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 nine months ended December 31, 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 December 31, 2007 and year ended March 31, 2007, ("fiscal 2007") respectively. This MD&A has taken into account information available up to and including February 25, 2008.

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.

Description and History of Business

WSR is a publicly listed Canadian junior resource company with mining interests in Guyana, South America and Ontario, Canada. 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 2004 and 2005, the Company was involved in the oil and gas exploration business however, on December 8, 2006, the Company 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 oil and gas. The Definitive Agreement had an October 1, 2006 effective date and closed on February 9, 2007.

The Company entered into a definitive agreement with Aspen Group Resources Company ("**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 Company, 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**").

On November 1st, 2007 the Company entered into an option agreement pursuant to which WSR has been granted the option to acquire a 50% legal and beneficial interest in Noront Resources Ltd. ("Noront") Tri-Eagle property. The area includes 15 Claim Blocks, comprising approximately 4,400 hectares (9,600 acres) in the "Ring of Fire", McFauld's Lake, Ontario, near Noront's nickel copper discovery. In order to acquire its interest in the property, WSR is required to make cash payments to Noront totalling $400,000 within two years (of which $200,000 must be paid in the first year, and any portion of the aggregate of $400,000 may be satisfied at the option of Noront, by the issuance to Noront of up to 800,000 common shares of WSR at a deemed price of $0.50 per share); issue to Noront an aggregate of 400,000 common shares of WSR, and incur aggregate exploration expenditures on the property of $5,000,000 over a three year period (of which $1,500,000 must be expended in the first year).

On November 26, 2007 the Company announced that it had entered into a letter of intent with Metalex Ventures Ltd. ("Metalex"), and Arctic Star Diamond Corp. ("Artic") pursuant to which WSR has been granted the option to acquire 50% interest in certain claims of Metalex's and Arctic's James Bay properties, in the Province of Ontario. The properties are located on and around the "Ring of Fire" and cover approximately 36 square kilometers of ground. In order to acquire its interest in the property, WSR may incur aggregate expenditures of $20,000,000 on the property over a four year period, in consideration of which it will acquire a 12.5% interest in the property for each $5,000,000 which it expends.

On February 15, 2008 the Company announced that it has entered into a Letter of Intent pursuant to which WSR has agreed to acquire a 75% legal and beneficial interest in the Big Mac property from MacDonald Mines Explorations Ltd. ("MacDonald"). The Property includes 51 Claim Blocks, approximately 11,200 hectares, in the "Ring of Fire" McFauld's Lake, Ontario, near Noront's prolific nickel copper discovery. Closing of the transaction remains subject to WSR's satisfactory due diligence, the approval of the TSX Venture Exchange and WSR's Board of directors and execution of a definitive agreement of purchase and sale and joint venture agreement.

Overall performance:

WSR recorded a net loss of $261,413 or $0.00 per share for the third quarter of its fiscal year ending March 31, 2008 ("fiscal 2008") compared with a net loss of $823,766 or $0.01 per share for the same period in fiscal 2007. For the nine-month period ended December 31, 2007 and 2006 the net losses were $514,710 or $0.01 per share and $5,883,748 or $0.11 per share respectively.

Consolidated revenues for the three and nine month periods ending December 31, 2007 were derived exclusively from interest income of $27,090 and $82,321 respectively ($5,022 and $21,123 in fiscal 2007).

During the nine months of ending December 31, 2007 WSR did not generate oil and gas revenue compared to the three and nine month ending December 31, 2006 where an oil and gas revenue, net of royalties, of $101,316 and $389,349 respectively, arising from the Daly Field oil production, was generated.

The Company incurred no production costs during the three and nine month periods ended December 31, 2007 compared with $157,785 and $409,988 for the same respective periods of fiscal 2007.

Depletion, depreciation, and accretion expense for the three and nine months ended December 31, 2007 decreased to $472 from $49,880 and to $1,072 from $4,891,285 for the same period ended December 31, 2006 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 compared to the same period of fiscal 2007. During the first quarter of fiscal 2008 the Company granted options to acquire 100,000 common shares of WSR at $0.60 per share with a fair value of $43,300. No options were granted or exercised during the second quarter of fiscal 2008. During the third quarter the Company granted to a Director and consultants options to acquire 290,000 common shares of the Company at $0.60 per share over a period of five years. The fair value of these options was estimated at $103,530. In addition, $102,700 was charged to stock-based compensation representing the fair value of 100,000 options vested during the first and third quarter of fiscal 2008. During the nine months period ending December 31, 2006 the Company issued 1,000,000 common shares on exercise of options at $0.30 per share, 1,400,000 options with a weighted average price of $0.60 were granted and 400,000 options with a weighted average price of $0.53 were cancelled.

