



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED MARCH 31, 2015

OVERVIEW

The following management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as at May 29, 2015 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the nine months ended March 31, 2015 of Woulfe Mining Corp. ("Woulfe" or the "Company"). This MD&A should also be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2014 and the related notes thereto. All dollar amounts included therein and in the following MD&A, unless otherwise indicated, are expressed in Canadian dollars.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the financial statements and MD&A, is complete and reliable. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol: WOF.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or by contacting the Company's head office at Suite 408 – 837 West Hastings Street, Vancouver BC, Canada V6C 3N6, or by emailing the Company at info@woulfemining.com. The Company's web site is www.woulfemining.com.

EXECUTIVE SUMMARY

The Company is in the business of acquiring and developing mineral resource projects within South Korea with properties that include tungsten, gold, silver and molybdenum. The assets secured have known historical mineralization. The Company has been extensively evaluating its Sangdong Tungsten/Molybdenum property and has achieved significant progress and milestones. The Company also continues to evaluate its Muguk Gold/Silver Project.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The Company's unaudited condensed consolidated interim financial statements for the nine months ended March 31, 2015 and this accompanying MD&A may contain certain statements that may be deemed "forward- looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.



Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

BOARD OF DIRECTORS

The Board of Directors currently consists of:

- Mr. Michel Gaucher (CEO)
- Mr. Hubert Marleau
- Mr. Mark Goodman
- Mr. Benjamin Yi
- Mr. Brian Howlett
- Mr. David Whyte

PROMISSORY NOTES

During March 2015, the Company received \$450,000 pursuant to a promissory note agreement (the "Note") with Dundee Resources Limited. The Note is payable on demand, with an interest rate of 12% per annum. Total interest accrued to March 31, 2015 was \$3,847.

In January 2015, the Company entered into a non-binding Letter Agreement with Almonty Industries Inc. ("Almonty") to combine the businesses of the two companies (the "Merger") (see news release dated January 27, 2015 for additional details). Upon signing the Letter Agreement, Almonty provided the Company with a \$150,000 unsecured bridge loan.



However, as announced in a news release dated February 17, 2015, the Board of Directors of Woulfe unanimously determined to terminate the Letter Agreement and the proposed merger transaction contemplated thereunder. As a result, the \$150,000 bridge loan provided by Almonty became due and payable on April 30, 2015. Total interest accrued to March 31, 2015, at 12% per annum, was \$2,811.

STRATEGIC ARRANGEMENT:

During the year ended June 30, 2012, the Company and its 100%-owned tungsten/molybdenum South Korean subsidiary, Sangdong Mining Corporation ("Sangdong"), entered into agreements for a strategic arrangement with IMC International Metalworking Companies B.V. ("IMC") and certain of IMC's affiliates.

The closing of the transaction is subject to customary closing conditions, including the satisfactory conclusion of due diligence by IMC (see below), the receipt of applicable regulatory approvals and other matters set forth in full in the relevant agreements. The basis of the strategic arrangement is as follows:

- IMC advanced \$5,000,000 (increased to \$10,000,000 on March 4, 2013) to Sangdong, pursuant to a loan agreement and, subsequently, to an amended and restated loan agreement, for purposes of project advancement pending the closing of the transaction;
- IMC agreed to acquire a 25% interest in Sangdong, the Company's wholly-owned subsidiary, for cash consideration totalling \$35,000,000;
- The Company and IMC had agreed to jointly establish a Korean company ("APT Co."), which would have been owned 45% by the Company and 55% by IMC. The parties were to invest up to \$15,750,000 and \$19,250,000, respectively, into APT Co. to build a facility in South Korea for the processing of tungsten concentrate, to be purchased from Sangdong, into ammonium paratungstate ("APT"). However, during December 2014, in conjunction with the negotiation of an extension of the IMC loan maturity date from December 15, 2014 to September 15, 2015, the Company's 45% minority interest in APT Co. was cancelled, thus reducing the Company's overall project capital expenditure requirement;
- APT Co. has agreed to acquire no less than 90%, and up to 100%, of Sangdong's annual tungsten concentrate production pursuant to an off-take agreement, which will be guaranteed by IMC.

