WCB RESOURCES LTD
Management Discussion and Analysis
(Form 51-102F1)
For the Year Ended June 30, 2012
Information as of October 22, 2012 unless otherwise stated

Note to Reader

The following management discussion and analysis of the financial condition and results of operations of WCB Resources Ltd. ("WCB" or the "Company") should be read in conjunction with the Company's annual audited consolidated financial statements for the thirteen-month period ended June 30, 2012 and year ended May 31, 2011. The material herein, as of October 22, 2012, updates that information. These annual audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Quarterly consolidated financial statements are prepared by management on the same basis. These statements are available for review under the Company's profile at www.sedar.com.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Business of the Company

Overview

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 2, 2007 and was listed on the TSX Venture Exchange ("TSX-V") and called to trade on October 10, 2007. The Company completed its Qualifying Transaction (the "Transaction") under the policies of the TSX Venture Exchange on April 8, 2010. As a result of the Transaction, the Company is a Tier 2 mining issuer and changed its name from WCB Capital Ltd. to WCB Resources Ltd. The Company has not earned revenues and is considered to be in the exploration stage.

Pursuant to the Transaction, WCB entered into a Property option agreement (the "Option Agreement") with Angel Jade Mines Ltd. ("Angel Jade") under which WCB has acquired the right to earn a 100% undivided interest in and to the Maroon Property (subject to a 2.0% net smelter return royalty), by paying to Angel Jade an aggregate of $165,000 in cash, issuing to the Vendor an aggregate of 350,000 common shares of WCB at a deemed price of $0.05 per share, and expending an aggregate of $200,000 on the Maroon Property, as follows:

1. $15,000 in cash and 100,000 common shares payable upon completion of the Transaction;
2. expenditures of a minimum of $200,000 on the Maroon Property within 12 months of the completion of the Transaction, and
3. $150,000 in cash and 250,000 common shares within 24 months of the completion of the Transaction.

On March 21, 2012, the Company provided notice to Angel Jade that it was terminating the Option Agreement. As such, the cash and common shares due at the 24 month anniversary was not paid and the Company has written off the total exploration expenditures for the Maroon property during the thirteen-month period ended June 30, 2012.

The Company is currently focused on exploring the Red Hill copper gold project in central New South Wales, Australia, and the Misima gold copper project in Misima Island, Papua New Guinea described below. The Company has not earned revenues and is considered to be in the exploration stage.

Summary of projects

Red Hill Project

On August 20, 2010, the Company entered into an Option Agreement with Elephant Mines Pty Ltd. ("Elephant") , as amended on November 14 and 30, 2011, whereby the Company can acquire up to 100% of Elephant's 100% owned interest in the Red Hill copper gold project in central New South Wales, Australia (the "Property").

To acquire an undivided 50.1% right, title and interest in and to the Property:

1. WCB must incur an aggregate of A$1,000,000 of expenditures on the Property during the five year period (the "Option Period") commencing the date the Option Agreement was approved by the TSX-V (August 30, 2010). These expenditures include a minimum of A$40,000 per tenement per year commencing on September 7, 2010 and each anniversary date of September 7, 2010 thereafter during the Option Period; and
2. Following WCB attaining favorable geological results on the Property and upon the recommendations of its geologists, the completion of a minimum 400 meter depth drill hole on the Property on or before August 30, 2012. The depth requirement was amended by agreement on November 30, 2011 to 300 meters.

In addition to the above and commencing on August 30, 2010, WCB will pay Elephant A$30,000 annually for a period of five years or until it has earned a 100% interest in the Property, whichever is completed earlier. At any time during the Option Period, WCB may acquire a full 100% interest in and to the Property by paying A$1,000,000 in cash and common shares of the Company ("the Second Option Price") to Elephant, provided that no more than 50% of the Second Option Price may be payable in common shares of the Company. WCB is current in all of its obligations for the Red Hill Project.

Misima Island Project (EL 1747)

On December 20, 2011, the Company announced that, through its wholly owned subsidiary, WCB Pacific Pty Ltd, it had entered into an exploration Farm-In Agreement with Pan Pacific Copper ("PPC") covering EL1747 located on Misima Island, Papua New Guinea.