Consolidated general and administrative costs ("G&A") were $133,151 during the third quarter of fiscal 2008 compared to $114,660 for the same period in fiscal 2007. The marginal increase was due mainly to the reduction on consulting cost for geological and engineering consulting services offset by increase in accounting, legal, and regulatory services. For the nine month period ended December 31, 2007 G&A expenses increased by $19,273 to $346,428 from the same period in fiscal 2007.

WSR is not in commercial production on any of its resource properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through equity issues. As at December 31, 2007 WSR had cash and cash equivalents of $6,795,384 ($2,700,287 – March 31, 2007) and working capital of $6,253,092 ($2,685,061 – March 31, 2007).

Cash used in operating activities during the three and nine-month periods ended December 31, 2007 was $106,061 and $264,107 (2006 - $166,107 and $ 326,171), respectively. Resource property depletion and depreciation and stock-based compensation expense constitute the principle amounts that reconcile the statement of loss to the statement of cash flows from operating activities.

Cash used in investing activities for the three and nine month period ended December 31, 2007 netted $189,842 and $1,099,125 respectively. For the same three and nine-month periods ended December 31, 2006 the company net cash investments were $ 756,985 and $3,049,424 respectively. During the third quarter of fiscal 2007 the Company disposed its oil and gas properties for net proceeds of $1,854,498. Investing activities during fiscal 2007 were concentrated in oil and gas properties while during fiscal 2008 such activities were concentrated in mining properties.

During the nine month period ended December 31, 2007 6,245,000 warrants and 445,000 broker warrants were exercised for total proceeds of $1,935,875. During the nine month ended December 31, 2006, 21,445,000 with a weighted average exercise price of $0.17 warrants and 775,000 broker warrants exercisable at a weighted average price of $0.225 were issued. For the same nine month period 2,498,056 warrants were exercised for net proceeds of $1,618,639 and 3,654,444 expired.

On December 13, 2007 the Company completed a private placement financing for net proceeds of $3,418,500 by issuing an aggregate of (i) 5,925,000 flow-through units ("FT Units") at $0.35 per FT Unit, each such FT Unit consisting of one "flow-trough" common share of the Company and one-half of one share purchase warrant exercisable at $0.45 before November 8, 2008 and (ii) 4,075,000 hard dollar units ("Unit") at $0.33 per Unit, each consisting of one common share of the Company and one share purchase warrant exercisable at $0.45 until November 8, 2008. All the securities issued and issuable in connection with the financing have a holding period expiring April 14, 2008.

Results of Operations – Mineral Properties Current Developments:

Option Agreements:

a) Tri-Eagle Option Agreement:

On November 1st, 2007 the Company entered into an option agreement with Noront pursuant to which WSR is been granted the option to acquire a 50% legal and beneficial interest in a Noront property. The area includes 15 Claim Blocks, comprising approximately 4,400 hectares (9,600 acres) in the "Ring of Fire", McFauld's Lake, Ontario, near Noront's nickel copper discovery.

In order to acquire its interest in the property, WSR is required to make cash payments to Noront totalling $400,000 within two years (of which $200,000 must be paid in the first year, and any portion of the aggregate of $400,000 may be satisfied at the option of Noront, by the issuance to Noront of up to 800,000 common shares of WSR at a deemed price of $0.50 per share); issue to Noront an aggregate of 400,000 common shares of WSR, and incur aggregate exploration expenditures on the property of $5,000,000 over a three year period (of which $1,500,000 must be expended in the first year).

b) Lowland Option Agreement:

On November 26, 2007 the Company announced that has entered into a letter of intent with Metalex, and Artic pursuant to which WSR has been granted the option to acquire 50% interest in certain claims of Metalex's and Arctic's James Bay Properties, in the Province of Ontario. The properties are located on and around the "Ring of Fire" and cover approximately 36 square kilometers of ground.

