

**WSR GOLD INC. (FORMERLY WESTCHESTER RESOURCES INC.)  
MANAGEMENT DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis ("MD&A) of WSR Gold Inc. (the "Company" or "WSR"), provides an analysis of WSR's financial results for the three months ended June 30, 2007 and should be read in conjunction with the Company's interim and audited financial statements, including the notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles, for the period ended June 30, 2007 and year ended March 31, 2007, respectively. This MD&A has taken into account information available up to and including August 9<sup>th</sup>, 2007.

The financial statements and management report have been reviewed by WSR' Audit Committee and approved by the Board of Directors, but have not been reviewed by the Company's auditors. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

*Forward-looking statements*

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are based on the current expectations, intentions, plans and beliefs of WSR. Forward-looking statements can often be identified by the use of forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or other similar words suggesting future outcomes or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. By their very nature, forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from the predictions, forecasts, and projections expressed or implied herein. The factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, general economic conditions, industry conditions, stock market volatility, volatility of commodity prices, currency fluctuations, imprecision of resource and reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, delays in obtaining or failure to obtain governmental, environmental or other project approvals, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying from estimates, and the ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on the forward-looking statements contained herein. WSR's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that WSR will derive therefrom. WSR is under no obligation and has no intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Description and History of Business**

WSR is a publicly listed Canadian junior resource company with mining interests in Guyana, South America. WSR was incorporated in Ontario on May 11, 1979 and was originally involved in mineral exploration. From November 2000 until April 2003 it was largely inactive. During the year ended March 31, 2004 (“fiscal 2004”), WSR commenced reorganizing its activities and completed two financing transactions to raise gross proceeds of \$350,000 and acquired an option to earn a 100 percent interest in a mineral resource property. An additional \$44,599 was spent to further explore the property in the year ended March 31, 2005 (“fiscal 2005”) however the Corporation chose not to pursue this prospect and surrendered its interest in fiscal 2006.

In April 2004 WSR was presented with an opportunity to acquire certain western Canadian oil and gas properties and shifted its focus to oil and gas exploration and development. Effective August 4, 2004, WSR commenced trading as a tier 2 company on the TSX Venture Exchange under the symbol “WSR”.

The Corporation entered into a definitive agreement with Aspen Group Resources Corporation (“**Aspen**”) dated April 1, 2004 to acquire, explore and develop on a 50-50 basis, oil and gas properties in Canada until December 31, 2004 (the “**Joint Venture**”). The agreement was subsequently amended as of November 4, 2004 to have effect until April 1, 2009 and include all oil and gas properties acquired by either party in North America. Aspen was appointed operator under the agreement. Following its shift in focus to oil and gas, the Corporation, through the Joint Venture, actively acquired exploration acreage in western Canada and the northern United States over the course of fiscal 2005 and 2006.

On October 19, 2006, WSR entered into an option agreement (the “**Option Agreement**”) with Guyana Goldfields Inc. (TSX:GUY) to earn a 50 percent interest in the Peters Mine property in Guyana (the “**Peters Mine Property**”). See “Mining Properties”.

On December 8, 2006, the Corporation elected to focus its resources solely on the mining interests and entered into a definitive agreement (the “**Definitive Agreement**”) to sell 100 percent of its 50 percent interest in the Joint Venture to Aspen. The Definitive Agreement had an October 1, 2006 effective date and closed on February 9, 2007. See “Oil and Gas Properties”

## Overall Performance

As at June 30, 2007 the Corporation had working capital of \$3.9 million compared to a working capital of \$2.7 million at March 31, 2007 and working capital of \$1.4 million at June 30, 2006. The increase working capital as at March 31, 2007 was due to the exercise of 6,145,000 warrants for net proceeds of \$1.8 million.