Pan Pacific Copper is the owner of Gallipoli Exploration (PNG) Ltd ("Gallipoli") which is the owner of granted EL 1747 "Misima". PPC is owned by JX Nippon Mining and Metals (66%) and Mitsui Mining and Smelting (34%). PPC is a global mining, smelting, refining and international copper producer. , currently developing the Caserones Copper Project in Chile.

Under the terms and conditions of the exploration Farm-In Agreement, the Company can earn up to a 70% interest in EL1747 Misima by spending a total of A$9.0M within a 4 year timeframe as follows:

1. The Company shall earn a 30% interest in Gallipoli for expending A$1.0M within the first 12 months (Year 1);
2. The Company shall earn a further 19% interest (for a total interest of 49%) by expending a further A$3.0M within the second 12 months (Year 2); and

3. The Company shall earn a further and final 21% interest (for a total interest of 70%) by expending a further A$5.0M within the final 24 months of the Farm-In period (Years 3 and 4).

Should the Company elect not to proceed further to earn additional option interests at any time after earning its initial 30% interest or to fully earn the full 70% interest, the parties will enter into a joint venture in which standard dilution formulas will apply for non-contribution. PPC retain the right to an offtake agreement for all mineral production within EL1747 based on prevailing metal prices and a commercial terms basis.

The Farm-in Agreement is subject to standard conditions precedent including PPC and Gallipoli Board approvals and PNG regulatory approvals.

Summary of Projects

Red Hill Project

The Red Hill Prospect is located on the eastern interpreted faulted boundary of the Cowra Yass Synclinorial Zone and is defined by a series of intense magnetic highs with associated zoned polymetallic geochemistry. Historically the area has received a variety of previous exploration typically targeting a VMS style of mineralization. WCB however interprets the alteration and geochemical association at Red Hill to be more typical of intrusive related systems and in particular skarn type alteration/mineralization. The significance of this is that this style of system has potential for well developed depth extensions and the geological targeting for this style mineralization has different criteria which have not been previously tested.

Initial examination of historical exploration data suggests that previous drill testing of these targets was completed only to shallow depths and returned poor drill recoveries that are not reflective of the prospect scope. At the time of entering the Option Agreement with Elephant, WCB's initial exploration plans included:

1. a complete review and examination of the previous exploration data including and project summary of targets
2. a detailed first pass soil survey over the interpreted prospective zones
3. magnetic depth and orientation modeling over the high priority magnetic high features with associated geochemistry

In October 2010, the Company released the results of a soil sampling program which resulted in the collection of a total of 913 samples on a staggered grid pattern and collection of in excess of 200 grams of basal B/C horizon material which was sent for multi-element analysis.

Analysis of the results indicated well developed coherent high order Cu and Au anomaly. The Cu/Au anomalism forms a central core (Cu to 1020ppm / Au to 5.61ppm) which is surrounded to the east by a high order Zn anomaly (Zn to 1790ppm) and Pb anomaly (up to 5420). Mo (up to 17ppm) and Bi (up to 67ppm) form a scattered pattern throughout the system.

The dimensions of the central Cu/Au anomaly are 300m by 150m with the Zn Pb anomalism forming a peripheral marginal enveloping zone over 1000m in strike and 200m wide. Importantly, the Cu Au anomalism is coincident with the largest magnetic high anomaly developed in the area.

Interpretation of this data clearly demonstrates the concept of the intrusive related zoned hydrothermal system with a central core region of Cu and Au surrounded by a peripheral zone of elevated Zn Pb Ag and minor Au.

Surface alteration of the steeply dipping volcanic sequence suggest alteration mineralogy typical of a skarn hydrothermal system. The surface spatial association of disseminated magnetite chlorite and minor garnet with secondary Cu support this concept. These systems may have significant depth extent.

During the year, the Company continued its exploration program at Red Hill. This exploration included rock chip sampling, magnetic modeling, validation mapping, surveying, and drilling. Field inspections identified a central gossanous zone measuring up to 300 m strike and up to 80 m width of anomalous Cu Au which is enveloped by a 1.4 km long (strike) peripheral gossanous Pb Zn halo. This central zone is coincident with an intense magnetic high and previously reported Cu Au anomalism in soil samples (which were collected in the 2010 exploration program).