In order to acquire its interest in the property, WSR may incur aggregate expenditures of $20,000,000 on the property over a four year period, in consideration of which it will acquire a 12.5% interest in the property for each $5,000,000 which it expends.

The letter of intent is subject to standard conditions including the completion of due diligence by WSR, the execution of a definitive agreement and the approval of the TSX Venture Exchange with respect to each of the parties involved.

c) Big Mac letter of intent:

Subsequent to quarter end, on February 15, 2008 the Company announced that it has entered into a Letter of Intent pursuant to which WSR has agreed to acquire 75% interest in MacDonald's Big Mac property. The Big Mac property includes 51 claim blocks, approximately 11,200 hectares, in the "Ring of Fire", McFauld's Lake, Ontario, near Noront's prolific nickel copper discovery.

In order to acquire its interest in the property WSR is required to:

(i) the issuance to MacDonald of an aggregate of 5,000,000 common shares of WSR;

(ii) a cash payment to MacDonald in the amount of $100,000; and

(iii) the issuance to MacDonald of an aggregate of 1,000,000 common share purchase warrants, each such warrant entitling MacDonald to acquire one common share of WSR at a price of $0.50 for a period of two years.

MacDonald shall have a carried interest until WSR delivers a pre-feasibility study to MacDonald on the Big Mac property. After the delivery of a pre-feasibility study, MacDonald will be required to pay a pro rata portion of costs related to the property to maintain its 25% interest.

Closing of the transaction remains subject to WSR's satisfactory due diligence, the approval of the TSX Venture Exchange and WSR's Board of directors and execution of a definitive agreement of purchase and sale and joint venture agreement.

Exploration Summary for the Quarter

As of November 1, 2007 WSR's management and geological team had decided to place the Peter's Mine Property on a "Care and Maintenance" basis. Management is reviewing its options and determining how to proceed with the Property.

For the three month period ending December 31, 2007, the main activities of WSR on the Peter's Mine Property were:

- Exploration drilling of geophysical targets and wildcat drilling at Harold's Hill;
- Structural geology evaluation by SRK Consulting Inc. ("SRK");
- Geological investigation and follow-up of ground geophysical survey results; and
- Re-logging of selected drill hole core as recommended by SRK.

The company presently has 3,382.6 ha of ground tenured as a mining concession through an Option Agreement with Guyana Goldfields inc ("Guyana").

Under this agreement WSR must make specific property payments and file reports of ongoing work. As at December 31, 2007 the Company has incurred exploration expendintures of $2,082,176 of which $1,521,468 have been incurred during the current fiscal year.

Readers who are interested in the broader scope of the project (i.e. background information as to location, topography, climate/vegetation, land tenures; project history; exploration programs; development of deposit modeling; program recommendation; maps and sections etc.) are herein referred to the more encompassing company report available on SEDAR (www.sedar.com) entitled:

Peters Mine Project, Guyana
Prepared for: Guyana Goldfields Inc. ("Guyana")
By: D.George Cargill, Ph.D. P.Eng.
N.N. Gow, B.Sc. (Hons); P.Geo
Dated: October 30, 2003
Amended: January 29, 2004

The above noted report was commissioned by Guyana Goldfields Inc. as an independent technical report on the property and is available at www.seadr.com.

THE ACTIVITIES

- Exploration drilling of the geophysical targets (IP- PGW 6; 7 and 9); located between the Main and Herod Hill shafts. Three drill holes were completed in this reporting period. These are PGW2007-20 to 21 with an aggregate 831m cored.

- The drilling status and statistic of the WSR drilling program is shown in Table 1 below.

- Evaluation of drill program in relation to the SRK Consulting structural geology interpretation report.

- Putting the project on temporary care and maintenance status as of November 2, 2007.

