

WABI EXPLORATION INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Three and Six Months Ended October 31, 2011

This Management's Discussion and Analysis (MD&A) is management's assessment of the statement of operations and the financial results together with future prospects of Wabi Exploration Inc. ("Wabi" or the "Company"). The MD&A should be read in conjunction with the unaudited condensed interim financial statements and related notes for the three and six months ended October 31, 2011. Readers are cautioned that this discussion contains forward-looking statements that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to Wabi's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. Readers are encouraged to consult the Company's Audited Financial Statements and corresponding Notes thereto for the years ended April 30, 2011 and 2010 for additional details. The unaudited condensed interim financial statements and MD&A are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are presented in Canadian dollars unless otherwise specified. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of December 23, 2011 and for the three and six months ended October 31, 2011. Readers are encouraged to read the Company's public information filings which can be accessed and viewed through a link to the Company's Canadian Securities Commissions filings via the System for Electronic Data Analysis and Retrieval (SEDAR) at www.sedar.com.

Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Wabi to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Wabi to fund the capital and operating expenses necessary to achieve the business objectives of Wabi, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Wabi. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Wabi should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Overview

As at December 23, 2011, the directors and officers of the Company were:

Andrew McQuire	Director
Galen McNamara	Director
Gordon Henriksen	Director
James Brady	Director

Mikotel Networks Inc. (“Old Mikotel”) was incorporated on February 25, 2000. On May 9, 2000, Old Mikotel amalgamated with Nufort Resources Inc. (“Nufort”), a public company, and was continued as Mikotel Networks Inc. (“New Mikotel”). The principal focus of the Company was on the development, licensing, and support of internet-based solutions. Mikotel was the developer of the netVergence line of Plug and Play Network Appliances for small business and home offices. NetVergence offered a sophisticated firewall around the devices of a network.

At the Annual and Special Meeting of Shareholders held on November 2, 2004, the shareholders approved a consolidation of the shares of the Company on the basis of one share for every two shares held. The shareholders approved a change of name to Wabi Exploration Inc. to more effectively reflect the new direction to be taken by the Company as that of a company involved in the exploration of minerals. Both the consolidation and the change of name became effective on January 14, 2005.

The Company had been inactive since January 14, 2005 until December 2010 when it acquired gold and base metal mineral exploration claims in the Snow Lake Area of Manitoba. Pursuant to the terms of the agreement, the Company paid \$15,000 and issued 200,000 shares of the Company to acquire the claims. An additional 200,000 shares of the Company must be issued on or before March 15, 2012 in order to earn a 100% interest in the unpatented mining claims. In order for the Company to acquire additional properties or to explore and develop its existing one, the Company will need to obtain additional financing to fund these activities. There is no guarantee that this will happen.

2011/2012 Exploration Season and Plans

Wabi is exploring for gold and base metals on its Flin Flon project. The related unpatented mining claims cover approximately 3,000 hectares and are located in The Pas Mining District in Manitoba. During the period ended October 31, 2011, the Company conducted field-based activities on these claims, including line cutting, VLF-EM and magnetometer surveys. A bedrock sampling program was also carried out. See the press release dated September 14, 2011 which is posted on the Company’s website at www.wabiexploration.com.

The Company is currently planning an exploration program to be carried out in the winter of 2011/spring of 2012. The program will consist of line cutting a second grid, 3-D induced polarization surveys on both grids and on the lake ice covering the Elbow Lake gold-base metal (V.M.S.) exploration project. The Company expects to cover approximately 35 kilometers on land and over the ice at the northeastern Manitoba exploration project. The work is expected to be completed in late spring of 2012.

Exploration Expenses

During the three months ended October 31, 2011 the Company spent \$32,041 on exploration activities compared to \$nil during the three months ended October 31, 2010. During the six months ended October 31, 2011 the Company spent \$42,538 on exploration activities compared to \$nil during the six months ended October 31, 2010. The change over the prior periods is due to the fact that Wabi acquired the property in December 2010.

