WASECO RESOURCES INC.

(an exploration stage company)

Management's Discussion & Analysis

For the six months ended August 31, 2016

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General

This Management's Discussion and Analysis ("MD&A") is dated October 31, 2016, and reflects the results for the six months ended August 31, 2016 and should be read in conjunction with the unaudited financial statements for the six months ended August 31, 2016 and the audited financial statements for the year ended February 29, 2016 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, 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 on which it has completed a drill program resulting in the discovery of a high-grade gold intercept
- 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 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
- The Company continues to pursue an opportunity to participate in the exploration and development of an alluvial gold project in Indonesia. Historically, the Company 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 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, 2016, 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.)

In 2014, A.C A. (Peter) Howe was appointed Chairman Emeritus, in recognition of his many years of service and his contribution to the affairs of the Company. He continues to be available to advise the Company as a consultant.

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, 2016, the Company's cash position was $61,500. This was an increase from $4,500 at February 29, 2016. Working capital was negative $451,500 a slight improvement from negative working capital of $457,300 for the twelve months ended February 29, 2016. While there was no physical activity undertaken on the Nevada Project during the period (at least partially driven by the price of gold and generally reduced investor enthusiasm), annual carrying costs of about $140,000 continued to be incurred.

As at August 31, 2016, the Company had 36,271,390 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, appears to be recovering. This trend, which continued for an unusually extended period, appears to have bottomed. This has resulted in greater than usual difficulty in raising capital. It is extremely difficult to secure funding without incurring significant dilution. 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 the meantime, Mr. Williams, the Chief Executive Officer and a

Director of the Company, has been supporting the Company's operations by extending shareholder loans to the Company with nil interest or other consideration therefor.

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 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, 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.

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, 2016 and 2015

The Company had a net loss of $121,700 or $0.003 per share for the quarter ended August 31, 2016 compared to a net loss of $64,800 or $0.002 per share for the same period in 2015.

General and administrative costs, shareholder relations and regulatory fees were $21,900 for the three months to August 31, 2016 compared to $31,200 for the corresponding period in 2015.

Professional fees were $1,500 for the second quarter in 2016 compared to $16,100 for the comparable period of 2015. This reflects the timing of accruals and payments.

Management fees, included in general and administrative costs above, were $11,000 for the six months (2015 - $11,000).

The Company spent $99,100 on exploration and evaluation in the quarter – 2015 $17,400. The quarter's expenditures were solely on Battle Mountain Ridge Nevada and were for property holding costs.

Share based payments were $Nil for the three-month period to August 31, 2016 (2015 - $Nil)

Six Months Ended August 31, 2016 and 2015

The Company had a net loss of $142,300 or $0.004 per share for the six months ended August 31, 2016 compared to a net loss of $118,800 or $0.004 per share for the same period in 2015.

General and administrative costs, shareholder relations and regulatory fees were $35,800 for the six months to August 31, 2016 compared to $49,100 for the corresponding period in 2015. 2015 included the costs associated with a share issue.

Professional fees were $5,000 for the first six months in 2016 compared to $22,100 for the comparable period of 2015. This reflects the timing of accruals and payments.

Management fees, included in general and administrative costs above, were $22,000 for the six months (2015 - $22,000).

The Company spent $103,200 on exploration and evaluation in the period – 2015 $38,500. The expenditures were mainly on Battle Mountain Ridge Nevada for property holding costs.

Share based payments were $Nil for the six-month period to August 31, 2016 (2015 - $8,800)

Exploration Activities

Battle Mountain Ridge

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 2013, the Company acquired the remaining 25% interest in the project and now holds a 100% interest subject to the underlying royalty.

In 2012, the Company 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).

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 120% 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 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 some of which will be addressed in the programme that is now going forward in late 2016.

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. Claim renewal costs of $16,600 were incurred in the period as part of the Company's contribution to the Joint Venture with AREVA. Waseco paid the costs of these renewals and the deposit received from AREVA was reduced accordingly. The Company earns a 10% management fee for the management of the project.

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 joint venture currently holds 200 claims covering 10,000 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. ("Intellectual Property"). The Company continues to monitor developments in the area and retains the ability to re-establish title to significant portions of its former holdings.

