WASECO RESOURCES INC.

Financial Statements

Three months ended May 31, 2005

(Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying un-audited interim financial statements of the Company have been prepared by and are they responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Waseco Resources Inc.

Balance Sheet

(Prepared by Management)

As at	May 31, 2005 Unaudited	February 28, 2005 Audited
	2006	2005
	$	$
Assets		
Current Assets		
Cash	**51,127**	196,237
Sundry receivables	**8,535**	-
	59,662	196,237
Mineral Properties and Deferred Costs	**104,109**	16,243
	163,771	212,480
Liabilities		
Current Liabilities		
Accounts payable and accruals	**110,415**	208,282
	110,415	208,282
Shareholders' Equity		
Capital stock *(note 4)*	**5,264,214**	5,213,214
Deficit	**(5,210,858)**	(5,209,016)
	53,356	4,198
	163,771	212,480

Approved by the Board of Directors

"James Richardson"
Director

"Richard Williams"
Director

Waseco Resources Inc.

Statement of Operations and Deficit
(Prepared by Management)

As at	Three months ended 31-May	31-May
	2005	2004
	$	$
Revenue - Management fees	**7,000**	-
Expenses		
Professional fees	**2,000**	943
Shareholder relations and regulatory fees	**5,012**	6,113
Miscellaneous	**1,830**	67
	8,842	7,123
Net Income (Loss)	**(1,842)**	(7,123)
Deficit at beginning of period	**(5,209,016)**	(5,173,661)
Deficit at End of Period	**(5,210,858)**	(5,180,784)
Net earnings (loss) per share - basic and fully diluted	(0.0001)	(0.0003)
Number of shares outstanding	**26,201,321**	21,913,821

Waseco Resources Inc.

Statements of Cash Flow

	Three months ended	
Periods ended	**31-May**	31-May
	2005	2004
	$	$
Operations		
Net income/(loss)	**(1,842)**	(7,123)
Adjustments to reconcile net income (loss) to cash flow from operating activities:		
Net change in non-cash operating working capital items:	**-**	-
Accounts payable and accrued liabilities	**(106,402)**	-
Cash flow from operating activities	**(108,244)**	(7,123)
Financing		
Capital Stock Issued	**51,000**	-
	-	-
	51,000	-
Investing		
Expenditure related to interest in mining properties	**(87,866)**	(25,101)
Cash flow from investing activities	**(87,866)**	(25,101)
Net increase in cash	**(145,110)**	(32,224)
Cash, beginning of period	**196,237**	73,393
Cash, end of period	**51,127**	41,169

WASECO RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
May 31st, 2005

1. NATURE OF OPERATIONS

The reader is directed to the notes of the February 28, 2005 audited financial statements for a full description of the nature of operations for Waseco Resources Inc. (the "Company") and more comprehensive notes to the Financial Statements generally. This and other useful information on the Company are available on the Company's web site at www.wasecoresources.com and on SEDAR (www.sedar.ca).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in preparing these financial statements are those used by the Company as set out in the notes of the February 28, 2005 audited financial statements. For further information see the Company's February 28, 2005 audited financial statements.

3. INTEREST IN MINING PROPERTIES

During the Quarter, the Company entered into a Purchase and Sale Agreement to acquire 210 claims in the Quebec Labrador Trough, which are prospective for uranium and other minerals. Under the terms of the Agreement, the Company has paid $35,000 and has issued 500,000 common shares to the vendors. The Company is committed to issuing a further 500,000 fully paid common shares prior to September 1st, 2005. The vendors have retained a 2% net smelter royalty interest that the Company can buy down to 1% by paying $1 million within 1 year of the commencement of commercial production on the properties.

Also during the Quarter, the Company entered into an Agreement with a third party (Uranium Mining Corporation plc.) whereby it can earn a 75% interest in 150 of the Labrador Trough claims. To acquire the option, the optionee paid Waseco $200,000. Of this amount, $35,000 was to be applied to third party payments, with the balance to be applied to an exploration program designed to do a preliminary evaluation of the uranium and other mineral potential of the property. In addition, the optionee must spend a further $800,000 of exploration expenditures to earn a property interest. In the event that the optionee elects not to fund the said balance by December 31, 2006, it will have no further obligations, and will retain no interest in the property.

	May 31 2005	Feb 28 2005
Acquisition costs		
	$	$
James Bay Lowlands, Ontario	50,000	50,000
Labrador Trough, Quebec	35,000	10,000
Deferred exploration expenditures		
James Bay Lowlands, Ontario	121,243	121,243
Labrador Trough, Quebec	62,866	-
Option payment received	(165,000)	(165,000)
	104,109	**16,243**

For further information, see the notes accompanying the Company's February 28, 2005 audited financial statements.

4. CAPITAL STOCK

Common Shares Outstanding:

February 28, 2005:	26,201,321
Shares issued March 1, 2005 through May 31st, 2005:	
Property Acquisition:	500,000
Exercise of Stock Options:	260,000
Outstanding at May 31st, 2005:	**26,961,321**

Stock Option Plan

The Company has a share option plan under which options to purchase common shares may be granted by the board of directors to directors, consultants, officers and employees of the Company for terms up to five years at a price at least equal to the market price prevailing on the date of the grant less the maximum discount permitted by the Canadian Venture Exchange. The maximum number of common shares available for issuance under the plan is limited to 10% of the issued and outstanding. For further information see the Company's February 28, 2005 audited financial statements.

During the period, 260,000 options were exercised at a price of $0.10 per share, for total proceeds to the Company of $26,000. Also during the period, 1,200,000 options exercisable at $0.10 per share were granted to senior management and members of the Board of Directors for a period of 3 years, expiring May 5th, 2008. The current number of options outstanding is as follows:

Share Options	**Exercise Price**	**Expiry Date**
940,000	$0.10	Nov 15th, 2005
1,200,000	$0.10	May 5th, 2008

5. INCOME TAXES

The estimated taxable income for the period is nil. Based upon the level of historical taxable income, it cannot be reasonably estimated at this time if it is more likely than not that the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities.

Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation allowance. The estimated taxable temporary difference valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some or all of the future tax assets or future tax liabilities will be realized.

6. SUPPLEMENTARY CASH FLOW INFORMATION

The Company did not pay any income taxes or interest during the three month periods ended May 31st, 2005 and May 31st, 2004.

7. BASIC LOSS PER SHARE

The loss per share figures are calculated using the number of common shares outstanding at the close of the period.

Fully diluted loss per share has not been disclosed, as the effects would be anti-dilutive.

8. CONTINGENT LIABILITY

Debts associated with the interest in the Indonesian mining properties written off prior to the current year were approximately $576,000 as at February 28, 2003. This amount relates mainly to unpaid property taxes. Any ultimate disposition or exploitation of the properties will require the Company to settle such debts (including amounts which may have arisen since then) or have the acquirer assume such debts in the case of a disposition.