- 1) Exploration Drilling in the Main Shaft Area. Eleven holes were collared during this reporting period (PM-2007-5 to PM-2007 13A) for a total aggregate of 2785.6m. These include two abandoned holes due to poor ground condition. The Drill hole Statistics are shown below:

<b>BHID</b>	<b>EAST PSAD56</b>	<b>NORTH PSAD56</b>	<b>RL</b>	<b>DEPTH</b>	<b>AZIM(mN)</b>	<b>DIP</b>	<b>Date Completed</b>
PM2007-1	238073	692626	469	275	262	-70	8-Feb-07
PM2007-2	238096	692630	469	302	270	-70	18-Feb-07
PM2007-3	238113	692649	469	293	250	-60	1-Mar-07
PM2007-4	237970	692705	504	394	150	-45	15-Mar-07
PM2007-5	237953	692719	503	514	150	-45	4-Apr-07
PM2007-6	237903	692702	514	352	150	-50	15-Apr-07
PM2007-7	237905	692673	502	338	150	-52	24-Apr-7
PM2007-8	238107	692597	483	301.6	262	-70	03-May-07
PM2007-9	238107	692597	483	266	178	-76	17-May-07
PM2007-10	238408	692727	471	271	270	-45	24-May-07
PM2007-11	238743	692822	471	82(abandoned)	270	-45	7-June-07
PM2007-11A	238743	692822	487	294	270	-55	14-June-07
PM2007-12	238263	691854	487	307	52.5	-45	26-June-07
PM2007-13	238123	691888	472	30(abandoned)	64.5	-45	29-June-07
PM2007-13A	238123	691888	472	30 (drilling)	64.5	-45	On-going
			<b>TOTAL</b>	<b>4,049.60</b>			

- 2) Ground geophysics survey using IP, Magnetics and Radiometric (gamma ray) methods was completed on May 15, 2007. The survey covered a total of 22 line kilometres of Normal and Reverse Mode IP/Resistivity, 37.41 line kilometres of Magnetic readings, and 38.75 line kilometres of Spectrometer survey readings.
- 3) Geological ground truth of areas identified by initial field interpretation of geophysical data was conducted.

## DISCUSSION

During the first quarter of the current fiscal year the Company concentrated on the continuance of exploratory diamond drilling to follow up the results from the prior quarter program. Unfortunately, series of mechanical breakdowns (for both drill machine and support bulldozer) and difficult ground condition resulted in sub-optimal drilling performance of only 2,785.6 m (average of 928.5m per month only). Communication was also hampered by satellite internet problems (i.e., exhaustion of bandwidth) preventing smooth daily upload of geophysics data for processing in Val'dOr, Ontario.

The drill program commenced on October, 2006 and is ongoing to follow up on the gold intersections and geophysics and geochemical targeting programs. Drill assay results for the 2007 program received to date are shown below:

	From	To	Meters	Grams per ton, Au
<b>PM2007 - 1</b>	<b>0.00</b>	<b>118.00</b>	<b>118.00</b>	<b>1.218</b>
<i>including</i>	0.00	21.00	21.00	1.098
<i>including</i>	25.50	54.00	28.50	1.581
<i>including</i>	70.00	118.00	48.00	1.521
	<b>157.00</b>	<b>177.00</b>	<b>20.00</b>	<b>2.503</b>

<b>PM2007 - 2</b>	0.00	6.00	6.00	1.773
	31.50	33.00	1.50	1.900
	134.65	145.00	10.35	1.111
	161.30	161.50	0.50	1.070

<b>PM2007 - 3</b>	0.00	3.00	3.00	0.860
	168.50	169.50	1.00	1.500
	182.00	191.00	9.00	0.766
<i>including</i>	185.00	189.00	4.00	1.155

	From	To	Meters	Grams per ton, Au
<b>PM2007-4</b>	106.00	162.00	56.00	0.929
<i>including</i>	106.00	111.00	5.00	1.009
<i>including</i>	129.00	162.00	33.00	1.309
<i>including</i>	135.00	162.00	27.00	1.514
<i>including</i>	144.00	154.70	10.70	2.616
	306.00	307.00	1.00	1.300
	324.00	327.30	3.30	2.414
	351.00	352.00	1.00	2.030

<b>PM2007-5</b>	<b>108.00</b>	<b>184.00</b>	<b>76.00</b>	<b>2.703</b>
<i>including</i>	108.00	128.00	20.00	2.521
<i>including</i>	111.75	125.00	13.25	3.512
<i>including</i>	<b>170.70</b>	<b>184.00</b>	<b>13.30</b>	<b>11.455</b>
<i>including</i>	<b>170.70</b>	<b>177.75</b>	<b>7.05</b>	<b>19.422</b>
	343.00	344.00	1.00	1.200

