WABI EXPLORATION INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
THREE AND SIX MONTHS ENDED OCTOBER 31, 2014

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 Interim Financial Statements and related Notes for the three and six months ended October 31, 2014 and 2013. 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 Consolidated Financial Statements and corresponding Notes to the financial statements for the years ended April 30, 2014 and 2013, for additional details. The Unaudited 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 30, 2014 and for the three and six months ended October 31, 2014 and 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 December 30, 2014, the directors of the Company were:

Andrew McQuire
Galen McNamara
James Brady

Wabi Exploration Inc. ("Wabi", or the "Company") is in the process of acquiring, subject to regulatory approval, a 0.5% Net Smelter Royalty ("NSR") in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario (See "Subsequent Events" for more details). The Company previously held an interest in an exploration property in Manitoba, Canada. The underlying claims were dropped subsequent to the period ended October 31, 2014.

The Company's shares are listed on the Canadian Securities Exchange ("CSE") and are trading under the symbol "WAB".

EXPLORATION AND EVALUATION PROPERTY

In December 2010, the Company entered into an agreement with a director of the Company to acquire 11 gold and base metal unpatented mineral exploration claims in the Snow Lake Area of Manitoba, which is located in The Pas Mining District. Pursuant to the terms of the agreement, the Company had earned a 100% interest in these unpatented mining claims by making a cash payment of $15,000, and by issuing a total of 400,000 common shares of the Company.

Due to the downturn in the markets and Wabi's inability to secure flow-through or other financing to execute its 2013 exploration program, the carrying value of the property of $24,000 was written off during the year ended April 30, 2013. During the year ended April 30, 2014, the Company dropped eight of its 11 claims and retained a strategic block of three of the original claims. During the year then ended, a payment in lieu of work was paid to the Government of Manitoba, Department of Mines, to keep the claims in good standing.

Subsequent to the period ended October 31, 2014, Wabi's board of directors decided to let its claims in Manitoba lapse due to poor economic conditions and restricted access to the property. No exploration activities were carried out on the property during the period and no payment in lieu of work was made.

Exploration Expenses

Exploration expenditures incurred during the three and six months ended October 31, 2014 and 2013 are as follows:

	Three months ended October 31,		Six months ended October 31,	
	2014	2013	**2014**	2013
Exploration Expenses				
Geology	**$ -**	$ -	**$ 395**	$ -
Technical consulting	**-**	-	**-**	600
Claims renewal	**-**	9,639	**-**	9,639
	$ -	$ 9,639	**$ 395**	$10,239

RESULTS OF OPERATIONS

Three Months Ended October 31, 2014

The Company incurred a net loss of $14,924 or $0.00 per share for the three months ended October 31, 2014, compared with a net loss of $28,823 or $0.00 a share for the same period in 2013.

The Company incurred professional fees for the three month period ended October 31, 2014 of $6,106 compared to $3,275 in the same period of 2013. The current period expense relates to audit fees, and legal fees incurred in dealing with matters related to routine filings.

Office and general costs for the three months ended October 31, 2014 totaled $1,521 compared to $3,199 during the same period in 2013. These costs are mainly attributable to monthly accounting services provided during the period.

Shareholder relations expenses for the three months ended October 31, 2014 totaled $7,078 compared to $12,390 for the same period in 2013. The prior year period is due to AGM-related costs and the difference in timing in terms of when the AGM was held, and the period in which related costs were incurred.

Interest on the convertible debenture of $162 was recorded during the three months ended October 31, 2014 (2013 - $162).

Six Months Ended October 31, 2014

The Company incurred a net loss of $17,412 or $0.00 per share for the six months ended October 31, 2014, compared with a net loss of $40,458 or $0.00 a share for the same period in 2013.

The Company incurred professional fees for the six month period ended October 31, 2014 of $4,276 compared to $3,700 in the same period of 2013. The current period expense relates to audit fees and legal fees incurred in dealing with matters related to routine filings.

Office and general costs for the six months ended October 31, 2014 totaled $3,023 compared to $4,777 during the same period in 2013. These costs are mainly attributable to monthly accounting services provided during the period.

Shareholder relations expenses for the six months ended October 31, 2014 totaled $9,318 compared to $18,875 for the same period in 2013. The prior year period is due to AGM-related costs and the difference in timing in terms of when the AGM was held, and the period in which related costs were incurred.

Interest on the convertible debenture of $325 was recorded during the six months ended October 31, 2014 (2013 - $325).

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 $226,175 as at October 31, 2014, compared to a working capital deficiency of $208,764 as at April 30, 2014. The Company anticipates that additional financings will be required during fiscal 2015 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. Given the current global financial conditions and recent lack of alternate sources of financing available to the Company, Wabi's President and CEO, advances funds to the Company from time to time to cover working capital needs.

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 for the corresponding period.

