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Management's Discussion- For the Year ended February 28, 2007

General

This Management's Discussion and Analysis (MD&A) is dated June 27, 2007 and reflects the one year period ended February 28, 2007 and should be read in conjunction with the audited financial statements for the year ended February 28, 2007 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, 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

Having completed the geophysical exploration activities on the Company's five uranium prospects that initially covered approximately 165 square kilometres in the Quebec Labrador Trough, the Company continued in the first quarter with the compilation of the historical geochemical and geological data and the analysis of the information developed. As a result, the Company decided to undertake further staking in areas contiguous to these blocks and completed that activity in the first quarter. This was reflected in corresponding increases to the Mineral Properties accounts.

Our former joint venture partner, UMC Energy plc. (formerly Uranium Mining Corporation plc)("UMC") subsequently decided not to proceed to the next stage of our agreement and, as a result, relinquished all of its interest in these properties. The expenditures on the properties in the first quarter were partially funded from the proceeds of a private placement completed by the Company in the third quarter of the previous fiscal year.

During the second quarter, the Company entered into an agreement with UraMin Inc., a company listed on the AIM (Alternative Investment Market) in London which subsequently also became listed on the Toronto Stock Exchange during the period under review. A follow up work program of airborne geophysics and ground geochemistry was initiated during the quarter as part of a program totalling $1,600,000 that UraMin has agreed to fund the Company to undertake over a two year period in order to acquire a 50% interest in the uranium related assets on the property. In addition, UMC is making unrestricted cash payments to the Company of $300,000, of which $150,000 was received during the period. Once the initial interest has been achieved, UraMin may elect to increase its interest in the uranium assets to 70% by agreeing to fund work resulting in a bankable feasibility study. During the second quarter, the TSX Venture Exchange also approved the transaction and shareholder ratification was obtained. A further payment of $150,000 for the second year portion of the required cash payments is anticipated to be received shortly after the date of this document.

In addition, during the second quarter and as part of the agreement with UraMin, additional staking was undertaken on a 50:50 cost sharing basis with UraMin. This additional staking in the second quarter and a further staking In the third quarter brings the Company's land position in this area to a total of approximately 330 square kilometres.

In the fourth quarter, the main exploration activity focused on the interpretation of the results previously obtained and the commencement of planning for further program activity when weather conditions would permit. Subsequently in the period following the year end, this planning has continued. An exploration manager has been hired to oversee and control the program which will be advanced by drilling to be commenced later in the summer.

The significant expenditure on exploration activity commenced in the second quarter and continuing 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. This explains why the balance of the mineral properties account has not changed since the end of the second quarter and has increased so modestly since the previous year end.

The second quarter also saw the commencement of work to digitize previous known exploration work carried out on the properties and surrounding lands. This work was completed in the third quarter and was deemed to be extremely valuable. The third quarter 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. The Company is very pleased with the progress and results of the exploration to date and especially pleased with its relationship with UraMin. In addition to the summer drilling program expected to involve approximately 1500 metres of drilling, a field crew is being assembled to prospect, map and prioritize targets.

All indications point to UraMin continuing to fund the Company's continuing program and any residual uncertainty in this regard will be resolved by July 25, 2007 when the second annual instalment payment by UraMin is due.

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 is now addressing the re-establishment of a formal landholding on significant portions of its former holdings. When this is completed it intends to seek a funding partner and has already received expressions of interest in this regard. The Company's previously completed Final Feasibility Study on the project in Kalimantan puts it in a more advanced position on this project. The increase in the price of gold as well as zircon has 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 not undertaken any further work on the Attawapiskat Diamond Property, in northern Ontario, where it holds a 5% interest. The development of the adjacent Victor Pipe by DeBeers 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 join in the undertaking of that work by contributing its proportionate share of the cost of such program. Management believes that the property continues to have exploration merit and discussions with a view to resuming work are taking place. It is possible that the Company might seek to increase its share, presently standing at approximately 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. Management has considered and decided that it would be inappropriate at this time to reduce the carrying value of this property by an impairment charge in view of the possibility of its being called upon to share funding of additional exploration and its preparedness to do so.

Other Balance Sheet Comparisons

The continuing increases in cash and receivables (from GST and Refundable Provincial Exploration Tax Credits) balances compared to the year end and the previous quarter ends reflect the profitability which the Company has achieved from having UraMin supply funds for the Company's exploration expense and obtaining the benefit of the Exploration Tax Credits, minus the payment of certain old accounts payable. The increase in amounts receivable of both GST and Refundable Provincial Exploration Tax Credit reflects the exploration activity undertaken during the year. The increase of about $50,000 in accounts payable and accruals in the year reflects exploration costs outstanding at the year end. Working Capital has been turned around during the year from a deficit of approximately $65,000 to positive working capital of over $300,000 as a result of the profitability from the factors referred to above.

The Account Receivable reflects the amount due from UraMin for the Company's 5% management fee calculated on costs of the exploration program. The liability for Exploration Deposits Received represents an amount received from UraMin in excess of amounts incurred for exploration, the reverse of the situation at the previous year end (Exploration Deposit Received).

Capital Stock increased as a result of the exercise by some of the warrant holders of the warrants which otherwise were set to expire September 9, 2006. 177,000 shares were issued for $35,400 pursuant to such exercise and the balance expired unexercised. In addition, 200,000 shares were issued for $20,000 pursuant to the exercise by a former Director of his options shortly following his ceasing to be a Director. In addition, 100,000 shares of the Company were issued to a director as a success fee following shareholder and regulatory approval. Finally, in the fourth quarter, a further 100,000 shares were issued pursuant to the exercise by a Director of 100,000 options.

