WCB RESOURCES LTD
Management Discussion and Analysis
(Form 51-102F1)
For the Year Ended June 30, 2016
Information as of October 27, 2016 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 years ended June 30, 2016 and 2015. The material herein, as of October 27, 2016, 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.

All dollar amounts presented herein are in Canadian dollars unless otherwise noted.

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.

The Company is currently focused on exploring the Misima gold copper project in Misima Island, Papua New Guinea described below.

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").

On July 23, 2015, the Company decided to withdraw from the Red Hill Project. Consequently, an impairment of $497,733 was recognized as at June 30, 2015.

Misima Island Project (EL 1747)

The Company has, through its wholly owned subsidiary, WCB Pacific Pty Ltd, entered into a Sale & 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 Sale & Farm-In Agreement, the Company can obtain up to a 70% interest in EL1747 Misima by spending a total of AUD9.0M within a 4 to 5 year timeframe (or as reasonably varied between the parties) as follows:

1. A 30% interest in Gallipoli for expending AUD 1.0M (complete);
2. A further 19% interest (for a total interest of 49%) by expending a further AUD 3.0M within 12 months which was extended to March 31, 2015 (complete); and
3. A further and final 21% interest (for a total interest of 70%) by expending a further AUD 5.0M within a further two years.

Should the Company elect not to proceed further to earn additional option interests at any time after the 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 Company has previously announced that it has earned the first two states of 49% interest in the Misima Island Project. Exploration expenditures toward the next 21% are progressing.

Summary of Projects

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 includes the historic SML (Special Mining Lease). The exploration license was targeted - 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 Misima Island Project (EL1747) is located in the same terrain and geological region that includes the giant deposits of Grasberg, Ok Tedi, Wafi-Golpu, Lihir, Porgera and Panguna. Past production on Misima Island totals 4.0M ounces of gold and 20M ounces of silver. The NI 43-011 Technical Report detailing the resource is available on SEDAR and the Company's website. Documentation relating to drilling by Noranda and Misima Mines Pty Ltd is also available in 43-101 Report.

Systematic exploration by WCB has defined three (3) highly significant prospects within the project. These include the:

a. **Misima Porphyry Prospect**: A large high order soil Cu Au anomaly supported by highly significant channel sample results in a zone of upper level porphyry style alteration, multiphase veining and intense fracturing. Aeromagnetic data support a large zone of magnetite alteration under this zone which has not been drill tested. Halo drill holes with broad Cu Au intersections also envelop the area over a 1500m by 1000m area.

b. **Umuna Zone**: An indicated resource of 1.3M ounces of gold and 6.0M ounces of silver and an inferred resources of 0.38M ounces of gold and 3.3M ounces of silver has been defined along the Umuna zone where previous drill testing had been completed. Further extensions to this system at depth and along strike are observed. The Company has found significant channel sample results in the Misima North area, 2km to the NW and along strike of the resource boundary.

c. **Quartz Mountain**: Defined by multiple large high order Mo-Au-Pb-Zn soil anomalies associated with silica - albite - sericite - carbonate alteration. Three zones of spatially separated hydrothermal brecciation have highly elevated gold and silver values with historical open pit production from this area totaling and estimated 250,000 ounces. Larger hydrothermal breccia's are also observed along with a large ovate magnetic high interpreted as magnetite alteration. Geological interpretation suggests that this area has potential for porphyry style mineralisation.

WCB's current program is focused on the expansion and upgrading of the Umuna gold Zone Resource.

Misima Porphyry Project

The Company initiated a five hole scout drill program targeted at the central interpreted higher grade components of this classic porphyry Cu Au Ag system during the current fiscal year. This program was completed during the current quarter.

