MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

OVERVIEW

The following management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as at November 28, 2014 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three months ended September 30, 2014 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.

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 three months ended September 30, 2014 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. David Constable (Chairman)
- Mr. Michel Gaucher (CEO)
- Mr. Hubert Marleau
- Mr. Mark Goodman
- Mr. Benjamin Yi

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 have agreed to jointly establish a Korean company ("APT Co."), which will be owned 45% by the Company and 55% by IMC. The parties will 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"). IMC has agreed to make available to the Company a loan for the Company's portion of the APT Co. investment. IMC will operate APT Co.;
- 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; and
- IMC has agreed to acquire no less than 90%, and up to 100%, of APT Co.'s available annual APT production pursuant to a separate off-take agreement.

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.

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.

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$330/mtu (source: asianmetal.net) as at November 28, 2014.

The Company's workforce at site increased to over 40 people with the majority being residents of the nearby Sangdong Village. The Company is now the major employer in the region and has recently received an award for community contribution.

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, provides satisfactory input for the completion of a revised Feasibility Study which is currently being prepared for the Company and which is expected to be released by the end of calendar 2014.

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 Qualifed Person, Dr. Andrew Fowler MAusIMM (CP). The Mineral Resource estimate complies with NI 43-101 and is in line with industry good 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 ™ 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% WO_3 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/m3)	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% WO_3 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% WO_3.

The 2012 TetraTech Feasibility Study produced mineral resource estimates at a cut-off grade of 0.15% WO_3 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% WO_3 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, which is expected to be available on SEDAR at www.sedar.com within 45 days of the press release, 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% WO_3 across ten plus meters. Grid drilling of the Hanging Wall Mineralization commenced in late September 2014 and is expected to finish during November 2014.

Woulfe is now developing a revised mining plan adapted to the Mineral Resource Model established by AMC. The new mining plan is anticipated to be substantially different from the 2012 TetraTech Feasibility Study.

The mining plan is expected to be completed by early December 2014 and will be an important building block in the finalization of the revised Feasibility Study expected to be completed by the end of calendar 2014.

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 the100%-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 10g/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 September 30, 2014 (the "current period"), the Company incurred approximately $924,000 in exploration and evaluation costs and property, plant & equipment expenditures compared to approximately $969,000 incurred during the three months ended September 30, 2013 (the "comparative period").

The following table summarizes exploration and evaluation assets and expenditures by property for the three months ended September 30, 2014:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebek	Uranium Ogchon	Total
Balance, June 30, 2014	$ 54,134,465	$ 1	$ 681,037	$ 1	$ 1	$ 54,815,505
Consulting, data processing, and Survey	121,617	-	-	-	-	121,617
Drilling	53,476	-	-	-	-	53,476
Engineering	118,001	-	-	-	-	118,001
Field costs	58,171	-	-	-	-	58,171
Professional fees	55,494	-	-	-	-	55,494
Project administration	114,238	-	538	-	-	114,776
Salaries and employee benefits	329,809	-	-	-	-	329,809
Travel and related costs	64,476	-	-	-	-	64,476
Total costs incurred	915,282	-	538	-	-	915,820
Balance, September 30, 2014	$ 55,049,747	$ 1	$ 681,575	$ 1	$ 1	$ 55,731,325

During the current period, the Company incurred a comprehensive loss of $931,479 compared to a comprehensive loss of $583,849 incurred during the comparative 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 as a result of various share issuances and the settlement of debts; 2) an increase in share-based payment expense as a result of the granting of 2 million stock options during the current period; and 3) an increase in interest expense as the Company has additional loans that were entered into during the second half of fiscal 2014. The increases were slightly 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, 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:

Three months ended *(000's)*	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Loss for the period	$ (931)	$ (430)	$ (1,411)	$ (750)
Loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Three months ended *(000's)*	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Loss for the period	$ (584)	$ (1,011)	$ (698)	$ (1,550)
Loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

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 and convertible debentures 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 three months ended September 30, 2014 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 September 30, 2014, the Company had a deficit of $42,397,021 and had incurred a comprehensive loss totaling $931,479 for the three months ended September 30, 2014. 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 period with a cash balance of $2,617,802 and a working capital deficiency of $11,395,822. As at September 30, 2014, the Company's cash balance was $1,232,958 and the Company's working capital deficiency was $12,506,760.

Net cash used in operating activities during the current period was $296,860 (2013 – $707,952) and was significantly lower than cash used in operating activities during the comparative period. The main reason for the decrease in cash used was a result of the Company paying a significant amount of payables during the comparative period.

Net cash provided by financing activities of $nil (2013 – $1,220,147) 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 during the comparative period.

Net cash used in investing activities of $1,084,515 (2013 – $1,182,011) 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 expects to require additional funding during fiscal 2015 to support its planned exploration and corporate activities and to pay its obligations as they come due. In addition, loans and borrowings totaling $369,637 come due during fiscal 2015 unless the maturity dates are renegotiated. However, subsequent to September 30, 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 conditions cast significant doubt on the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

Subsequent to September 30, 2014, the Company:

a) issued 1,000,968 common shares, with a deemed value of $69,953, in conjunction with the settlement of debts and the provision of services; and

b) issued 1,209,863 common shares with a value of $120,986, included in commitment to issues shares, 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	2,252,047
Balance, September 30, 2014	362,044,066
Shares issued for services rendered	1,000,968
Shares issued as payment for interest on debentures	1,209,863
Balance, November 28, 2014	364,254,897

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

Number outstanding	Exercise price	Number exercisable	Expiry date
300,000	$0.14	300,000	January 17, 2015
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
9,090,000		9,090,000	

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 three months ended September 30, 2014, the Company had entered into the following transactions with related parties:

	2014	2013
Corporate secretarial services, CFO services, administrative services and accounting services provided by a company controlled by an officer of the Company.	$ 45,000	$ 45,000
Management fees to the former interim CEO of the Company	$ Nil	$ 18,000
Management fees to the current CEO of the Company	$ 52,500	$ -
Directors' fees	$ 25,500	$ 18,000

During the three months ended September 30, 2014, share-based payment expense of $164,519 (2013 – $nil) was incurred to the CEO 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 if 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 three months ended September 30, 2014 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 September 30, 2014, the Company had cash and cash equivalents of $1,232,958 to settle financial liabilities of $19,559,478.

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:

	September 30, 2014		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	1,387	$ 1,548	1,465	$ 1,564
Korean Won:				
Cash and cash equivalents	41,690,381	44,266	91,135,909	95,813
Receivables	39,801,446	42,260	24,370,816	25,621
Total financial assets		$ 88,074		$ 122,998

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

	September 30, 2014		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	688,793	$ 768,625	685,995	$ 732,142
Australian dollars:				
Accounts payable and accrued liabilities	518,473	505,067	579,608	579,662
Korean Won:				
Accounts payable and accrued liabilities	348,824,757	370,373	470,281,752	489,668
Total financial liabilities		$ 1,644,065		$ 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 $156,000 for the three months ended September 30, 2014 (June 30, 2014 – $168,000).

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 three months ended September 30, 2014, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

OTHER MATTERS

Commitments:

As at September 30, 2014 and as at the date of this MD&A, the Company has no material commitments.

Investor relations:

As at September 30, 2014 and as at the date of this MD&A, the Company has no investor relations agreements in place.

Proposed transactions:

As at September 30, 2014 and as at the date of this MD&A, the Company has no other undisclosed proposed transactions.

Off-balance sheet arrangements:

As at September 30, 2014, and as at the date of this MD&A, the Company has no off-balance sheet arrangements in place.