**WABI EXPLORATION INC.**
**MANAGEMENT'S DISCUSSION & ANALYSIS**
**THREE MONTHS ENDED JULY 31, 2015**

*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 months ended July 31, 2015 and 2014. 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, 2015 and 2014, 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 September 23, 2015 and for the three months ended July 31, 2015 and 2014. 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 September 23, 2015, the directors of the Company were:

James Brady
Galen McNamara
Andrew McQuire

Wabi Exploration Inc. ("Wabi", or the "Company") is a Canadian, junior resource company that holds a 0.5% Net Smelter Royalty ("NSR") in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario. The Company previously held an interest in an exploration property in Manitoba, Canada. The underlying claims were dropped during the year ended April 30, 2015.

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

## EXPLORATION AND EVALUATION PROPERTY

The Company previously held 11 gold and base metal unpatented mineral exploration claims in the Snow Lake Area of Manitoba, which is located in The Pas Mining District. 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.

In fiscal 2014, the Company dropped eight of its eleven claims and retained a strategic block of three of the original claims. During the year ended April 30, 2015, Wabi's board of directors decided to let the three remaining claims in Manitoba lapse due to poor economic conditions and restricted access to the property.

## NET SMELTER ROYALTY

In December 2014, Wabi acquired from its President and CEO (the "Assignor") the right, title and interest in a 0.5% Net Smelter Royalty ("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 issued an aggregate of 500,000 common shares to the Assignor as consideration for the value of the NSR. The transaction was approved by the CSE.

## Exploration Expenses

Exploration expenditures incurred during the three months ended July 31, 2015 and 2014 are as follows:

| | Three months ended July 31, 2015 | Three months ended July 31, 2014 |
|---|---|---|
| **Exploration Expenses** | | |
| Geology | **$ -** | $ 395 |
| | **$ -** | $ 395 |

## RESULTS OF OPERATIONS

### Three Months Ended July 31, 2015

The Company incurred a net loss of $4,773 or $0.00 per share for the three months ended July 31, 2015, compared with a net loss of $2,486 or $0.00 a share for the three months ended July 31, 2014. The increase over the prior year period is mainly due to higher professional fees in the current year period.

The Company incurred professional fees for the three months ended July 31, 2015 of $765 compared to a recovery of $1,830 in the same period of 2014. The prior year period amount relates to a recovery of audit fees: a portion of audit fees outstanding from a prior period was forgiven during the three months ended July 31, 2014.

Office and general costs for the three months ended July 31, 2015 totaled $1,500 compared to $1,500 during the same period in 2014. These costs are mainly attributable to monthly accounting services provided during the period.

Shareholder relations expenses for the three months ended July 31, 2015 totaled $2,288 compared to $2,240 for the same period in 2014. These expenses relate to printing and dissemination of shareholder materials in connection with the Company's Annual General Meeting.

Interest on the convertible debenture of $163 was recorded during the three months ended July 31, 2015 (2014 - $163).

## 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 $251,907 as at July 31, 2015, compared to a working capital deficiency of $247,134 as at April 30, 2015. 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, 2015 | Year Ended April 30, 2014 | Year Ended April 30, 2013 |
|---|---|---|---|
| | $ | $ | $ |
| Revenue | Nil | Nil | Nil |
| Loss before income taxes | 43,371 | 50,386 | 86,625 |
| Net Loss | 43,371 | 50,386 | 86,625 |
| Loss Per Share, basic and diluted | $0.00 | $0.00 | $0.00 |
| Total Assets | 927 | 1,354 | 1,895 |
| Total Liabilities | 248,061 | 210,117 | 160,272 |

### Summary of Quarterly Results

| | **Q2 2014 $** | **Q3 2014 $** | **Q4 2014 $** | **Q1 2015 $** | **Q2 2015 $** | **Q3 2015 $** | **Q4 2015 $** | **Q1 2016 $** |
|---|---|---|---|---|---|---|---|---|
| Total revenue | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Net Loss | (28,823) | (4,467) | (5,461) | (2,486) | (14,924) | (22,284) | (3,677) | (4,773) |
| 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 three months ended July 31, 2015, Wabi's President and CEO advanced $600 to the Company to cover administrative expenses. The amount owing is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount

The convertible debenture due August 3, 2015 was extended for a further year to August 3, 2016. See "***Related Party Transactions***"

## FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (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 "***Summary of Significant Accounting Policies***" below.

