WCB RESOURCES LTD
Management Discussion and Analysis
(Form 51-102F1)
For the Quarter Ended December 31, 2015
Information as of February 26, 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 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.

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.

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, and February 24, 2015, whereby the Company could 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 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 AUD1.0M (complete);
2. The Company shall earn a further 19% interest (for a total interest of 49%) by expending a further AUD3.0M by September 30, 2015 (complete); 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 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 earned its initial 30% interest in the Misima Island Project. Exploration expenditures toward the next 19% has been audited and approved by the Farm-In partners and are currently waiting for standard PNG registration and regulatory approval.

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 year ended June 30, 2015. 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 in 2014. During the fiscal year ended June 30, 2015, the Company upgraded this resource (see below). The new resource statement included both the Umuna and Ewatinona Prospects.

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$1,200 per oz gold price.

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 current fiscal year, 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.

In December, 2015 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.

WCB has completed the second stage of the Farm In, as audited and approved by PPC and Gallipoli which will increase the Company's interest to 49% ownership in Gallipoli (subject to standard PNG registration and regulatory approvals) 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 December 31, 2015 totaled approximately $6.678 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

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 December 31, 2015

The comprehensive loss for the three months ended December 31, 2015 was $137,792 or $0.002 loss per share. Consulting fees of $67,688, administration of $28,482 and operating expenses of $47,260 were the most significant expenses. The Company also recorded a foreign exchange gain of $12,270 during the quarter.

The Company had a cash balance of $234,458 at December 31, 2015.

SECOND QUARTER ANALYSIS

For the three months ended December 31, 2015 and December 31, 2014, the comprehensive loss was $137,792 and $229,768, respectively. Revenues and expenses for these periods were comprised of:

	Three months ended December 31, 2015	Three months ended December 31, 2014
Interest income	$Nil	$(21,498)
Share Based Payments	$Nil	$10,792
Consulting Fees	$67,688	$85,049
Professional fees	$3,456	$7,844
Foreign exchange loss (gain)	$(12,270)	$33,614
Administration, Operating, Transfer Agent, filing fees	$76,877	$113,967
Exploration Costs Expensed	$2,041	$Nil
Comprehensive Loss	$137,792	$229,768

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with December 31, 2015. Financial information is prepared in accordance with IFRS as issued by the International Accounting Standards Board and is reported in Canadian Dollars.

	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014
Interest income	$nil	$2,519	$6,999	$14,833	$21,498	$30,116	$24,659	$Nil
Net loss	$137,792	$162,408	$777,272	$289,942	$229,768	$439,917	$642,773	$215,520
Net loss per share	$0.002	$0.003	$0.01	$0.005	$0.004	$0.008	$0.021	$0.006

The Company has incurred an overall deficit, from its incorporation date of March 2, 2007 to December 31, 2015, of $5,241,632.

SHARE ISSUANCES

There were no share issuances during the quarter ended December 31, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

For the period ended December 31, 2015 there were no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the quarter ended December 31, 2015, there were no options or shares granted to directors of the Company (2014 - nil). No share-based payments expense is allocated to options held by directors of the Company (2014 - $nil). Included in accounts payable and accrued liabilities is $105,790 (2014 - $48,727) 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 during the quartered ended December 31, 2015 and 2014 are as follows:

	Three months ended December 31, 2015	Three months ended December 31, 2014
Short-term employee benefits:		-
Cameron Switzer1	15,994	75,131
Duncan Cornish2	24,225	29,068
James Simpson3	7,099	8,785
Peter Lynch3	9,110	8,544
Shaun Maskerine4	15,000	20,000
Share-based payments	-	-
	$ 71,428	$ 141,529

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

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 December 31, 2015 and June 30, 2015, the Company has current assets of $386,743 and $1,107,519, respectively. The Company had working capital of $281,081 as at December 31, 2015. As at December 31, 2015 the Company had cash of $234,458.

The Company continues to utilize its cash resources to fund property expenditures and administrative requirements. 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.

For the six months ended December 31, 2015, net cash used in operating activities was $508,373. The company used $314,001 for investing activities, which was all spent on exploration and evaluation assets. The Company realized a net decrease in cash of $768,575 over the six month period ended December 31, 2015.

SUBSEQUENT EVENTS

There have been no events since December 31, 2015 that impact upon the financial report as at February 26, 2016.

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 December 31, 2015 (2014 - $nil).

(ii) 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.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

(a) Fair Value

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

(b) Credit Risk

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

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash and other receivables at December 31, 2015 in the amounts of $234,458 and $59,201, respectively, (December 31, 2014 - $3,027,831 and $87,422, respectively), which is sufficient to meet its short-term business requirements. At December 31, 2015, the Company has accounts payable and accrued liabilities of $105,662 (December 31, 2014 - $288,683) with contractual maturities of less than 30 days.

(d) Market Risk

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

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar, primarily in Australian dollars (“AUD”). The Company has net monetary liabilities at December 31, 2015 in the amount of $93,954 (December 31, 2014 – net monetary assets $2,765,352) denominated in AUD.

For the three months ended December 31, 2015, the Company’s sensitivity analysis suggests that a change in the absolute rate of exchange in AUD by 5% will have a material effect on the Company’s business, financial condition and results of operations in the amount of approximately $4,698 (December 31, 2014 - $138,268).

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 December 31, 2015.

(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 (as at December 31, 2015)

1. Total number of shares issued and outstanding: 58,044,883 shares
2. Total number of warrants outstanding: 11,411,111
3. Total number of stock options outstanding: 2,310,000

CONTINUANCE OF OPERATIONS

As at December 31, 2015 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.