

WASECO RESOURCES INC.

Financial Statements

**Nine months ended November 30,
2006**

(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 the 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)

	Nov 30, 2006 (Unaudited)	Feb 28, 2006 (Audited)
	2006	2006
	\$	\$
ASSETS		
Current Assets		
Cash	44,477	7,255
GST Recoverable	26,074	9,128
Accounts Receivable	32,848	-
Prepaid Exploration Expense	5,000	5,000
Refundable Provincial Exploration Tax Credit	382,189	98,464
	490,588	119,847
Mineral Properties and Deferred Costs (Note 3)	171,243	325,914
	661,831	445,761
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable and Accruals	125,306	184,968
Advances for Exploration Expenses	16,379	-
	141,685	184,968
	141,685	184,968
Shareholders' Equity		
Capital Stock	5,606,564	5,536,164
Contributed Surplus	102,000	102,000
Deficit	(5,188,418)	(5,377,371)
	520,146	260,793
	661,831	445,761

Approved by the Board of Directors

"James Richardson"
Director

"Richard Williams"
Director

Waseco Resources Inc.
Statement of Operations and Deficit
(Prepared by Management)

Periods Ended	Nine months ended		Three months ended	
	Nov 30, 2006	Nov 30, 2005	Nov 30, 2006	Nov 30, 2005
	2006	2005	2006	2005
	\$	\$	\$	\$
Revenue				
Management Fees	32,848	7,000	16,498	-
Income from Option Participation and Refundable Explorat	197,711	-	145,738	-
	230,559	7,000	162,236	-
Expenses				
Shareholder Relations and Regulatory Fees	14,032	18,202	2,593	1,482
Professional Fees	18,672	12,000	8,498	7,000
Compensation Costs re Options Issued	-	7,418	-	-
Miscellaneous	8,902	2,468	145	569
	41,606	40,088	11,236	9,051
Net Income (Loss)	188,953	(33,088)	151,000	(9,051)
Deficit, beginning of period	(5,377,371)	(5,209,016)	(5,339,418)	(5,233,053)
Deficit, end of period	(5,188,418)	(5,242,104)	(5,188,418)	(5,242,104)
Net income (loss) per share - basic and fully diluted	0.006	(0.001)	0.005	(0.000)
Number of shares outstanding	29,307,935	28,934,155	29,411,150	28,934,155

Waseco Resources Inc.

Statement of Cash Flow

(Prepared by Management)

Periods Ended	Nine months ended		Three months ended	
	Nov 30, 2006	Nov 30, 2005	Nov 30, 2006	Nov 30, 2005
	2006	2005	2006	2005
	\$	\$	\$	\$
Operations				
Net income (loss)	188,953	(33,088)	151,000	(9,051)
Compensation Cost	-	7,418	-	
Adjustments to reconcile Net Income to net cash provided by operations:				
Accounts Receivable	(32,848)	(133,814)	508	(58,414)
GST Recoverable	(16,946)	-	(16,070)	-
Refundable Provincial Exploration Tax Credit	(283,725)	-	(133,302)	-
Accounts Payable	(59,662)	7,608	(28,511)	5,492
Advances for Exploration Expenses	16,379	-	16,379	-
Shareholder Loan	-	-	(1,000)	-
	(187,849)	(151,876)	(10,996)	(61,973)
Financing				
Capital Stock Issued	70,400	236,200	55,400	165,200
Contributed Surplus	-	13,750	-	13,750
	70,400	249,950	55,400	178,950
Investing				
Recovery of Costs (Expenditures) Related to Interest in Mi	154,671	(253,011)	-	(92,268)
	154,671	(253,011)	-	(92,268)
Net increase in cash	37,222	(154,937)	44,404	24,709
Cash, beginning of period	7,255	196,237	73	16,591
Cash at end of period	44,477	41,300	44,477	41,300

WASECO RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

November 30, 2006

1. NATURE OF OPERATIONS

The reader is directed to the notes of the February 28, 2006 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.com).

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, 2006 audited financial statements. For further information see the Company's February 28, 2006 audited financial statements.

3. INTEREST IN MINING PROPERTIES

During the previous year, 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. 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. The Company paid \$35,000 and issued 1,000,000 common shares to the vendors during the year of acquisition fulfilling its obligations so that it now holds a 100% interest in the claims subject to the aforementioned royalty and subject to an option on certain claims, as more fully described below.

During the second fiscal Quarter, the Company entered into an Agreement with a third party (UraMin Inc. ["UraMin"]) whereby the latter can earn a 50% interest in the uranium and related metals in all of the Labrador Trough claims. To acquire the option, the optionee paid Waseco \$150,000, \$50,000 during the first fiscal quarter and \$100,000 subsequently in the second quarter. The Company has undertaken an exploration program designed as a continuing evaluation of the uranium and other mineral potential of the property. UraMin is to spend \$1,600,000 of exploration expenditures to earn a property interest and to pay the Company a further \$150,000 on the first anniversary of the agreement. In the event that the optionee elects not to fund the entire program over a two year period, it will have no further obligations, and will retain no interest in the property.

