FORM 2A – LISTING STATEMENT
(the "Listing Statement")

Dated as at March 5, 2014

WOULFE MINING CORP.
("Woulfe" or the "Company")

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TABLE OF CONTENTS

ITEM 1: GENERAL

1.1 Effective Date of Information

All information in this Listing Statement is as of March 5, 2014 unless otherwise indicated.

1.2 Forward Looking Statements

Cautionary Statement Regarding Forward-Looking Statements

This Listing Statement contains "forward-looking statements" concerning anticipated developments and events that may occur in the future. All statements, other than statements of historical fact, are forward looking statements. Forward-looking statements include, but are not limited to, statements with respect to:

- the future price of tungsten and gold;
- the estimation of mineral resources;
- the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits;
- the estimates of expected or anticipated economic returns from a mining project, as reflected in feasibility studies or other reports prepared in relation to development of projects;
- future sales of the metals, concentrates or other products produced by the Company;
- success of exploration activities;
- permitting time lines;
- currency fluctuations;
- requirements for additional capital;
- government regulation of mining operations;
- environmental risks;
- unanticipated reclamation expenses;
- title disputes or claims;
- limitations on insurance coverage; and
- the Company's plans and expectations for its properties.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others:

- risks related to international operations;
- risks related to joint venture operations;
- actual results of current exploration activities;
- conclusions of economic evaluations;
- changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in Canada, Korea or other countries in which the Company may carry on business in the future;
- changes in project parameters as plans continue to be refined;
- accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental approvals or financing or in the completion of development or construction activities;
- economic factors affecting the mining industry, competition, foreign exchange rate fluctuations, fluctuation of securities prices, and additional financing;
- feasibility and engineering reports;
- property interests, title to properties, permits and licenses, environmental risks, and development;
- insurance;
- key personnel, dependence on management, conflicts of interest;

as well as those factors discussed below at “Risk Factors” in this Listing Statement and in the documents incorporated by reference herein.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date

of this Listing Statement and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Notice Regarding Presentation of Mineral Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all mineral resource estimates of Woulfe in this Listing Statement have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), classified in accordance with the Canadian Institute of Mining Metallurgy and Petroleum's "*CIM Standards on Mineral Resources and Reserves Definitions and Guidelines*" (the "**CIM Guidelines**").

Woulfe uses the terms "mineral resources", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". While those terms are recognized by Canadian securities regulatory authorities under the CIM Guidelines, they are not recognized by the U.S. Securities and Exchange Commission ("**SEC**"). Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, investors are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.

1.3 Currency

Unless otherwise indicated, all references to "$", "CDN$" or "dollars" in this Listing Statement refer to Canadian dollars and references to "US$'' or "US dollars" refer to United States dollars. The Company's accounts are maintained in Canadian dollars.

The exchange rates as at February 28, 2014 as reported by the Bank of Canada for the conversion of Canadian dollars were CDN$1.00 equals 0.9029 US$. (US$1.00 equals $1.1075CDN$).

The exchange rates as at February 28, 2014 as reported by the Bank of Canada for the conversion of Canadian dollars were CDN$1.00 equals 963.39 Korean won (Korean Won 1.00 equals $0.001038CDN$).

1.4 Accounting Principles

All financial information in this Listing Statement is prepared in accordance with International Financial Reporting Standard.

ITEM 2: CORPORATE STRUCTURE

2.1 Names, Address and Incorporation

Woulfe was incorporated under the laws of the province of Alberta on September 22, 1993 as 'Mesa Butte Resources Ltd.' On November 18, 1996, it changed its name to 'CanAustra Resources Inc.' On June 25, 1998, Woulfe amended its articles to change the designation of its Class "A" common shares to common shares and to delete its classes of Class "B" common shares and Class "C" preferred shares and

to create an unlimited number of preferred shares. On August 13, 2003, Woulfe altered its share capital to amend the special rights and restrictions applicable to the common shares and preferred shares.

On April 18, 2005, Woulfe was continued into the Yukon Territory. On July 13, 2005, Woulfe consolidated its share capital on two old for one new basis and altered is articles by changing its name to Oriental Minerals Inc.

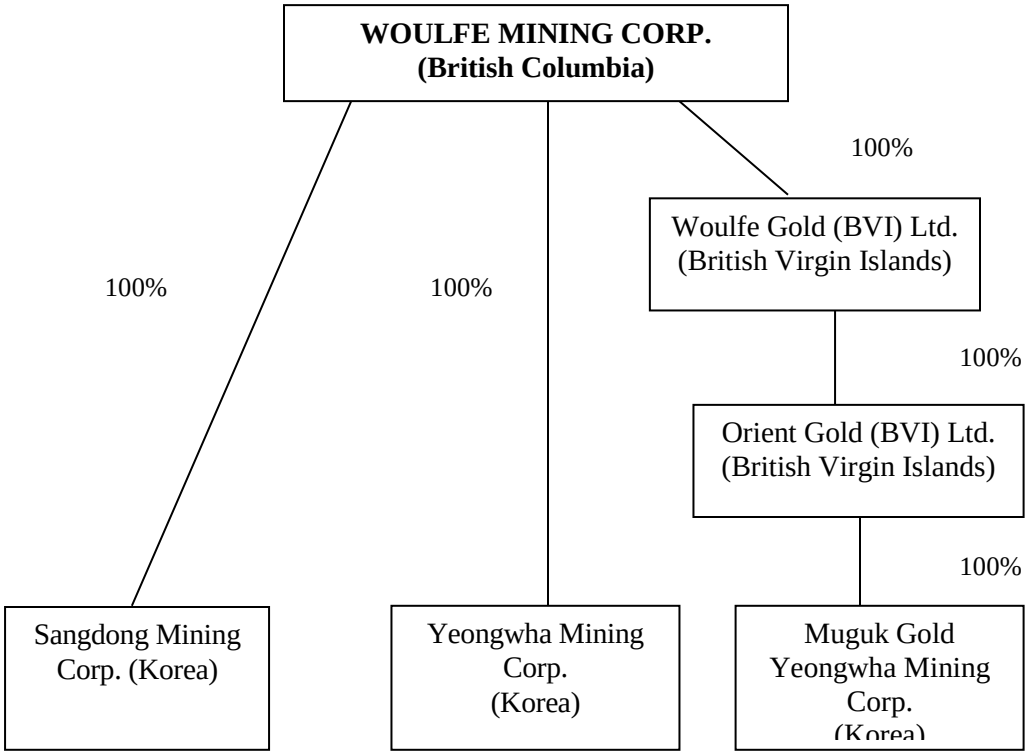
On November 1, 2007, Woulfe was continued into the province of British Columbia under the British Columbia *Business Corporations Act.* On February 25, 2010, Woulfe changed its name to 'Woulfe Mining Corp.'

The head office, principal address of the Company is located at Suite 408-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6 and the registered and records office of the Company is located at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

The Company is listed on the TSX Venture Exchange under the symbol "WOF", and is a reporting issuer in British Columbia and Alberta.

2.2 Intercorporate Relationships

The corporate structure of the Company and its material subsidiaries as at the date of this Listing Statement is as follows:



The Company, through its subsidiaries, has acquired a number of mineral property interests in South Korea during the past several years.

The following material South Korean subsidiary companies are all held 100% by Woulfe Mining Corp:

(a) Sangdong Mining Corp. a South Korean company holding: (i) a 100% interest in the Sangdong tungsten-molybdenum project (the "**Sangdong Project**"); (ii) a 100% interest, subject to certain option payments and a 2% net smelter royalty, in the Cheongyang tungsten project (the "**Cheongyang Project**"), and (iii) certain uranium mining title rights.

(b) Muguk Gold Corp. a South Korean company holding a 100% interest, subject to certain option payments and a 2% net smelter royalty, in the Muguek gold project (the "**Muguk Project**").

(c) Yeongwha Mining Corp. a Korean company holding a 100% interest, subject to certain option payments and a 2% net smelter royalty, in the Yeongwha and Taeback projects.

The Company is not requalifying following a fundamental change, nor is any fundamental change proposed. The Company is not proposing any acquisition, merger, re-organization or arrangements at this time.

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

Woulfe is an exploration and development stage company engaged in the acquisition, exploration and development of mineral properties in South Korea. Woulfe holds a 100% interest in the Sangdong Project and a 100% interest in the Muguek, Cheongyang, Taeback and Yeongwha properties, subject to certain option payments and royalties, as well as certain uranium licenses, all in South Korea.

Strategic Transactions with International Metalworking Companies B.V.

On February 26, 2012, the Company and its wholly-owned subsidiary, Sangdong Mining Corporation ("**Sangdong**"), entered into a series of strategic agreements, as amended September 19, 2012, March 4, 2013 and February 14, 2014, with International Metalworking Companies B.V. ("**IMC**") and its affiliate, TaeguTec Ltd. whereby:

- IMC advanced $10 million to Sangdong, pursuant to a secured loan agreement which was amended and restated on March 4, 2013 and further amended on February 14, 2014, for purposes of project advancement pending the closing of the transaction. The loan to Sangdong from IMC will become due on December 15, 2014;

- IMC will acquire a 25% interest in Sangdong for cash consideration totalling $35 million;

- The Company and IMC have agreed to jointly establish a South Korean company ("**APT JV**"), which will be owned 45% by the Company and 55% by IMC. The parties will invest up to $15.75 million and $19.25 million, respectively, into the APT JV to build a facility in South Korea for the processing of tungsten concentrate, to be purchased from Sangdong, into tungsten ammonium paratungstate ("APT"). IMC has agreed to make available to the Company a loan for the Company's portion of the APT JV investment;

- The APT JV will acquire no less than 90%, and up to 100%, of Sangdong's tungsten concentrate production pursuant to an off-take agreement, which will be guaranteed by IMC;

- IMC will acquire no less than 90%, and up to 100%, of the APT JV's available APT production pursuant to a separate off-take agreement (collectively the "**IMC Transaction**").

The IMC Transactions are subject to regulatory approval and the completion of certain closing conditions including the funding of certain bank loans for the purposes of project financing.

Heads of Agreement with Korea Zinc Co. Ltd.

On November 23, 2010, the Company entered into a heads of agreement with Korea Zinc Co. Ltd. ("**Korea Zinc**") whereby:

- Korea Zinc (and its affiliates) acquired 33,333,333 common shares of the Company at a price of $0.30 per share for aggregate gross proceeds of $10 million, which subscription was completed on December 21, 2010. Korea Zinc and its nominees are entitled to maintain their pro rata interest in the Company in future equity financings for so long as Korea Zinc and its nominees continues to hold at least 5% of the issued and outstanding shares of the Company;

- Korea Zinc had an option, until February 2011, to invest $38 million into Sangdong and arrange subsequent financing to complete the development of the Sangdong Project in exchange for the acquisition of a 51% interest in Sangdong and to invest $1.8 million to acquire 51% of the Company's subsidiary, Muguk Gold Corporation.

The completion of the investments into Sangdong and Muguk Gold were subject to the negotiation of a mutually acceptable commercial agreement, regulatory approval, completion of due diligence and the production of definitive agreements, which were not completed or waived. This transaction has terminated in accordance with its original terms and conditions.

Summary of Principal Mineral Projects

Sangdong Project, South Korea

The Sangdong Project is the Company's most advanced project and is a tungsten molybdenum deposit with bismuth and gold as byproducts and is located 187 km to the south east of Seoul in eastern South Korea.

On October 9, 2006, the Company entered into an option to acquire up to a 100% interest of the Sangdong Project located in the eastern South Korea. To acquire an initial 51% interest, the Company paid US$824,000 in cash, issued common shares with a value of US$800,000, and granted a 2% net smelter royalty ("**NSR**") to the vendor, Se Woo Mining Co. Ltd., a private Korean company controlled by Jae Youl Sim ("**Se Woo**") and was required to pay an additional US$3,200,000 (of which US$800,000 could be paid in common shares at the option of the Company) on each of July 24, 2007, July 24, 2008, and July 24, 2009 (subsequently extended to December 18, 2009). In addition, the Company was committed to incurring exploration expenditures totaling at least US$11,200,000 over the five year period commencing January 24, 2007.

