

With First Time Diamond Drilling being Conducted on their Gold Project in Nevada, Waseco Resources, Inc. is Moving Forward at a time When Other Junior Companies are Retrenching and trying to Save their Treasuries

Resources
Gold and Uranium Exploration
(TSXV: WRI)

Waseco Resources Inc.
2 Queen St. East, Suite 1500
Toronto Ontario Canada M5C 3G5
Phone: 416-364-3123
www.wasecoresources.com



Richard Williams
President and CEO

BIO:

Richard Williams, LL.B. - Mr. Williams was Vice- President, Secretary, Counsel to a group of publicly listed companies for 10 years before founding Blackwell Investor Relations Corp., a firm specializing in introducing public companies to the investment community. He has been active in the mining industry for over 25 years and currently sits on the Boards of several public mining companies.

Mr. Williams is the Company President and Mr. Richardson is the Company Secretary-Treasurer.

It has been determined that in this day of regulatory compliance, where

independent verification is needed in most areas of the industry, reliance on joint venture partners and outside consultants is the preferable route to adopt. In so doing, the Company is able to maintain an extremely modest overhead cost and ensure that funds are used primarily for in the ground exploration.

Company Profile:

Waseco Resources Inc. is an exploration company focused on uranium exploration in the Quebec Labrador Trough and gold exploration in Nevada and Kalimantan. The Company is debt free and trading on the TSX Venture Exchange and the Frankfurt Stock Exchange. There are currently approximately 30.3 million shares issued and outstanding.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Williams, what is the focus at Waseco?

Mr. Williams: Waseco is focused on three projects. Our main focus currently is on a gold project in Nevada, which is immediately adjacent to a Newmont project called Trenton Canyon and we are now drilling it. Near surface gold has already been identified by reverse circulation. Our current program is the first time diamond drilling is being conducted on the property. We expect to add to the resource and gain a better understanding of the structures that deposited the gold. We are quite excited by the prospects.

We also have an alluvial gold project in Indonesia which, at one time, we

took to feasibility and we were unable to advance because of the change in investor sentiment to the region as a result of the Bre-X scandal. We still have all of the data, which is still useful and valuable. We are now looking to advance this project through a joint venture with a local Indonesia group. We are in discussions with two interested mining groups and we remain hopeful that this project, which should be a very low cost producer, can be revived.

Our third project is a uranium exploration project in Quebec, where we have a joint venture with the French uranium company Areva. It is the largest fully integrated uranium company in the world, and have completed \$2 Million of exploration to earn a 50% interest in our project. Exploration has been curtailed with the current decline in uranium interest; however, we see the market coming back and look forward to resuming work when the time is right.

CEOCFO: Was there a deliberate attempt for diversification or is it opportunistic?

Mr. Williams: It is primarily opportunistic, I would suggest. We know gold very well. We first went to Indonesia because we had good contacts there and there was a great deal of excitement about gold in Indonesia at the time. The uranium situation presented itself at a time when interest in uranium exploration was just starting. Our Chairman has a strong background in both uranium and gold, so we felt confident that these were projects that we could handle. The uranium joint venture that we structured was rather unique, in that Waseco, a

junior company, remained the operator during the earn-in phase. One of the collateral benefits of being the operator in the province of Quebec, is that the Quebec government has a rebate program to encourage exploration investment. We actually made money while exploring. Our most recent gold project in Nevada came available at a time when junior share prices were depressed and the owner did not have the means to make the advance royalty payment and fund the exploration program. Here again, being very comfortable in the gold sector, we have the advantage of having a director who worked many years in Nevada for Gold Fields and has been able to make the time to be project manager. So in all cases, we have the expertise to take advantage of the opportunities that presented themselves. Timing was critical, but we have stayed within our knowledge and comfort base.

CEOCFO: What is happening on the ground today at the gold project?

Mr. Williams: We are half-way through the drilling program on the Nevada property, which is called the Battle Mountain Ridge property. There are seventy-three previous holes, which were drilled using reverse circulation. Now, we are going in there with a diamond drill and drilling deeper. There is a non-conformable 43-101 resource of about eighty thousand ounces of gold and we think we can add to that. Our game plan is to try to increase the ounces. We are hoping that we can entice one of the majors to acquire it at some point. Obviously, we always go in with the intention of being able to mine it. However, in this case, it makes more sense to sell it to someone who is already established and for them it becomes a trucking operation. Our game plan is to see if we can establish a meaningful reserve and then we would be open to selling it.