The Company has executed all of the transaction agreements with IMC described above.

On September 20, 2012, the Company announced that it received confirmation from IMC that it was satisfied with the results of its due diligence of the Sangdong project, as required by the transaction agreements executed on February 26, 2012, and will be working towards closing its investment in the Sangdong project, subject to the remaining conditions precedent to the transaction. The Company and IMC are currently in discussions towards meeting these conditions precedent.

There can be no assurance that all of the other conditions to the transaction will be satisfied and that the transaction will be completed.

IMC manufactures a comprehensive range of tools for the full scope of metalworking applications. The group is dedicated to a philosophy of continuous improvement and innovation in all facets of its operations, including manufacturing, product development, distribution, sales, and administrative functions. IMC's products are manufactured in a global network of world-class, technologically-advanced manufacturing campuses, the largest located in Tefen, Israel, and including facilities in the United States;



South Korea; Brazil; China; Germany; India; Italy and Japan; and sold through subsidiary offices and agents located in 61 major industrial countries worldwide.

RECENT OPERATIONAL HIGHLIGHTS

- On October 15, 2014, the Company announced that it had completed its Phase 5 drilling program, the results of which were used to have a revised Mineral Resource Estimate prepared for its Sangdong Tungsten Project. For additional details, please see the Mineral Property Interests section below.
- On January 23, 2015, the Company announced the completion of the final update to the Sangdong Project feasibility study and derisking of the 2012 Tetra Tech feasibility study. The updated estimates and forecasts reflect end of calendar year 2014 costs and market conditions. The mine is anticipated to produce 450,000 tonnes of ore in year one of production, and reach the final 12-year-life-of-mine capacity of 640,000 tonnes per year in year two. Final forecast financial results from this final feasibility study are shown in the table below:

**Phase 1⁽¹⁾ Mining Plan -1 to Taebaek Levels
(Using 65% WO₃ Concentrate Price of \$US 15,000 per tonne)**

Revenue WO₃ Concentrate⁽²⁾ - Average Annual	\$US 62.1 million
Earnings Before Sustaining Capital – Annual Average	\$US 31.8 million
Pre-tax IRR	26%
Project Total NPV @ 5% Discount Rate	\$US 156 million
EBITDA / Share Discounted at 5%	\$CDN 0.067

Reserves Included in Phase 1 - 7.4 million tonnes grading 0.54% WO₃	
Annual Production Rate	640,000 tonnes
WO₃ Processing Plant Recovery Rate	81%
Average Annual WO₃ Concentrate Production	3,828 to 4,705 tonnes
Project Pre-Production Capital Expenditures	\$US74.4 million⁽³⁾
Mine Life	12 years

(1) Three levels out of 20 levels in phase 1.

(2) No APT downstream minority revenue participation should have been included since February, 2012.

(3) Capex using all new equipment, including Chinese processing equipment, and includes an average 15-per-cent contingency.

The final feasibility study continues to rely on parts of the 2012 Tetra Tech reserves. See the Company's news release dated January 23, 2015 for further details.

Malcolm Buck, PEng, of A-Z Mining Professionals, a qualified person under National Instrument 43-101, supervised preparation of the information that forms the basis of the written disclosure above.



MINERAL PROPERTY INTERESTS

On October 9, 2006, the Company entered into agreements to acquire title to mineral projects in South Korea. The properties include the historic Sangdong Tungsten Mine, historically one of the world's largest tungsten producers prior to its closure in 1992, the Muguk Gold Mine, Korea's largest historical gold producer, the Yeonwha Lead/Zinc Mine, Korea's largest historical base metal producer, plus the Chongyang Tungsten Project and grass roots uranium/vanadium exploration licenses.

The Company's priority is the development of the Sangdong Project.