Subsequent compilation of historic drill data suggests Cu anomalism is widespread over an area measuring 300 m by 200 m. The historical drill data (circa early 1970s) do not accurately reflect the mineralization tenor due to exceptionally poor drill recoveries. Accordingly, the main target has not been adequately tested.

The Company undertook a rock chip sampling program, focused on the gold endowment. Results from the sampling included peak results of up to 11.45 g/t Au, 0.24% ppm Cu, up to 51 ppm Mo, and up to 0.75% ppm Zn. The peak value of 11.45 g/t Au is coincident the largest and highest order magnetic feature which is the primary target.

Results from an IP survey identified a significant chargeability anomaly coincident with the earlier high order geochemical data. The sub-vertical chargeability anomaly can be traced for over 400 m within which there is a high order chargeability anomaly defined over a strike length of 300 m. This feature has an apparent width in the order of 100 m. The highly chargeable anomaly is also coincident with peak gold rock chip samples and peak copper and gold soil samples. The lower chargeability anomaly is observed over a 600 m strike length.

The results to date identified a well defined drill target and the Company announced in November 2011 that it had commenced drilling on a single hole. The hole (WRH001) was completed at the end of November 2011 with a depth of 357 meters.

WRH001 encountered a sequence of silicified limestone and weak magnetite bearing skarn from 1m to 56m down hole at which point a major fault was encountered. Dacitic volcanics were then encountered from 56m to the end of the hole at 358.7m. Several zones of variable pyrite alteration were encountered, the most significant of which was a 1.55m zone of variable pyrite - silica breccia associated with a near vertical fault. Disseminated chalcopyrite was observed in places in this fault zone.

This result returned:

Hole	From (m)	To (m)	Core length	Gold (g/t)	Cu %	Core Recovery
WRH001	219.95	221.5	1.55	0.37	0.54	>95

This drill result in combination with the observed geology logged in the hole did not correlate with the observed magnetic data and modelled induced polarisation chargeability and resistivity data nor did it explain the observed surface geochemistry.

WCB undertook additional work to complete a down hole 3D down hole magnetic survey to define the location and position of the targeted magnetic high anomaly. The results of this survey indicate that the intense magnetic high is positioned immediately to the north of the existing drill hole WRH001

Misima Island Project (EL 1747)

EL 1747 Misima is located in the same terrain and geological region that includes the deposits of Grasberg, Ok Tedi, Hidden Valley, Wafi-Golpu, Lihir, Simberi and Panguna as well as significant projects such as Tolukuma, Kainantu and Woodlark Island. Importantly Misima Island has previously demonstrated mineral deposit pedigree through the past production of 4.0M ounces of gold and 20M ounces of silver from various operations but most recently the Misima Mine owned by Placer Dome Asia Pacific (now Barrick Gold). This mine ceased open pit production in 2001 and closed in 2004.

EL1747 Misima consists of 53 sub blocks covering an area of 180km2. The exploration license is located on the eastern portion of the island and surrounds the historic SML (Special Mining Lease). The exploration license was targeted by WCB due to the presence of a significant high order copper stream sediment anomaly in multiple drainages which has received limited detailed follow up activity. Additional high order gold and zinc anomalies have been identified and require follow up detailed work.

The Company is targeting Porphyry copper gold and Epithermal gold silver mineralisation on EL 1747. On February 28, 2012, the Company announced it has commenced Year 1 exploration program planning on EL1747. The Year 1 exploration program will includes an extensive ridge and spur auger soil sampling program, a rock chip sampling program, and a large trenching program supported by a detailed aeromagnetic survey. These activities are designed to delineate appropriate drill targets.

During the fiscal year the Company announced results for its rock sampling and soil sampling programs. The Company initially reported results for 46 rock chip grab samples which confirmed WCB's concepts and indicated further exploration was required. The data confirmed and indicated the existence of two metal bearing spatially separate hydrothermal systems (Target Areas). Interpretation of the initial data from Target Area 1 indicated the presence of a mineralized intrusive diorite phase with coincident highly encouraging copper, gold, and silver levels. Target Area 2 at Quartz Mountain suggested a gold related system with high order Ag and Mo.

