatory costs and management fees) were $23,691 for the quarter ended August 31, 2011, compared to $24,111 for the comparable period in 2010 indicating the status quo situation the Company is in presently.

There were no exploration and evaluation expenditures in the quarter to August 31, 2011 compared to $55,608 in the corresponding period in 2010.

Six Month Period Ended August 31, 2011 and 2011

The Company had a net loss of $57,695 or $0.002 per share for the six month period ended August 31, 2011 compared to $118,010 or $0.004 per share for the same period in 2010.

General and administrative costs and shareholder relations and regulatory fees were $14,282 for the six months to August 31, 2011 compared to $21,917 for the corresponding period in 2010. The decrease is because of fewer press releases and filings.

Professional fees were $22,304 for the six months ended August 31, 2011 compared to $7,953 for the comparable period of 2010. This increase in fees relates to the adjustment to provisions for annual audit requirement and the related annual tax filings and the cost of the conversion to IFRS.

Management fees were $36,000 for six months ended August 31, 2011, compared to $27,000 for the comparable period in 2010 representing an increase in the quarterly payments made to officers of the Company on a year over year basis.

The Company spent $35,649 on exploration and evaluation in the six month period to August 31, 2011 ($34,644 as its contribution to the AREVA joint venture on the uranium properties in the Quebec Labrador Trough and $1,005 on the Company's Indonesian prospect). $61,140 was spent in the corresponding period in 2010.

Other income was $50,540 for the six month period to August 31, 2011 (2010: $Nil) and is made up of miscellaneous income of $45,741 discussed above for the quarter and interest of $4,799 (2010: $Nil).

Exploration Activities

Quebec Labrador Trough Project

There was no exploration activity in the field carried out on the Quebec Labrador Trough Project in the quarter 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 awaiting execution.

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. This was reflected in corresponding increases to the Mineral Properties accounts. Waseco currently holds 775 claims, covering over 300 square kilometres.

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 follow up work program of airborne geophysics and ground geochemistry was initiated as part of a program totalling $1,600,000 that UraMin 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. As the initial interest has been achieved, UraMin/AREVA has not elected 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 and the Company is prepared for the expectation of sharing in the funding of future exploration costs on a 50:50 basis with them.

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

In August of 2007, an initial field program of prospecting and sampling was carried out on a portion of the Du Portage claims. The results of this program were deemed to be incomplete and inconclusive by UraMin.

Subsequently, UraMin advised the Company of the depth of presence that it has in Canada as a result of UraMin being taken over by AREVA, as discussed below. This development provides the project with access to additional regional information, as well as a significant team of qualified geologists and technicians for the undertaking and supervision of field work.

2007 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. A previous year also saw a helicopter-borne high resolution geophysical survey project completed over the Du Portage claims and the expanded Block III as well as an initial geochemical survey which included nearly 1,000 samples.

During the second quarter of the year ended February. 29, 2008, UraMin committed to fund the Company's continuing program for the second year 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. Following the UraMin acquisition by AREVA SA, as noted below, the Company's legal and contractual relationship with UraMin remains unchanged, albeit now more formalized in the JV Agreement. The Company now works additionally with AREVA staff to integrate the respective property databases and plan and carry out work programs.

In the first quarter of the year concluded on February 28, 2009 the Company successfully negotiated the Extension Agreement with UraMin Inc. and its new parent, AREVA.
By this Extension Agreement, UraMin was provided additional time, to June 28, 2010, to complete its funding option to earn a 50% interest in the uranium and related metals discovered on the Company's properties, in exchange for increasing its funding option to an additional $2,000,000 as from the signing of this agreement.

This was followed in the second and third quarters by a helicopter assisted surface exploration program of geological mapping and sampling. Results of samples taken further confirmed the presence of Uranium at surface, as reported in the Company's press releases of March 10 and April 28, 2009.

A program of approximately $900,000 was carried out by the Company during the course of the year ended Feb. 28, 2009, all funded by UraMin, as noted above. This was designed to provide the ground information preparatory to the drilling program that was carried out over the summer and fall of 2009. During the period, AREVA recommended and the Company agreed to allow 397 claims to lapse, as they were deemed to be non-core to the exploration program going forward.

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 is in the process of re-establishing title to significant portions of its former holdings. Once this has been substantially advanced it may seek a funding partner and it has received expressions of interest in this regard. Substantial progress in this matter is not expected until the re-assembly of as much as possible of the former land position has been completed. As of the date of this MD&A, this process of re-assembly had been further delayed by a government imposed moratorium which effects mining, forestry, and agricultural licences in the area. This is primarily a result of large tracts of rain forest having been burned down and subsequently licensed out by the local government authorities for palm oil plantations in an apparent contravention of a national mandate to preserve the rain forests. Three Kuasa Pertambangan ("KP"), which is an Indonesian form of exploration tenement, had been applied for. The process for establishing title once the moratorium is lifted is being formulated. During this hiatus period, we have suspended local expenditures. It is expected that 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 puts it in an advanced position on this project. The recent prices for gold as well as zircon have attracted new potential investors to consider 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 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 rekindled interest in 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 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.

During a previous year, the Company received an amount of $2,500 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 and paid $1,580 as its proportionate share of work done in the year. No additional amounts have been invested during the previous or current quarter 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

The only significant change in other Balance Sheet items relates to accounts payable and accruals which have been reduced during the six month period ended August 31, 2011 by $28,000 being adjustments to accruals for professional fees and the writing off of old account payable balances referred to above.