Sangdong Tungsten/Molybdenum Mining Titles, South Korea

The Sangdong Property is the Company's most advanced project and relates to a world class tungsten brownfield property with bismuth and gold credits. The mine was one of the largest tungsten producers in the world and operated for more than 40 years prior to its closure in 1992 due to low tungsten prices making the mine uneconomic.

On December 18, 2009, the Company completed the acquisition of 51% of the Sangdong Mining Property, located in South Korea. Total acquisition costs were US\$13,094,000, of which US\$6,070,000 was paid via the issuance of 20,327,561 common shares of the Company. As a result of the acquisition, the Company granted a 2% Net Smelter Royalty (NSR) on the property to the optionor.

During the year ended June 30, 2010, the Company earned an additional 19% interest by delivering a scoping study / economic assessment report.

During the year ended June 30, 2012, the Company acquired the remaining 30% and the 2% NSR from the optionor for a payment of US\$3,500,000.

As a result, the Company now owns 100% of the Sangdong Mining Property, free of all royalties or other encumbrances.

Historic mining focused on the central skarn sheet referred to as the Main Vein which extends laterally for 1,200 metres and down dip at 20-30° for 1,500 metres. While the mine is flooded below the valley floor, the upper levels are accessible. The strategy is to fast-track the re-opening of the mine by focusing on the upper levels. Mining will exploit the Hangingwall and Footwall Veins which lie above and below the Main Vein respectively, plus remnant mining of the Main Vein.

The feasibility study, based on the mining and processing of 1.2 million tonnes per annum producing APT, was initiated in June 2010, and its results were released on April 23, 2012. Significantly, the APT price had increased from around US\$200/mtu (metric tonne unit or 10kg) in early 2010 to approximately US\$403/mtu in April, 2012 and US\$282/mtu (source: MBV European quotation service) as at March 31, 2015.

However, during the fourth quarter of fiscal 2013 and through to the first quarter of fiscal 2015, management felt that it was prudent to perform additional evaluation of the feasibility study and mine plan so as to ensure that the Company moves to the development and production phases in the most efficient and economically beneficial manner.

To this end, the Company embarked on an additional Phase 5, closely-spaced grid drilling program, which started in April 2014 and was completed in August 2014. The recent drilling program added 11,340 meters of resource definition drilling to the data available for the 2012 TetraTech Feasibility Study. In addition to the drilling program, an important and necessary geotechnical study was carried out by Turner Mining and Geotechnical Pty Ltd. during June and July 2014, using a database that increased from 22 to over 400 geotechnically-logged boreholes. The 2014 drilling program, combined with an enhanced geotechnical database, provided satisfactory input for the completion of a final update to the Feasibility Study which was prepared for the Company (see news release dated January 23, 2015).

Woulfe commissioned AMC Consultants Pty Ltd. Of Melbourne, Australia ("AMC") in August 2014 to undertake a Mineral Resource Update to be reported in accordance with Canadian National Instrument 43-101 for the Sangdong Tungsten Property. This study was based on the additional available data.

The AMC Report details a Mineral Resource estimate carried out by independent Qualified Person, Dr. Andrew Fowler MAusIMM (CP). The Mineral Resource estimate complies with NI 43-101 and is in line with industry best practice as defined in the Canadian Institute of Mining and Metallurgy and Petroleum (CIM) Mineral Resource, Mineral Reserve Best Practice Guidelines (which is referenced by NI 43-101). The Mineral Resource was estimated using a block modeling approach in Datamine's TM dynamic anisotropy application.