On July 18, 2008, the payment due on July 24, 2008 was renegotiated and the parties agreed that US$1,200,000 would be paid July 31, 2008 (paid) along with the issuance of 2,744,218 common shares

with a value of US$800,000 (issued) and the remaining balance of US$1,200,000 and US$2,200,000 of the third payment into approximately 16,583,343 common shares of the company at $0.25 per share on July 21, 2009. On December 18, 2009, the Company paid the final payment of US$1,000,000, thus acquiring a 51% interest in the Sangdong Project.

In May, 2010, the Company earned an additional 19% interest in the Sangdong Project, thus increasing its interest to 70%, by delivering a scoping study/ economic assessment report and could earn the remaining 30% interest (for an aggregate 100% interest) by delivering a bankable feasibility report for the Sangdong Project.

In July 2011, Wardrop, a Tetratech company, completed an interim resource update for the Sangdong Project. This resource update was later superceded by a further interim resource update prepared by Wardrop in January 2012, which resource estimate is included in the Sangdong Feasibility Study.

On July 21, 2011, the Company's permit application for the production adit for the Sangdong Project was approved by the Ministry of Knowledge and Economy, following the Company securing a land lease contract with the Yeongwol County for the adit area.

In September 2011, the Company announced it had been notified by the Office of Cultural Heritage that the proposed sites for the construction of a processing plant and mine portals on the Sangdong Project had been cleared of any cultural heritage remains or restrictions and provided its consent to the Company to proceed with plant construction and mine development for the Sangdong Project.

In October 2011, the Company received an explosives license allowing the commencement of blasting activity and extraction of bulk sampling,

In November 2011, the Company entered into an agreement with Se Woo to acquire the NSR for aggregate consideration of $3,500,000. In addition, the Company negotiated an amendment to the option agreement such that upon completion of the payments for the NSR, the final 30% interest in the Sangdong Project immediately vested to the Company.

On April 23, 2012, the Company announced the results of the Sangdong Feasibility Study completed by Wardrop, as summarized below at *"Mineral Properties – Sangdong Project"*

<u>Sim Properties, South Korea</u>

On October 9, 2006, the Company entered into an acquisition option agreement with Se Woo, Jae Youl Sim and members of the Sim family (collectively the "**Optionor**"), pursuant to which the Company was granted the option to acquire a 100% interest in any or all of the Sim properties located throughout South Korea in consideration of the payment of US$10,000. The option period expired on October 9, 2009. In order to acquire any mineral claim group within the Sim Properties, the Company was required to pay US$100,000 per property, of which US$50,000 can be paid in common shares at the option of the Company and to grant to the Optionor a 2% net smelter royalty. Additionally, within ninety (90) days of commencement of commercial production on a Sim Property subject Woulfe must pay for each property, US$1,000,000 in cash and US$1,000,000 which may be paid in cash, or at the option of the Company, in common shares of the Company. In the event that no pre-feasibility report is completed on a Sim Property exercised by the Company within five (5) years of the recording of the transfer of registered title to such Sim property, then the title to the subject Sim property, shall be promptly re-transferred to Optionor and the royalty right shall terminate.

1. Yeonwha 1 and Taebaek projects

On February 10, 2010, the Company notified the Optionor of the intention to exercise its option to acquire the Yeonwha 1 and Taebaek mining titles. As a result, the Company paid US$100,000 on February 26, 2010 along with the issuance of 500,424 common shares valued at US$100,000.

The Yeongwha and Taebaek properties form part of the Company's base metals division focused on lead, zinc and copper metal deposits. The properties are situated in close proximity to a zinc-lead refinery and, as with Sangdong, have extensive lateral and access shaft development which mined lead and zinc for many years.

2. Chongyang and Muguk projects

In October 2006, the Company acquired the Muguk (gold) and Chongyang (molybdenum-tungsten) mining titles by paying US$100,000 and issuing 80,442 common shares valued at US$100,000.

Chongyang

The Chongyang Mine produced tungsten in the past and is 100% owned by the Company. The mine was previously evaluated for gold by Indochina Goldfields in 1995 when the bulk tonnage open pit potential for tungsten-molybdenum mineralization was recognized. The Company has drilled 430 metres hole in 2009 to test targets below the worked out mining areas, however the hole did not intersect significant mineralization.

Muguk

In 2010, the Company completed a two-hole program at Muguk to comply with its mining rights obligations, which required a total of 750 metres to be drilled. The Company opted to target the secondary No.7 Vein to the west of the No.2 and Three Brothers Veins as known mining 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.

In July 2011, Woulfe commenced a third hole MG-3 targeting the depth extension of the Three Brothers Vein. This hole intersected the structure from 691.3 metres to 694.9 metres depth, with the mineralisation averaging 1.2g/t gold and 114g/t silver over 3.6 metres (2.5 metres true width). This result confirms the poddy nature of the hydrothermal mineralisation, with excellent structure but low grade. The hole deviated some 50 metres laterally off target, and intersected a low grade pod between the higher grade lodes.

In January 2012, AMC Consultants Pty Ltd. ("**AMC**") completed a resource estimate for the Muguk Project based on a 3D geological model of the main Three Brothers Vein incorporating the historical development channel sampling assay data. The inferred resource for two discrete unmined sections of the deposit was 52,000 tonnes at 11 g/t gold, with an average vein of 1.2 meters, at a cut-off of 3 g/t gold. A silver grade could not be included due to the lack of sample data.

The Company then engaged AMC to complete a preliminary economic assessment for the Muguk Project to be based on cut and line filling of the Three Brothers Vein at a rate of 150,000 tonnes per annum, producing approximately 34,000 ounces of gold per annum, assuming a mining grade of 7.5 g/t gold and a metallurgical recovery of 93%. AMC completed the preliminary economic assessment on April 27,

2012 and revised the pricing assumption utilized in the preliminary economic assessment in order to be in line with pricing assumptions used by comparable issuers on August 1, 2012. The new base case pricing assumption was US$1,400/oz as compared with US$1,600/oz originally. As a result of this change, the Company restated its financial model results to reflect the new base case such that the undiscounted net pre-tax cash flow for the Muguk Project is US$37.0 million. The net discounted pre-tax cash flow, using a real pre-tax discount factor of 8%, is US$9.8 million. Payback of capital (in both discounted and undiscounted terms) is within six years and IRR is 13%. The Company advises that investors should rely on the new base case data and that results based on the pricing assumptions in the original preliminary economic assessment should be considered as a sensitivity analysis only. Further, a preliminary economic assessment should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the project has not been demonstrated at this time. The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserve do not have demonstrated economic viability. The Muguk PEA is summarized at *"Mineral Properties – Muguk Project"* below.

3. Gubong Project

On April 2, 2009, the Company acquired the Gubong mining title by paying US$50,000 and issuing 40,221 common shares valued at US$50,000. During fiscal 2009, the Company determined that there was no economic value in proceeding with this project. As a result, the Company relinquished its title and wrote off all costs related to the property totaling $218,976.

Other Properties

Albury Heath Mining Titles, Australia

The Company holds exploration concessions in the Murchison Goldfields, in Western Australia, collectively known as the Albury Heath concessions. On August 5, 2008, a third party agreed to buy a 95% interest in the Albury Heath Mining Leases and a 100% interest in the Prospecting Licenses by paying to the Company AUD$25,000 (received) on the transfer of the titles representing the property to the buyer, and by unconditionally undertaking to pay to the Company AUD$50,000 within one year from the date of this Agreement, and by unconditionally undertaking to pay the $1 royalty per tonne to the Company for each commercial tonne extracted from the property up to a maximum of AUD$200,000. The owner of the company that purchased the lease passed away and the lease and the A$50,000 payment obligation is under the direction of the executor of the deceased estate. The situation is being investigated.

Ogchon Mining Titles, South Korea

The Company has been granted nine uranium/vanadium mining licenses located in the Geumsan area, southeast of the major regional centre of Daejeon. The leases are situated along a structural trend that runs through the centre of the country. The areas under license are highly prospective and are known to host uranium and vanadium. However, the concentrations are yet to be determined as are their economic viability. KORES has been drilling a lease alongside one of the Woulfe leases.

Cease Trade Order

On November 5, 2009, the British Columbia Securities Commission issued a cease trade order concerning the Company's securities as a result of the Company's failure to file its audited financial statements and

management's discussion and analysis on time for the year ended June 30, 2009. The Company's shares were suspended from trading on the TSX Venture Exchange on November 6, 2009 in relation thereto. On December 8, 2009, the Company filed its audited financial statements and management's discussion and analysis for the year ended June 30, 2009. As a result the cease trade order issued by the British Columbia Securities Commission was revoked effective December 8, 2009 and the Company's shares resumed trading on the TSX Venture Exchange on December 9, 2009.

Loans

On January 24, 2014, Dundee Corporation ("**Dundee**") advanced to the Company $350,000 as an unsecured loan pursuant to a convertible loan agreement. Pursuant to the terms of the convertible loan agreement, the loan from Dundee bears interest at a rate of 12% per annum compounded annually, maturing on January 24, 2015. The principal of the loan is convertible, during the loan term, at the option of Dundee, into units (each a "**Loan Unit**") at a price of $0.115 per Loan Unit. Each Loan Unit will consist of one common share and one share purchase warrant, exercisable at $0.12 per share for a period of the lesser of (i) five years from the date the loan was advanced and (ii) 36 months following the date of conversion. At the option of either of the Company or Dundee, interest payable upon the loan may be convertible into units (each an "**Interest Unit**") at a conversion price equal to the Market Price (as defined in the TSX Venture Exchange Corporate Finance Manual) of the Company's common shares on the interest conversion date (the "**Interest Conversion Price**"). Each Interest Unit will comprise one common share and one share purchase warrant (each an "**Interest Warrant**"). Each Interest Warrant will entitle the holder to acquire one additional common share at the Interest Conversion Price for a period of the lesser of (i) five years following the date the loan was advanced and (ii) 36 months from the date of conversion.

On December 7, 2011, the Company approved the short term lending of $1,140,000 to Westech International (HK) Pty Ltd ("**Westech**"), a private company owned and controlled by two directors of the Company, being Brian and Amelia Wesson, for the purposes of exercising warrants held in the Company due to expire on December 17, 2011. The loan was secured with a promissory note and a general security agreement over the assets of the borrower and bore interest at prime plus 5% per annum. The loan, plus all related accrued interest, was repaid in full in October 2012.

Recent Financings

On January 27, 2014, the Company announced a non-brokered private placement of up to $4.0 million in principal amount of convertible unsecured subordinated debentures (the "**Debenture Offering**") at a price of $1,000 per debenture ("**Debentures**"). The Debentures will have an interest rate of 12% per year, payable quarterly in arrears. The Company will have the option to satisfy, all or a portion of its interest payment obligations by delivering to the holder of the Debentures, common shares of the Company at a price equal to the closing market price of the Common Shares on the stock exchange on which the Common Shares are listed (the "**Market Price**"). The Debentures will mature and be repayable on December 31, 2016.

Each $1,000 principal amount of the Debentures will be convertible at the option of the holder into 7,692 common shares (each a "**Common Share**") or 7,692 preferred shares (each a "**Preferred Share**") of Woulfe, representing a conversion price of $0.13 per Share or Preferred Share (the "**Conversion Price**"), as the case may be. Each $1,000 debenture will also include 7,692 common share purchase warrants of the Company (each a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of $0.13 per Common Share for a period of 60 months from the closing of the Debenture Offering.