GDD001 was completed to a depth of 723 meters and encountered alteration and geochemistry consistent with the margin or shoulder of a porphyry system. The results of GD001 indicate a broad zone in the upper levels of the hole approaching 0.1% Cu over a cumulative interval of 240 meters. Drill hole details from GDD001 include:

Hole ID	From metre	To metre	Interval metres	Cu ppm	Ag g/t
GDD001	24	152	128	720	0.60
	182	294	112	890	0.68
	450	466	16	1155	0.38
	490	504	14	886	0.64

GDD002 was collared 240 meters to the south east of the first hole and encountered interbedded skarn and marble to a depth of 85 meters. Beneath the skarn zone the sequence was interbedded Ara Schist and intrusives to a depth of 550 meters when the hole intersected a post mineral instrustive to 768 meters. Visible secondary copper was observed in the upper skarn zone. Beneath the skarn, the interbedded intrusives and Ara Schist contained well developed sulphide including pyrite and accessory chalcopyrite to 500 meters. Included in this zone are three discrete zones totaling 180 meters downhole in which magnetite chalcopyrite stockwork of variable intensity is developed. Drill hole details from GDD002 include:

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Au g/t	Ag g/t	Recovery %
GDD002	4	12	8	0.27	0.07	22.45	81
	38	86	48	0.22	4.09	15.82	82
Including	60	64	4	0.57	47.6	90.55	48
At a 20g/t Au top cut	38	86	48	0.22	1.79	15.82	82
	96	116	20	0.1	0.49	1.93	97
	172	214	42	0.09		0.78	97

GD004 and GD005 also intersected porphyry style alternation and fracturing. Results included:

Drill Hole	From (m)	To (m)	Interval (m)	Au g/t	Ag ppm	Cu ppm	Mo ppm	Recovery%
GDD004	80	100	20.0	0.19	2	511	8	93
	162	174	12.0	0.15	1	794	19	98
	188	206	18.0	0.18	1	412	3	97
	332	400	68.0	0.06	1	755	12	99
GDD005	13.6	28	14.4	0.02	2	1197	2	92
	68	104	36.0	0.01	0	988	17	98

Umuna Zone Resource

The initial Inferred Mineral Resource is reported in accordance with National Instrument 43-101 for the Umuna Zone was released during the fiscal year ended June 30, 2014. During the current fiscal year, the Company upgraded this resource (see below). The mineral resource estimate was developed by Richard W Lewis of Lewis Mineral Resource Consulting Pty Ltd under the independent guidance and supervision of AMC Consultants Pty Ltd ("AMC"). The resource is constrained by geological and grade domains and is incorporated within a conceptual open pit with results being reported at an USD$1,100 per oz gold price.

During the current fiscal year, the Company announced an upgrade to the initial mineral resource. The new resource statement included both the Umuna and Ewatinona Prospects. The Misima Mineral Resource comprises:

Deposit	OXIDE	RECLASS	Cutoff g/t Au	Tonnes Mt	Gold g/t Au	Silver g/t Ag	Au Moz	Ag Moz
Umuna	Oxide	Indicated	0.37	4.2	0.71	11	0.10	1.6
		Inferred	0.37	2.5	0.94	21	0.07	1.6
	Primary	Indicated	0.45	32	1.1	4.3	1.2	4.4
		Inferred	0.45	4.9	1.2	8	0.19	1.3
	Sub-total	Indicated		36	1.1	5.1	1.3	6.0
		Inferred		7.4	1.1	12	0.27	2.9
Ewatinona	Oxide	Inferred	0.37	0.54	0.78	3.6	0.013	0.063
	Primary	Inferred	0.45	3.1	1.0	2.9	0.10	0.29
	Sub-total	Inferred		3.7	0.97	3.0	0.11	0.35
Misima Total		**Indicated**		36	1.1	5.1	1.3	6.0
		Inferred		11	1.1	9.2	0.38	3.3

Notes

1. Rounding may cause apparent computational errors
2. Reported at USD1200/oz gold price USD20/oz silver price within an optimised pit run at USD1400/oz gold price USD20/oz silver price and costs provided by WCB.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Company has also identified potential extensions up to 2,000m to the north west of the previously mined Stage 6 open pit on the Umuna Zone through its ongoing compilation of historic data. These extensions were initially identified by WCB's soil sampling program in mid 2012. Subsequent acquisition of the Misima Mines Pty Ltd database, which included channel sample data and geological mapping data, when combined with recently completed mapping has confirmed these anomalies as the likely extensions of the previously mined mineralization in the Stage 6 pit.