The following table, extracted from the AMC Report, shows the Mineral Resource and metal content for the Sangdong Property as of September 15, 2014. The cut-off grade of 0.4% WO₃ was provided by the Company and was based on an assumed mining method, production rate, metallurgical recovery and metal prices. AMC reviewed these assumptions and considered that they met the requirement of reasonable prospects of eventual economic extraction:

Mineral Resource estimate as of September 2014:

Resource Category	Mineralized Zone	Mtonnes	Density (t/m ³)	WO ₃ %	MoS ₂ (%)	Contained WO ₃ metal (Kt)
Measured	Main	0.55	3.19	0.61	0.066	0.33
	F2	0.86	3.01	0.56	0.057	0.48
	F3	0.74	3.06	0.55	0.057	0.41
Measured Total		2.15	3.07	0.57	0.059	1.22
Indicated	HW	0.19	2.90	0.46	0.095	0.09
	Main	0.31	3.19	0.62	0.031	0.19
	F2	0.58	2.96	0.55	0.029	0.32
	F3	0.57	2.97	0.53	0.026	0.31
Indicated Total		1.66	3.00	0.55	0.036	0.91
Measured + Indicated		3.81	3.04	0.56	0.049	2.12
Inferred	HW	7.93	2.90	0.68	0.089	5.38
	Main	0.34	2.93	0.74	0.047	0.26
	F2	0.93	2.91	0.53	0.073	0.49
	F3	0.76	2.91	0.48	0.047	0.37
	F4	1.31	2.92	0.52	0.053	0.69
Inferred Total		11.28	2.90	0.64	0.080	7.18

Notes:

1. There are no current Mineral Reserves that are based on this September 2014 Mineral Resource.
2. Exclusive of mine production to 15 September 2014.
3. Rounding of some figures may lead to minor discrepancies in totals.

In Dr. Fowler's opinion, the geological data used to inform the Sangdong Property block model estimates above -3 level (594 mRL), were collected in line with industry good practice as defined in the Canadian Institute of Mining and Metallurgy and Petroleum (CIM) Exploration Best Practice Guidelines and the CIM Mineral Resource, Mineral Reserve Best Practice Guidelines. As such, the data are suitable for use in the estimation of Minerals Resources. There is inadequate documentation for the geological data below -3 level, which precludes an assessment of its quality. The resulting uncertainty in the location and/or grade below -3 level is reflected in the Mineral Resource classification.



AMC confirms Measured and Indicated Resources, prepared in accordance with NI 43-101, at the plus 0.4% cut-off grade, of 3.81 million tonnes at a grade of 0.56% WO₃ containing 21,336 tonnes of metal. The AMC Report also reports substantially less Inferred Resources compared to the TetraTech Feasibility Study when using the same cut-off grade used by TetraTech, which was 0.15% WO₃.

The 2012 TetraTech Feasibility Study produced mineral resource estimates at a cut-off grade of 0.15% WO₃ based on a bulk mining approach contemplated at that time. By comparison, the AMC Report, having been delivered to the Company on October 3, 2014, uses a cut-off grade of 0.4% WO₃ based on a more selective mining approach currently being considered.

The first phase of development of the Sangdong Property will be focused between Level -1 to the Taebaek Level which are three immediately reachable levels above a further 15 levels to be de-watered progressively after start-up of operations, which all represent reasonable prospects of eventual economic extraction.

In the AMC Report, AMC recommends that Woulfe continue to investigate the lower levels down to -16 Level as the mine is progressively de-watered in the future, and to grid drill the thicker part of the Hanging Wall Mineralization from the -1 to Taebaek levels, which represents 75% of the inferred resources and contains widely spaced historic drill intersections containing plus 0.5% WO₃ across ten plus meters. Grid drilling of the Hanging Wall Mineralization commenced in late September 2014 and is expected to finish during the second quarter of calendar 2015.

The technical information disclosed above regarding the revised Mineral Resource Estimate was reviewed and approved by Mr. Andrew P. Fowler, AusIMM CP (Geo), PhD, of AMC, who is a "Qualified Person" as defined in NI 43-101.

Muguk Gold/Silver Mining Titles, South Korea

Muguk was the largest gold mine in South Korea until its closure in 1997 due to low gold prices. On October 9, 2006 the Company exercised its option to acquire the five (5) Muguk mining titles. Consideration for this purchase called for the Company to pay the vendor US\$50,000 in cash (paid) and US\$50,000 in common shares (issued) of the Company. Should commercial production commence, the Company will be required to pay US\$1,000,000 in cash, plus an additional US\$1,000,000 to be paid in cash or, at the option of the Company, common shares of the Company, plus a 2% NSR.