The Drill-hole Statistics are as follows:

HOLE_ID	EAST PSAD (m)	NORTH PSAD (m)	RL (m)	AZIM	DIP	DEPTH (m)	AREA COMMENT	DATE COMPLETED
PM2007-1	238073	692626	469	247	-70	275	Main Shaft	8-Feb-07
PM2007-2	238096	692630	469	255	-70	302	Main Shaft	18-Feb-07
PM2007-3	238113	692649	469	235	-60	293	Main Shaft	1-Mar-07
PM2007-4	237970	692705	504	135	-45	394	Main Shaft	15-Mar-07
PM2007-5	237953	692719	503	135	-45	514	Main Shaft	4-Apr-07
PM2007-6	237903	692702	514	135	-50	352	Main Shaft	15-Apr-07
PM2007-7	237905	692673	502	135	-52	338	Main Shaft	24-Apr-07
PM2007-8	238107	692597	483	247	-70	301.6	Main Shaft	3-May-07
PM2007-9	238107	692597	483	163	-76	266	Main Shaft	17-May-07
PM2007-10	238408	692727	471	255	-45	271	IP	24-May-07
PM2007-11	238743	692822	471	255	-45	82	IP-abandoned	7-Jun-07
PM2007-11A	238743	692822	487	255	-55	294	IP	14-Jun-07
PM2007-12	238263	691854	487	37.5	-45	307	Herolds	26-Jun-07
PM2007-13	238123	691884	472	49.5	-45	30	Herolds-abandoned	29-Jun-07
PM2007-13A	238130	691894	472	49.5	-45	84	Herolds-abandoned	4-Jul-07
PM2007-13B	238125	691893	472	49.5	-45	33	Herolds-abandoned	5-Jul-07
PM2007-13C	238130	691904	472	49.5	-45	367	Herolds	25-Jul-07

PM2007-14	238183	691930	469	49.5	-45	42	Herolds-abandoned	29-Jul-07
PM2007-15	238186	691936	470	49.5	-50	40.61	Herolds-abandoned	4-Aug-07
PM2007-15A	238179	691938	470	50	-50	290	Herolds	11-Aug-07
PM2007-16	238166	692364	490	75	-50	241	IP (PGW-5)	2-Sep-07
PM2007-17	238149	692163	468	75	-55	70	IP-abandoned	8-Sep-07
PM2007-17A	238150	692164	468	75	-55	280	IP (PGW-2)	14-Sep-07
PM2007-18	237917	692110	485	105	-50	243	IP (PGW-3)	19-Sep-07
PM2007-19	237869	692314	494	75	-45	415	IP (PGW-4)	2-Oct-07
PM2007-20	238673	692118	496	255	-50	241	IP (PGW-7)	10-Oct-07
PM2007-21	238755	692572	501	75	-50	241	IP (PGW-6)	16-Oct-07
PM2007-22	237391	693190	485	255	-60	349	IP (PGW-9)	5-Nov-07
28 holes						**6956.21**		

SRK Consulting Interpretation

A SRK Consulting geological team led by Dr. Jean Francois Couture, P.Geo visited Peters Mine property on August 21 to 27, 2007 inclusive.

The purpose of the visit was to assist in the interpretation of geological data based on drill cores and other pertinent showing that were available.

Following are the salient geological conclusions arrived at by SRK as contained in the final report of SRK received October 8, 2007:

- There are two main rock types in the project. They are granodiorite and a mafic aphanitic unit logged as chlorite schists;
- Gold mineralization is associated with quartz-carbonate veins with minor pyrite accompanied by weak to moderate muscovite alteration;
- Gold mineralization is hosted in high strain zone with features compatible to dip-slip shear zones;
- The high strain zone is mainly developed in the mafic (chlorite schist) unit;
- Main gold zone at Peter's mine is controlled by a minor "bend" of the main shear zone (mango trend);
- Main Gold mineralization zone exhibit two trends- Moderate west-southwest plunge and a sub-horizontal secondary plunge;
- The down plunge extension of the main gold zone is truncated by a northwesterly trending late brittle fault of unknown displacement. The fault is dipping northeast;
- The drilling at the main shaft area has been hitting the hanging wall side of the gold zone but has not tested the foot wall side;
- The granodiorite-mafic schist contact is the general exploration guide for the project; and
- Drilling should trace that contact both laterally and at depth.