<b>PM2007 - 6</b>	112.00	117.00	5.00	1.050
	149.00	150.00	1.00	1.900
	317.00	318.00	1.00	4.730

<b>PM2007 - 7</b>	NSV*			
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<b>PM2007 - 8</b>	9.00	10.50	1.50	1.200
	227.00	228.00	1.00	5.93

\* NSV = no significant values

## Geophysical Surveys

The Company has recently completed a ground geophysical survey covering approximately 41 line kilometres consisting of 43 lines spaced 200 meters apart for both IP/Resistivity and Magnetic surveys. Coverage was focused on investigating the controlling north-south Mango trend (shear zone) as earlier identified by airborne EM-Magnetics survey, ground mapping and prospecting. Preliminary field interpretation of raw data indicates presence of IP and Magnetics anomalous zones correlative to geochemical auger drilling results. However, the company is awaiting processing and a final report of the geophysics survey before it prioritizes exploratory drilling targets.

## Industry Trends

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities in the search for and the acquisition of productive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Corporation, the Corporation may be unable to acquire attractive properties in the future on terms it considers acceptable. The Corporation also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

The ability of the Corporation to acquire properties depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Corporation may affect the marketability of minerals mined or discovered by the Corporation. See “Risks and Uncertainties”

## Summary of Quarterly Results

The following is selected financial data from the quarterly consolidated financial statements of the Corporation for the last eight completed fiscal quarters ending June 30, 2007. This information should be read in conjunction with the audited annual and unaudited interim financial statements of the Corporation for fiscal 2007 and 2006 and the quarters ended June 30, 2007 and 2006.

	<b>1<sup>st</sup> Quarter June 30, 2007</b>	<b>4<sup>th</sup> Quarter March 31, 2007</b>	<b>3<sup>rd</sup> Quarter December 31, 2006</b>	<b>2<sup>nd</sup> Quarter September 30, 2006</b>
Gross revenue	\$25,600	\$12,802	\$106,338	\$191,807
Net income (loss)	\$(182,779)	\$146,749	\$(823,766)	\$(4,769,179)
Net income (loss) per share – basic and diluted	\$(0.00)	\$0.01	\$(0.01)	\$(0.09)
	<b>1<sup>st</sup> Quarter June 30, 2006</b>	<b>4<sup>th</sup> Quarter March 31, 2006</b>	<b>3<sup>rd</sup> Quarter December 31, 2005</b>	<b>2<sup>nd</sup> Quarter September 30, 2005</b>
Gross revenue	\$112,327	\$177,241	\$165,477	\$18,249
Net income (loss)	\$(290,803)	\$(3,696,945)	<b>\$(99,848)</b>	\$(258,105)
Net income (loss) per share – basic and diluted	\$(0.01)	\$(0.10)	<b>\$(0.00)</b>	\$(0.01)

Financial performance over the above-noted eight quarters has ranged from a loss of \$ 4.8 million for the quarter ended September 30, 2006 to a profit of \$0.1 million for the three months ended March 31, 2007. The predominant reason for the loss during the second quarter of fiscal 2007 was a ceiling test write-down of oil and gas properties as the Corporation reduced the carrying value of its capital investment in Manitoba. The Corporation performed an impairment (ceiling) test review at September 30, 2006 to assess the recoverable value of the petroleum and natural gas properties and to determine that it does not exceed its fair value. The value of the assessed properties was found to be impaired at September 30, 2006 and additional depletion of \$4,678,474 was charged against the book value of the petroleum and natural gas properties and net income for that quarter. The profit generated in the fourth quarter of fiscal 2007 is primarily due to the impact of future income tax recoveries recorded on the income statement during the quarter as a result of the issuance of flow-through shares by the Corporation in April of 2006. General, administration and stock-based compensation expenses primarily sourced the loss realized during the first quarter of fiscal 2008.

## **Results of Operations**

As previously noted, the Corporation entered into a Definitive Agreement to sell its interest in the Joint Venture properties on December 8, 2006, therefore the Company has no revenue, expenses, and royalties associated with these properties in the first quarter of fiscal 2008.