In mid-June the Company announced the results of 2,487 auger ridge and spur soil samples. The initial release covered 1,299 samples located at Target Area 1. Results from these soil samples returned individual highs for coper of 2,130 ppm, gold of 5.62 g/t, silver of 11.1 g/t, Mo of 70 ppm, zinc of 6,510 pm and lead of 6,110 ppm. The analysis of this data highlighted two spatially separate anomalies, the previously identified Target Area 1 and a new Target Area (Target Area 3) located to the northwest of Target Area 1.

The soil results for Target Area 1 identified a large copper soil anomaly covering an estimated surface area of 1.46 km^2 and Target Area 3 covering an estimated surface area of 1.26 km^2. For more detailed results please see the Company's press release dated June 14, 2012.

The second release provided the results for the remaining 1,188 samples covered the Target Area 2 (Quartz Mountain). Results from these soil samples returned individual highs for gold of 4.26 g/t, silver of 2.80 g/t, Mo of 60 ppm and lead of 3,390 ppm. Furthermore, anomalism was observed over a large surface area with the anomaly displaying a strong spatial association of molybdenum, gold, and lead. More detailed results for the soil results from Target Area 2 can be found in the Company's press release dated June 18, 2012.

Subsequent to the end of the fiscal year ended June 30, 2012, the Company announced the completion and results of its magnetic survey on Misima Island. The survey found a significant magnetic anomaly coincident with the high order Cu Au soil geochemistry. The magnetic anomaly has surface dimensions of 1,100m by 900m within which a high order anomaly was observed with the dimensions of 500m by 250m. Further 3D modeling indicated that the majority of the magnetic high is located subsurface and that the intense magnetic high component increases with depth while maintaining continuity.

Also subsequent to the end of the fiscal year, the Company announced additional rock chip grab results covering the Porphyry Target area. These results returned significant copper, gold and silver results. High order results were returned from samples with associated magnetic alternation as identified in the magnetic survey.

For further information on the Company's exploration activities and projects, please visit www.wcbresources.com. Mr. Cameron Switzer, BSc (Hons), MAIG (3384), MAUSIMM (112798), President and Chief Executive Officer of WCB Resources Ltd., is a qualified person as defined by National Instrument 43-101. He is responsible for quality control of exploration undertaken by WCB. Mr. Switzer has reviewed and approved the technical information in this MD&A.

Risks and Uncertainties

The Company is subject to a number of risk factors due to the nature of its business and the present stage of development. The following risk factors should be considered:

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in WCB's resource base.

WCB's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore 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 funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which the Company has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company's properties will be located, often in poor climate conditions.

The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Substantial Capital Requirements

The management of the Company anticipates that it may make substantial capital expenditures for the acquisition, exploration, development and production of its properties, in the future. As the Company will be at the exploration stage with no revenue being generated from the exploration activities on its mineral properties, the Company may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations.

Competition

The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Company.

Volatility of Mineral Prices

The market price of any mineral is volatile and is affected by numerous factors that are beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by the Company.

Mineral Reserves / Mineral Resources

All of the properties in which the Company will hold an interest are considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Recent Global Financial Conditions

Recent global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the shares of the Company could be adversely affected.

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing properties or require abandonment or delays in the development of new mining properties.

Reliance on Key Employees

The success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not maintain life insurance policies in respect of its key personnel. The Company could be adversely affected in the event such individuals do not remain with the Company.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BC Company Act provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the management of WCB's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a director or officer of WCB except as otherwise disclosed herein.

Dividends

To date, WCB has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

Permits and Licenses

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labor standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Limited Operating History

WCB is a relatively new company with limited operating history. WCB was incorporated in March 2007 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. WCB anticipates that it may take several years to achieve positive cash flow from operations. Even if WCB does undertake exploration activity on the Maroon Property, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks

The Company, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Company may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last financial period of the Company up to and including June 30, 2012. This financial information is derived from the consolidated financial statements of the Company which were audited by Smythe Ratcliffe LLP, Vancouver. The Company prepares financial information according to IFRS and all information is reported in Canadian Dollars.