Following are the general recommendations by SRK, as contained in the above mentioned report:

- Future drilling should aim at recovering oriented core to assist in geological interpretations;
- Lithogeochemical data (whole rock analyses with trace elements) should be acquired on representative rock suite to assist in the correlation of lithological units;
- Construct and interpret the geology of complete set of vertical sections and level maps;
- At the main Peter's mine area, exploration drilling should trace out the granodiorite-mafic schist contact that hosts all the gold mineralization away from the existing drilled site;
- Exploration should target other parts of the project while continuing drilling at Peters Mine; and

- Exploration targets should include linear magnetic features that may represent deformed mafic rocks.

Temporary care and maintenance

On November 2, 2007, due to a series of mechanical breakdowns (for both drill machine and support bulldozer) and poor ground condition resulting in poor drilling performance and repair work hampered by the lack and difficulty in finding qualified mechanics, management decided to put the project in temporary care and maintenance.

In the interim period, resumption of metallurgical testing for possible treatment of tailings and saprolite material has been initiated.

Drill assay results for the 2007 program received to date are shown below.

	From	To	Meters	Grams per ton, Au
PM2007 – 1	**0.00**	**118.00**	**118.00**	**1.218**
including	0.00	21.00	21.00	1.098
including	25.50	54.00	28.50	1.581
including	70.00	118.00	48.00	1.521
	157.00	**177.00**	**20.00**	**2.503**
PM2007 - 2	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
PM2007 - 3	0.00	3.00	3.00	0.860
	168.50	169.50	1.00	1.500
	182.00	191.00	9.00	0.766
including	185.00	189.00	4.00	1.155
PM2007-4	106.00	162.00	56.00	0.929
including	106.00	111.00	5.00	1.009
including	129.00	162.00	33.00	1.309
including	135.00	162.00	27.00	1.514
including	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
PM2007-5	**108.00**	**184.00**	**76.00**	**2.703**
including	108.00	128.00	20.00	2.521
including	111.75	125.00	13.25	3.512
including	**170.70**	**184.00**	**13.30**	**11.455**
including	**170.70**	**177.75**	**7.05**	**19.422**
	343.00	344.00	1.00	1.200
PM2007 - 6	112.00	117.00	5.00	1.050
	149.00	150.00	1.00	1.900
	317.00	318.00	1.00	4.730
PM2007 - 7	111.5	113.00	1.50	2.07
	132.00	134.00	2.00	1.50
PM2007 - 8	9.00	10.50	1.50	1.200
	227.00	228.00	1.00	5.93
PM2007-9	1.50	12.00	10.50	0.865
including	10.50	12.00	1.50	5.000
PM2007-10	NSV*			
PM2007-11A	NSV*			
PM2007-12	22.70	39.30	16.60	0.710
including	**27.23**	**28.70**	**1.47**	**1.000**
	49.38	59.80	10.42	0.763
including	**50.45**	**52.82**	**2.37**	**2.576**
PM2007-13C	**260.00**	**266.00**	**6.00**	**1.343**
PM2007-15A	NSV*			
PM2007-16	NSV*			

NSV = no significant values

For the remaining of fiscal year 2008, WSR plans to continue to execute a full sequence exploration program on the optioned James Bay Properties in Northern Ontario. Full sequence exploration programs will be underway on the recently acquired Noront Optioned properties, Metalex Optioned properties and on the most recent Big Mac property.

WSR will be the operator on the Big Mac properties and is currently investigating setting up an exploration camp in the area, complete with manpower.

Industry Trends

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Company 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 Company, the Company may be unable to acquire attractive properties in the future on terms it considers acceptable. The Company 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 Company.

The ability of the Company 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 Company may affect the marketability of minerals mined or discovered by the Company. See "Risks and Uncertainties"

Summary of Quarterly Results

The following is selected financial data from the annual and interim consolidated financial statements of the Company for the last eight completed fiscal quarters ending December 31, 2007. This information should be read in conjunction with the audited annual and unaudited interim financial statements of the Company for fiscal 2007 and 2006 and the applicable quarters ended December 31, 2007 and 2006.

	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Gross revenue	$27,090	$29,631	$25,600	$12,802
Net income (loss)	(261,413)	(70,517)	(182,779)	146,749
Net loss per share – basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.01
	December 31, 2006	**September 30, 2006**	**June 30, 2006**	**March 31, 2006**
Gross revenue	$106,338	$191,807	$112,327	$177,241
Net loss	(823,766)	(4,769,179)	(290,803)	(3,696,945)
Net loss per share – basic and diluted	$ (0.01)	$ (0.09)	$ (0.01)	$ (0.10)

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 Company reduced the carrying value of its capital investment in Manitoba. The Company 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 Company divested itself of its oil and gas assets during fiscal 2007. 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 Company in April of 2006. General, administration and stock-based compensation expenses primarily sourced the loss realized during the first three quarters of fiscal 2008.