Consolidated revenues for the first quarter of 2008 were derived exclusively from interest income of \$25,600 (\$8,507 in fiscal 2006). During the first quarter of fiscal 2007 WSR revenues also included oil income net of royalties, of \$103,820 arising from the Daly Field oil production of 1,459 barrels at an average price of \$73.30 per barrel.

The Corporation incurred no production costs during this quarter and \$85,033 (\$58.28 per barrel) on the first quarter of fiscal 2007. The high production and operating costs during the first quarter of fiscal 2007 were directly attributable to expenses related to water handling, disposal, and trucking costs.

Depletion, depreciation, and accretion expense decreased from \$162,931 in fiscal 2007 to \$387 in fiscal 2008 reflecting the elimination of depletion and accretion charges arising from the disposition of the Oil and Gas properties during fiscal 2007.

Stock-option compensation expense remained relatively stable. During the first quarter of fiscal 2008 the Company granted options to acquire 100,000 common shares WSR at \$0.60 with an attributable fair value of \$43,300. In addition, \$51,350 was charged to the stock-based compensation account representing the fair value of 100,000 options vested during the quarter. For the same period during fiscal 2007 the Company granted options to acquire 400,000 shares at \$0.59 with a fair value of \$20,500. The options granted during the first quarter of 2008 were valued using the Black – Scholes option pricing model with an average fair value of \$0.43.

Consolidated general and administrative costs (“G&A”) were \$113,342 during the first quarter of fiscal 2008 compared to \$97,153 for the same period in fiscal 2007. The marginal increase was due mainly to an increase in public company expenses of \$20,959, a reduction in professional fees of \$44,913, an increase in legal and accounting fees of \$28,811 and an increase in overall administration expenses of \$11,005.

## Selected Annual Information

The following is selected financial data from the audited financial statements of the Corporation for the last three completed fiscal years. This information should be read in conjunction with the audited financial statements of the Corporation for fiscal 2007, 2006, and 2005.

	Fiscal years ending		
	31-Mar-07	31-Mar-06	31-Mar-05
Total revenue	\$423,274	\$377,578	\$144,132
Net income (loss)	(\$6,098,199)	(\$4,153,639)	\$(584,729)*
Weighted number of common shares	58,517,949	38,414,559	32,701,551
Basic and diluted income (loss) per share	(\$0.10)	(\$0.11)	(\$0.02)
Total assets	\$5,192,033	\$2,281,180	\$6,085,276
Total long-term financial liabilities	-	\$65,661**	45,565**

\* Restated per Note 4 in the Notes to Financial Statements

\*\* Asset retirement obligations

The Corporation is a development stage resource company and is subject to exploration and other risks (See "Risk and Uncertainties") associated resource exploration and development. Annual results can be significantly affected by costs associated with operations. In fiscal 2006, the Corporation wrote-down \$3,366,662 in costs associated with exploration activities in North Dakota and Saskatchewan. In fiscal 2007, the Corporation wrote down \$4,369,352 due to a ceiling test write-down of oil and gas properties as the Corporation reduced the carrying value of its capital investment in Manitoba.

## Oil and Gas Properties

On February 9, 2007, WSR held an annual and special meeting of shareholders to affect the sale to Aspen of the JV Properties. Pursuant to the Definitive Agreement, the purchase price for the Corporation's 50 percent interest in the Joint Venture was \$1.625 million and was equal to the aggregate amounts owing at closing by Westchester to Aspen in respect of the Joint Venture, and paid through an offset of such amount. These assets were the only source of revenue for the Corporation from ongoing operations since October 2005. The transaction released WSR from all current and future site reclamation costs and liabilities associated with all wells drilled under the Joint Venture. WSR received shareholder and regulatory approval and closed the sale of the JV properties with Aspen on February 9, 2007.

## Mining Properties

Effective October 19, 2006, WSR entered into an Option Agreement with Guyana Goldfields Inc. to earn a 50 percent interest in the Peters Mine Property in Guyana. Pursuant to the Option Agreement, in order to earn its 50 percent interest in the Peters Mine Property, WSR issued 5,000,000 common shares to Guyana Goldfields Inc. and is required to spend a total of \$5 million in exploration on the property over a three-year period. The value of shares issued was

deemed to be \$0.36 per share for a total fair value of \$1,800,000. To date, there have been mining expenditures of \$1,011,705 as part of the requirements under the option agreement.