The Preferred Shares shall have a par value of $0.13 per Preferred Share. The Preferred Shares will also have (i) voting rights equivalent to the Common Shares, (ii) priority over the Common Shares in relation to distribution of the Company's assets in the event of liquidation up to the par value of the Preferred Shares, following which the Preferred Shares and Common Shares will participate equally in a distribution of the Company's assets, (iii) a right of conversion into Common Shares of the Company on a one for one basis at any time; (iv) a fixed dividend rate of 12% of par value per annum, payable quarterly in arrears until December 31, 2016, which dividend the Company will have the option to satisfy, in whole or in part, by delivering to the Preferred Shareholder common shares of the Company at a price equal to the Market Price of the Common Shares on the dividend settlement date; and (v) a fixed special dividend rate of 25% of the par value of the Preferred Shares payable in the event of a 'change in control' of the Corporation (the "**Special Dividend**") payable in cash. In the event of a 'change in control' of the Company, in addition to the Special Dividend due to the holder, the holder may require the Preferred Shares be redeemed by the Company, in whole or in part, at a redemption price of $0.143 per Preferred Share, representing par value of the Preferred Shares plus a 10% premium. The Company will, as soon as practicable, call a shareholder meeting of the Company for the purposes of approving the creation of the class of Preferred Shares.

The Company has agreed to pay Dundee Securities Ltd. an advisory fee of 10% of the gross proceeds from the sale of the Debentures forming the Offering payable in units (each an "**Advisory Unit**") at a price of $0.13 per Advisory Unit. Each Advisory Unit will comprise one Share and one Warrant.

The Company intends to use the net proceeds of the Debenture Offering in part for the commencement of a proposed $6 million work program on the Sangdong project, which will include diamond drilling to better define the ore body on the project, as well as additional work on mine design, mining method selection, metallurgical process design, and much de-risking of other technical aspects of the project and to fund the Company's working capital deficit and budgeted general and administrative costs for 2014. The Debenture Offering is subject to regulatory approval and its completion is a condition to the listing of the Common Shares on the Canadian Securities Exchange.

Dundee intends to subscribe for the full amount of the Debentures being offered. In association with its participation in the Debenture Offering, Dundee will be granted a right to nominate for election to the board of directors of the Company at any meeting of shareholders where directors are to be elected, a majority of the number of the directors, provide such nominees are acceptable to regulatory authorities, for so long as Dundee holds a minimum of 20% of the issued and outstanding Common Shares of the Company.

On September 13, 2013, the Company completed a non-brokered private placement with Dundee, placing an aggregate of 10,000,000 units of the Company at a price of $0.10 per unit for aggregate gross proceeds of $1,000,000. The units comprised one common share of the Company and one common share purchase warrant exercisable into one common share of the Company at a price of $0.12 per share until September 13, 2016. On September 16, 2013, Korea Zinc exercised its participation right to participate in equity financings completed by the Company, purchasing 3,133,053 units on the same terms as those acquired by Dundee for aggregate gross proceeds of $313,305.30.

On August 31, 2012, the Company completed a brokered private placement of 21,150,000 units at $0.20 per unit for total gross proceeds of $4,230,000, and a non-brokered private placement of 5,000,000 units at $0.20 per unit for total gross proceeds of $1,000,000. Each unit was comprised one common share and ½ share purchase warrant with each whole warrant entitling the holder to acquire one common share at $0.30 until August 31, 2014. In conjunction with the brokered portion of the private placement, the

Company issued 1,057,500 agent's warrants as a fee. Each agent's warrant entitles the holder to acquire one unit, having the same terms as the placement units, exercisable at $0.20 per unit until August 31, 2014.

As noted above, on December 21, 2010, the Company completed the financing with Korea Zinc issuing 33,333,333 common shares to Korea Zinc and its nominees at a price of $0.30 per share for aggregate proceeds of $10 million which was slated for use to continue drilling at Sangdong Property. Finder's fees of $600,000 and 2,000,000 warrants (exercisable at a price of $0.30 per share for a period of two years expiring on December 23, 2012) were paid in aggregate to Trident Investment Enterprise Ltd. and Notre-Dame Capital Inc.

Operating Revenue

The Company has not generated operating revenue since inception other than interest income from time to time. Management anticipates that the Company will continue to experience net losses as a result of ongoing exploration and general corporate and administrative costs and expenses until such time as revenue generating activities are commenced. The Company's future financial performance is dependent on many external factors. Circumstances and events that could materially affect Woulfe's future financial performance are set out in *"Risk Factors* below.

Trends

The Company is not currently aware of any trends, events or uncertainty that reasonably can be expected to have material adverse effect on the Company's business, financial condition or results of operations, other than as described elsewhere in this Listing Statement.

3.2 Significant Acquisitions and Dispositions

No significant acquisitions or significant dispositions have been completed by Woulfe during the last three financial years or are contemplated.

ITEM 4: NARRATIVE DESCRIPTION OF THE BUSINESS

Woulfe is a natural resource company engaged in the business of the exploration and development of tungsten, gold, uranium and base metal properties in South Korea. At present, Woulfe is a late exploration and development stage company with no current operating income cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on any of Woulfe's mineral properties.

Stated Business Objectives

Woulfe is a natural resource company engaged in the business of acquisition, exploration and development of tungsten, molybdenum, gold and uranium properties in South Korea.

Woulfe's principal objective is to advance the Sangdong Project through to production. Woulfe's portfolio of mining assets are well advanced as the Sangdong Project and the Muguk Project were once operating mines, closing in the 1990's due to global metal prices falling stimulated by an Asian crisis. Woulfe completed a feasibility study on the Sangdong Project in June 2012. On October 28, 2013, The Company announced that it had identified a new work program to be completed on the Sangdong Project, at an approximate cost of $6.0 million, which was expected to take approximately 12 months to complete upon receipt by the Company of adequate financing, estimated at $9.0 million, in order to fund the

proposed work program and satisfy the Company's working capital deficiency and 2014 administrative costs.

The Company's short term objectives for the next 12 months are to complete the transfer of its listing of its common shares from the TSX Venture Exchange to the Canadian Securities Exchange and to complete the work program referenced above.

Principal Purpose for Funds

The Company currently has a working capital of deficit of $3.7 million (not including amounts repayable to IMC in relation to the loan advanced to Sangdong Mining Corp.) and following completion of the Debenture Offering, expects to have working capital of approximately $300,000, which will be applied as follows:

Use of Available Funds	**Amount**
To complete listing on Canadian Securities Exchange	$20,000
To pay estimated general and administrative expenses	$280,000
Total	**$300,000**

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. The Company expects that portions of the liabilities forming part of its current working capital deficit may be re-negotiated or otherwise amended thereby allowing the Company to use a material portion of the Debenture Offering proceeds for the purposes of commencing the work program identified on October 28, 2013 as referenced above.

Principal Products

Woulfe's principal product under exploration is tungsten. Tungsten is remarkable for its robust physical properties, especially the fact that it has the highest melting point of all the non-alloyed metals and the second highest of all the elements after carbon. Also remarkable is its very high density of 19.3 times that of water. The main use of tungsten is in the manufacture of tungsten carbide powders used in the manufacture of machine bits and machine tools, including ammonium paratungstate, which is produced separating tungsten from its ore and be fused into any number of things, from wire to bars to other shapes. Other uses of tungsten are as superalloys used to resist wear and high temperatures. China produces most of the world's tungsten, with most of the remaining production coming from Austria, Bolivia, Portugal, Russia and Colombia. Tungsten is considered a national resource in China.

Woulfe is currently in the exploration stage and does not produce, develop or sell mineral products at this time.

Specialized Skills and Knowledge

All aspects of Woulfe's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs and accounting. Woulfe has relied on, and may continue to rely upon, consultants and others for exploration and development expertise. Recent increased activity in the resource mining industry has made it more difficult to locate competent employees and consultants in such fields, and may affect Woulfe's ability to grow at the pace it desires. See "*Risk Factors*".

Market and Marketing

Woulfe's principal product under exploration is tungsten. There is sufficient demand within South Korea to absorb Woulfe's production. Other local major markets include Japan and China whose status as a net exporter to an importer would suggest that increased global supply will be required.

Pursuant to the IMC Transaction, when closed, Sangdong will sell to APT JV at least 90% and up to 100% of its tungsten concentrate production pursuant to an off-take agreement guaranteed by IMC and IMC would acquire no less than 90% and up to 100% of the APT JV's available APT production pursuant to a separate off-take agreement. As a result, the Company will be substantially dependent on IMC with regard to the sale of its tungsten concentrate.

As Woulfe is not yet producing, it is not conducting any marketing activities and does not require a marketing plan or strategy.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. Woulfe competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral tenements, claims, leases and other mineral interests for exploration and development projects. As a result of this competition, Woulfe may not be able to acquire attractive properties in the future on terms it considers acceptable. The abilities of Woulfe to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its current properties, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Woulfe also competes with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

Demand and pricing for tungsten is driven by supply and demand fundamentals associated with world industrialization. Security and quality of supply to industry of tungsten is fundamental. Further, the competitiveness of producers is significantly determined by their production costs and transportation costs relative to other producers. Such costs are largely influenced by the location and nature of deposits, mining and processing costs, transportation and port costs, currency exchange rates, operating and management skills, and differing taxation systems between countries.

Components

All of the raw materials Woulfe requires to carry on its business are available through normal procurement and/or business contracting channels.

Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Tungsten markets are affected by global expansion and demand for steel. Fluctuations in supply and demand in various regions throughout the world are common.

As Woulfe's mining and exploration business is in the development stage, Woulfe's revenues, if any, are not currently significantly affected by changes in commodity demand and prices. As it does not carry on

production activities, Woulfe's ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Economic Dependence

Other than the IMC Transaction, if completed, Woulfe's business is not substantially dependent on any contract such as a property option agreement or a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that Woulfe's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Conditions

All aspects of Woulfe's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With all projects at the exploration and development stage, the financial and operational impact of environmental protection requirements is minimal. Should any projects advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements.

Employees

As of June 30, 2013, Woulfe had the following number of employees and contractors:

Location	**Employees**	**Contractors when required**
Canada	3	1
Korea	47	Nil

Woulfe utilizes consultants and contractors to carry on many of its activities. As Woulfe expands its activities, it is probable that it will hire additional employees and engage additional contractors as the Company advances the development of Sangdong. Woulfe is committed to limiting expatriate employment to trainers and professional skilled staff that are not available in South Korea.

Foreign Operations

Woulfe currently holds an interest in certain exploration stage mineral resource properties located in South Korea and, as such, Woulfe's business is exposed to various degrees of political, economic and other risks and uncertainties. Woulfe's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation. See "*Risk Factors*".

Lending

Woulfe does not currently hold any investments or owe any material long term liabilities. Woulfe has not adopted any specific policies or restrictions regarding investments or lending, but will ensure any investment or debt activities incurred are in the best interests of Woulfe and its securityholders. Woulfe expects that in the immediate future in order to maintain and develop its mineral properties, it will need to raise additional capital through a combination of debt and equity.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against Woulfe, nor is Woulfe aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by Woulfe during its last three financial years.

Reorganization

Woulfe has not completed any reorganizations in its last three financial years.

Social or Environmental Policies

Woulfe has not adopted any specific social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its mineral exploration projects or human rights policies). However, Woulfe's management, with the assistance of its contractors and advisors, ensures its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

Woulfe commissioned Pacific Environmental Consultants out of Australia to review the Sangdong property late in 2010 and they did not find any environmental concerns. Woulfe continues to contract with PEC and ERM Korea for environmental monitoring and management.

Woulfe is committed to continually improving the lives of those who work for, partner with and host Woulfe in their communities. Woulfe's goal is to work with community stakeholders to make positive contributions to local economic development.

ITEM 5: MINERAL PROPERTIES

The Company has interests in mineral properties located in South Korea. As at June 30, 2013, these properties were carried on the Company's balance sheet as assets with a book value of approximately $53.7 million. The book value consists of acquisition costs plus cumulative expenditures on properties for which the Company has future exploration plans. The current book value is not necessarily the same as the total expenditures on each property by the Company, as part of the expenditures on some properties have been written down. The book value is also not necessarily the fair market value of the properties.