The reduced deficit and increased shareholders' equity reflect the strong profitability in the year. Shareholders and other readers should be cautious as to the ability of the Company to continue to generate such results. Such continuation will depend on a continuation by UraMin to fund the Company's exploration program which drives profitability through exploration expenditures leading to the Exploration Tax Credits receivable as referred to above.

The reduction in Contributed Surplus results from the value attributable to the warrants which were exercised during the year as detailed in note 4 to the financial statements.

Statement of Operations Comparisons

Operating losses have been turned around into profits as discussed above from the refundable tax credits exceeding the modest overhead costs of the Company. This revenue should continue over the periods of activity in the exploration program and so will be highly variable, depending on the activity rate. Management Fee revenues have increased this year as a result of the greater expenditure by UraMin on exploration compared to the previous year (by UMC and the failure to collect management fees on all of their expenditure).

The reduction in compensation costs by comparison to the year earlier results from these costs (deriving from option grants to the members of the board of directors) having been fully absorbed at the year end and no further grants having been made this year.

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.

The increase in professional fees reflects increases in audit costs and the legal fees incurred in the litigation over a former tantalum prospective property. The Company was a co-plaintiff in an action against the Ministry of Natural Resources of the Province of Quebec arising from government expropriation of certain claims, optioned by the Company. The trial in this matter took place in the third quarter and the Company recently received the judgment of the Court. The Company was awarded $10,000 and costs as reimbursement of moneys spent and compensation for loss of opportunity. These amounts will be recorded when received, anticipated o be in the 3rd quarter of the year in progress.

Shareholder relations and regulatory expenses were reduced this year as a result of the absence of costs associated with the private placement share issue of the previous year.

Liquidity and Solvency

As the Company does not generally derive revenues from its operations (except by virtue of the exploration tax credits refund referred to above), its ability to conduct exploration and development on its properties is based upon its ability to raise capital by way of joint-venture or equity funding. The Company's ability to raise capital by way of equity funding will be affected by general stock market conditions. The Company's dependence on these sources has been substantially reduced as a result of the favourable arrangements agreed in the UraMin joint venture and the Quebec and federal tax credits from the substantial exploration work being undertaken which accrue to the Company. This has now put the Company in a position of positive working capital for the first time in many years.

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. Additionally, in the second quarter, warrants to acquire 177,000 common shares of the Company were exercised prior to their expiry on September 9, 2006 resulting in receipt by the Company of $35,400 and a former member of the Board of Directors exercised 200,000 options for a further $20,000. Subsequent to the end of the third quarter, a further 100,000 options were exercised by another Director, injecting another $10,000 into the Company.

Together with amounts from the exercise of warrants and stock options received in the fourth quarter, the 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 for the next several quarters.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements.

No account is taken in the balance sheet of the recovery to the Company from the litigation recently completed over the expropriation of certain properties by the Quebec government. The amount of the award will be accounted for in the period in which it is received which is anticipated to be in the third quarter of the current year.

Related Party Transactions

There were no related party transactions during the period beyond:
i. the reimbursement of travel and other costs incurred by individual Directors on behalf of the Company;
ii. the repayment of the advances previously made to the Company by two shareholders who are also Directors and Officers of the Company of the amount of $11,000 on a completely interest free basis; and
iii. the payment of a success fee by the issue to a member of the Board of Directors of 100,000 shares of the Company valued at $24,000 following shareholder and regulatory approvals.

A member of the Board of Directors is a party from whom the Company purchased certain of the uranium prospective properties when he was not a member of the Board. This transaction was negotiated and completed at arm's length when the individual had no relationship with the Company. Mr. Hawkins was subsequently nominated and elected to the Board of Directors in view of his public company management experience as well as his knowledge of the properties.

Subsequent Events

Following the completion of the year under review (February 28, 2007) and prior to the date of these financial statements (June 27, 2007), the following events have taken place:
i. The litigation referred to above was decided by the court;
ii. Modest additional amounts were spent on the ongoing exploration program being conducted by the Company and UraMin on the Quebec Labrador Trough 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. The possibility of staking additional properties in the Quebec Labrador Trough camp, of particular interest to the Company, has been referred to above. Also 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 four quarters of fiscal 2007 and each of the previous eight quarters appears below:

Fiscal years	2007	2006	2005
1st Quarter			
Revenue	-	-	-
Gain (loss)	(8,727)	(1,842)	(7,123)
Gain (loss) per share	(0.000)	(0.000)	(0.000)
2nd Quarter			
Revenue	16,350	-	-
Gain (loss)	(5,293)	(22,195)	(1,212)
Gain (loss) per share	(0.000)	(0.001)	(0.000)
3rd Quarter			
Revenue	162,236	-	-
Gain (loss)	151,000	(9,051)	(14,290)
Gain (loss) per share	0.005	(0.000)	(0.001)
4th Quarter			
Revenue	41,486	-	-
Gain (loss)	(2,597)	(135,267)	(12,730)
Gain (loss) per share	(0.000)	(0.005)	(0.000)

Disclosure Of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at June 27, 2007:

Common Shares of no par value	Number
Shares	29,511,155
Warrants	-
Options	800,000

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

June 27th, 2007