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Management's Discussion & Analysis- For the First Quarter ended May 31, 2008.

General

This Management's Discussion and Analysis (MD&A) is dated July 28, 2008 and reflects the three months ended May 31, 2008 and should be read in conjunction with the audited financial statements for the year ended February 29, 2008 and the unaudited financial statements prepared by management for the three months ended May 31, 2008 and the notes thereto. These financial statements, as well as press releases issued by the Company and other information, are available either at the Company's website: www.wasecoresources.com, or at SEDAR: www.sedar.com.

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

The Company is a Tier 2 junior exploration company, listed on the TSX Venture Exchange ("WRI") and on the Frankfurt Exchange ("WSE"), engaged in the acquisition and exploration of mineral properties. The authorized capital is comprised of an unlimited number of no par value shares.

Exploration Activity

Quebec Labrador Trough Uranium Project

The principal activity carried out in the first quarter was the successful negotiation of the Extension Agreement with UraMin Inc. (“UMC”) and Areva Group, UMC’s new parent company. By this Extension Agreement, UraMin was provided additional time to June 28, 2010 to complete its funding option to earn its joint venture interest in exchange for increasing its funding option to an additional $2,000,000.

History

In fiscal 2006, the Company carried out airborne geophysical exploration activities on five uranium prospects that initially covered approximately 105 square kilometres 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.

Also in 2006, the Company entered into an agreement with UMC a company then listed on the Toronto Stock Exchange and the AIM in London. A follow up work program of airborne geophysics and ground geochemistry was initiated as part of a program totalling $1,600,000 that UraMin agreed to fund the Company to undertake over a two year period in order to acquire a 50% interest in the uranium and related metals discovered on the properties. In addition, UMC has made cash payments to the Company of $300,000, all of which has been received. Once the initial interest has been achieved, UraMin may elect to increase its interest in the uranium and related metals identified on the properties to 70% by agreeing to fund work resulting in a bankable feasibility study.

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

In addition, during August of 2007, an initial field program of prospecting and sampling was carried out on a portion of Blocks I & II. The results of this program were deemed to be incomplete and inconclusive by UraMin.

Subsequently, UMC has advised the Company of the depth of presence that it now has in the Province of Quebec as a result of UMC’s being taken over by AREVA, as discussed below. This new 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 future field work.

The significant expenditure on exploration activity commenced in the second quarter of the prior fiscal year and continued subsequently is not reflected in the closing balance of the Mining Properties account, as UraMin funded Waseco to undertake these activities. As such, the payments from UraMin to fund Waseco's expenditures, which otherwise would have increased the Mineral Properties account, are credited to the Mineral Properties account, effectively in matching amount, leaving the Mineral Properties account unchanged. Moreover, the refunds received and receivable from the Quebec and federal governments also go to reduce the carrying value of the Mining Properties. When these reductions result in the carrying value of a property being reduced to zero (as has occurred) further amounts are credited to income instead of reducing the value below zero. Any further net receipts with respect to the Quebec Labrador properties would be taken into income as a result of the carrying value having been reduced to nil.

Previous fiscal years 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 Block I/II and expanded Block III and an initial geochemical survey which included nearly 1,000 samples.

During the second quarter of last year, UraMin committed to continuing 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. During this year, UraMin was acquired by AREVA SA, a leader in the field of power generation and uranium exploration and mining. The Company's legal and contractual relationship with UraMin remains unchanged as a result of the acquisition of UraMin by AREVA and the Company has been working with AREVA staff to integrate the respective property databases. A field program has recently gotten underway.

Indonesia

The Company, having previously severed its ties with its former Indonesian subsidiary, retains a significant quantity of proprietary information with respect to the Tewah Alluvial Gold project. Having learned that its former Contract of Work had been terminated, the Company sought to re-establish title to significant portions of its former holdings. Now that this has been substantially advanced it intends to seek a funding partner and has already 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. No additional amounts were invested during the quarter, but it is anticipated that there will be additional investment in furthering the re-assembly.

The Company's previously completed Final Feasibility Study on the project in Kalimantan puts it in an advanced position on this project. The recent increases in the prices of 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. The Company has expended approximately $108,000 in this activity. This has been funded from unrestricted working capital while still leaving the Company with a healthy cash balance and more in prospect anticipated to be received in the coming quarters from the increased UraMin work program resulting from the Extension Agreement.

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 Pipe by De Beers and the work on the Macfadyen diamondiferous dykes to the west of the property, have rekindled interest in the camp. The Company has been informed of certain new evaluation work which has been undertaken by one of the other joint owners of the property. As a result, the Company expects to be informed of plans for additional work to be done on the property and expects to 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. During the 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 $1,581 as its proportionate share of work done in the year. No additional amounts have been invested during the 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 continuing increases in cash and significant fluctuations in receivables (from GST and Refundable Provincial Exploration Tax Credits) balances over the last three years, reflect the profitability which the Company has achieved from having UraMin (and a former partner) supply funds for the Company's exploration expense and obtaining the benefit of the Exploration Tax Credits,. From the year end, there has been a small increase in cash from $586,721 to $601,232 as a result of cash received from additional share issues from the exercise of options less cash expended in the payment of accounts payable and modest expenses of the quarter. The Share Capital increased from the same issue of shares upon exercise of options noted above. Other balance sheet amounts remained roughly in line with balances carried forward from the year end.

