

WABI EXPLORATION INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Years Ended April 30, 2013 and 2012

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 Audited Financial Statements and related Notes for the years ended April 30, 2013 and 2012. 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. The Audited 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 August 26, 2013 and for the year ended April 30, 2013. 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 August 26, 2013, the directors of the Company were:

Andrew McQuire
Galen McNamara
James Brady

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 were issued on April 18, 2012 to complete Wabi’s earn-in of a 100% interest in the unpatented mining claims. The Company has been unable to obtain additional funding in order to explore or develop these claims and due to current market trends there is no guarantee that funding will become available in the near future.

On August 9, 2011, the Company listed its shares on the Canadian National Stock Exchange (“CNSX”) and is trading under the symbol “WAB”.

2013 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 year ended April 30, 2013, the Company did not conduct any field-based activities on these claims. Due to Wabi’s inability to secure flow-through or other financing to execute its 2013 exploration program and the current lack of available funding for junior mining companies in general, the Company does not intend to perform any additional work in 2013 on most of its claims.

In August 2012, the Company had paid \$10,108 to the Manitoba Government, Department of Mines, in lieu of completing that portion of the work and to keep the claims in good standing. This payment extended the expiry of the claims to July 17, 2013. As mentioned above, due to current economic conditions and the lack of funding for exploration activities, the Company intends to renew one strategic claim within its 11 claim block and will drop the remaining claims.

Exploration Expenses

Exploration expenditures incurred during the three months and year ended April 30, 2013 and 2012 are as follows:

	Three months ended		Year ended	
	April 30,		April 30,	
	2013	2012	2013	2012
Exploration Expenses				
Geology	\$ -	\$ -	\$ -	\$ 12,486
Technical consulting	2,363	-	2,363	18,533
Program planning and reports	-	-	-	10,713
Lab work	-	-	-	686
Licences and permits	-	-	9,005	120
	\$ 2,363	\$ -	\$ 11,368	\$ 42,538

Results of Operations

THREE MONTHS ENDED APRIL 30, 2013

The Company incurred a net loss of \$31,896 or \$0.00 per share for the three month period ended April 30, 2013, compared with a net loss of \$24,238 or \$0.00 a share for the same period in 2012.

Professional fees for the three month period ended April 30, 2013 were a recovery of \$7,502 compared to expense of \$12,167 in the same period of 2012. The recovery in the current year relates to the adjustment of an accrual made in a prior period. Professional fees expensed in the prior year period relate to legal fees incurred in dealing with matters related to the Company's property agreement.

Shareholder relations expenses for the three months ended April 30, 2013 totaled \$1,086 compared to \$4,440 for the same period in 2012. The increase over the prior year period is mainly due to an increase in fees paid to the CNSX during the current year period.

Office and general costs for the three months ended April 30, 2013 totaled \$3,048 compared to \$2,154 during the same period in 2012. The increase over the prior year period is mainly due to the reversal of an income tax refund which was not recorded in the prior year period.

The convertible debenture was revalued using the effective interest rate method at an interest rate of 20% and accretion expense was recorded during the three months ended April 30, 2013 in the amount of \$8,094, compared to \$5,324 for the three months ended April 30, 2012.

Interest on the convertible debenture of \$655 was recorded during the three months ended April 30, 2013 (2012 - \$Nil).

Due to the uncertainty of the economic viability of its Flin Flon Project, the Company has written off the capitalized amount of exploration and evaluation properties of \$24,000 as at April 30, 2013.

YEAR ENDED APRIL 30, 2013

The Company incurred a net loss of \$86,625 or \$0.00 per share for the year ended April 30, 2013, compared with a net loss of \$163,103 or \$0.01 a share for the prior year period, 2012.

Professional fees for the year ended April 30, 2013 were \$12,464 compared to \$42,794 in 2012. Higher professional fees were incurred in the prior year due to the Company's listing on the Canadian National Stock Exchange ("CNSX") on August 9, 2011. There were no such activities in the current year.

Shareholder relations expenses for the year ended April 30, 2013 totaled \$15,636 compared to \$35,712 in 2012. The decrease over the prior year is due to filing fees and transfer agent fees paid during the prior year in connection with the Company's listing on the CNSX, as well as for website and logo design.

Office and general costs for the year ended April 30, 2013 totalled \$12,056 compared to \$36,025 during the year ended April 30, 2012. The decrease over the prior year is mainly due to travel costs incurred to make site visits to the Company's Elbow Lake property during the prior year. As there was no exploration work done during the year ended April 30, 2013, no site visits were made and, therefore, no travel costs were incurred in the current year. Also, accounting costs were lower in the current year due to the decrease in operating and administrative activities compared to the prior year.

The convertible debenture was revalued using the effective interest rate method at an interest rate of 20% and accretion expense was recorded during the year ended April 30, 2013 in the amount of \$9,791, compared to \$5,324 for the year ended April 30, 2012.

Interest on the convertible debenture of \$655 was recorded during the year ended April 30, 2013 (2012 - \$Nil).

Due to the uncertainty of the economic viability of its Flin Flon Project, the Company has written off the capitalized amount of exploration and evaluation properties of \$24,000 as at April 30, 2013.

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.

The Company reported a working capital deficiency of \$158,913 as at April 30, 2013, compared to a working capital deficiency of \$107,116 as at April 30, 2012. The Company anticipates that additional financings will be required during fiscal 2014 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 management's discussion and analysis, the financial statements and related notes and other financial information.