For the purposes of NI 43-101, the Sangdong Project and the Muguk Project are the Company's material projects as at June 30, 2013. None of the Company's other mineral property interests are considered material for the purposes of NI 43-101.

5.1 Sangdong Project

Except as otherwise stated, the information in this section is based on the technical report titled "Sangdong Project: Feasibility Study" dated June 6, 2012 and prepared by Jonathan Glidden, C.Eng, FIMMM, Paul Gribble, B.Sc., C.Eng., FIMMM, Andrew Carter, Eur. Ing., B.Sc., C.Eng., MIMMM, MSAIMM, SME, Rodney Elvish, FRMIT, Dip Min Ec., HonFAusIMM (CP Met), Phil Thomas, C. Eng., FIMMM, Mike Turner, M. Sc., DIC, B.Sc. (Eng)(Hons), ARSM, FAusIMM (CP), RPEQ, Garth Liukko, P. Eng., Karlis Jansons, P. Eng. and Tim Wrigley, B.SC. (Hons), M.Sc., Ph.D., MAusIMM (CP) for TetraTech Wardrop UK. References should be made to the full text of the Sangdong Feasibility Study which is available for review on SEDAR located at www.sedar.com.

Reference to Woulfe in this section includes reference to Sangdong Mining Corp, the Korean subsidiary of the Company which holds the Sangdong Project.

The information below is excerpted from the summary section of the Sangdong Feasibility Study. The following information contained in the Sangdong Feasibility Study is incorporated by reference into and forms an integral part of this Listing Statement, including the text, maps, tables, figures and charts contained within the following sections of the Sangdong Feasibility Study.

4.0 Property Description
5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography
6.0 History
7.0 Geological Setting and Mineralization
9.0 Exploration
10.0 Drilling
11.0 Sample Preparation, Analyses and Security
13.0 Mineral Processing and Metallurgical Testing
14.0 Mineral Resource Estimates
15.0 Mineral Reserve Estimates
16.0 Mining Methods
17.0 Recovery Methods
18.0 Project Infrastructure
19.0 Market Studies and Contracts
20.0 Environmental Studies, Permitting and Social or Community Impact
21.0 Capital and Operating Costs
22.0 Economic Analysis
25.0 Interpretations and Conclusions
26.0 Recommendations

Introduction

In April 2010, Wardrop, a Tetra Tech Company (as "**Wardrop**") completed a scoping study for Woulfe for the Sangdong Project (in this section the "**Project**") in South Korea. This study was based on the historical underground drilling and the 2006 to 2008 surface drilling information available at that time.

Woulfe Mining has retained Wardrop, a Tetra Tech Company (now "**Tetra Tech**") to estimate an updated mineral resource and undertake a feasibility study for the Project. The new resource estimate was disclosed in a separate report ("**Wardrop 2012**"), which has been prepared in accordance with NI 43-101 and Form 43-101F1.

This feasibility study supersedes the scoping study ("**Wardrop 2010**") that was prepared for Woulfe in April 2010.

The current resource estimate is based on the historical underground drilling, together with the 2006 to 2008 surface drilling information available at that time. Since April 2010, Woulfe has gained access to the old workings and acquired a wealth of historical data. This has greatly enhanced understanding of the mined areas, the physical distribution of the resource, and has identified areas of additional resource as described in this report. In addition, Woulfe has completed two phases of a drilling programme of 7,548 m to January 2012 in 90 holes, mostly completed from the old underground workings.

This current resource estimate focuses on the data acquired from the modern drilling programmes completed by Woulfe and compilation of historical data for the upper quarter of the known dip length of the mine; the section from surface to just below the current water level. The work incorporates the current understanding of the mined and unmined parts of the mineralised zones from plans and sections.

The historical drilling data used in the April 2010 scoping study has not been used for this work, meaning that any down dip extension of the mineralised zones is not considered in this report. The down dip extension of the mineralised zones represents significant potential. As the mine is progressively dewatered and rehabilitated down dip, Woulfe will continue drilling and sampling programmes to refine and extend the overall resource. There are currently 54 Mt in the Inferred Resource category.

Property Location/Ownership

The Project contains a skarn-type tungsten-molybdenum-bismuth deposit and is located in the Republic of Korea (South Korea), in the south eastern area of the Korean Peninsula, approximately 170 km southeast of the capital city of Seoul (Figure 1.1). The deposit was formerly mined by underground methods during the period 1940 to 1992.

The Project is comprised of 12 mining rights with an aggregate area of 3,173 ha. In November 2011, Woulfe gained 100% interest in the Project. The 2% net smelter royalty ("**NSR**") retained on the Project in South Korea from the vendor, Se Woo, was purchased for CDN$3.5 million.

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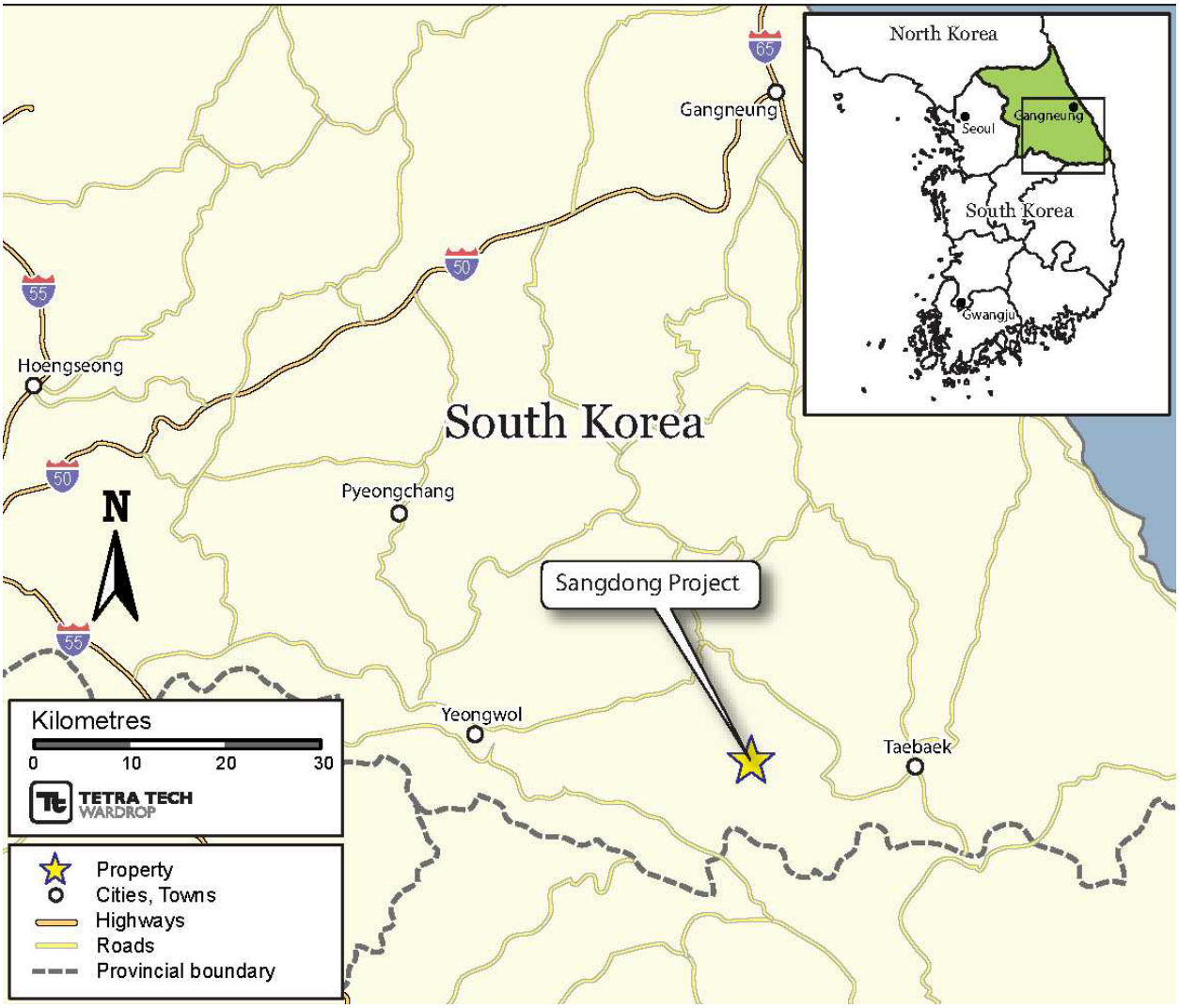
Figure 1.1 Location Map of the Sangdong Property



Geology

Mineralisation is hydrothermal in nature and is related to sub-horizontal skarn altered horizons in the Cambrian-age Myobong Shale Formation and to a minor extent, within the overlying Pungchon Limestone and underlying Jangsan Quartzite and is also associated with concordant and crosscutting quartz veins.

Alteration is concentrically zoned with respect to an underlying, Cretaceous-age granitic intrusive that was the source of hydrothermal fluids that caused the alteration and introduced the mineralisation. Mineralisation is also concentrically zoned with respect to the underlying intrusive, particularly in the Myobong Shale: highest grades of tungsten, molybdenum, and bismuth occur in the central, most intensely altered zone and diminish outwards.

A surface drilling programme of some 22,800 m for 90 diamond drillholes was completed between 2006 and 2008 by Woulfe (as Oriental Minerals Inc. (Oriental Minerals)). Exploration is on-going at the

Project as the old underground development is re-opened with an additional 4,285 m of drilling for 37 diamond holes completed in 2011. Exploration and subsequent modelling are focused on assessment of the skarn mineralisation around and, as extensions of, the area mined out by the former mining operation.

The tungsten and associated molybdenum mineralisation within the skarn alteration horizon is divided into three major zones: Main, Hangingwall, and Footwall. The Footwall Zone is further divided into subzones (F1, F2, and F3). Workings of the former underground Sangdong Mine mined a large proportion of the Main Zone. Recent work has identified a significant infrastructure protection pillar remaining within the Main Zone and this now forms part of the resource. Minor selective working of the Footwall Zone is known in the upper section, while the Hangingwall Zone is mined in the deepest section of the mine.

Resource Estimate

Tetra Tech has produced an updated resource model based on the most recent Oriental Minerals and Woulfe drilling results. The current drilling database consists of a total of 127 surface and underground drillholes for a total of some 27,085 m drilling. Grade estimation was completed using ordinary kriging (OK). The current mineral resource for the Sangdong deposit has an effective date of 24 January 2012 and is disclosed in Table 1.1.

Table 1.1 Sangdong, Skarn Mineralisation Resource Estimate; Reporting Cut-off 0.15% WO_3

Resource Category	Mineralised Zone	Tonnes (t)	Density	WO_3 (%)	MoS_2 (%)	Metric Tonne Unit (mtu)
Indicated	F2	2,298,000	2.98	0.63	0.04	1,448,000
Indicated	F3	2,604,000	2.96	0.56	0.05	1,458,000
Indicated	Halo	5,576,000	2.91	0.27	0.03	1,505,000
Indicated	Main	5,952,000	3.25	0.50	0.03	2,976,000
Total Indicated	-	**16,431,000**	**3.04**	**0.45**	**0.04**	**7,387,000**
Inferred	F2	2,680,000	2.91	0.50	0.03	1,340,000
Inferred	F3	2,712,000	2.90	0.49	0.03	1,329,000
Inferred	Halo	6,523,000	2.88	0.23	0.02	1,500,000
Inferred	Hangingwall	7,191,000	2.96	0.58	0.08	4,171,000
Inferred	Main	259,000	2.92	0.52	0.02	135,000
Total Inferred	-	**19,368,000**	**2.92**	**0.44**	**0.05**	**8,475,000**
Inferred	F2	4,097,000	2.85	0.60	0.07	2,458,000
Inferred	F3	4,315,000	2.85	0.57	0.06	2,460,000
Inferred	Halo	5,973,000	2.85	0.21	0.06	1,254,000
Inferred	Hangingwall	15,924,000	2.84	0.69	0.11	10,988,000
Inferred	Main	4,208,000	2.85	0.60	0.03	2,525,000
Total Inferred Down Dip	-	**34,519,000**	**2.85**	**0.57**	**0.07**	**19,685,000**

Note: MoS_2 (molybdenum disulphide) is reported in terms of WO_3 (tungsten trioxide) cutoff.