The Muguk gold-silver mineralization is hosted within a series of parallel, steeply dipping quartz veins that extend discontinuously for 400-2,000 metres along strike and to a known depth of 800 metres. The average width of the veins is typically less than 1 metre, although the veins pinch and swell and can be up to 2 metres in width in places.

The two most significant veins are the No. 2 Vein and the Three Brothers Vein, or Samhyungje Vein. The No. 2 Vein was exploited between 1944 and 1972, and was developed to a depth of 755 metres along a strike length of 1,800-2,000 metres. The grades reportedly varied from 7g/t gold to 50 g/t gold. Reported production during this period was approximately 260,000 ounces of gold. The Three Brothers Vein was exploited between 1984 and 1997, and was developed to a depth of 600 metres. Reported production during this period was approximately 328,000 ounces. There has been minor exploitation of a number of other veins, including Baksan, Geumyong, and Nos 1 and 7-11 Veins.

In 1994, Korea Resources Corporation ("Kores") completed a resource update on Muguk, resulting in a total resource estimate of 1,418,980 tonnes grading 13.5g/t gold and 72.8g/t silver, and containing 615,956 ounces of gold and 3,321,599 ounces of silver, based on a 10g/t gold cut-off grade. Woulfe cautions that a Qualified Person has not done sufficient work to classify the historical estimate as current,



that it is not treating the historical estimate as current and that the historical estimate should not be relied upon. The mine operated for a further three years after this estimate was undertaken.

In 2010, Woulfe completed a two-hole program at Muguk to comply with its mining rights obligations, which required a total of 750 metres to be drilled. Woulfe opted to target the secondary No.7 Vein to the west of the No.2 and Three Brothers Veins as known mining only extended to a depth of a few hundred metres, and shorter holes could be confidently planned to avoid old mining cavities. The first hole intersected 2 metres at 5.6g/t gold and 26g/t silver at 414 metres depth, and the second hole intersected 0.36 metres at 16.6g/t gold and 16g/t silver at 386 metres depth.

AMC prepared the NI-43-101-compliant preliminary economic assessment ("PEA") for the 100%-owned Muguk Gold Mine. The PEA identified a mining inventory, consisting of inferred resource and unclassified diluting material, of 728,000 tonnes grading 7.0 g/t gold with an average vein width of 1.2 metres, at a cut-off grade of 4.3 g/t gold. The design production areas are confined to the Three Brothers Vein. Subsequently, as announced on February 5, 2012, the inferred resource has increased to 900,000 tonnes grading 10 g/t gold at a cutoff grade of 4.0 g/t gold. The PEA shows a net present value (using an 8% discount rate) of US\$31.8 million, using a US\$1,600 gold price, a seven year mine life, a production rate of 145,000 tonnes per year, 26,000 ounces average gold recovered per year and operating costs of US\$676 per ounce.

RESULTS OF OPERATIONS

The Company's activities focused on continuing its exploration and evaluation programs on its existing South Korean properties. During the three months ended March 31, 2015 (the "current period"), the Company incurred approximately \$0.41 million in exploration and evaluation and property, plant & equipment expenditures compared to \$1.19 million incurred during the comparative three months ended March 31, 2014 (the "comparative period"). During the nine months ended March 31, 2015 (the "current nine-month period"), the Company incurred approximately \$1.9 million in exploration and evaluation and property, plant & equipment expenditures compared to \$2.49 million incurred during the nine months ended March 31, 2014 (the "comparative nine-month period"). The exploration section above sets out in greater detail the exploration achievements on the various properties.