	Year Ended April 30, 2013	Year Ended April 30, 2012	Year Ended April 30, 2011
	\$	\$	\$
Revenue	Nil	Nil	Nil
Loss before income taxes	86,625	163,103	50,169
Net Loss	86,625	163,103	50,169
Loss Per Share, basic and diluted	\$0.00	\$0.01	\$0.00
Total Assets	1,895	54,510	48,477
Total Liabilities	160,272	136,554	76,957

Summary of Quarterly Results

	Q1 2012 \$	Q2 2012 \$	Q3 2012 \$	Q4 2012 \$	Q1 2013 \$	Q2 2013 \$	Q3 2013 \$	Q4 2013 \$
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(35,688)	(93,030)	(10,147)	(24,238)	(14,577)	(33,293)	(6,859)	(31,896)
Loss per share ¹	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

¹Basic and diluted

Subsequent Events

On June 20, 2013, 1,250,000 Warrants expired unexercised.

See also "Related Party Transactions."

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 Audited Financial Statements for the years ended April 30, 2013 and 2012.

Financial Instrument Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures during the years ended April 30, 2013 and 2012.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2013, the Company had cash of \$1,359 (April 30, 2012 - \$26,288) to settle current liabilities of \$160,272 (April 30, 2012 - \$136,554).

Market Risk

(a) Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at April 30, 2013, no amounts were held in short-term deposit certificates.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not currently a revenue producing entity.

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 April 30, 2013, the Company had no financial instruments that are carried at fair value.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Convertible Debenture

A director and officer of the Company from time to time advances funds to the Company for working capital needs. In August 2011, the Company repaid an amount owing of \$34,508 to the 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, had an initial term of one year, is unsecured and bears interest at 1% per annum. In August 2012, the director and officer opted to extend the terms of repayment of the debenture for one year to August 3, 2013. Subsequent to the year ended April 30, 2013, the director and officer again opted to extend the terms of repayment of the debenture for one year. The debenture is now due August 3, 2014.

The debenture is classified as a liability, with the exception of the portion relating to the conversion feature, which resulted in the initial carrying value of the debenture being less than face value. The discount was accreted over the term of the debenture utilizing the effective interest rate method at a 20% discount rate (2012 - 12.3%). An amount of \$9,791 was recorded as accretion expense on the statement of operations and comprehensive loss for the year ended April 30, 2013 (April 30, 2012 - \$5,324).

During the year ended April 30, 2013, the director and officer advanced \$13,500 to the Company to cover working capital needs. Subsequent to the year ended April 30, 2013, the director and officer advanced an additional \$2,500 to the Company to cover working capital needs and paid invoices of \$10,287 on the Company's behalf.

Directors and Officers Compensation

During the three months ended April 30, 2013 the Company paid \$1,500 to officers of the Company as remuneration for services provided (April 30, 2012 - \$1,500). During the year ended April 30, 2013 the Company paid \$10,000 to officers of the Company as remuneration for services provided (April 30, 2012 - \$26,575).

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 August 26, 2013	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	19,033,699 Common Shares.
Securities convertible or exercisable into voting or equity securities	Options to acquire up to 10% of the issued and outstanding Common Shares. 3,803,604 Warrants with expiry date October 28, 2015 1,300,000 Convertible debenture converted if unpaid by August 3, 2014	Options to purchase 500,000 common shares at a price of \$0.10 on or before October 29, 2013 Warrants to purchase 3,803,604 common shares at a price of \$0.10 on or before October 28, 2015 Convertible debenture convertible into 1,300,000 common shares at a price of \$0.05 on or before August 3, 2014

On November 21, 2012, warrants to purchase 5,000,000 common shares at an exercise price of \$0.05, expired unexercised.

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 at a price of \$0.05 per unit 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.

The Company entered into an agreement with a director and officer of the Company who advanced the Company \$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, is due August 3, 2014, is unsecured and bears interest at 1% per annum.

At April 30, 2013, 4,059,889 shares were held in escrow with the Company's transfer agent. These shares belong to related parties of the Company and were taken into escrow in connection with the Company listing its shares on the CNSX on August 9, 2011. The shares will be released from escrow over time and returned to the related parties in question.

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

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after May 1, 2012 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following pronouncements are being assessed to determine their impact on the Company's results and financial position.

IFRS 9 – Financial Instruments: Classification and Measurement

This standard was published in November 2009 and contained requirements for financial assets. Requirements for financial liabilities were added to IFRS 9 in October 2010. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not yet determined the impact of IFRS 9 on its financial statements.

IFRS 12 – Disclosure of Interest in Other Entities provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off balance sheet entities (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 12 on its financial statements.

IFRS 13 – Fair Value Measurement defines fair value, requires disclosure of fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 13 on its financial statements.

IAS 1 – was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company has not yet determined the impact of the amendments to IAS 1 on its financial statements.

IAS 12 – Income Taxes (“IAS 12”) provides amendments to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. IAS 12 is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. The Company has not yet determined the impact of the amendments to IAS 12 on its financial statements.

IAS 28 – Investments in Associates and Joint Ventures revised the existing standards and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures (effective January 1, 2013). The Company has not yet determined the impact of the amendments to IAS 28 on its financial statements.

IAS 32 – Financial instruments, Presentation

In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The Company has not yet determined the impact of IAS 32 on its financial statements.

RISKS AND UNCERTAINTIES

There are certain risk factors that could have material effects that are unquantifiable 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 of exploration work until a production decision 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 audited 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 audited 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.

August 26, 2013

James Brady – President