	Three months ended		Six months ended	
	October 31,		October 31,	
	2011	2010	2011	2010
Exploration Expenses				
Geology	\$ 12,486	\$ -	\$ 12,486	\$ -
Technical consulting	11,658	-	18,533	-
Program planning and reports	7,416	-	10,713	-
Lab work	361	-	686	-
Recording fees and taxes	120	-	120	-
	\$ 32,041	\$ -	\$ 42,538	\$ -

Results of Operations

THREE MONTHS ENDED OCTOBER 31, 2011

The Company incurred a net loss of \$93,030 or \$0.00 per share for the three month period ended October 31, 2011, compared with a net loss of \$17,137 or \$0.00 a share for the same period in 2010.

Professional fees for the three month period ended October 31, 2011 were \$24,151 compared to \$4,096 in the same period of 2010. The increase is related to legal fees paid for services rendered in connection with the Company's listing on the Canadian National Stock Exchange.

Shareholder relations expenses for the three month period ended October 31, 2011 totaled \$17,565 compared to \$931 for the same period in 2010. The increase is due to filing fees paid during the period in connection with the Company's listing on the Canadian National Stock Exchange.

Office and general costs for the three month period ended October 31, 2011 totaled \$19,072 compared to \$nil in the same period in 2010. The increase over the prior year period is due to the development of the Company's website. Also, management and consulting fees were paid in the current period given that the Company has begun exploration activities; in the prior year period the Company was inactive and management was not compensated.

Stock-based compensation expense was nil for the three months ended October 31, 2011 compared to \$12,092 for the three months ended October 31, 2010, which relates to stock options that were granted in the prior year. No options were granted during the three months ended October 31, 2011.

SIX MONTHS ENDED OCTOBER 31, 2011

The Company incurred a net loss of \$128,718 or \$0.00 per share for the six month period ended October 31, 2011, compared with a net loss of \$22,882 or \$0.00 a share for the same period in 2010.

Professional fees for the six month period ended October 31, 2011 were \$29,107 compared to \$8,929 in the same period of 2010. The increase is related to legal fees paid for services rendered in connection with the Company's listing on the Canadian National Stock Exchange.

Shareholder relations expenses for the six month period ended October 31, 2011 totaled \$28,526 compared to \$1,752 for the same period in 2010. The increase is due to filing fees paid during the period in connection with the Company's listing on the Canadian National Stock Exchange.

Office and general costs for the six month period ended October 31, 2011 totaled \$28,146 compared to \$nil in the same period in 2010. The increase over the prior year period is due to the development of the Company's website. Also, management and consulting fees were paid in the current period given that the

Company has begun exploration activities; in the prior year period the Company was inactive and management was not compensated.

Stock-based compensation expense was nil for the six months ended October 31, 2011 compared to \$12,092 for the six months ended October 31, 2010, which relates to stock options that were granted in the prior year. No options were granted during the six months ended October 31, 2011.

Financing

During the three months ended October 31, 2011, the Company completed a private placement through the issuance of 2,500,000 units of the Company for gross proceeds of \$125,000. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrants at an exercise price of \$0.15 per share.

Liquidity and Capital Resources

The Company has no operating revenues and relies primarily on equity financings as well as the exercise of warrants and options to fund its exploration and administrative costs.

The Company's operations consist of the exploration and evaluation of its sole property, a process that is ongoing, and is dependent on many factors some of which are beyond the Company's control. The Company maintains a policy of reviewing its working capital requirements on a continuous basis and is mindful of its property and administrative commitments.

During the period ended October 31, 2011, the Company completed a share consolidation of 1 common share for every 100 shares outstanding. Immediately following the share consolidation, the Company completed a share split of 100 common shares for every 1 common share outstanding.

On August 9, 2011 the Company received approval of its application to list its common shares on the Canadian National Stock Exchange ("CNSX"). Effective August 11, 2011, the Company's common shares began trading on the CNSX under the trading symbol "WAB".

The Company reported working capital of \$79,538 as at October 31, 2011, compared to a working capital deficit of \$16,580 as at April 30, 2011. The Company anticipates that additional financings will be required during fiscal 2012 to cover its general and administrative expenses.

The Company has a need for equity capital and because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing. It is not possible to predict whether financing efforts will be successful.

Selected Financial Information

The information below should be read in conjunction with the management's discussion and analysis, the financial statements and related notes and other financial information.