The resource is split into two sections by elevation, representing the down dip potential of the deposit below the current waterline.

No additional work has been completed for the Jangsan Quartzite molybdenum resource reported in Wardrop 2010.

Mining

The outcome of Wardrop 2010 in April 2010 determined that there was a potentially viable underground mine based upon the extensive remaining mineralised zones. The latest Indicated Resource update in January 2012 estimated 16.4 Mt at 0.45% WO_3, made up of areas of the Main Zone and the Footwall Zone. Further exploration of the Hangingwall Zone and the extensive area of the Footwall Zone will be the target for further Indicated Resources. In addition, the extensive pillars in the Main Zone need to be investigated as potential future mineralised material.

Selection of the mining method required a very flexible design but one suited to high-productivity trackless mining. The three sub-parallel mineralised zones, the variable dip, and previously mined-out areas ruled out many options. Drift-and-fill was identified as the optimum method and a number of variations were assessed from mining off of true-dip, apparent-dip, and horizontally. After a detailed review, transverse drift-and-fill proved to be the viable method.

Based on this mining method, the overall geometry of the mineable area, and the potential development access a tonnage rate of 1.2 Mt/a was derived. The mining schedule indicates an 11.5-year mine life and a mineable reserve of 13.3 Mt at 0.425% WO_3. Table 1.2 highlights the key details.

Table 1.2 Mining Highlights

Highlight	Description
Type of Deposit	Skarn Replacement with Metalliferous Shales
Mining Method	Transverse Drift-and-Fill Mining
Life-of-mine (LOM) in Current Mine Plan	11.5 years
Time to Reach Mining Rate	2 years
Probable Mining Reserve	13.3 Mt @ 0.425% WO_3, 0.039% MoS_2
Extraction Ratio	84%
Recovery	96%
Mining Rate	3,500 t/d or 1,200,000 t/a
Capital Development	657,000 t waste, 9,733 m
Dilution in Main Zone	12% with zero grade
Dilution in Footwall Zone	12% with grade averaging 0.138%
In Situ Average Ore Density	3.04 t/m3

The mineable reserve has been estimated using underground transverse drift and-fill in the Main and Footwall Zones. Due to the presence of old workings and the need for more geotechnical data the following resources are excluded from this study:

- the Hangingwall Zone in the skarn; limited geotechnical data
- Jangsan molybdenum stock work; insufficient drilling
- pillars in the Main Zone; insufficient drilling and assessment.

These all have some potential upside for the future.

A transverse drift-and-fill mining method was selected to extract the Footwall and Main Zones. This method creates the large number of working places required to achieve the target production of approximately 3,500 t/d.

A mining extraction ratio of 81% has been applied to the planned extraction of the Indicated Resource due to some of the mineralised zones being tied up in pillars where they cut the surface topography. A 50 m pillar has been left in these areas.

A mining dilution factor of 12% has been applied. The dilution carries no grade in the Main Zone and a small amount of grade due to the "halo" effect in the Footwall Zone. The dilution accounts for planned geometrical extraction designed to maximise recovery and mining over-break during the development of the deposits.

A mining recovery factor of 98% has been applied to the diluted Probable Reserve to account for losses for material re-handling during loading and hauling, and any unplanned events during mine production that will affect the ore recovery.

A fully mechanised operation is proposed to achieve the target mine production rate. Underground mine drill jumbos will develop three incline ramps to access the mineralized zones. The same jumbos will be used in the production drilling of the ore. Ammonium nitrate fuel oil (ANFO) explosives will be used for blasting.

A fleet of 14 t capacity underground load-haul-dump (LHD) scooptrams will load 40 t articulated mine trucks which will haul the blasted ore from the underground ore production areas (or stopes) to the surface.

Waste rock will, where possible, be transferred underground to old mine workings using the scooptrams or loaded into the mine trucks for depositing on the designated surface waste rock storage facility situated on surface.

Mine Backfill

The Project philosophy is that tailings be placed underground, either within newly mined stopes or remnant voids from previous mining. Based on paste fill test work, the size distribution of the particles in tailings is well suited to a "whole of tailings" product. From this test work it is estimated that 66% or 1,995 t/d of the tailings production will be returned to the new stope voids, whereas the remaining 34%, or 1,173 t/d, will be placed into voids located in the old sections of the mine.

The paste fill plant will be located on surface at a distance of 200 m from the Baegun Level portal at 727 masl. Full plant tailings will be pumped to the receiving tank from the process plant where they will be made into paste fill.

Estimation of the existing underground voids indicates that there is more than sufficient volume available to deposit all mine tailings underground over the 11.5-year mine life. The procedure will be to start at the -4 Level where bulkheads will be constructed to contain low cement content paste fill. Approximately half of the -4 Level will be designated as an emergency slurry tailings repository capable of taking non-cemented tailings. This will be for emergency use only when the paste fill plant goes down and it is necessary to flush the entire pipeline. The backfilling of the old stopes in the mined out portions of the Main Zone will continue upward as the mine progresses using a combination of hydraulic bulkheads on part of -3 Level and muck pile bulkheads in the drifts for the balance. Except for the levels where

bulkheads are used to maintain access the drifts will be backfilled to provide bulk stope "plugs" to facilitate the backfilling from the level above.

During the first 10 years of life, the mine will be dewatered further down to the -8 or -9 Level. After Year 6 approximately half of the -5 Level will be developed as additional emergency slurry tailings disposal area. After about 10 years, the backfilling to the top of the Jangsan Level will be complete and backfilling starting at the -8 Level will proceed upwards to the -4 Level.

Mineral Processing

The Sangdong ore is characterized as a tungsten skarn deposit with scheelite as the primary tungsten mineral. The ore also contains molybdenite, bismuthinite, pyrrhotite, chalcopyrite, and sphalerite.

A characteristic of scheelite ores is that the scheelite grinds preferentially to other minerals and overgrinding must be prevented in order to maximise flotation recovery. In light of this, a process flow sheet that incorporates two-stage grinding and two-stage cycloning has been selected for the grinding duty in the Project.

Sangdong has selected an all flotation scheelite concentration process, as this enables the recovery of the molybdenite and bismuth into a sulphide flotation concentrate ahead of the scheelite flotation circuit.

The process plant will treat the run-of-mine (ROM) ore from underground at a nominal feed rate of 200 t/h. A standard two-stage crushing circuit followed by an open circuit rod mill and a closed circuit ball mill will be employed to produce a suitable feed for flotation at a size of typically 80% minus 75 µm. The molybdenite, native bismuth, and bismuthinite, as well as other minor sulphide minerals, will be floated into a bulk sulphide concentrate and stockpiled for future chemical processing. The tailings from the bulk sulphide flotation will be fed to the scheelite flotation stage.

The thickened sulphide tailings will be re-pulped with process water containing remnant scheelite flotation chemicals and floated in a rougher scavenger flotation circuit with two stages of cleaning to produce an intermediate grade scheelite concentrate and a final tailing for discard to the paste fill plant.

The intermediate concentrate will be thickened and heated up to 90°C for an hour by steam heating in a heating conditioner. Heated intermediate concentrate will then be processed in re-cleaner and retreat flotation circuits to produce a final scheelite flotation concentrate and an intermediate tungsten product.

The final flotation concentrate will then be treated in an ammonium paratungstate (APT) plant to produce a final APT product.

Project Infrastructure

As the old Sangdong Mine closed just 20 years ago (1992), some of the old infrastructure remains in place. Roads, potable water, and some electrical power are all available at site.

The total power requirement estimated for the site is 19 MW at 60 Hz. The Korean Electric Power Corporation (KEPCO) will provide two, 10 MW overhead power lines complete with step-down transformers at 22.9 kV at two locations: one to the north of the new grinding plant and one adjacent to the processing area and each of these supplies will be limited to 10 MW. Woulfe has paid the KRW₩143 million (US$136,000) each for the two, 10 MW lines. The first line is due to be commissioned by October 2012 and the second by December 2012.

The plan is to step down the voltage from 22.9 to 4.16 kV via the transformers at the KEPCO intake high-voltage (HV) substations north and south for distribution around the site.

Industrial water for grinding, flotation and the APT process plant will be sourced primarily from dewatering the underground mine with make-up from the Okdong Creek that runs through the town of Sangdong. This will be adjusted to operate at a nil discharge operation. The majority of the water will be recycled at a rate of 167 m3/h. should discharge to the environment be required there is a 100 m3/h water treatment facility that cleans water for the APT plant that can be diverted to the adjacent river.

Environmental Studies, Permitting and Social or Community Impact

A comprehensive environmental assessment was carried out by AMEC in 2007 and this has been updated with a full environmental impact statement (EIS) carried out by Tim Wrigley, MAusIMM (CP) of Australasia Pacific Environmental Consultants (APEC).

Water

Several permanent streams run throughout the site. These streams drain to Okdong Creek, which flows through the town of Sangdong before eventually flowing to the Han River. The water is generally of good quality, based on the analytical results for "living environment" items (pH, biochemical oxygen demand, suspended solids, and dissolved oxygen). Water quality is classified as first grade at all sampling points except at one site where results for pH and suspended solids exceed the standards.

Groundwater is expressed as springs where there is contact between the limestone and either skarn or shale. Water quality is generally good but does vary from location to location. Total coliforms were above the established quality criteria. Nitrate and arsenic, which are classified as hazardous inorganic substances, were also found in concentrations above the Korean drinking water standards. Elevated nitrate concentrations are likely to be a result of the application of nitrogenous fertilisers both for forestry and agriculture, while the heavily mineralised region around the Property will lead to elevated concentrations of arsenic in ground waters.

Air

The area surrounding the proposed mine is predominantly forestry and agricultural land. The main sources of ambient dust in the region are likely to be due to grass seeds, pollens, and wind erosion of exposed soil surfaces particularly during tree harvesting.

Modelling of dust from the site originating from the waste rock storage facility, processing, and truck movements showed that dust increases were minimal in the community and will meet Korean air quality standards.

Several households in the vicinity are considered to be sensitive receptors that may be impacted upon by mine operations. Households located adjacent to the road network had noise readings 12 to 15 dBa higher than rural areas in the day and 6 dBa higher in the night. Noise modelling of truck movements and the milling and processing activities showed a small increase of noise at the nearest community receptors, while still meeting Korean noise standards. The mountainous terrain surrounding the mine acts a significant barrier to noise propagation assisting in noise reduction from the site.

Flora and Fauna

Two flora and fauna surveys were completed in the spring and summer of 2007. One hundred and eighty three species of fauna were identified. No endangered or endemic species were found.

Eleven mammal species were identified including mice, rats, and wild cats. Forty one bird species were found including the Kestrel (natural monument No.323), the Chinese sparrow hawk, and common buzzard (endangered species, second grade).

Eleven species of amphibian were found, none are protected. Eleven species of reptile were found, none are protected. Nine species of fish were caught at one site and 11 species were caught at the second site, none are protected. One hundred and forty two insect species were found, with one dead insect classified as an endangered species.

Based on this review, the flora and fauna are common in Korea. There were two natural monument and two endangered species found, however it is considered that mining impacts would not be significant on these species because of the underground nature of the mine and small surface disturbance.