The Company anticipates being the recipient of refunds for approximately 47% of exploration and development expenditures spent on the properties in the Quebec Labrador Trough pursuant to the Quebec Mining Duties and Provincial Income Tax treatments.

The Company continues to hold a 5% interest in the Attawapiskat diamond prospect in northern Ontario. No work was performed on this property during the period.

	November 30 2006	Feb 28 2006
Acquisition costs:		
Balance, beginning of year	\$214,035	\$60,000
Acquisition costs in period	24,892	154,035
Acquisition cost funding by optionee	(12,436)	
Total acquisition costs	226,491	214,035
Deferred exploration expenditures:		
Balance, beginning of year	111,879	(43,757)
Option payments received	(150,000)	-
Exploration costs	664,514	254,100
Exploration cost funding by optionee	(543,554)	
Refundable provincial exploration tax credit	(138,087)	(98,464)
Total Deferred exploration expenditures	(55,248)	111,879
Total Mineral and Properties	\$171,243	\$325,914

For further information, see the notes accompanying the Company's February 28, 2006 audited financial statements.

4. Capital Stock

Share Capital

Waseco is authorized to issue an unlimited number of common shares. The issued and outstanding share capital consists of common shares as follows:

	Shares	Amount
Balance at February 28, 2006	28,934,155	\$5,536,164
Transactions during the three quarters:		
Issue of shares as finder's fee	100,000	15,000
Issue of shares for cash pursuant to exercise of warrants	177,000	35,400
Issue of shares for cash pursuant to exercise of options	200,000	20,000
Balance at November 30, 2006	29,411,155	\$5,606,564

Stock Options

The following table summarizes the continuity of stock options issued:

	Weighted Average Exercise Price	No. of Options
Outstanding at May 31, 2006	\$0.10	1,100,000
Transactions during the quarter, exercise by an option holder of 200,000 options at \$.10 per share	\$0.10	200,000
Outstanding at end of November 30, 2006	\$0.10	900,000
Exercisable at end of November 30, 2006	\$0.10	900,000

All of the outstanding options expire on May 6, 2008.

Waseco established a stock option plan to provide additional incentive to its directors, officers, employees, service providers, or consultants in their efforts on behalf of the Company in the conduct of its affairs. The total number of shares which may be issued thereunder shall not exceed 10% of the then issued and outstanding shares of the Company. Under the terms of the plan, the options shall vest immediately except that options granted to consultants or persons employed in investor relations activities shall vest over twelve months. All options expire on the fifth anniversary from the grant date, unless otherwise specified.

Warrants

As at November 30, 2006 Waseco had no warrants outstanding. The 416,667 warrants outstanding at August 31 with an exercise price of \$0.20 each were set to expire on September 9th, 2006 if not exercised. In the event 177,000 were exercised as noted above, and the balance expired unexercised,

5. Contributed Surplus

	2007
Balance at February 28, 2006	\$ 102,000
Transactions in 3 quarters: NIL	
Balance at end of November 30, 2006	\$ 102,000

6. INCOME TAXES

Owing to the availability of offsetting loss carry forwards the estimated income tax payable 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.

Consequently, the potential future recovery arising from potential application of tax loss carry forwards and 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 will be realized.

7. SUPPLEMENTARY CASH FLOW INFORMATION

The Company did not pay any income taxes or interest during the nine month period ended November 30, 2006.

8. BASIC LOSS PER SHARE

The loss per share figures are calculated using the weighted average number of common shares outstanding during the period.

Fully diluted loss per share has not been disclosed, as the effect would be non material.

9. RELATED PARTY TRANSACTIONS

Other than the reimbursement to Related Parties of amounts expended by them on behalf of the Company for travel and other costs, there were no Related party Transactions in the period beyond:

- i. the issue of 100,000 common shares valued at \$15,000 to a member of the Board of Directors as a finder's fee for arranging the UraMin transaction; and
- ii. the advance by a member of the Board of Directors to the Company of a shareholder loan of \$1,000 on completely interest free terms, to be repaid upon receipt of funds by the Company from exercise of warrants (which has been completed after the quarter end – see Subsequent Events) and its repayment, without interest or other consideration.

10. SUBSEQUENT EVENTS

Subsequent to the end of the Quarter, the Company:

- i. Received \$10,000 from the exercise by a former member of the Board of Directors of 100,000 options to purchase common shares at \$0.10 per share.
- ii. Additional exploration in an amount which is material to the Company was carried out by UraMin pursuant to the program referred to above.