CEOCFO: How was your property overlooked?

Mr. Williams: The area where we are working, is called the Battle Mountain trend. It is one of the world's most prolific gold belts. Newmont, Barrick

and Goldcorp, all have major production in the camp. As I understand it, at one point, much of the area was owned by the Santa Fe Railroad and they had rights to the land on either side of the rail line. Much of the area was what they call checkerboarded, which made it difficult for third parties to come in because each of the areas was relatively small. But with success in the State and in the immediate area, everything got staked and worked. This property was not overlooked, a number of predecessors carried out the earlier drilling; it's just that market conditions became a factor. Eventually, a prospector was able to secure it, worked it a little bit, sold it to a junior, and, as mentioned above, it became available to us.

CEOCFO: With all the activity around you, is it difficult to find personnel?

Mr. Williams: For the drilling, we are using a group out of Canada that relocated to the States and had set up shop over there because they have the expertise. In the field, we are also

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using a Canadian geologist who has been working on the property for the last five years with the predecessor company. I think we have assembled a very good team of people over the years and we have access to a number of very good consultants, so I think we are fine. It is getting more difficult but in our case we still have the relationships that we can call upon.

CEOCFO: Would you tell us about the background of the team at Wasco to let people know that you have the expertise needed to be successful?

Mr. Williams: Our Chairman was really the founder of the earliest phase of the company. He assembled the project in Indonesia and his name is Peter Howe. He is the founder of A.C.A. Howe International which is an international geological consulting firm. He brings about sixty years experience in the industry. He assem-

bled the team to go to Indonesia and put the feasibility study together. Part of that team included Derek Bartlett who is on our board of directors and works for Gold Fields. He has worked for a number of years on a number of projects in Nevada. He adds another forty years of hands on industry experience. Also on our board, we have Jay Richardson who is a C.A. who has been a director for the last fifteen years and has been part of senior management and on the boards of a number of mining companies, so he brings the financial expertise to the table. In my case, I was an officer of a company called Minefinders and a number of other junior companies and have been on the boards of public companies in the mining sector for the last twenty-five years. My background is international corporate, commercial law so we cover the contract area. Finally, our most recent director Rick Ekstein, comes from private industry and he is the president of one of the largest privately owned lumber company in Canada and contributes from his years of business experience. He is on a number of boards, but mainly on the private side and complements us quite well.

CEOCFO: Are you looking at additional properties and projects?

Mr. Williams: The Nevada project was just acquired in the spring. It is a good lead project and we have the funds to complete the current initial program and a follow-up program. There appears to be quite a bit of gold close to surface. We expect to generate good results. The gold price seems to be going in our favour. Hopefully, this will translate into shareholder value. That is where much of our focus will remain in the short term. Getting a partner and reviving our Indonesian project will continue in parallel, and this too could have a serious positive impact.

That said, we are always on the look out for additional projects provided we can add value and they can be funded. Both elements have to be present.

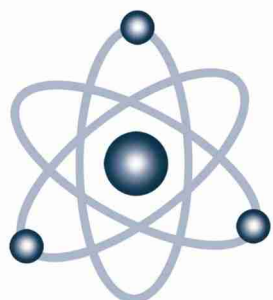
CEO CFO: What is your opinion on the economy and price of gold?

Mr. Williams: The gold price has held up very well. There is a bit of a disconnect between the gold price and the gold equity prices. This has made financings for juniors challenging, but that can change very quickly if gold stocks regain appeal in the investment community. I think we have timed it quite well. We are trying to be opportunistic, moving forward while many of the junior companies have

been retrenching and trying to save their treasuries. We are now in the process of spending a little bit more because we believe that the results that will be generated will allow us to gain market attention and move ahead from there.

CEO CFO: There are many companies in your areas for investors to choose from, why pay attention to Waseco Resources?

Mr. Williams: One of the leading things for an investor to look at is the people. We have assembled a very strong management team. We have mainly knowledgeable mining people as shareholders in the Company. We are not taking a lot of money out in management fees and salaries because we want the money to go into the ground and hopefully come up with a discovery and advance the company through results.



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RESOURCES INC.

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Toronto Ontario Canada M5C 3G5
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