The Peters Mine Property consists of 8,358 acres located approximately 160 kilometers southwest of Georgetown, the capital of Guyana. The Peters Mine, which is located on the Peters Mine Property, was the first significant gold producer in Guyana and put into production by a New York syndicate in 1904 and operated until 1909. Geological data indicate that the oxidized and saprolitic zones demonstrate the potential for open pit deposits with high-grade mineralization present in deeper primary zones. Drill results also indicate the potential for multiple gold zones. In addition to year round road access, the property has environmental permits in place for operations up to 1,000 tonnes per day. Guyana Goldfields Inc. acquired the property in 1996 and conducted a limited diamond drilling campaign in the main shaft area over the next four years with encouraging results. A report dated October 30, 2003 as amended January 20, 2004 prepared by Cargill Consulting Geologists Limited in accordance with National Instrument 43-101 (“NI 43-101”) details previous exploration and mining activities on the property and is available on SEDAR ([www.sedar.com](http://www.sedar.com)) as filed by Guyana Goldfields Inc. on January 29, 2004.

In 2005, the Peters Mine Property was subject to a detailed airborne geophysical survey consisting of radiometrics, electro-magnetic, and magnetometer surveys. This survey identified and outlined the primary mineralized control structure target as a major deformation zone with widths of 150 to 250 meters wide running north to south for a distance of 8 kilometres through the property. This structure marks the contact between the granodiorite intrusive in the east and meta-volcanics in the west. Results of geochemical work and ground mapping of historical as well as present artisanal workings further reinforced this finding. Throughout this trend, old shafts, adits and recent workings by itinerant miners, suggests that the historical Peters Mine was a relatively small part of a much larger regional structure. WSR believes that this structure has good potential to host significant additional gold mineralization.

The potential quantity and grade of any mineralization on the Peters Mine Property is conceptual in nature and there has been insufficient exploration to define a mineral resource on the property. It is uncertain if further exploration work will result in the definition, by NI 43-101 standards, of a mineral resource on the property. WSR does not expect any revenues from the Peters Mine Property for the near future.

WSR has initiated a drill program on the Peters Mine Property and is currently drilling south of the main shaft area of the original Peters Mine. WSR has completed a ground geophysical program on the Peters Mine Property to further delineate potential drill targets on the property.

### **Liquidity and Capital Resources**

On April 4, 2006, the Corporation raised gross proceeds of \$2,575,000 to fund its continuing development program in the Daly Field (held through the Joint Venture) by issuing 3,333,333 flow-through common shares at a price \$0.30 per Flow-Through Share and 7,000,000 units at a price of \$0.225 per Unit.

On November 17, 2006, WSR completed a private placement whereby the Corporation issued 13,500,000 units at a price of \$0.15 units for total gross proceeds of \$2,025,000.

During fiscal 2007, 2,285,000 - \$0.30 warrants were exercised for proceeds of \$685,500 and 330,000 broker warrants were exercised for proceeds of \$74,250.

During the first quarter of fiscal 2008, 4,715,000 warrants at \$0.30 each, 445,000 broker warrants at \$0.225 each and 775,000 warrants at \$0.30 each, attached to the broker warrants, representing all the remaining warrants and broker warrants from the April 2006 equity financing, were exercised for total proceeds of \$1,747,125.

Subsequent to the end of fiscal 2007, a total 210,000 \$0.25 warrants were exercised for total proceeds of \$52,500.

As at June 30, 2007, the Corporation had working capital of \$3.9 million compared to a working capital of \$2.7 million at March 31, 2007 and working capital deficit of \$0.2 million at March 31, 2006. The increase in working capital as at June 30, 2007 was due to the issuance of 5.7 million warrants for net cash proceeds of \$1.8 million. As June 30, 2007 the Corporation had no long-term liabilities as the sale of the Joint Venture properties relieved the Corporation of any future asset retirement obligations. Future income tax liability increased from nil in fiscal 2006 to \$361,200 in fiscal 2007 due to the issuance by the Corporation of \$1,000,000 in flow-through shares. The Corporation does not expect to incur any tax liabilities in the foreseeable future as it has significant tax-loss carry forwards that would mitigate any tax liability.