The following table summarizes exploration and evaluation assets and expenditures by property for the nine months ended March 31, 2015:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebaek	Uranium Ogchon	Total
Balance, June 30, 2014	\$ 54,134,465	\$ 1	\$ 681,037	\$ 1	\$ 1	\$ 54,815,505
Consulting	228,385	-	-	-	-	228,385
Drilling	138,029	-	-	-	-	138,029
Engineering	92,653	-	-	-	-	92,653
Feasibility	239,282	-	-	-	-	239,282
Field costs	114,975	-	-	-	-	114,975
Professional fees	178,847	-	-	-	-	178,847
Project administration	226,279	-	1,510	-	-	227,789
Salaries and employee benefits	568,257	-	-	-	-	568,257
Travel and related costs	81,895	-	-	-	-	81,895
Total costs incurred	1,868,602	-	1,510	-	-	1,870,112
Balance, March 31, 2015	\$ 56,003,067	\$ 1	\$ 682,547	\$ 1	\$ 1	\$ 56,685,617



During the current period, the Company incurred a comprehensive loss of \$1,350,918 compared to a comprehensive loss of \$1,411,408 incurred during the comparative period. The main reasons for the change in loss was a result of: 1) a decrease in Transfer agent and regulatory fees as the Company transferred to the CSE from the TSX-V during the comparative period; 2) a decrease in foreign exchange loss due to the fluctuations between the USD, KRW and CDN dollar; and 3) a decrease in share-based payment expense as no options were granted during the current period. The decreases were offset by an increase in deferred income tax expense as a result of the Company's deferred income tax liability being affected by foreign exchange; 2) interest expense as a result of additional loans outstanding during the current period; and 3) professional fees incurred as a result of the proposed Almonty merger.

During the nine months ended March 31, 2015 (the "current nine-month period"), the Company incurred a comprehensive loss of \$3,170,544 compared to a comprehensive loss of \$2,744,994 incurred during the nine months ended March 31, 2014 (the "comparative nine-month period"). The main reasons for the increase in loss was a result of: 1) an increase in professional fees as a result of increased legal requirements during the current period pertaining to various share issuances and the settlement of debts and the proposed Almonty merger ; 2) an increase in interest expense as the Company has additional loans that were entered into during the second half of fiscal 2014 and during the current period; and 3) an increase in foreign exchange loss as a result of the fluctuations between the USD, KRW and CDN dollar. The increases were offset by a decrease in deferred income tax expense as a result of the Company's deferred income tax liability being affected by foreign exchange, a decrease in non-cash share-based payment expense as a result of the granting of two million stock options during the current nine-month period compared to five million stock options granted during the comparative nine-month period, and other income as a result of the sale of old equipment and scrap metal.

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's unaudited quarterly results are as follows:

<i>Three months ended (000's)</i>	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
Loss for the period	\$ (1,350)	\$ (888)	\$ (931)	\$ (430)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<i>Three months ended (000's)</i>	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Loss for the period	\$ (1,411)	\$ (750)	\$ (584)	\$ (1,011)
Loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)



LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration and development company that raises funds on an ongoing basis to enable it to meet planned expenditures. The Company has financed its operations to date primarily through the issuance of common shares, loans and convertible loans and through the exercise of stock options and warrants and from proceeds advanced pursuant to a loan payable to IMC. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company's unaudited condensed consolidated interim financial statements for the nine months ended March 31, 2015 have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2015, the Company had a deficit of \$44,636,086 and had incurred a comprehensive loss totaling \$3,170,544 for the nine months ended March 31, 2015. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to ultimately achieve profitable operations in the future.

The Company commenced the current nine-month period with a cash balance of \$2,617,802 and a working capital deficiency of \$11,395,822. As at March 31, 2015, the Company's cash balance was \$171,717 and the Company's working capital deficiency was \$14,780,773.

Net cash used in operating activities during the current nine-month period was \$701,889 (2014 – \$1,157,282) and was lower than cash used in operating activities during the comparative nine-month period.

Net cash provided by financing activities was \$593,895 (2014 – \$5,535,613). Cash provided by financing activities during the current period related mainly to cash received from loans. Cash provided by financing activities during the comparative period was related mainly to cash received from net proceeds of \$1,303,307 pursuant to the completion of a private placement of 13,133,053 units and the issuance of convertible loans totalling \$4,350,000.