Surface Tailings Facility

There are no surface tailings facilities planned. The current estimate of voids indicates space to store approximately 17 Mt of mine production waste tailings. Two small surface areas were investigated for storage, if required, and both were amenable to storing tailings either in dry format or as a lightly cemented paste.

Social

The town of Sangdong is located 2 km from the mine site. The population of the town is approximately 500 people. Sangdong was once a regional centre for the district's agricultural and mining industries, when the mine was in operation, with mining supporting a 40,000 person town.

Sangdong has a hospital, schools, supermarkets, shops, service stations, and road and transport links. It is planned to house the majority of the 360 full-time employees in the town and the surrounding region.

A community consultation programme was undertaken and included discussions with landholders, government departments, and other stakeholders. There is overwhelming favourable support for the mine from the community.

Environmental Management

Environmental monitoring of various aspects of the Project including rehabilitation success, surface water quality, groundwater quality, dust deposition, and noise will occur in accordance with the Korean Environmental Authority requirements.

Permitting Requirements

Key permits are in place with the following approvals required later in 2012 and 2013. These include:

- approval of change of Sangdong's mining plan due to the registration of additional mining rights (October 2012);

- a report on the production of ores needs to be submitted by 4 June 2013.

The following permits/approvals will be required for construction. These include:

- approval of the construction of a process facility;
- approval of the measures to protect the national heritage in the manufacturing site;
- approval of construction of a manufacturing facility;
- approval of the development activities;
- approval of an exclusive use of a mountain area; and
- preliminary research on the impact of potential disaster.

When these approvals have been granted, some additional information will be sought on environmental controls during construction.

Closure

The closure plan is yet to be finalised however the closure and rehabilitation of the plant and facilities including the portal, underground workings, crushing, processing and APT plants, and associated and miscellaneous site vegetation based on estimates of labour, equipment, and plant seed etc. has been estimated at US$1,046,430, or KRW₩1.182 billion.

Sale estimates for recovery of fixed plant and mobile mining, and plant equipment through direct sales and auctions is US$1,080,095 or KRW₩1.22 billion.

Initial Capital and Operating Costs

Capital Costs

The initial capital cost of US$151.3 million is summarized below in Table 1.3.

Area	Items Included	Capital Cost (US$M)
Site Infrastructure	Power and water reticulation	5.8
Mining	Mining equipment, capitalised pre-production development, and stockpiling	27.7
Process Plant (including APT)	Process plant, and APT plant buildings and equipment	56.8
Paste Fill Plant	Paste fill plant building and equipment	6.4
Ancillaries	Site buildings including warehouse, change house and admin facilities	6.7
Indirect Cost	Construction costs, spare parts, and initial fills	36.8
Owners Cost	3% of direct costs, and including construction management	3.3

Area	Items Included	Capital Cost (US$M)
Contingency	7.5% of direct costs	7.8
Total Initial Capital	**Including contingency**	**151.3**

Operating Costs

The total operating cost of US$61.84/t is shown by area in Table 1.4.

Table 1.4 Operating Cost Summary

Area	Unit Cost (US$/t ore)
Mining	33.32
Backfill Plant	4.98
Process – Flotation	16.64
Process – APT	3.96
General and Administrative (G&A)	2.94
Total Operating Costs	**61.84**

Financial Summary

Work completed by Woulfe has successfully demonstrated the presence of mineral resources within the area of the historical mine at Sangdong as evidenced by the interim resource estimate presented in this report. Using transverse drift-and-fill mining, this Indicated Resource has been converted to a Probable Mineable Reserve of 13.3 Mt at 0.425% WO_3, which at a production rate of 1.2 Mt/a gives a mine life of 11.5 years.

A process has been developed for crushing, grinding, flotation and conversion to APT using proven and widely used technology. Production will average approximately 4,350 dmt/a of APT at a grade of 88.63% WO_3.

An economic evaluation of the Project was prepared by Tetra Tech based on a pre-tax financial model. For the 11.5-year mine life and 13.3 Mt mineable reserve the following pre-tax financial parameters were calculated:

- 46% internal rate of return (IRR);
- payback of 2.2 years on US$151.3 million initial capital that includes a 7.5% contingency of direct costs; and
- US$400.3 million net present value (NPV) at an 8% discount value.

The base case APT price used in the financial analysis was US$398/mtu WO_3 based on a report provided by Roskill Consulting Group Ltd.

Key Recommendations

Mineral Resources

- Woulfe should continue their programme of exploration and resource definition drilling to better define and understand the mineralisation in the upper section of the mine and to upgrade the currently estimated resources to higher resource categories.

- As the mine is progressively dewatered and rehabilitated down dip, drilling should continue to further define and explore the resource.

Mining and Mining Reserve

- Due to more detailed and accurate cost and price data that became available later in the feasibility study there is a potential to decrease the cut-off grade form the original 0.24%WO_3 and therefore increase the potential mining reserve.

- Investigate the use of mining contractors for the pre-production development of the mine to delay the purchase of mining equipment and recruitment of operators.

Processing

  - Undertake value engineering during the detailed design stage to potentially reduce capital.

  - Undertake further test work to develop a process flow sheet to produce separate molybdenum, bismuth, and precious metal concentrates and evaluate their potential sale to third party treatment facilities.

  - Evaluate the quality of molybdenum trisulphide produced in the APT plant and establish a market and price.

  - If a viable market can be established for molybdenum trisulphide, evaluate how additional product could be produced.

Infrastructure

- Investigate the possibility of using interconnection between the two 10 MVA feeders to minimize (or even alleviate) the need for on-site power generation should one of the incomers fail.

Financial

- Update the mineral resource with additional drilling and using the potential lower tungsten trioxide cut-off grade, increase the Probable Mineable Reserve to provide additional years of life.

- Undertake value engineering during the detailed design stage to potentially reduce capital.

- Identify how to secure the available Korean mining subsidies.

- Carryout test work and design circuits that produce saleable by-products (molybdenite, bismuth, gold, molybdenum trisulphide).

Current Exploration and Development Activities

In September 2012, Sangdong signed a contract for the development of the main access portal and a commercial scale mine on the Sangdong Project. The mining contractor, appointed through a competitive bid among six qualified mining contractors in Korea, will supply all the mining equipment, labor and consumables at a cost of KRW14,130 (or US$12.63 at the prevailing exchange rate) per tonne of ore delivered to the crusher. Tetra Tech, in the Feasibility Report, estimated the mining cost at US$33.32 per tonne of ore.

On September 27, 2012, the Company announced assay results for samples associated with the drilling program at the Sangdong Project. This batch of assay results comprises 14 holes, of which four were drilled from Sangdong Level, three were drilled from -1 Level, and seven were drilled from raises and ladderways between Sangdong and 1 Levels. Most were short holes of 30-50 metres length targeting the Footwall Zones between 1 Level and Taebaek Level. The Sangdong Level holes were located towards the western end of the orebody and were designed to test all three lodes. Three holes terminated in Main Zone voids and the fourth located at the western extremity encountered thin mineralisation in both the Main and Hangingwall Zones.

Significant Footwall Zone intersections include 4.7 metres true width at 1.13% WO_3 (WSDD0119) and 8.4 metres true width at 0.56% WO_3 including 5.5 metres true width at 1.02% WO_3, (WSDD0121). The significant drilling results are summarised as below:

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Hole	Interval (m)	Length (m)	True Width (m)	Grade (%WO_3)	Grade (%MoS2)	Zone
WSDD0119 Collar 4111628N, 484955E, Azimuth 22, Dip +43, Depth 28m, Target F/W zones						
Intersection	0.0-5.0	5.0	4.7	1.13	0.03	F2
WSDD0121 Collar 4111609N, 485002E, Azimuth 230, Dip -5, Depth 36m, Target F/W zones						
Intersection	5.0-22.6	17.6	8.4	0.56	0.03	F/W
Includes	5.0-10.5	5.5	2.6	1.02	0.03	F2
Includes	19.0-22.6	3.6	1.7	1.05	0.04	F3
WSDD0130 Collar 4111562N, 485073E, Azimuth 9, Dip +43, Depth 22m, Target F/W zones						
Intersection	0.0-4.0	4.0	3.7	0.81	0.02	F2
WSDD0110 Collar 4111802N, 484516E, Azimuth 166, Dip +65, Depth 60m, Target All zones						
Intersection	4.0-12.0	8.0	5.7	0.54	0.05	F2
Includes	6.0-12.0	6.0	4.3	0.64	0.05	F2
WSDD0112 Collar 4111735N, 484617E, Azimuth 359, Dip +25, Depth 50m, Target F/W zones						
Intersection	26.5-39.5	13.0	12.4	0.35	0.04	F2
Includes	26.5-28.0	1.5	1.4	0.61	0.01	F2
Includes	31.0-34.0	3.0	2.9	0.42	0.02	F2
Includes	37.0-39.5	2.5	2.5	0.81	0.13	F2

On October 2, 2012, the Company announced further assay results for samples associated with the drilling program at Sangdong. Drilling from underground locations at Sangdong is continuing and the results will be used to progressively update the Resource estimate.

This batch of assay results comprises 16 holes, comprising three holes drilled from Sangdong Level and 13 holes drilled from -1 Level. Most of the -1 Level holes were 20-50 metres in length and targeted the Footwall Zones. The Sangdong Level holes were located towards the western end of the orebody and were 50-80 metres in length. Two of the holes targeted the Hangingwall Zone and two were collared within the Main Zone.

Significant drill intercepts, defined as any mineralisation of 1 metre lengths or longer, are presented in the tables above. A cut-off of 0.15% WO_3 was used for the intersection calculations.

Significant Footwall Zone intersections include 11.7 metres true width at 0.52% WO_3 (WSDD0122), 3.7 metres true width at 0.74% WO3 (WSDD0126), and 4.2 metres true width at 0.59% WO_3 including 1.1 metres true width at 1.00% WO?$_3$, (WSDD0136).

The significant drilling results are summarised as below:

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Hole	Interval (m)	Length (m)	True Width (m)	Grade (%WO_3)	Grade (%MoS_2)	Zone
Footwall Zones						
WSDD0122 Collar 4111574N, 485019E, Azimuth 22, Dip +43, Depth 32m, Target F/W zones						
Intersection	2.5-15.0	12.5	11.7	0.52	0.01	F2
Includes	3.5-5.0	1.5	1.4	0.89	0.01	F2
Includes	9.0-11.0	2.0	1.9	1.80	0.01	F2
WSDD0126 Collar 4111710N, 484884E, Azimuth 22, Dip +40, Depth 34m, Target F/W zones						
Intersection	3.0-7.0	4.0	3.7	0.74	0.06	F2
WSDD0136 Collar 4111498N, 485168E, Azimuth 105, Dip +21, Depth 30m, Target F/W zones						
Intersection	3.0-11.0	8.0	4.2	0.59	0.03	F2
Includes	9.0-11.0	2.0	1.1	1.00	0.06	F2
WSDD0124 Collar 4111671N, 484886E, Azimuth 27, Dip +38, Depth 20m, Target All zones						
Intersection	0.0-2.5	2.5	2.3	0.85	0.02	F2
Intersection	12.0-14.0	2.0	1.9	0.85	0.03	F2
Main Zone						
WSDD0143 Collar 4111951N, 484356E, Azimuth 21, Dip +46, Depth 54m, Target Main and H/W zones						
Intersection	0.5-9.0	8.5	8.5	0.37	0.07	Main
Includes	1.5-3.0	1.5	1.5	0.56	0.05	Main
Hangingwall Zone						
WSDD0153 Collar 4111623N, 485220E, Azimuth 7, Dip +46, Depth 41m, Target Main and H/W zones						
Intersection	28.0-35.0	7.0	7.0	0.40	0.09	H/W
Includes	31.0-35.0	4.0	4.0	0.49	0.13	H/W

Significant drill intercepts, defined as any mineralisation of 1 metre lengths or longer, are presented in the tables above. A cut-off of 0.15% WO_3 was used for the intersection calculations.