	June 30, 2012[2] **(IFRS)**	**May 31, 2011**[1] **(IFRS)**	**May 31, 2010**[1] **(Canadian GAAP)**
Interest income	$21,345	$98	$29
Loss for the period	$954,588	$122,999	$160,713
Net loss	$954,588	$122,999	$160,713
Basic and diluted loss per share	$0.044	$0.008	$0.033
Total assets	$3,250,624	$594,474	$681,634
Total long-term liabilities	$-	$-	$-
Cash dividends per share	$-	$-	$-

[1] year ended
[2] 13 month period ended

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

The net loss increase for 2012 is largely comprised of increases in share-based payments ($255,065 – 2011 - $3,040), operating expenses ($118,252 – 2011 - $5,575), consulting fees ($260,162 – 2011 – $63,302), and the write off of the Maroon project during 2012 ($156,650). The increases are due to the expanded level of operations for 2012 at the Red Hill project and entering the Farm-in agreement for the Misima Island property. Consulting fees pertain primarily to the administrative management of the Company as opposed to professional fees which pertain primarily to audit and related fees. There are no operational revenues.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The net loss for the thirteen-month period ended June 30, 2012 amounted to $954,588 (2011 - $122,999) and the basic and diluted loss per common share was $0.044 (2011 - $0.008). There have been no dividends declared to date. The Company has not been significantly affected by changes in exchange rates, business practices, productivity or competition.

The Company's total assets as of June 30, 2012 amounted to $3,250,624 compared to $594,474 as at May 31, 2011. The Company has no long-term liabilities.

Operations for the thirteen-month period ended June 30, 2012 consumed cash of $539,846 compared to $141,921 for the twelve-month period ended May 31, 2011. The operating loss of $954,588 (2011 - $122,999) was the largest element of cash flows used for operating activities, offset by shares based payments of $255,065 (2011 - $3,040), the write-off of exploration and evaluation assets of $156,650 (2011 - $nil) and an unrealized foreign exchange gain of $100 (2011 – a loss of $6,781).

The Company invested $890,023 (2011 - $220,742) of cash in exploration activities during the thirteen-month period ended June 30, 2012, primarily at its Misima Island property.

The Company generated $3,277,876 (2011 - $50,000) from the issuance of shares (including private placements and the exercise of options and warrants) during the thirteen-month period ended June 30, 2012.

In aggregate the Company had a net increase in cash of $1,723,724 during the thirteen-month period ended June 30, 2012. The Company had a cash balance of $2,050,629 at June 30, 2012 (2011 - $326,905).

FOURTH QUARTER ANALYSIS

For the four months ended June 30, 2012 and the three months ended May 31, 2011, operations comprised of:

	Four months ended June 30, 2012	Three months ended May 31, 2011
Interest income	$ (19,727)	$(80)
Stock-based compensation (reversal)	218,443	(38,747)
Professional fees	30,263	19,331
Administration, consulting, transfer agent, filing fees and operating expenses	247,643	6,113
Foreign exchange loss (gain)	51,777	(1,201)
Operating Loss	$ (528,399)	$(14,584)

The reversal of share-based payments for the 4th quarter ended May 31, 2011 was due to the reversal of share-based payments related to options not meeting required milestones and expiring, unexercised and unvested. No such reversals occurred during the four month period ended June 30, 2012.

SUMMARY OF QUARTERLY INFORMATION

Previously the Company was a Capital Pool Company listed on the TSX-V. On April 8, 2010, the Company completed its Qualifying Transaction under the policies of the TSX Venture Exchange. As a result of the Transaction, the Company is now a Tier 2 mining issuer focused on exploring the Maroon Property in the Skeena Mining District of British Columbia. As a result of the Qualifying Transaction and the Tier 2 listing, the Company realized a number of additional expenses during the fourth quarter. These included professional fees (including legal work associated with the Qualifying Transaction), issuance of stock options, (resulting in share-based payments), and consulting fees and filing fees associated with the Transaction.

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with June 30, 2012. Financial information is prepared in accordance with IFRS as issued by the International Accounting Standards Board and is reported in Canadian Dollars.