	Year Ended April 30, 2014	Year Ended April 30, 2013	Year Ended April 30, 2012
	$	$	$
Revenue	Nil	Nil	Nil
Loss before income taxes	50,386	86,625	163,103
Net Loss	50,386	86,625	163,103
Loss Per Share, basic and diluted	$0.00	$0.00	$0.01
Total Assets	1,354	1,895	54,510
Total Liabilities	210,117	160,272	136,554

Summary of Quarterly Results

	Q3 2013 $	Q4 2013 $	Q1 2014 $	Q2 2014 $	Q3 2014 $	Q4 2014 $	Q1 2015 $	Q2 2015 $
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(6,859)	(31,896)	(11,635)	(28,823)	(4,467)	(5,461)	(2,486)	(14,924)
Loss per share[1]	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

[1] Basic and diluted

SUBSEQUENT EVENTS

Subsequent to the period ended October 31, 2014, Wabi entered into an assignment agreement with its President and CEO (the "Assignor") to acquire the Assignor's right, title and interest in a 0.5% NSR in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario. Pursuant to the terms of the agreement, the Company has agreed to issue an aggregate of 500,000 common shares to the Assignor as consideration for the value of the NSR. The transaction is subject to all the approval of the CSE, and the securities to be issued in connection with the transaction will be subject to a four-month hold period from the date of issuance.

See also "Related Party Transactions" and "Disclosure of Outstanding Share Data"

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, 2014 and 2013.

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 periods ended October 31, 2014 and 2013.

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 October 31, 2014, the Company had cash and amounts receivable of $2,814 (April 30, 2014 - $1,354) to settle current liabilities of $228,990 (April 30, 2014 - $210,117).

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 October 31, 2014, 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 October 31, 2014, 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

The Company's President and CEO, James Brady, from time to time advances funds to the Company for working capital needs. In August 2011, Mr. Brady executed a promissory note in the amount of $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, Mr. Brady opted to extend the terms of repayment of the debenture for one year to August 3, 2013; in each subsequent year since then, the terms were again extended by one year and the debenture is now due on August 3, 2015. Wabi entered into this related party transaction due to current global financial conditions and limited alternate sources of financing.

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 (2013 - 20%). As at October 31, 2014, the debenture was fully accreted and no amount was recorded as accretion expense on the statement of operations and comprehensive loss for the period ended October 31, 2014 (October 31, 2013 - $2,198).

Subsequent to the period ended October 31, 2014, Mr. Brady advanced $900 to the Company to cover general working capital purposes. The amount owing is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.

Accounts Payable

Included in accounts payable and accrued liabilities at October 31, 2014 is an amount of $11,300 (April 30, 2014 - $7,910) owing to the Company's CFO for management services rendered, and an additional $65,562 (April 30, 2014 - $63,401), which relates to legal services rendered by a lawyer who also acts as the Company's Corporate Secretary. Legal services were incurred for general corporate matters, attending to filings, and for attendance at board and committee meetings. During the period ended October 31, 2014, professional fees paid to the Corporate Secretary for legal services totaled $Nil (2013 – $Nil).

All services were provided in the normal course of business and were made on terms equivalent to prevailing market rates for arm's length transactions.

Directors and Officers Compensation

During the three months ended October 31, 2014 the Company incurred an expense of $1,500 for remuneration payable to the Company's CFO for management services provided (October 31, 2013 - $2,500). During the six months ended October 31, 2014 the Company incurred an expense of $3,000 for remuneration payable to the Company's CFO for management services provided (October 31, 2013 - $5,000).

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 30, 2014		Authorized		Outstanding
Voting or equity securities issued and outstanding		Unlimited Common Shares		18,994,613 Common Shares[1]
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, 2015		As at October 31, 2014, there were no options outstanding. 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, 2015

[1]On November 17, 2014, at Wabi's annual and special meeting of shareholders, the Company's shareholders approved the consolidation and split of its issued share capital, the implementation of which resulted in the elimination of all shareholdings of less than 500 shares. The shareholdings of less than 500 shares were eliminated through a consolidation of the common shares on a 1 for 500 basis effective at 12:01 a.m. on Sunday, November 30, 2014, the cancellation of fractional shares, and the subsequent split of the remaining shares on a 500 for 1 basis effective at 12:01 a.m. on Monday, December 1, 2014. Shareholders who held 500 shares or more will see no change in the number of shares held. As of December 1, 2014 there are 18,994,613 common shares of the Company issued and outstanding following the consolidation and split. A total of 39,086 shares were cancelled in the transaction.

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 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, 2015, is unsecured and bears interest at 1% per annum.

During the period ended October 31, 2014, 1,353,297 shares were released from escrow and no shares remained in escrow as at the date then ended. The shares, belonging to related parties of the Company, had been taken into escrow in connection with the Company listing its shares on the CSE on August 9, 2011.

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 the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for the Company's accounting periods beginning on May 1, 2014 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 have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 effective date has yet to be determined. Early adoption is permitted.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

RISKS AND UNCERTAINTIES

There are certain risk factors that could have material affects 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 is 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 it 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.

Dated December 30, 2014

"James M. Brady"

President and CEO