During the fiscal year ended June 30, 2016, the Company announced results of systematic mapping and sampling of the Umuna zone. These results showed a south eastern extension of the plus 3 km strike extensive Umuna zone (called Kulumalia). The Company expects that with minimal additional drilling the Kulumalia extension mineralization may be included in future mineral resource estimates.

During the current fiscal year the Company provided channel sample results from the identified slay of the Umuna zone. Channel sample results included 38 m @ 1.36 g/t au, 10 m @ 1.00 g/t Au, and 31 m @ 0.40 g/t Au. Interpretation of these results indicated multiple parallel zones of oxide mineralization. The Company also released channel sample results indicating extensions of the Umuna zone to the southeast.

WCB has completed the second stage of the Farm In, as audited and approved by PPC and Gallipoli which has increased the Company's interest to 49% ownership in Gallipoli and is current in all obligations under the Farm In Agreement. The interest is held by WCB Pacific Pty Ltd., a wholly owned subsidiary of the Company. Total expenditures in the Misima Island project as at June 30, 2016 totaled approximately $6.779 million.

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. Mr. Peter Stoker, an Honorary Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional, and a full time employee of AMC Consultants Pty Ltd who is a "qualified person" as defined by the National Instrument 43-101 was the Qualified Person for the mineral resource estimate for the Misima property.

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. 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 three financial periods up to and including June 30, 2016. This financial information is derived from the consolidated financial statements of the Company which were audited by Smythe LLP, Vancouver. The Company prepares financial information according to IFRS and all information is reported in Canadian Dollars.

	June 30, 2016	June 30, 2015	June 30, 2014
Interest income	$2,519	$73,446	$25,952
Net loss for the year	$522,113	$1,736,899	$1,322,777
Basic and diluted loss per share	$0.009	$0.030	$0.033
Total assets	$7,001,068	$7,542,087	$9,086,885
Total long-term liabilities	$-	$-	$-
Cash dividends per share	$-	$-	$-

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 in 2016 was lower than the loss in 2015. Major components of the net loss included administration fees of $100,398 (2015 - $308,128). Consulting fees during the 2016 fiscal year totaled $248,045 compared to $354,290 during the previous year. Operating expenses decreased by $174,794 to $78,159 for the year ended June 30, 2016. Share based payments for the 2016 fiscal year were $Nil (2015 - $72,446). The Company also recorded foreign exchange rate loss during the 2016 fiscal year of $25,940 compared with $236,565 in 2015. During the 2015 the Company recorded an impairment loss on the Red Hill property of $497,733. There was no impairment loss recorded in during the fiscal year ended June 30, 2016. 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 year ended June 30, 2016 amounted to $522,113 (2015 - $1,736,899) and the basic and diluted loss per common share was $0.009 (2015 - $0.03). 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, 2016 amounted to $7,001,068 compared to $7,542,087 as at June 30, 2015. This decrease was due to a reduction in cash which was partly offset by increases in exploration and evaluation assets. The Company has no long-term liabilities.

Operations for the year ended June 30, 2016 consumed cash of $405,489 compared to $1,122,729 for the year ended June 30, 2015. Investing activities totaled $497,872 for the year ended June 30, 2016 (2015 – $3,033,883). Investing activities were comprised of expenditures on exploration and evaluations. These exploration expenditures were at the Company's Misima Island project. The Company received no cash during the year ended June 30, 2016. During the year ended June 30, 2015 the Company received $14,000 from the exercise of options.

In aggregate the Company had a net decrease in cash of $900,623 during the year ended June 30, 2016 (2015 - $4,144,953 decrease). The Company had a cash balance of $102,410 at June 30, 2016 (2015 - $1,003,033).

FOURTH QUARTER ANALYSIS

For the three months ended June 30, 2016 and the three months ended June 30, 2015, operations comprised of:

	Three months ended June 30, 2016	Three months ended June 30, 2015
Interest income	$ Nil	$ (6,999)
Stock-based compensation	Nil	22,831
Professional fees	37,837	50,637
Administration, consulting, transfer agent, filing fees and operating expenses	72,336	679,098
Foreign exchange loss	5,356	31,705
Operating Loss	$ 115,529	$ 777,272

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with June 30, 2016. Financial information is prepared in accordance with IFRS as issued by the IASB and is reported in Canadian Dollars.