### 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 three months ended July 31, 2015 and 2014.

### 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 July 31, 2015, the Company had cash and amounts receivable of $1,915 (April 30, 2015 - $927) to settle current liabilities of $253,822 (April 30, 2015 - $248,061). As such, liquidity risk for the Company should be considered high. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except for the convertible debenture, accrued interest on convertible debenture, and the advance from related party, all described in "***Related Party Transactions***", .

### 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 July 31, 2015, 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 may be indirectly exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the property underlying the Company's royalty holding. However, price risk is presently remote since the property underlying the royalty is not currently a revenue-producing property.

### 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 July 31, 2015, 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, 2016. 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 is classified as equity.

### Accounts Payable and Current Liabilities

Included in accounts payable and accrued liabilities at July 31, 2015 is an amount of $16,385 (April 30, 2015 - $14,690) owing to the Company's CFO for management services rendered, and an additional $71,773 (April 30, 2015 - $70,908), 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. No amount was paid to the Corporate Secretary for legal services during the period ended July 31, 2015 and 2014.

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

Included in current liabilities is an advance from related party of $85,264 (April 30, 2015 - $71,851) which relates to a loan to Wabi from its President and CEO to cover working capital needs. Subsequent to the period ended July 31, 2015, the President and CEO advanced $600 to the Company to cover administrative expenses. The advance from related party is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.

See “***Net Smelter Royalty***” for disclosures of additional related party transactions.

**Directors and Officers Compensation**
During the three months ended July 31, 2015 the Company incurred an expense of $1,500 for remuneration payable to the Company’s CFO for management services provided (July 31, 2014 - $1,500).

**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 September 23, 2015 | | Authorized | | Outstanding |
|---|---|---|---|---|
| Voting or equity securities issued and outstanding | | Unlimited Common Shares | | 19,494,613 Common Shares |
| Securities convertible or exercisable into voting or equity securities | | Options to acquire up to 10% of the issued and outstanding Common Shares.<br><br>3,803,604 Warrants with expiry date October 28, 2015<br><br>1,300,000 Convertible debenture converted if unpaid by August 3, 2016 | | As at July 31, 2015, there were no options outstanding.<br><br>Warrants to purchase 3,803,604 common shares at a price of $0.10 on or before October 28, 2015<br><br>Convertible debenture convertible into 1,300,000 common shares at a price of $0.05 on or before August 3, 2016 |

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; fractional shares were then cancelled, and the remaining shares were subsequently split on a 500-for-1 basis. Shareholders who held 500 shares or more will see no change in the number of shares held. A total of 39,086 shares were cancelled in the transaction.

In December 2014, 500,000 common shares of the Company were issued for the acquisition of a 0.5% NSR (See “***Net Smelter Royalty***”)

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, 2016, is unsecured and bears interest at 1% per annum. See "***Convertible Debenture***" for additional details regarding the debenture.

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been applied in the preparation of these financial statements are summarized below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These accounting policies have been used throughout all years presented in the financial statements.

### (i) Presentation currency

The Company's presentation and functional currency is the Canadian Dollar ("CAD").

### (ii) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate for those options that do not vest immediately.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods, or when the counterparty renders the service.

Upon expiry the value of share-based payments such as stock options and warrants will be reallocated from share-based payments reserve to deficit.

### (iii) Taxation

**Current tax**
Income tax expense represents the tax currently payable on the taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

**Deferred tax**
In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current.

**(iv) Exploration and evaluation property**

All acquisition costs and/or option payments are capitalized and recorded as exploration and evaluation properties on the statement of financial position. Exploration and evaluation costs are expensed as incurred. Once a project has been established as commercially viable and technically feasible, subsequent development expenditures are capitalized. On the commencement of commercial production, depletion of each property will be provided on a unit of production basis using estimated resources as the depletion base.