Other Cash Flow Comparisons

The main elements affecting the Statement of Cash Flows have been discussed above.

The Company's main focus is on its 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 while putting primary emphasis on acquiring additional properties of merit in the vicinity of its Quebec Labrador Trough properties.

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 and modest exploration and development of its own. UraMin 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 UraMin in further expenditure in the 50:50 joint venture which has been formed.

It is also the Company's intention to investigate introducing a joint venture partner for the development of its Indonesian project and it is optimistic from initial expressions of interest that this is achievable, particularly in the currently favourable environment of strong prices both for gold and for zircon, an important prospective by-product in this project. The Company will address these possibilities more rigorously when the property re-assembly has been completed.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. 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 the foreseeable future.

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 payment or accrual of $18,000 quarterly in management fees paid or payable to three officers and/or directors.

Waseco's transition to International Financial Reporting Standards ("IFRS")

As mandated by the Canadian Accounting Standards Board, IFRS replaced previous Canadian GAAP for publicly accountable enterprises, including the Company, effective fiscal years beginning on or after January 1, 2011, that is effective with this fiscal year beginning March 1, 2011.

Accordingly, the Company is reporting interim and annual financial statements in accordance with IFRS and the statements for the six month and quarter periods to August 31, 2011 reflect this new reporting standard. The Company's 2011 interim and annual financial statements include comparative 2010 financial statements adjusted to comply with IFRS.

The Board of Directors and the Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

Transition to IFRS from GAAP

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises would be required to adopt International Financial Reporting Standards ("IFRS") for financial periods beginning on and after March 1, 2011.

The Company has adopted IFRS with an adoption date of March 1, 2011 and a transition date of March 1, 2010.

IFRS Conversion

The Company's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the Company hired an IFRS conversion project manager. The accounting staff attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Company believes that its accounting personnel have obtained the necessary understanding of IFRS.

In conjunction with the adoption of IFRS the Company has updated its accounting system, which will satisfy all the information needs of the Company under IFRS. The Company has also reviewed its current internal and disclosure control processes and they did not need significant modification as a result of the conversion to IFRS.

Impact of IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however, significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS did not change the actual cash flows of the Company, the adoption resulted in changes to the reported financial position and results of operations of the Company. In order to allow the users of the financial statements to better understand these changes, we have provided reconciliations between Canadian GAAP and IFRS for the total assets, total liabilities, shareholders equity, cash flows and net loss in the notes to the interim unaudited financial statements. The adoption of IFRS has had no significant impact on the net cash flows of the Company. The changes made to the statements of financial position and comprehensive income have resulted in reclassifications of various amounts on the statements of cash flows; however, as there has been no change to the net cash flows, no reconciliations have been presented.

In preparing the reconciliations, the Company applied the principles and elections of IFRS 1, with a transition date of March 1, 2010. As the Company has adopted IFRS effective March 1, 2010, it has applied the provisions of IFRS 1 as described under the section entitled "Initial Adoption – IFRS 1", with a March 1, 2010 transition date. The Company will also apply IFRS standards in effect at February 29, 2012 as required by IFRS 1.

Initial Adoption of International Accounting Standards

IFRS 1 ''First Time Adoption of International Accounting Standards'' sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional date of the statement of financial position with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied.

The Company elected to take the following IFRS 1 optional exemptions:
- to apply the requirements of IFRS 3, Business Combinations, prospectively from the Transition Date;
- to apply the requirements of IFRS 2, Share-based payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date.

Comparative Information

The Company has restated all periods from March 1, 2010 onwards in accordance with IFRS. IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the transition date are consistent with those made under previous Canadian GAAP.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS has resulted in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

A complete analysis of the Company's adoption of IFRS can be found in the Company's annual audited financial statements for the year ended February 28, 2011 and the unaudited interim financial statements for the quarter ended May 31, 2011referrenced in the General note above.

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 only when funds will be available. As at August 31, 2011, the Company had current assets of $999,573 (previous year end $1,085,474) and current liabilities of $166,793 (previous year end $194,998). As a result, working capital at August 31, 2011 was $832,780 down from $890,476 at the year end. The bulk of the Company's current assets is represented by cash and is correspondingly secure and predictable.

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 since the mineral property investment that 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 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, 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.

Subsequent Events

Effective September 1, 2011, the Company entered into a Joint Venture Agreement with AREVA Resources Canada Inc. with respect to the exploration and development of the Quebec Labrador Trough Uranium properties.

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. 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.

Disclosure of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at October 27, 2011:

Common Shares of no par value	**August 31, 2011**	**March 1, 2011**
Shares	30,311,155	30,311,155
Warrants	-	-
Options	-	1,000,000

Summary of Quarterly Results

Selected financial information for the first quarter of fiscal 2012 and each of the previous eight quarters appears below:

	Year end 2012		Year end 2011				Year end 2010	
	Q2	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4 (1)**	**Q3 (1)**
Total revenues	$ -	-	$ 6,188	-	-	-	$ 882	243,159
Net earnings (loss)	(57,695)	(65,754)	(196,465)	(22,999)	(31,563)	(25,306)	(22,143)	191,259
Net earnings (loss) per share - Basic	(0.002)	(0.002)	(0.006)	(0.001)	(0.001)	(0.001)	(0.001)	0.006

(1) Financial information prior to the transitioin to IFRS is reported under GAAP

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
October 27, 2011