WCB RESOURCES LTD
Management Discussion and Analysis
(Form 51-102F1)
For the Quarter Ended September 30, 2012
Information as of November 26, 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 unaudited financial statements for the same period prepared by the Company's management. These statements are available for review under the Company's profile at www.sedar.com.

The Company changed its fiscal year end from May 31 to June 30 during the previous fiscal year. For that reason, the three month period ended September 30, 2012 is compared to the three month period ended August 31, 2011 in the following analysis.

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 became a Tier 2 mining issuer and changed its name from WCB Capital Ltd. to WCB Resources Ltd.

Red Hill Project

On August 20, 2010, the Company entered into an Option Agreement with Elephant Mines Pty Ltd. ("Elephant") 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 with the date the Option Agreement is 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 AUD9.0M within a 4 year timeframe as follows:

1. The Company shall earn a 30% interest in Gallipoli for the expending AUD1.0M 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 AUD3.0M 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 AUD5.0M 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 ended June 30, 2012, 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 ended June 30, 2012 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 of 2012 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 km2 and Target Area 3 covering an estimated surface area of 1.26 km2. For more detailed results please see the Company's press release dated June 14, 2012.

A 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.

During the current quarter, 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 during the current quarter, 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

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time:

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel

- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

RESULTS AND FINANCIAL CONDITION

For the Three Months Ended September 30, 2012

The net loss for the three months ended September 30, 2012 was $286,670 or $0.012 loss per share. The most significant operating expenditures were consulting fees of $90,588, share based payments of $60,665 and operating expenses of $34,182. Other expenditures during the three month period included administration fees of $36,446 and professional fees of $12,237. The Company also had a foreign exchange loss (both realized and unrealized) of $63,173 during the three month period.

The Company had a cash balance of $1,652,210 at September 30, 2012.

THIRD QUARTER ANALYSIS

For the three months ended September 30, 2012 and August 31, 2011, the net loss was $286,670 and $44.489 respectively. Revenues and expenses for the period ended September 30, 2012 and August 31, 2011, 2011 were comprised of:

	Three months ended September 30, 2012	Three months ended August 31, 2011
Interest income	$(10,950)	$(470)
Share Based Payments	$60,665	$9,642
Consulting Fees	$90,588	$22,065
Professional fees	$12,237	$2,916
Foreign exchange loss (gain)	$63,173	$(4,605)
Administration, Operating, Transfer Agent, filing fees	$73,065	$14.941
Exchange differences on translating foreign controlled entity	(2,108)	-
Net Loss	$286,670	$44,489

SUMMARY OF QUARTERLY INFORMATION

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

	Sep 30, 2012	Jun 30, 2012[1]	Feb 29, 2012	Nov 30, 2011	Aug 31, 2011	May 31, 2011	Feb 28, 2011	Nov 30, 2010
Interest income	$10,950	$19,727	$505	$643	$470	$80	$18	$-
Net loss	$286,670	$685,049	$92,982	$132,068	$44,489	$7,730	$27,308	$33,993
Net loss per share	$0.012	$0.031	$0.004	$0.006	$0.003	$0.001	$0.002	$0.003

1 Four month period

The Company has incurred an overall deficit, from its incorporation date of March 2, 2007 to September 30, 2012, of $1,674,903.

SHARE ISSUANCES

During the quarter ended September 30, 2012:

(i) 1,362,500 warrants with a fair value of $104,615 were exercised to purchase 1,362,500 common shares in the Company at a price of $0.35 per warrant for gross proceeds of $476,875.

OFF-BALANCE SHEET ARRANGEMENTS

For the period ended September 30, 2012 there were no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the quarter, the Company incurred $146,377 in consulting fees and $9,195 in share-based payments with directors of the Company or companies that are controlled by directors of the Company.
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These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

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.

According to the Company’s balance sheet, as at September 30, 2012 and June 30, 2012, the Company has current assets of $1,708,702 and $2,125,149, respectively. The Company had working capital of $1,587,023 as at September 30, 2012. As at September 30, 2012 the Company had cash of $1,652,211 available to meet short-term business requirements.