The decrease of about $40,000 in accounts payable and accruals compared to the previous year end reflects the payment of routine items outstanding at the previous year end. Working Capital has now increased somewhat from $285,000 to approximately $377,000 as a result of the share capital increase referred to above.

The Exploration Deposit Received has remained at nearly $232,000 as a result of the lack of activity in the quarter. This amount reflects UraMin's payment in advance for exploration work which has not yet been undertaken.

Statement of Operations Comparisons

There was an improvement in net profit for the quarter compared to the previous year primarily as a result of the recognition that the previous Valuation Allowance with respect to Deferred Income Taxes was no longer appropriate as it now is more likely than not that the loss carry forwards will be utilized owing to the Extension Agreement signed with UraMin. If UraMin completes the $2,000,000 funding of the exploration and development program and the corresponding work is undertaken, the Company will be taxable on the net income that would be realized beyond the amount of the loss carry forward but there are sufficient balances available in Cumulative Exploration Expense ("CEE") and Cumulative Development Expense ("CDE") to cover the amounts likely to result. As a result, the Company does not anticipate any early requirement to pay income taxes.

Management fees were a larger expense than in the previous year as a result of their only having commenced in the second quarter of last year (and as a result of a modest under-accrual at the year end which was expensed in the quarter under review).

Other expense items were generally in line with what they had been in the comparable quarter a year earlier.

The fluctuating profitability reflects the variability of exploration activities. We anticipate an increase in exploration activity this year with a corresponding resumption of profitability.

Other Cash Flow Comparisons

Expenditures related to mining properties and the corresponding option payments received both were inactive this quarter and little changed from the previous year, which reflects the usual seasonal inactivity of the winter and early spring when the environment in the Quebec Labrador Trough area is less favourable to the conduct of ground activities. Further increase in exploration activity resulting from the signing of the Extension Agreement subsequent to the year end should result in increases in these amounts in the coming quarters.

The Company's main focus is on its uranium properties. It continues to review other projects that it believes would create added shareholder value while putting primary emphasis on acquiring additional properties in the vicinity of its Quebec Labrador Trough properties.

Liquidity and Solvency

The Company's ability to conduct exploration and development on its properties is 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.

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

The Company's present and prospective resources from amounts anticipated from collection of receivables (the refunds from Quebec and federal incentive programs) represent sufficient funds in prospect to fund administrative costs and modest exploration and development of its own beyond the more significant exploration and development costs being funded by UraMin for at least the next four quarters. If UMC completes its earn in but elects not to exercise its option to increase its interest to 70% by advancing to a bankable feasibility study, the Company would anticipate participating with UMC in further expenditure in the 50:50 joint venture which would be formed.

It is also the Company's intention to seek a joint venture partner for the development of its Indonesian project and is optimistic from initial expressions of interest that this will be achievable, particularly in the currently favourable environment of strong prices both for gold and for zircon, an important by-product in this project.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Related Party Transactions

There were no related party transactions during the year beyond the payment or accrual of $9,000 in management fees paid or payable to three officers and/or directors in the quarter. There was no comparable item in the first quarter of the comparable prior year as such fee payments only commenced in the second quarter of the prior year.

Subsequent Events

Following the completion of the quarter under review (May 31, 2008) and prior to the date of these financial statements (July 28, 2008), there were no material subsequent events except:

i. On June 27, 2008 the Board of Directors granted to each of its four Directors, options to acquire 200,000 shares in the Company at a price of $0.25 per share until June 27, 2011. The closing price of the Waseco shares on the TSX Venture exchange on June 27, 2008 was $0.19 per share; and

ii. the entering into between the Company and UraMin and AREVA Group of the Extension Agreement, discussed above.

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.

Change in Accounting Policy

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

Summary of Quarterly Results

Selected financial information for the first quarter of fiscal 2009 and each of the previous eight quarters appears below:

Summary of Quarterly Results

Fiscal years	2009	2008	2007
1st Quarter			
Revenue	-	-	-
Gain (loss)	$ 12,091	$ (9,337)	$ (30,337)
Gain (loss) per share	0.000	(0.000)	(0.000)
2nd Quarter			
Revenue		173,500	16,350
Gain (loss)		117,739	(5,293)
Gain (loss) per share		0.004	(0.000)
3rd Quarter			
Revenue		12,186	162,236
Gain (loss)		(6,295)	151,000
Gain (loss) per share		(0.000)	(0.005)
4th Quarter			
Revenue		24,377	41,486
Gain (loss)		(28,537)	(2,597)
Gain (loss) per share		(0.001)	(0.000)

Disclosure Of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at May 31, 2008:

Common Shares of no par value	**Number**
Shares	30,311,155
Warrants	-
Options	-

Management of the Company invites questions from its shareholders and will be pleased to consider how these statements may be made more useful to shareholders and others.

WASECO RESOURCES INC.

“Richard Williams”

Richard Williams
President

July 28, 2008