On October 9, 2012, the Company announced the first blast of the production portal took place as scheduled on October 8, 2012 at the Sangdong Project.

On November 6, 2012, the Company announced it had awarded a mining development and production contact to Youngin Industries Corporation for the underground development and extraction of 1.2 million tonnes per annum from the Sangdong Project. The contract pricing will result in the lowering of mine production costs by 49% and will increase the project NPV from US$400.3 million to US$535.2 million, taking IRR from 46.0% to 65.6%. The Youngin mine production plus pastefill costs totals $25.64 per tonne of ore mined compared with $38.30 per tonne mined estimated in the Sangdong Feasibility Study. This improvement in costs came as a result of replacing projected Canadian mine costs in the Sangdong Feasibility to firm Korean costs. Other benefits include reduced capital allocation (US$20 million) for the mine fleet and subsequent reduction in pre-production ore mining and mine development costs.

Woulfe commissioned TetraTech to assess the new mining contract and its impact on feasibility, project economics and resources for the Sangdong Project. This will be done in conjunction with the update of the Sangdong resources which will take into account the additional drilling (7.195metres) carried out since February 2012, the previous cut-off date for the feasibility drilling.

On November 7, 2012, the Company announced it had signed a purchase agreement to acquire 60,000 square metres of land adjacent to the Sangdong Project, which land is to be utilized for the development of the processing plant for the Sangdong Project. The purchase was formally completed in December 2012 for an aggregate cost of $1,167,363.

In May 2013, the Company began a comprehensive review of the Sangdong Feasibility Study, which review was completed by the Company with the assistance of its largest shareholder, Dundee, in October 2013 and identified that considerable additional test work is necessary to bring the Sangdong Project to proper commercial and financing preparedness.

The new work program prescribed is anticipated to include diamond drilling to better define the ore body, in particular, those areas of the resource that could potentially be mined in the early years of the mine's life. Additionally, further work must be completed on mine design, mining method selection, metallurgical process design, and much de-risking of other technical aspects of the Sangdong Project. It is estimated that this work program will cost approximately $6 million to complete.

Subject to completion of sufficient financing, the proposed work program would begin as soon as possible and would take approximately twelve months to complete.

5.2 Muguk Project

Except as otherwise stated, the information in this section is based on the preliminary economic assessment titled "Preliminary Economic Assessment of the Muguk Project" dated August 10, 2012 and prepared by Edward Gleeson, B. Eng. (Mining), MAusIMM (CP), Rodney Elvish, FRMIT, Dip Min Ec., HonFAusIMM (CP Met), Rod L. Webster, B.Sc. (Applied Geology), MAusIMM (CP) for AMC Consultants Pty Ltd. References should be made to the full text of the Muguk PEA which is available for review on SEDAR located at www.sedar.com.

Reference to Woulfe in this section includes reference to Muguk Gold Corp, the Korean subsidiary of the Company which holds the Muguk Project.

The information below is excerpted from the summary section of the Muguk PEA. The following information contained in the Muguk PEA is incorporated by reference into and forms an integral part of this Listing Statement, including the text, maps, tables, figures and charts contained within the following sections of the Muguk PEA.

4.0 Property Description and Location
5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography
6.0 History
7.0 Geological Setting and Mineralization
9.0 Exploration
10.0 Drilling
11.0 Sample Preparation, Analyses and Security
13.0 Mineral Processing and Metallurgical Testing
14.0 Mineral Resource Estimates
15.0 Mineral Reserve Estimates
16.0 Mining Methods
17.0 Recovery Methods
18.0 Project Infrastructure
19.0 Market Studies and Contracts
20.0 Environmental Studies, Permitting and Social or Community Impact
21.0 Capital and Operating Costs
22.0 Economic Analysis
25.0 Interpretations and Conclusions
26.0 Recommendations

Summary

The Muguk Project is located in Yonggye-Ri village, near Geumwang-Eub town within the Eumsong District, Chungbuk Province, South Korea. The gold-silver project was once Korea's largest producing gold mine. The mine operated for many years, but closed in 1997 as low gold prices made mining economically unreasonable.

The Muguk Project consists of five mining rights (Figure 4.1 of the Muguk PEA), as outlined in Table 4.1, with a total area of 587 ha. Woulfe acquired a 100% interest in the Muguk Property through a wholly owned subsidiary, Muguk Gold Corp., a private Korean company.

Table 4.1 Property Status

Mining Right	District	Area (ha)	Minerals	Registered Date	Expiry Date
75020	Eumgseong	79	Gold, silver	2005/10/26	2025/10/26
75021	Eumgseong	36	Gold, silver	2005/10/26	2025/10/26
75022	Eumgseong	175	Gold, silver	2005/10/26	2025/10/26
75023	Eumgseong	23	Gold, silver	2005/10/26	2025/10/26
75024	Eumgseong	274	Gold, silver	2005/10/26	2025/10/26

The Three Brothers vein is the focus of initial investigations in the Muguk Project, as it was the last structure mined, and therefore, has the most information available for interrogation.

Exploration completed by Woulfe comprises three drill holes, which have confirmed the presence of mineralization in the Three Brothers vein.

AMC Consultants Pty Ltd. (AMC) was commission to perform a preliminary economic assessment (PEA) for the Three Brothers vein. The PEA is underpinned by an Inferred Mineral Resource, estimated by AMC in 2012.

The estimated Inferred Mineral Resource at a cut-off of a 4 g/t gold is 900,000 tonnes at 10 g/t with an average vein width of 1.2 m.

The PEA indicates that the Three Brothers vein of the Muguk Project will support a viable underground mining operation and will pay back the required capital outlay.

No insoluble technical risks are apparent at this stage.

The recommended stoping method is hand-held shrink stoping and the recommended access strategy is by decline. The decline, once established, will provide easy access to other potential near-mine targets, and will provide a platform for underground exploration and in-fill drilling.

A mill feed schedule, based on Inferred Mineral Resource and unclassified diluting material was identified. The mine life, based on known resources, is seven years. Approximately 158,000 ounces of gold will be recovered. The total capital cost of the mine is expected to be approximately US$72.9 million. The average operating cost is estimated at US$676 per ounce recovered gold.

Silver is present in mineralization, but has been excluded from consideration in the PEA because the silver resource is unsupported by quality assurance and quality control data. A silver grade of 41 g/t has, however, been assumed for the preliminary design of the metallurgical plant.

ITEM 6: SELECTED CONSOLIDATED FINANCIAL INFORMATION

6.1 Annual Information

The following table sets out certain selected consolidated financial information of Woulfe for the periods indicated.

Annual Data

	Year ended June 30, 2013	Year ended June 30, 2012	Year ended June 30, 2011
Total Expenses	3,270,659	5,535,124	4,775,842
Net Income (Loss)	(4,128,995)	(5,612,235)	(5,205,260)
Per Share – Basic and Diluted	(0.01)	(0.02)	(0.02)
Total Assets	58,263,190	51,461,358	42,990.229
Total Liabilities	18,946,175	13,006,956	5,283,802
Shareholder's Equity	39,317,015	38,454,402	39,454,402
Dividends	N/A	N/A	N/A

(1) All audited financial statements for the years subsequent to June 30, 2010 have been prepared in accordance with International Financial Reporting Standards, in accordance with applicable Canadian securities laws.

6.2 Quarterly Information

	Second Quarter ended December 31, 2013	First Quarter ended September 30, 2013	Fourth Quarter ended June 30, 2013	Third Quarter ended March 31, 2013	Second Quarter Ended December 31, 2012	First Quarter Ended September 30, 2012	Fourth Quarter Ended June 30, 2012	Third Quarter Ended March 31, 2012
Total Assets	58,287,435	58,678,463	58,263,190	59,458,166	55,608,633	55,106,736	51,461,358	50,481,352
Exploration and evaluation assets	55,314,632	54,625,906	53,658,704	5,776,229	50,117,205	47,648,496	46,669,919	44,264,271
Shareholder Equity	39,286,736	40,036,473	39,317,015	40,274,611	41,024,173	42,491,808	38,454,402	40,211,320
Loss and comprehe-nsive loss	(749,737)	(583,849)	(1,009,669)	(698,283)	(1,550,662)	(870,381)	(1,341,733)	(1,145,471)
Per Share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

6.3 Dividends

The Company has not paid dividends on its Common Shares since incorporation. The Company has no present intention of paying dividends on the Common Shares as it anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties. Payment of dividends in the future will be dependent on the earnings and financial condition of the Company and other factors which the directors may deem appropriate at that time.

Subject to the requirements of the *Business Corporations Act* (British Columbia), there are no restrictions which could prevent the Company from paying dividends.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the years ended June 30, 2013 and June 30, 2012 and interim consolidated financial statements and notes thereto for the three months ended December 31, 2013, which are attached hereto as Schedules "A" and "C" respectively and which are available on SEDAR at www.sedar.com. The Company's MD&A for the year ended June 30, 2013 and for the three months ended December 31, 2013 are attached hereto as Schedule "B" and "D" respectively.

ITEM 8: MARKET FOR SECURITIES

8.1 Trading Price and Volume

The Common Shares of the Company are currently listed for trading on the TSX Venture Exchange under the symbol "WOF".

ITEM 9: CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the date of this Listing Statement:

	Authorized	**Outstanding as at dated of this Listing Statement**	**Outstanding as at June 30, 2013**	**Outstanding as at June 30, 2012**
Common Shares(1)	Unlimited	348,906,636	335,773,58	309,173,583
Options(2)	10% of issued and outstanding capital(3)	2,090,000	4,340,000	18,140,000
Warrants(4)	N/A	26,208,053	13,075,000	2,000,000
Agent's compensation warrants (5)	N/A	1,057,500	1,057,500	Nil

(1) As at December 31, 2013, the Company had a deficit of ($39,586,544).
(2) The Company's options have exercise prices ranging from $0.11 to $0.175 and expire on dates ranging from January 17, 2015 to December 14, 2016.
(3) The number of stock options the Company may grant is limited by the terms of its stock option plan and the policies of the TSX Venture Exchange. See "*Options to Purchase Securities*"
(4) The Company's warrants have exercise prices ranging from $0.12 to $0.30 and expire on dates between August 31, 2014 and September 16, 2016.
(5) The Agent's compensation warrants are exercisable until August 31, 2014 into units at a price of $0.20 per unit, with each unit comprising one common share and one half of one share purchase warrant exercisable into an additional common share at $0.30 until August 31, 2014.

The Company has a $350,000 convertible loan outstanding which was advanced by Dundee on January 24, 2014 as an unsecured loan. The loan from Dundee bears interest at a rate of 12% per annum compounded annually, maturing on January 24, 2015. The principal of the loan is convertible, during the loan term, at the option of Dundee, into Loan Units at a price of $0.115 per Loan Unit. Each Loan Unit

will consist of one Common Share and one share purchase warrant, exercisable at $0.12 per share for a period of the lesser of (i) five years from the date the loan was advanced and (ii) 36 months following the date of conversion. At the option of either of the Company or Dundee, interest payable upon the loan may be convertible into Interest Units at the Interest Conversion Price. Each Interest Unit will comprise one common share and one Interest Warrant. Each Interest Warrant will entitle the holder to acquire one additional Common Share at the Interest Conversion Price for a period of the lesser of (i) five years following the date the loan was advanced and (ii) 36 months from the date of conversion.

ITEM 10: OPTIONS TO PURCHASE SECURITIES

As of the date of this Listing Statement, the Company has 2,090,000 options outstanding at exercise prices ranging from $0.11 to $0.175 and having expiry dates ranging from January 17, 2015 to December 14, 2016 in accordance with the terms of the certificates representing such options.

The Company has adopted a rolling stock option plan, which provides that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares at the time of grant. The purpose of the stock option plan (the "Plan") is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of Woulfe. The granting of such options is intended to align the interests of such persons with that of the shareholders.