**(v) Government grants**

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to intangible assets or property, plant and equipment are deducted from the carrying amount of the asset.

**(vi) Impairment of Non-Financial Assets**

The carrying values of exploration and evaluation properties and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or classes of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other classes of assets. This generally results in the Company evaluating its non-financial assets on a geographical basis.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of operations so as to reduce the carrying amount to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of operations.

### (vii) Financial instruments

Financial instruments are classified into one of the following five categories: loans and receivables; fair value through profit or loss; held-to-maturity; available-for-sale; and other financial liabilities. Financial instruments are initially measured at fair value. Subsequent measurement and recognition of the changes in fair value of financial instruments depends upon their initial classifications, as follows:

- Financial assets and financial liabilities at fair value through profit and loss include financial assets and financial liabilities that are held for trading or designated upon initial recognition as fair value through profit or loss. These financial instruments are measured at fair value with changes in fair values recognized in the statement of operations. Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

- Financial assets classified as available-for-sale are measured at fair value, with changes in fair values recognized as other comprehensive income (“OCI”) in the statement of comprehensive loss, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in OCI is recognized within the statement of operations.

- Financial assets classified as held-to-maturity and loans and receivables are measured subsequent to initial recognition at amortized cost using the effective interest method.

- Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a short period, to the net carrying amount on initial recognition.

The Company has classified its financial instruments as follows:

| Asset / Liability | Classification | Measurement |
|---|---|---|
| Cash | Loans and receivables | Amortized cost |
| Amounts receivable | Loans and receivables | Amortized cost |
| Accounts payable and accrued liabilities | Other financial liabilities | Amortized cost |
| Convertible debenture | Other financial liabilities | Amortized cost |
| Advances from related party | Other financial liabilities | Amortized cost |

The Company's cash in the statement of financial position is comprised of cash held at financial institutions.

Impairment of Financial Assets:

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty;
• default or delinquency in interest or principal payments; or
• the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

The fair values of the Company's cash, amounts receivable, accounts payable and accrued liabilities and convertible debenture approximate their carrying values because of the immediate or short-term to maturity of these financial instruments.

De-recognition:

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

### *(viii)* Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. The Company does not have any provisions as at July 31, 2015 and April 30, 2015.

### *(ix)* Cash and cash equivalents

The Company defines short-term investments with maturity dates of less than ninety days as cash equivalents. The Company invests cash in term deposits maintained in high credit quality institutions. As at July 31, 2015, the cash balance was $1,652 (April 30, 2015 - $797).

### *(x)* Loss per share

Basic loss per share is calculated by dividing losses attributable to common shares by the weighted average number of shares outstanding during the period.

Diluted loss per share is calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options and warrants. The denominator is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all stock options and warrants with exercise prices below the average market price for the year.

All shares issuable on exercise of stock options and warrants for the periods ending July 31, 2015 and 2014 were not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

### *(xi)* Foreign currency translation

The Canadian Dollar is the functional currency of the Company's operations. The financial statements, the results, and financial position are expressed in Canadian Dollars. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

### *(xii)* Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground and/or environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the statement of operations. The Company does not have any rehabilitation provisions as of July 31, 2015 and April 30, 2015.

### *(xiii)* Operating segments

The Company's operating segments are organized around the geographical locations of the projects. Since the Company only has an interest in a Net Smelter Royalty on a property in Canada, it only has one operating segment.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## 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, 2016 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. The amendments to IFRS 9 are effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply.  The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company has yet to assess the full impact of IAS 1 on its financial statements.

## 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.

### Royalty

Wabi holds the right, title and interest in a 0.5% NSR in the Georgia Lake and Conway Properties in the Thunder Bay Mining District, Ontario. The property underlying the royalty is not in production and is, therefore, not a revenue-generating property. 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. Factors affecting the exploration, development and production of the royalty property are out of Wabi's control. There is no guarantee that the property will ever be determined to be economically and commercially viable to reach the production stage. 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.

### 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.

### 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 in all material aspects with that contained in the interim financial statements for the three months ended July 31, 2015 and 2014.

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

**Dated September 23, 2015**

*"James M. Brady"*
President and CEO