	Year Ended April 30, 2011	Year Ended April 30, 2010 ¹	Year Ended April 30, 2009 ¹
	\$	\$	\$
Revenue	Nil	Nil	Nil
(Income) Loss before income taxes	50,169	50,408	51,984
Net (Income) Loss	50,169	50,408	51,984
(Income) Loss Per Share	\$0.00	\$0.00	\$0.00
Total Assets	48,477	2,715	3,443
Total Liabilities	76,957	207,206	157,526

¹ Presented in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”).

Summary of Quarterly Results

	Q3 ¹ 2010 \$	Q4 ¹ 2010 \$	Q1 2011 \$	Q2 2011 \$	Q3 2011 \$	Q4 2011 \$	Q1 2012 \$	Q2 2012 \$
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(26,660)	(13,172)	(5,745)	(17,137)	(6,850)	(20,437)	(35,688)	(93,030)
Loss per share ²	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

¹ Presented in accordance with Canadian GAAP.

² Basic and diluted

Post-reporting Date Events

- i) There are no significant post-reporting date events.

Financial Instruments

Details of the significant accounting policies and methods adopted for financial instruments (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, and financial liability are disclosed in Note 3 to the unaudited condensed interim financial statements for the three and six months ended October 31, 2011.

Fair value

The Company has designated its cash and amounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, and shareholder’s loan are classified as other financial liabilities, which are measured at amortized cost.

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, amounts receivable, and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of the instruments. It is not possible to determine if the shareholder’s loan is at fair value as there is no comparable market value for such a loan.

At October 31, 2011, the Company had no financial instruments that are carried at fair value.

For a full discussion on financial instrument risk factors please refer to Note 12 to the unaudited condensed interim financial statements for the three months ended October 31, 2011.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Due to Shareholder

A former director and officer, who is also a shareholder of the Company, from time to time advances funds to the Company for working capital needs. In August 2011, the Company repaid and amount owing of

\$34,508 to the former director and officer, who then advanced the Company an additional \$65,000 in the form of a convertible debenture. The debenture is convertible into common shares of the Company at a price of \$0.05 per common share, has a term of one year, is unsecured and bears interest at 1% per annum.

Directors and Officers Compensation

During the three months ended October 31, 2011 the Company paid \$10,700 to officers of the Company as remuneration for services provided (October 31, 2010 - \$nil). During the six months ended October 31, 2011 the Company paid \$20,575 to officers of the Company as remuneration for services provided (October 31, 2010 - \$nil).

PROPOSED TRANACTIONS

The Company does not contemplate any proposed asset or business acquisitions or dispositions as of the date hereof.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at December 23, 2011	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	18,840,116 Common Shares.
Securities convertible or exercisable into voting or equity securities	<p>a) Options to acquire up to 10% of the issued and outstanding Common Shares.</p> <p>5,000,000 Warrants expired if unexercised on or before November 21, 2012</p> <p>3,803,604 Warrants expired if unexercised on or before October 28, 2015</p> <p>1,250,000 Warrants expired if unexercised on or before June 20, 2013</p>	<p>Options to purchase 500,000 common shares at a price of \$0.10 on or before October 29, 2013</p> <p>Warrants to purchase 5,000,000 common shares at a price of \$0.05 on or before November 21, 2012</p> <p>Warrants to purchase 3,803,604 common shares at a price of \$0.10 on or before October 28, 2015</p> <p>Warrants to purchase 1,250,000 common shares at a price of \$0.15 on or before June 20, 2013</p>

The Company entered into a non-brokered private placement with a director and officer of the Company for 5,000,000 units at a price of \$0.01 per unit. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.05 until November 21, 2012.

The Company issued a total of 3,803,604 units at a price of \$0.05 per unit in settlement of \$190,180 in amounts due to related parties and a director and officer of the Company. Each unit is comprised of one common share and one common share purchase warrant. The warrants are exercisable at a price of \$0.10 per common share until October 28, 2015.

The Company completed a private placement through the issuance of 2,500,000 units of the Company for gross proceeds of \$125,000. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrants at an exercise price of \$0.15 per share.

The Company granted 500,000 stock options on October 29, 2010 to officers, directors and consultants of the Company. Each option is exercisable at a price of \$0.10 until October 29, 2013.