For the three months ended September 30, 2012, net cash used in operating activities was $343,569. The company used $497,115 for investing activities which included expenditures on exploration and evaluation assets of $484,029. A total of $476,874 was received through financing activities. The Company realized a net decrease in cash of $398,418 over the three month period ended September 30, 2012.

SUBSEQUENT EVENTS

Subsequent events are listed in Note 13 to the Financial Statements for September 30, 2012.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the three months period ended September 30, 2012 and have been applied consistently to all comparative periods presented in these interim condensed consolidated financial statements.

(a) Basis of Consolidation

These interim condensed consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its 100% owned subsidiaries, WCB Australia Pty Ltd. in Australia, WCB Pacific Pty Ltd. in Australia and WCB PNG Ltd. in Papua New Guinea. All inter-company transactions and balances have been eliminated on consolidation.

(b) Foreign Currency Transactions

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, income and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the statement of financial position date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the related translation differences are recognized in net loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss/income or other comprehensive loss/income consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

(c) Reclamation Deposits

Cash that is subject to contractual restrictions on use is classified separately as reclamation deposits.

(d) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Conversely, the Company may occasionally enter into farm-in agreements, whereby the Company will obtain part of a mineral interest and, as consideration, must meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the transferor. All expenditures made by the Company are capitalized to exploration and evaluation assets as incurred.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

(e) Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided, using the straight-line method, over the following periods:

Computer equipment	3 years
Motor vehicle	3 years

(f) Impairment of Non-financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial period-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in comprehensive loss.

(g) Capital Stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placement units. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to the warrants and common shares issued based on the relative fair values of the components.

(h) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of operations and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of operations and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the consolidated statement of operations and comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of operations and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(i) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercises would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(j) Financial Instruments

(i) Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial Assets at Fair Value through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company’s risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Held-to-maturity (“HTM”) financial assets

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs using the effective interest rate method. The Company does not have any assets classified as HTM investments.

Available-for sale (“AFS”) financial assets

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial asset categories and are subsequently measured at fair value. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

Management assesses the carrying value of AFS financial assets at every reporting period and any impairment charges are also recognized in income or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments are derecognized from comprehensive income and recognized in profit or loss.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(ii) Financial Liabilities

Financial Liabilities at Fair Value through Profit or Loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any liabilities classified as fair value through profit or loss.

Other Financial Liabilities

Financial liabilities are classified as other financial liabilities, initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derivative Financial Instruments

The Company is not engaged in any derivative contracts.

(k) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records management's best estimate of the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(m) 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 September 30, 2012 (August 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.

(n) Mining and Exploration Tax Recoveries

The Company recognizes mining and exploration tax recoveries in the period in which the related qualifying resource expenditures are incurred. The amount recoverable is subject to review and approval by the taxation authorities and is adjusted in the period when such approval is confirmed.

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 cash, 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's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal terms of trade.

(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 ("AUD"). The Company has net monetary assets at September 30, 2012 in the amount of $1,514,000 (August 31, 2011 – $368,610) denominated in AUD.

For the three months ended September 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 $113,000.

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 September 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.

CAPITAL STOCK AND CONTRIBUTED SURPLUS

1. Total number of shares issued and outstanding as at September 30, 2012: 24,622,147 shares

2. Total number of shares in Escrow as at September 30, 2012: 3,075,000 shares

3. Total number of share purchase warrants outstanding as at September 30, 2012: 9,395,693

4. Total number of stock options outstanding as at September 30, 2012: 4,200,000 stock options (2,425,000 stock options exercisable).

5. Directors and officers: (as at September 30, 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

CONTINUANCE OF OPERATIONS

As at September 30, 2012 the Company was continuing in its efforts to explore and develop mineral properties.

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

"Cameron Switzer"

Cameron Switzer
President, CEO and Director