	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014
Interest income	$ nil	$nil	$nil	$2,519	$6,999	$14,833	$21,498	$30,116
Net loss	$115,529	$106,384	$137,792	$162,408	$777,272	$289,942	$229,768	$439,917
Net loss per share	$0.002	$0.002	$0.002	$0.003	$0.01	$0.005	$0.004	$0.008

The Company has an accumulated deficit, from its incorporation date of March 2, 2007 to June 30, 2016, of $4,649,599 (2015 - $4,968,806).

SHARE ISSUANCES

There were no share issuances during the year ended June 30, 2016

During the twelve-month period ended June 30, 2015, 140,000 options with a fair value of $6,174 were exercised to purchase 140,000 common shares in the Company at a price of $0.10 per option for gross proceeds of $14,000.

OFF-BALANCE SHEET ARRANGEMENTS

For the years ended June 30, 2016 and 2015 there were no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended June 30, 2016, there were no options or shares granted to directors of the Company (2015 -Nil). No share-based payments expense is allocated to options held by directors of the Company (2015 -Nil). Included in accounts payable and accrued liabilities is $212,238 (2015 - $58,871) 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 relating to consulting fees and share-based payments for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Short-term benefits:		
Cameron Switzer[1]	$ 82,326	$ 292,552
Duncan Cornish[2]	98,046	116,691
James Simpson[3,5]	29,399	35,218
Peter Lynch[3]	29,770	34,593
Shaun Maskerine[4]	61,667	80,000
	301,207	559,054
Share-based payments		-
	$ 301,207	**$ 559,054**

1 Fees for management services provided as Chief Executive Officer and President
2 Fees for management services provided as Chief Financial Officer
3 Directors' fees
4 Fees for management services provided as Corporate Secretary
5 Mr. Simpson resigned as a director of the Company on August 2, 2016

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, 2016 and June 30, 2015 shows that the Company has current assets of $208,190 and $1,107,519, respectively, to apply to exploration and development of its exploration and evaluation assets and operating costs. At June 30, 2016, it is the Company's view that it will require additional funds to carry out exploration on its Misima project and operating activities for the next fiscal year.

The Company's ability to continue its operations and further the development of its projects depends on its ability to successfully raise additional financing. The Company continues to utilize its cash resources to fund property expenditures and administrative requirements. Management has implemented cost reduction strategies for both exploration and administrative requirements with a view to conserving cash resources. As the Company has no significant income, the cash balances, unless replenished by capital fundraising, will continue to decline as the Company utilizes these funds to conduct its operations.

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 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 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, 2016 (2015 - $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) 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.

CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the year ended June 30, 2016.

SUBSEQUENT EVENTS

Subsequent events are listed in Note 16 to the Consolidated Financial Statements for the year ended June 30, 2016.

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; deposit, as loans and receivables; 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. The carrying value of the deposit also approximates its fair value.

(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, 2015 in the amounts of $102,410 and $74,632 respectively, (2015 - $1,003,033 and $94,136, respectively) At June 30, 2016, the Company has accounts payable and accrued liabilities of $243,044 (2015 - $261,950) 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 AUD. The Company has net monetary liabilities of AUD 141,212 (2015 - net monetary assets of AUD 741,073). Stated at the Canadian dollar equivalent, the Company had net monetary liabilities of $136,134 (2015 – net monetary assets of $707,661) denominated in AUD.

For the year ended June 30, 2016, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in AUD by 1% will have an effect on the Company's business, financial condition and results of operations in the amount of approximately $1,400 (2015 - $7,400).

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, 2016.

(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 RESERVES

1. Total number of shares issued and outstanding as at June 30, 2016 and the date of this report: 58,044,883 common shares

2. Total number of stock options outstanding and exercisable as at June 30, 2016 and the date of this report: 2,110,000.

3. Total number of warrants outstanding as at June 30, 2016 and at the date of this report: 11,411,111 warrants.

4. Directors and officers: (as at June 30, 2016 and the date of this report)

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 (resigned August 2, 2016)

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"

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Shaun Maskerine
Director