Additional information relating to the Company can be found under the Company's documents filed on the SEDAR website at <http://www.sedar.com>.

Future Accounting Pronouncements

International Financial Reporting (IFRS)

In February 2008, the Accounting Standards Board ("AcSB") confirmed that IFRS, as issued by the International Accounting Standards Board ("IASB"), will replace Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises and must be adopted for fiscal years beginning on or after January 1, 2011. Changing from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The Company launched its conversion project in mid-2011 drawing on internal and external resources and personnel. The Company is following the key events timeline proposed by the AcSB to obtain training and thorough knowledge of IFRS, finalize assessment of accounting policies with reference to IFRS and plan for convergence to be ready for the 2011 changeover.

The conversion project consists of four primary phases:

- Preliminary impact assessment phase was completed in June 2011 and served as the basis for the planning of future phases.
- Design, planning and solution development phase — the design and planning portion of this phase is in process and will be completed in September 2011. This phase involves the development of the detailed plan for convergence and implementation. The solution development portion of this phase will be completed in September 2011 and involves the analyses of policy alternatives allowed under IFRS, the specification of changes required to existing accounting policies, and the development of solutions for information systems and business processes. In addition, the Company continues to monitor IFRS developments and adapt its convergence plan accordingly. Continuing changes to IFRS will result in certain policies and policy choices being revised or not finalized until later in the Company's convergence timeline.
- The implementation phase will be completed in September 2011, and includes the completion and formal authorization of recommended changes to accounting policies, the execution of changes to information systems and business processes, delivery of training programs across the Company, and the preparation of the opening balance sheet and draft financial statements with disclosures that are compliant with IFRS. In addition, the impact of IFRS on certain agreements, such as property option agreements and compensation agreements, will be addressed.
- Post-implementation phase — this phase will involve a compliance review and project assurance activities, to ensure the adequacy of controls over the IFRS conversion project itself.

The Company has engaged and will continue to engage in dialogue with the Company's independent auditors in all phases of the conversion project.

Implementation of changes to the reporting and system processes to support preparation of the IFRS opening balance sheet at May 1, 2010 was completed by the end of September 2011. The Implementation Phase also includes ongoing training for key personnel, identification and documentation of impact and required changes to, and ensuring the effectiveness of, the Company's internal control environment and disclosure controls and procedures. This stage of phase 3 was conducted into early October 2011. The post implementation phase will include sustainable IFRS compliant financial data and processes for the remainder of 2011 and beyond.

The Company has quantified the impacts to its condensed interim financial statements in order to complete the preparation of its opening balance sheet at May 1, 2010. The following is a discussion of some of the specific issues facing the Company related to the accounting standards identified to have a material financial statement impact.

IFRS 6, IAS 8 – Exploration and Evaluation:

The Company's policy under Canadian GAAP is to expense all exploration and evaluation costs as they are incurred until a project is determined to be potentially economically viable. Under IFRS, the Company will continue to expense all exploration and evaluation costs until probable economic recovery is determined. No adjustments were recorded to the opening IFRS balance sheet at May 1, 2010 for exploration and evaluation.

IFRS 2 – Share Based Payments

The Company's policy under Canadian GAAP is to use the straight-line method to account for options that vest over time. Under IFRS, for graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period, and hence the fair value of each instalment will differ. All options outstanding at the transition date had been fully vested and, therefore, no adjustment was needed.

In addition, Canadian GAAP permits companies to either estimate the forfeitures at the grant date or record the entire expense as if all share-based payments vest and then record forfeitures as they occur. IFRS requires that forfeitures be estimated at the time of grant to eliminate distortion of remuneration expense recognized during the vesting period. The estimate should be revised if subsequent information indicates that actual forfeitures are likely to differ from previous estimates. The Company estimated a 0% forfeiture rate and, as a result, no adjustments were recognized.

The Company did not record an adjustment to the opening IFRS balance sheet at May 1, 2010 for share-based payments.

Equity Reserves:

CGAAP –The Company recorded the value of share-based payments to contributed surplus. Warrants issued were included in a separate Warrants account.