## **Risks and Uncertainties**

The Corporation does not currently generate sufficient cash flow to internally fund additional drilling programs with regard to its future exploration programs in the Peters Mine Property, and is reliant on its ability to raise funds through the capital markets. There can be no assurance that the Corporation will be successful in raising funds in the future. WSR's current annual G&A requirements, excluding any costs associated with its mining operations, is approximately \$450,000. WSR must complete a minimum of \$1 million of exploration expenses on the Property by October 31, 2007 to fulfill its year 1 Option Agreement requirements.

The principal business of the Corporation is resource exploration and development. As such, it is exposed to a number of risks and uncertainties that are common to other companies in the same industry.

WSR's future success depends on its ability to find, develop or acquire oil and gas and/or mining reserves that are economically recoverable. Exploration and development drilling may not result in commercially productive reserves. Successful acquisitions require an assessment of a number of factors, many of which are uncertain. These factors include recoverable reserves, exploration potential, future commodity prices, operating costs and potential environmental and other liabilities. Such assessments are inexact and their accuracy is inherently uncertain.

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development of mineral projects will result in any discoveries of commercial bodies of ore. The long-term profitability of the Corporation's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Corporation.

The business of mineral exploration is capital intensive. Presently, the only source of additional funds to further develop the projects undertaken by the Corporation is the equity market. Complementary debt finance will only be available upon the proving of economic production from reserves. Although the Corporation was successful in accessing the equity markets during fiscal 2004 and in calendar 2006, there are no assurances that WSR will be successful in the future or that such sources of capital will be available. A substantial and extended decline in commodity prices could result in delay or cancellation of drilling, development or construction, or curtailment in production, all of which could have a material adverse impact on the Corporation.

The resource exploration and development industry is highly competitive in all aspects of the business, including the acquisition of properties, the exploration for and development of new sources of supply and the marketing of current production. A number of the Corporation's competitors have financial and other resources substantially in excess of those available to the Corporation. Additionally, the Corporation is dependent on third-party consultants for the majority of its technical requirements

### **Changes in Accounting Policy**

A detailed summary of all the Corporation's significant accounting policies is included in Note 2 to the audited financial statements for fiscal 2007. Effective January 1, 2007 the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. None of the policies adopted, as described in note 2 of the unaudited financial statements of WSR as at June 30, 2007, had an impact on the financial results of the Company.

### **Off-Balance Sheet Arrangements**

The Corporation has no off-balance sheet arrangements in fiscal 2006.

### **Related Party Transactions**

A corporation owned by an officer of the Company performed accounting services for the Company for fees in the amount of \$10,828 (2007 - \$16,844). During the same period the company paid management fees to a director of the Company for \$8,000 (2007 - \$NIL). Included in the accounts payable at quarter end is \$8,000 (2006 - \$NIL) owing to this director.

These transactions were in the normal course of business and were measured at the exchange amount which is the amount of consideration established, agreed to and paid by the related parties based on standard commercial terms.

## **Disclosure Controls and Procedures**

Management has ensured that there are disclosure controls and procedures which provide reasonable assurance that material information relating to the Corporation is disclosed on a timely basis, particularly information relevant to the period in which annual filings are being prepared. Management believes these disclosure controls and procedures have been effective during the fiscal year ended June 30, 2007.

## **Shares Issued and Issuable**

As at August 8, 2007, WSR had common shares issued and outstanding and the following securities issuable upon exercise of convertible securities:

- (i) 14,225,000 warrants each exercisable to acquire one common share at \$0.25 per share until November 17, 2008.
- (ii) 2,260,000 common shares issuable upon the exercise of stock options of which 2,160,000 are exercisable at a weighted average price of \$0.58 per share with a remaining weighted average life of 3.83 years.

## **Outlook**

For fiscal year 2008, WSR plans to execute a full sequence exploration program on the optioned Peter's Mine Property, Guyana, South America. In 2006, a geochemical program, geophysical program and ground reconnaissance program were underway and completed. The Company has also been diamond drilling in and around the Peter's Mine Shaft area of the Property and will continue to do so with the aid of the completed programs noted above.

WSR intends to follow up on the drilling success as disclosed in its press release dated May 29, 2007. This proved the Peter's Mine Property to have significant grades over significant widths at surface. Follow up work is currently under way.

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