Net cash used in investing activities of \$2,406,775 (2014 – \$2,487,900) was related mainly to ongoing mineral property exploration and evaluation activities in South Korea.

The Company's future capital requirements will depend on many factors including further exploration and evaluation activities, development costs for mine production, cash flow from operations and competition from other mining companies. The Company's growing working capital needs will require it to obtain additional capital to operate its business. Such outside capital may include, but not be limited to, the sale of additional common shares, finance via off-take contracts and the issuance of debt. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity by the Company may result in significant dilution of the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the Company's business and future success may be adversely affected.

The Company has entered into an arrangement with IMC which, if completed, would provide a substantial portion of the required funding for the Company's Sangdong project. Although the Company completed debt financings and an equity offering during fiscal 2014, the Company will require additional funding during fiscal 2015 to support its planned exploration and corporate activities and to pay its obligations as they come due. However, during December, 2014, the Company negotiated an extension of the maturity date of the IMC loan to the earlier of (i) the closing of the IMC transaction and (ii) September 15, 2015. These negotiations included the cancellation of the Company's minority interest (45%) in the downstream ammonia paratungstate ("APT") operation and related capital expenditures. In addition, during the three months ended March 31, 2015, the Company negotiated the extension of the maturity date of its \$350,000 convertible loan from January 22, 2015 to July 22, 2015. These conditions cast significant doubt on the Company's ability to continue as a going concern.



SUBSEQUENT EVENTS

Subsequent to March 31, 2015, the Company:

- a) issued 116,664 common shares, with a deemed value of \$7,000, in conjunction with the provision of services; and
- b) issued 1,821,002 common shares with a value of \$118,365, included in commitment to issues shares as at March 31, 2015, as payment of interest on the convertible debentures.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the common shares outstanding are as follows:

	Number of Shares
Balance, June 30, 2014	359,792,019
Shares issued for debt and services rendered	3,683,427
Shares issued as payment for interest on debentures	2,554,155
Balance, March 31, 2015	366,029,601
Shares issued for services rendered	116,664
Shares issued as payment for interest on debentures	1,821,002
Balance, May 29, 2015	367,967,267

As at the date of this MD&A, the stock options outstanding are as follows:

Number outstanding	Exercise price	Number exercisable	Expiry date
250,000	\$0.11	250,000	June 3, 2015
550,000	0.11	550,000	September 30, 2015
990,000	0.18	990,000	December 14, 2016
5,000,000	0.10	5,000,000	March 25, 2019
2,000,000	0.10	2,000,000	July 21, 2019
8,790,000		8,790,000	

As at the date of this MD&A, the warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
13,075,000	\$ 0.30	August 31, 2015
10,000,000	0.12	September 13, 2016
3,133,053	0.12	September 16, 2016
33,846,154	0.13	March 7, 2019
60,054,207		



RELATED PARTY TRANSACTIONS

During the nine months ended March 31, 2015, the Company had entered into the following transactions with related parties:

	2015	2014
Corporate secretarial services, CFO services, administrative services and accounting services provided by a company controlled by an officer of the Company.	\$ 116,500	\$ 135,000
Management fees to the former interim CEO of the Company	\$ Nil	\$ 51,000
Management fees to the current CEO of the Company	\$ 172,500	\$ 6,250
Directors' fees	\$ 76,500	\$ 86,750

During the nine months ended March 31, 2015, share-based payment expense of \$164,519 (2014 – \$451,650) was incurred as a result of the granting of 2 million stock options to the CEO of the Company (2014 – 5 million options granted to directors and officers of the Company).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

Exploration and evaluation expenditures:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests:

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge; title to all of its properties is in good standing.



Income taxes:

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 14 to the audited consolidated financial statements for the year ended June 30, 2014.