Financial Conditions, Liquidity and Capital Resources

WSR is not in commercial production on any of its resource properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through equity issues. As at December 31, 2007 and March 31, 2007 WSR had cash and cash equivalents of $6,795,384 and $2,700,287 respectively and working capital of $6,253,092 and $2,685,061 respectively.

The increase in working capital during the nine months ended December, 2007 was the result of the issuance of 10,000,000 common shares and the exercise of 6,690,000 warrants for net proceeds of $3,418,500 and $1,935,875 respectively. As December 31, 2007 the Company had no long-term liabilities.

In management's view, the Company has sufficient financial resources to fund currently planned exploration programs and ongoing operating expenditures. WSR will continue to be dependent on raising equity capital as required until it generates cash flow from operations. See "Risk and Uncertainties" below.

Risks and Uncertainties

The Company does not currently generate sufficient cash flow to internally fund additional drilling programs with regard to its future exploration programs on the Peters Mine Property or other properties, and is reliant on its ability to raise funds through the capital markets. There can be no assurance that the Company will be successful in raising funds in the future. WSR's current annual cash G&A requirements, excluding any costs associated with its mining operations, is approximately $450,000. WSR was required to complete a minimum of $1 million of exploration expenses on the Peters Mine Property by October 31, 2007 to fulfill its year one Option Agreement requirements. As at December 31, 2007, the Company has incurred $2,082,176 on exploration expenditures at this Property.

The principal business of the Company 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 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 Company'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 Company.

The business of mineral exploration is capital intensive. Presently, the only source of additional funds to further develop the projects undertaken by the Company is the equity market. Complementary debt finance will only be available upon the proving of economic production from reserves. Although the Company was successful in accessing the equity markets during fiscal 2008, 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 Company.

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 Company's competitors have financial and other resources substantially in excess of those available to the Company. Additionally, the Company is dependent on third-party consultants for the majority of its technical requirements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements for the quarter ended December 31, 2007.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, exploration advances and other receivables, restricted cash, investment and accounts payable and accrued charges. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Changes in Accounting Policy

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the audited financial statements for fiscal 2007. Effective April 1st, 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 December 31, 2007, had an impact on the financial results of the Company for the three and nine month periods ended December 31, 2007.

Related Party Transactions

A corporation owned by an officer of the Company performed accounting services for the Company. For the three and nine-month periods ended December 31, 2007, WSR paid $1,123 (2006 - $9,108) and $18,439 (2006 - $43,442) respectively for these services.

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 Company is disclosed on a timely basis, particularly information relevant to the period in which annual or interim filings are being prepared. Management believes these disclosure controls and procedures have been effective during the three-month period ended December 31, 2007.

Shares Issued and Issuable

As at February 25, 2008, WSR had 91,237,652 common shares issued and outstanding and the following convertible securities:

(i) 20,717,500 warrants each exercisable to acquire one common share at an average price of $0.32 per share expiring before or on December 13, 2008.

(ii) 2,550,000 stock options each exercisable to acquire one common share at a weighted average price of $0.58 per share with a remaining weighted average life of 3.34 years.

Forward-looking Statements

Some of the statements in this MD&A constitute "forward looking statements". Where WSR expresses an expectation or belief as to future events or results, including management's plans and objectives, and projections of exploration results, such expectation or belief is expressed in good faith and is believed to have a reasonable basis. While these statements represent best current judgment of WSR, they are subject to risks and uncertainties that could cause actual results to vary, certain of the specifics of which are detailed in disclosures with the heading "Risk and uncertainties" above. WSR does not assume the obligation to update any forward-looking statement other than as required by law.

Additional Information

Additional information relating to the Company is provided in the Company's interim consolidated financial statements for the period ended December 31, 2007, audited consolidated financial statements for the year ended March 31, 31, 2007, and its Management Information Circulars. These and other documents relating to the Company are available on SEDAR at www.sedar.com.