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 year 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

During the six months ended August 31, 2016, the company raised $73,100 through the exercising of 975,000 warrants at $0.075. Also 1,500,000 shares at $0.05 and 700,000 warrants at $0.075 were issued in lieu of the Advance Royalty payments for 2016 year with respect to Battle Mountain, Nevada.

The main differences in cash flow reporting in the current quarter by comparison to the same quarter in the previous year are (i) the lack of any amount for share based compensation and (ii) the significant degree to which Mr. Williams is supporting the operations of the Company pending raising additional amounts of capital, a step which is planned in anticipation of a renewed drilling program.

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 would 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.

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 the increasingly significant amounts due and accrued to Directors. $4,500 is owing to Jay Richardson, a director of the Company, for management fees accrued but not paid. In addition to the above, $108,300 was lent in the period to the Company by Richard Williams, a director, inclusive of management fees. 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 which are not in excess of fair market values.

During the six-month period ended August 31, 2016 the Company expensed $22,000 (2015 - $22,000) to officers of the Company for management fees all of which was deferred and remains an accrued payable to them.

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 August 31, 2016 were $70,900 (August 31, 2015 $97,000). Current liabilities were $522,400 (August 31, 2015 $464,800), primarily deposits received from or on account of AREVA to support future JV work. As a result, working capital at August 31, 2016 was a deficiency of $451,500 a decrease from $457,300 deficiency at the prior year end and an increase over $367,800 at August 31, 2015 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, Northern Ontario 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.

The Company will require additional capital to pursue its business objective. 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.

The Company is not subject to any capital requirements imposed by regulatory body, other than of 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. As of August 31, 2016, the Company is not in violation of these requirements.

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, 2016. The comparative information normally set out under this heading is fully disclosed in the audited annual statements for the year ended February 29, 2016.

Disclosure of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at August 31, 2016:

Common shares of no par value	**August 31, 2016**	August 31, 2015
Shares	36,271,390	30,626,970
Options	1,000,000	1,000,000

Summary of Six-monthly Results

Selected financial information for the twelve months by quarter of fiscal 2016 and 2015 appears below:

	2017		2016				2015	
Details	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Net earnings (loss)	(121,663)	(20,650)	11,332	(84,434)	(64,787)	(54,061)	(68,169)	(37,239)
Net earnings (loss) per share	(0.003)	(0.001)	-	(0.003)	(0.002)	(0.001)	(0.002)	(0.001)

The Company has negotiated a reduction of the Annual Advance Royalty payable on the Battle Mountain Ridge gold property, in Nevada, and settled the current lease payments and the current and coming year's Advance Royalty payment for shares.

The Annual Advance Royalty will be reduced from US $75,000 annually to US $50,000, starting in year three (2018/9). The current Annual Advance Royalty and the outstanding lease obligation have been settled by way of a shares for debt issuance of 1.5 million common shares at Cdn $0.05 per share, plus 750,000 share purchase warrants, exercisable at $0.075 for 2 years from the date of regulatory approval. This year's Advance Royalty has been satisfied by the payment of US$10,000 and the issuance of shares in settlement of debt (subsequent to the quarter under review), and next year's Advance Royalty will be satisfied by the payment of US$ 20,000 on July 17, 2017. The leaseholder has agreed to waive the next US $5,000 lease payment, which is due in August, 2016.

During the period under review, 975,000 warrants, which formed part of the initial tranche of the unit offering completed last year, were exercised for proceeds of $73,100. The warrants were convertible into shares at $0.075 per share and will result in the issuance of 975,000 shares.

Subsequent Events

In October, 2016, the Company received Notice from the State Bureau of Land Management that its application for a further exploration programme on the Battle Mountain Ridge project in Nevada was in compliance and approved. The Company has initiated a drill program and is mobilizing equipment to the site.

The Company has announced a further capital raise by way of a non-brokered private placement of units at $0.075 per unit, each unit comprising a single share and a half warrant. Whole warrants being exercisable for 12 months to acquire a further share at a price of $0.10. To-date, $232,500 has been committed or received.

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 31, 2016