	Jun 30, 2012[1]	Feb 29, 2012	Nov 30, 2011	Aug 31, 2011	May 31, 2011	Feb 28, 2011	Nov 30, 2010	Aug 31, 2010
Interest income	$19,727	$505	$643	$470	$80	$18	$-	$-
Net loss	$685,049	$92,982	$132,068	$44,489	$7,730	$27,308	$33,993	$53,968
Net loss per share	$0.031	$0.004	$0.006	$0.003	$0.001	$0.002	$0.003	$0.004

[1] Four month period

The Company has an accumulated deficit, from its incorporation date of March 2, 2007 to June 30, 2012, of $1,388,233.

SHARE ISSUANCES

Year ended May 31, 2011

During the year ended May 31, 2011:

(i) 100,000 options were exercised to purchase 100,000 shares in the Company at a price of $0.10 per option for gross proceeds of $10,000; and

(ii) 400,000 warrants were exercised to purchase 400,000 shares in the Company at a price of $0.10 per warrant for gross proceeds of $40,000.

During the thirteen-month period ended June 30, 2012:

(i) 3,000,000 units were issued at a price of $0.20 per unit for gross proceeds of $600,000. Each unit comprised one common share and one-half of one common share purchase warrant (each whole warrant, a “warrant”), with each warrant exercisable into one common share for a period of 12 months (on or before July 14, 2012) at an exercise price of $0.35. From the gross proceeds, $56,891 was allocated to the fair value of warrants;

(ii) 2,000,000 units were issued at a price of $0.20 per unit for gross proceeds of $400,000. Each unit comprised one common share and one-half of one warrant, with each warrant exercisable into one common share for a period of 12 months (on or before July 21, 2012) at an exercise price of $0.35. From the gross proceeds, $113,826 was allocated to the fair value of warrants;

(iii) 2,760,161 units were issued at a price of $0.75 per unit for gross proceeds of $2,070,121. Each unit comprised one common share and one-half of one warrant, with each warrant exercisable into one common share for a period of 18 months (on or before September 22, 2013) at an exercise price of $1.10. From the gross proceeds, $311,010 was allocated to the fair value of warrants;

(iv) $142,210 was paid as share issuance costs in conjunction with the Company's unit offerings during the year. In addition, 165,610 agent options with a fair value of $55,976 were granted;
(v) 610,000 options with a fair value of $50,485 were exercised to purchase 610,000 common shares in the Company at a price of $0.10 per option for gross proceeds of $61,000;
(vi) 100,000 options with a fair value of $13,560 were exercised to purchase 100,000 common shares in the Company at a price of $0.13 per option for gross proceeds of $13,004;
(vii) 200,000 warrants with a fair value of $4,250 were exercised to purchase 200,000 common shares in the Company at a price of $0.10 per option for gross proceeds of $20,000; and
(viii) 325,000 warrants with a fair value of $10,616 were exercised to purchase 325,000 common shares in the Company at a price of $0.35 per option for gross proceeds of $113,750.

OFF-BALANCE SHEET ARRANGEMENTS

For the thirteen-month period ended June 30, 2012 and the twelve-month period ended May 31, 2011 there were no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the thirteen-month period ended June 30, 2012, the Company granted 2,860,000 options to directors of the Company. Included in share-based payments expense is $242,893 allocated to these options. Included in accounts payable and accrued liabilities is $38,700 owing to directors of the Company.

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management for the thirteen-month period ended June 30, 2012 and the twelve-month period ended May 31, 2011 is as follows:

	2012	2011
Short-term employee benefits	$ 419,453	$ 50,000
Share-based payments	242,893	-
	$ 662,346	**$ 50,000**

LIQUIDITY AND CAPITAL RESOURCES

The Company is a Tier 2 mining issuer focused on exploration under the policies of the TSX-V, and liquidity is related to the market conditions of such issuers, investor patience and expectations for a mining exploration company finding economically recoverable reserves.

The Company's consolidated statement of financial position as at June 30, 2012 and May 31, 2011 shows that the Company has current assets of $3,250,624 and $594,474 respectively, to apply to exploration and development of its exploration and evaluation assets and operating costs.