IFRS – IFRS allows a company to record the value of share-based payments, such as outstanding options, and warrants as a separate component of shareholder's equity. IFRS requires an entity to present for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. IFRS requires a separate disclosure of the value that relates to "Reserves for warrants", "Reserves for share-based payments" and any other component of equity. At the date of transition of May 1, 2010, the Company credited the share-based payment reserve for \$15,760 for warrants outstanding at that date. During the year ended April 30, 2011, the Company credited the share-based payment reserve for an additional \$78,743 for warrant activity during the year.

IAS 12 – Income Taxes:

While the overall methodology for recording deferred taxes is consistent between Canadian GAAP and IFRS, there are several other key differences that may have a significant impact on the Company's financial statements. The IFRS impact on tax processes and policies is extensive as the impact will not only result from changes to tax accounting standards but may also arise from changes to other standards.

Furthermore, Canadian GAAP requires that the current and long-term portions of future income tax assets, and future income tax liabilities, be shown separately on the financial statements, whereas IFRS does not.

The Company did not record an adjustment to the opening IFRS balance sheet at May 1, 2010 for income taxes.

IFRS 1 – First-Time Adoption of IFRS:

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of May 1, 2010, the date of the first comparative balance sheet presented under IFRS. However, IFRS 1 provides entities adopting IFRS for the first time a number of optional exemptions and mandatory exemptions, in certain areas, to the general requirement for full retrospective application of IFRS on the date of transition. The following are the optional exemptions which the Company is considering:

- Fair value or revaluation as deemed cost election – The Company may elect on transition to record certain items of property, plant and equipment at fair value. Use of this election can avoid the requirement to reverse any impairment losses recognized prior to transition.
- Share-based payments election – This election enables the Company to adopt IFRS 2, Share-based payments, from the date of transition to IFRS.

The remaining optional exemptions were not significant to the Company's adoption of IFRS.

For additional details on the accounting policies adopted under IFRS, and the reconciliations of 2010 comparative figures, please see Notes 3, 4 and 18 to the unaudited condensed interim financial Statements for the three and six months ended October 31, 2011.

RISKS AND UNCERTAINTIES

There are certain risk factors that could have material affects that are un-quantifiable at present due to the nature of the Company's industry segment and other considerations.

Exploration

The Company's exploration projects are subject to conditions beyond its control that can affect the carrying costs and development costs for varying lengths of time. Such conditions include environmental hazards, unusual or unexpected geological formations or pressures and periodic interruptions due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury, environmental damage, delays in exploration programs, monetary losses and possible legal liability. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land holdings, the availability of suitable contractors, and other factors. Through high standards and continuous improvement the Company works to reduce these risks and maintains insurance to cover normal business risks.

If mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment of resources or reserves. Whether a resource deposit will ultimately be commercially viable depends on a number of factors, including the particular attributes of the deposit such as the deposit's size, financing costs and the prevailing prices for the applicable resource. Also of key importance are government regulations, including those relating to prices, taxes, royalties, land tenure, land use and environmental protection.

Environmental, Health and Safety

The Company's activities are subject to extensive federal, provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, where enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The company is also subject to various reclamation-related conditions imposed under federal or provincial rules and permits, and there can be no assurance that they will not change in the future in a manner that could have a material effect on the Company's financial condition, liquidity or results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration activities require permits from various government authorities, and are subject to extensive federal provincial and local laws and regulations governing prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become stringent and compliance can

therefore become more costly. The Company relies on the expertise and commitment of its management team, their advisors, its employees and contractors to ensure compliance with current laws and fosters a climate of open communication and co-operation with regulatory bodies.

The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations.

Additional Capital

In the absence of cash flow from operations the Company relies on the capital markets to fund operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. Failure to obtain such additional finance could result in delay or the indefinite postponement of further exploration and the development of the Company's properties.

Going Concern

The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, and maintaining positive cash flows.

Key Personnel

The success of Wabi depends to a large extent upon its abilities to retain the services of its senior management and key personnel. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance Wabi can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Independent Contractors

Wabi's success also depends to a significant extent on the performance and continued service of independent contractors. The Company contracts the services of professional drillers, construction and engineering services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on Wabi and its business and results of operations and could result in failure to meet business objectives.

Management's Responsibility

Management is responsible for all information contained in this MD&A. The unaudited condensed interim financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the unaudited condensed interim financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

December 23, 2011

G. McNamara – Director