Compound financial instruments

Proceeds from the issuance of convertible debt instruments are allocated between the liability component and the conversions option (equity component) based on the fair value of the debt instrument with the residual allocated to the equity component. Determination of the fair value requires use of discount rates on similar instruments without a conversion feature. Change in discount rates affect the amounts allocated between the liability and equity component and the resulting interest recognized in profit or loss. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Proceeds from the issuance of common share units, which consist of common shares and warrants, are allocated based on the relative fair value of the common shares and warrants. Although, the fair value of the common shares is based on market prices, the fair value of warrants is determined using an option pricing model. Such models require determining the most appropriate inputs to the valuation model including the expected life of the warrants, volatility and dividend yield and making assumptions about them.



Accounting policies

New accounting standard adopted:

Standard: IFRIC 21 *Levies* has been adopted by the Company as of July 1, 2014. There were no material impacts on the Company's financial statements for the nine months ended March 31, 2015 as a result of its adoption.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF CAPITAL

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided below:

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents and accounts receivable. The Company limits the exposure to credit risk by only investing its cash and cash equivalents with high credit quality financial institutions in business and saving accounts, and guaranteed investment certificates, which are available on demand by the Company. Accounts receivable consists primarily of value added tax receivable from Canadian and Korean government agencies. The carrying amount of cash and cash equivalents and accounts receivable represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are currently invested in business accounts which are available on demand by the Company for its programs. As at March 31, 2015, the Company had cash and cash equivalents of \$171,717 to settle financial liabilities of \$21,225,635.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest bearing financial assets are comprised of cash and cash equivalents, which bear interest at fixed or variable rates, loan receivable from related party which bears interest at a variable rate and convertible debentures, loan payable and convertible note which bear interest at a fixed rate. The Company does not believe it is exposed to material interest rate risk related to these instruments.



Foreign currency

The Company is exposed to foreign currency risk as some of its cash and cash equivalents, receivables and accounts payable and accrued liabilities are held in Korean Won (KRW), Australian Dollars (AUD) and US Dollars (USD). The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The exposure of the Company's cash and cash equivalents and receivables is as follows:

	March 31, 2015		June 30, 2014	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Cash and cash equivalents	368	\$ 465	1,465	\$ 1,564
Korean Won:				
Cash and cash equivalents	35,449,200	40,670	91,135,909	95,813
Receivables	31,225,620	35,825	24,370,816	25,621
Total financial assets		\$ 76,960		\$ 122,998

The exposure of the Company's accounts payable and accrued liabilities is as follows:

	March 31, 2015		June 30, 2014	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Accounts payable and accrued liabilities	735,040	\$ 929,371	685,995	\$ 732,142
Australian dollars:				
Accounts payable and accrued liabilities	375,501	385,824	579,608	579,662
Korean Won:				
Accounts payable and accrued liabilities	347,761,544	398,983	470,281,752	489,668
Total financial liabilities		\$ 1,714,178		\$ 1,801,472

Based on the above net exposures and assuming that all other variables remain constant, a 10% change of the CAD dollar against the various currencies would result in a change in comprehensive loss of approximately \$171,000 for the nine months ended March 31, 2015 (June 30, 2014 – \$180,000).

Capital management:

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other mineral properties.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.



In the management of capital, the Company includes shareholders' equity and loans and borrowings in the definition of capital. The Company is not exposed to externally imposed capital requirements except that the proceeds from the loan payable under the IMC facility must be used to fund exploration and evaluation activities in South Korea.

The Company manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets.

In order to maximize ongoing development efforts, the Company does not pay dividends. Notwithstanding the risks described in note 1 of the Company's unaudited condensed consolidated interim financial statements for the nine months ended March 31, 2015, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

OTHER MATTERS

Commitments:

As at March 31, 2015 and as at the date of this MD&A, the Company has no material commitments.

Investor relations:

As at March 31, 2015 and as at the date of this MD&A, the Company has no investor relations agreements in place.

Proposed transactions:

As at March 31, 2015 and as at the date of this MD&A, the Company has no other undisclosed proposed transactions.

Off-balance sheet arrangements:

As at March 31, 2015, and as at the date of this MD&A, the Company has no off-balance sheet arrangements in place.