SIGNIFICANT ACCOUNTING ESTIMATES

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial period are discussed below.

(i) Rehabilitation Provisions

Management's best estimates regarding the rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. Based on management's best estimate, the Company does not have a rehabilitation obligation as at June 30, 2012 (May 31, 2011 - $nil).

(ii) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-off to profit or loss in the period the new information becomes available.

(iii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(iv) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 10 of the Consolidated Financial Statements.

SUBSEQUENT EVENTS

Subsequent events are listed in Note 16 to the Consolidated Financial Statements for the thirteen month period ended June 30, 2012.

PROPOSED TRANSACTIONS

There are no proposed transactions.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; reclamation bond, as held-to-maturity; and accounts payable and accrued liabilities, as other financial liabilities.

(a) Fair Value

The carrying values of the reclamation bond and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and reclamation bond. The Company is not exposed to significant credit risk as its cash and reclamation bond are placed with a major Canadian financial institution.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash and other receivables at June 30, 2012 in the amounts of $2,050,629 and $39,147, respectively, (May 31, 2011 - $326,905 and $2,813, respectively; June 1, 2010 - $632,787 and $313 respectively), which is sufficient to meet its short-term business requirements. At June 30, 2012, the Company has accounts payable and accrued liabilities of $234,290 (May 31, 2011 - $14,283; June 1, 2010 - $31,484) with contractual maturities of less than 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar, primarily in Australian dollars. The Company has net monetary assets of $1,676,000 (2011 – $nil) denominated in Australian dollars.

For the thirteen-month period ended June 30, 2012, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in AUD by 7.5% will have a material effect on the Company's business, financial condition and results of operations in the amount of approximately $125,000.

The Company does not manage currency risk through hedging or other currency management tools.

(ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at June 30, 2012.

(iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's consolidated financial statements for the thirteen-month period ended June 30, 2012 are the first annual consolidated financial statements that are prepared in accordance with IFRS. IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company applied IFRS was June 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is June 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first-time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian GAAP (or "pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS consolidated financial statements, the Company adjusted amounts reported previously in the consolidated financial statements prepared in accordance with pre-changeover Canadian GAAP. Reconcilliations from pre-changeover Canadian GAAP to IFRS are detailed in note 17 to the Company's audited consolidated financial statements for the thirteen month period ended June 30, 2012.

The IFRS 1 applicable exemptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

(a) Optional Exemptions

Share-based payments

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date.

(b) Reconciliations of Pre-changeover Canadian GAAP Equity and Comprehensive Income to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the consolidated statements of financial position, consolidated statement of operations and comprehensive loss, and consolidated statements of cash flows are as shown below.

Explanations for the adjustments are as follows:

(i) Share-based Payments

Pre-changeover Canadian GAAP allows the Company to calculate the fair value of share-based payments on all awards granted and recognizes the expense from the date of grant over the vesting period using the graded vesting methodology. The Company determines the fair value of stock options granted using the Black-Scholes option pricing model.

IFRS 2 requires each tranche in an award with graded vesting to be considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

CAPITAL STOCK AND RESERVES

1. Total number of shares issued and outstanding as at June 30, 2012: 24,345,161 common shares (October 22, 2012 – 25,907,661 common shares)

2. Total number of shares in Escrow / Pooled as at June 30, 2012: 3,075,000 shares (October 22, 2012 – 1,537,500 shares)

3. Total number of stock options outstanding and exercisable as at June 30, 2012: 4,200,000 stock options (1,250,000 stock options exercisable) (October 22, 2012 – 4,400,000 outstanding).

4. Total number of warrants outstanding as at June 30, 2012: 11,570,693 warrants (October 22, 2012 - 9,395,693 warrants):

5. Directors and officers: (as at June 30, 2012 and October 22, 2012)

Cameron Switzer	President and Chief Executive Officer
Duncan Cornish	Chief Financial Officer and Director
Shaun Maskerine	Corporate Secretary and Director
Peter Lynch	Director
James Simpson	Director

OTHER INFORMATION

The Company's website address is www.wcbresources.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

On behalf of the Board of Directors

"Shaun Maskerine"

Shaun Maskerine
Director