Options will be exercisable over periods of up to 10 years as determined by the board of directors and are required to have an exercise price no less than the Discounted Market Price (as defined in the Exchange Policy). However, it is the practice of the Company to set exercise prices of options equal to or greater than the Market Price (as defined by Exchange Policies based on the closing market price of the Common Shares prevailing on the day that the option is granted).

Pursuant to the Plan, the board of directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company or employees of companies providing management or consulting services to the Company. The maximum number of common shares which may be issued pursuant to options granted under the Plan is 10% of the issued and outstanding common shares from time to time.

In addition, the number of Common Shares which may be reserved for issuance:

(a) to all optionees under the Plan in aggregate shall not exceed 20%;

(b) to all Insiders as a group may not exceed 20%; and

(c) to any one individual may not exceed:

  (i) 5% of the issued Common Shares on a yearly basis;

  (ii) an aggregate of 2% of the issued Common Shares on a yearly basis if the optionees are engaged in investor relations activities; and

  (iii) 2% of the issued Common Shares to any one consultant.

Any options granted under the Plan vest on the date of grant unless determined otherwise by the board of directors, except for investor relations options. The Plan provides that if a change of control, as defined

therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Options may be exercised the greater of the term of the option and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, consulting arrangement or employment is by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the earlier expiry date of such option. In the situation of options granted to persons engaged in investor relations activities, the options granted to this individual will expire 30 days following the optionee ceasing to provide such services.

Options are non-assignable and non-transferable (subject to options being exercisable by the optionee's heirs or administrator). The Plan must be approved yearly by its shareholders in order to re-set the number of shares that can be granted under the Plan.

The following table shows the number of stock options currently issued and outstanding in the Company as at the date of this listing Statement.

Group (Number of Persons in Group) (current and former)	**Securities Under Options Granted (#)**	**Exercise or Base Price ($/Security)**	**Market Value of Underlying Security as of date of grant (1)**	**Expiration Date**
Directors (1)	250,000	$0.11	$0.11	June 3, 2015
(2)	500,000	$0.175	$0.175	December 14, 2016
Officers (1)	150,000	$0.14	$0.14	January 17, 2015
(2)	250,000	$0.11	$0.105	September 30, 2015
(2)	390,000	$0.175	$0.175	December 14, 2016
Employees	Nil	N/A	N/A	N/A
Consultants (1)	150,000	$0.14	$0.14	January 17, 2015
(3)	300,000	$0.11	$0.105	September 30, 2015
(1)	100,000	$0.175	$0.175	December 14, 2016

(1) Based on the closing price of the common shares on the TSX Venture Exchange on the date of grant of the particular options.

ITEM 11: DESCRIPTION OF CAPITAL STRUCTURE

11.1 General Description of Capital Structure

The Company has an authorized capital of an unlimited number of Common Shares without par value, of which 348,906,636 Common Shares were issued and outstanding as fully paid and non-assessable. A further 30,941,803 Common Shares have been reserved and allotted for issuance upon the due and proper exercise of certain incentive options and share purchase warrants outstanding.

The following is a summary of the principal attributes of the Common Shares:

Voting Rights. The holders of the Common Shares are entitled to receive notice of, attend and vote at any meeting of the shareholders of the Company. The Common Shares carry one vote per share. There are no cumulative voting rights, and directors do not stand for re-election at staggered intervals.

Dividends. The holders of Common Shares are entitled to receive on a pro rata basis such dividends as may be declared by the board of directors, out of funds legally available therefor. There are no indentures or agreements limiting the payment of dividends.

Profits. Each Common Share is entitled to share pro rata in any profits of the Company to the extent they are distributed either through the declaration of dividends or otherwise distributed to shareholders, or on a winding up or liquidation.

Rights on Dissolution. In the event of the liquidation, dissolution or winding up of the Company, the holders of the Common Shares will be entitled to receive on a pro rata basis all of the assets of the Company remaining after payment of all the Company's liabilities.

Pre-Emptive, Conversion and Other Rights. No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of Common Shares. There are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares.

11.2 Debt Securities

The Company has a $350,000 convertible loan outstanding which was advanced by Dundee on January 24, 2014 as an unsecured loan. The loan from Dundee bears interest at a rate of 12% per annum compounded annually, maturing on January 24, 2015. The principal of the loan is convertible, during the loan term, at the option of Dundee, into Loan Units at a price of $0.115 per Loan Unit. Each Loan Unit will consist of one common share and one share purchase warrant, exercisable at $0.12 per share for a period of the lesser of (i) five years from the date the loan was advanced and (ii) 36 months following the date of conversion. At the option of either of the Company or Dundee, interest payable upon the loan may be convertible into Interest Units at the Interest Conversion Price. Each Interest Unit will comprise one common share and one Interest Warrant. Each Interest Warrant will entitle the holder to acquire one additional common share at the Interest Conversion Price for a period of the lesser of (i) five years following the date the loan was advanced and (ii) 36 months from the date of conversion. In the event the principal of loan were converted in full an aggregate of 3,043,748 Loan Units would be issued, comprising 3,043,748 Common Shares and 3,042,748 warrants.

Additionally, pursuant to the Debenture Offering, the Company will issue $4,000,000 in principal amount Debentures. The Debentures will have an interest rate of 12% per year, payable quarterly in arrears. The Company will have the option to satisfy, all or a portion of its interest payment obligations by delivering to the holder of the Debentures, common shares of the Company at a price equal to Market Price. The Debentures will mature and be repayable on December 31, 2016.

Each $1,000 principal amount of the Debentures will be convertible at the option of the holder into 7,692 Common Shares or 7,692 Preferred Shares, representing a Conversion Price of $0.13 per Share or Preferred Share, as the case may be. Each $1,000 debenture will also include 7,692 Warrants. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of $0.13 per Common Share for a period of 60 months from the closing of the Debenture Offering. In the event that the Debenture Offering is fully subscribed, an aggregate of 30,769,231 Warrants would be issued. In the event that the principal amount of the Debentures was converted in full, an aggregate of up to 30,769,231 Common Shares and/or Preferred Shares would be issued.

11.3 Other Securities

Under its stock option plan, the Company may grant options to purchase up to 10% of the issued and outstanding Common Shares at the time of grant to directors, officers, employees and consultants. As of the date of this Listing Statement, the Company has outstanding options to purchase 2,090,000 Common Shares at exercise prices from $0.11 to $0.175 per share and terms expiring between July 5, 2014 and December 14, 2016.

In addition to the outstanding options noted above, the Company also has 26,208,053 share purchase warrants outstanding to acquire common shares of the Company at exercise prices ranging from $0.12 to $0.30 per share and expiring on dates ranging from August 31, 2014 to September 16, 2016 and 1,057,500 agent's warrants entitling the holder, on exercise, to purchase one unit of the Company at a price of $0.20 per unit until August 31, 2014, each unit comprising one common share and one half of one share purchase warrant; each whole warrant exercisable into an additional common share of the Company at a price of $0.30 per share until August 31, 2014.

11.4 Modification of Terms

The rights of holders of Common Shares may only be changed by a special resolution of holders of 66 2⁄3% of the issued and outstanding Common Shares, in accordance with the requirements of the *Business Corporations Act* (British Columbia).

11.5 Other Attributes

The Company has no other classes of securities.

In connection with the Debenture Offering, the Company proposes to create a new class of Preferred Shares. If approved by the Company's shareholders, the Preferred Shares shall have a par value of $0.13 per Preferred Share. The Preferred Shares will also have (i) voting rights equivalent to the Common Shares, (ii) priority over the Common Shares in relation to distribution of the Company's assets in the event of liquidation up to the par value of the Preferred Shares, following which the Preferred Shares and Common Shares will participate equally in a distribution of the Company's assets, (iii) a right of conversion into Common Shares of the Company on a one for one basis at any time; (iv) a fixed dividend rate of 12% of par value per annum, payable quarterly in arrears until December 31, 2016, which dividend the Company will have the option to satisfy, in whole or in part, by delivering to the Preferred Shareholder common shares of the Company at a price equal to the Market Price of the Common Shares on the dividend settlement date, and (v) a fixed special dividend rate of 25% of the par value of the Preferred Shares payable in the event of a 'change in control' of the Corporation (the "**Special Dividend**") payable in cash. In the event of a 'change in control' of the Company, in addition to the Special Dividend due to the holder, the holder may require the Preferred Shares be redeemed by the Company, in whole or in part, at a redemption price of $0.143 per Preferred Share, representing par value of the Preferred Shares plus a 10% premium. The Company will, as soon as practicable, call a shareholder meeting of the Company for the purposes of approving the creation of the class of Preferred Shares and the special rights and restrictions to be attached thereto.

11.6 Prior Sales

During the 12 month period preceding the date of this Filing Statement, the Company issued the following securities:

Date	Type of Transaction	Number and Type of Securities [1]	Price	Proceeds
September 13, 2013	Private Placement	10,000,000 common shares and 10,000,000 warrants[2]	$0.10 per unit	$1,000,000.00
September 16, 2013	Private Placement	3,133,053 common shares and 3,133,053 warrants[3]	$0.10 per unit	$313,305.30
January 24, 2014	Loan	$350,000 convertible loan[4]	N/A	$350,000

(1) All underlying securities issued are Common Shares.
(2) Exercisable at $0.12 per common share until September 13, 2016.
(3) Exercisable at $0.12 per common share until September 16, 2016.
(4) The principal of the loan is convertible, during the loan term, at the option of Dundee, into Loan Units at a price of $0.115 per Loan Unit. Each Loan Unit will consist of one common share and one share purchase warrant, exercisable at $0.12 per share for a period of the lesser of (i) five years from the date the loan was advanced and (ii) 36 months following the date of conversion.

11.7 Stock Exchange Price

The Company's shares are currently listed and posted for trading on the TSX Venture Exchange under the symbol "WOF". The following table shows the high, low and closing prices and trading volume of the common shares on the TSX Venture Exchange on a monthly basis for the current quarter and immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

Month	High	Low	Close	Volume
March 2014[1]	0.12	0.11	0.12	308,104
February 2014	0.13	0.10	0.11	4,458,025
January 2014	0.135	0.09	0.12	7,629,859
December 2013	0.12	0.09	0.10	2,523,904
November 2013	0.14	0.10	0.11	3,544,861
October 2013	0.18	0.105	0.125	3,565,227
Three months end September 30, 2013	0.19	0.085	0.16	9,082,239
Three months ended June 30, 2013	0.265	0.095	0.10	21,466,060
Three months ended March 31, 2013	0.305	0.22	0.265	16,916,918
Three months ended December 31, 2012	0.385	0.255	0.30	27,431,108
Three months ended September 30, 2012	0.33	0.19	0.305	25,424,731
Three months ended June 30, 2012	0.325	0.17	0.20	22,175,015
Three months ended March 31, 2012	0.405	0.18	0.315	46,201,286

(1) Up to and including March 4, 2014.

ITEM 12: ESCROWED SECURITIES

The Company has no securities currently held in escrow or otherwise subject to any contractual restrictions on transfer.

ITEM 13: PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Company, the following persons beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding common shares, as of the date hereof:

Name of Shareholder	Number of Shares Held	Percentage of Shares Held
Dundee Corporation(1)	53,317,500	15.28%
Korea Zinc Company Ltd.(2)	37,466,386	10.74%

(1) Dundee holds, on a partially diluted basis assuming the exercise of convertible securities held by it and no other person, 21.51% of the issued and outstanding shares.

(2) Korea Zinc Company Ltd. holds, on a partially diluted basis, assuming the exercise of convertible securities held by it and no other person, 11.53% of the issued and outstanding shares.

ITEM 14: DIRECTORS & OFFICERS

14.1 Name, Occupation and Security Holding

The following table sets out the names of the directors and officers of the Company, all officers in the Company each now holds, each person's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Common Shares beneficially owned by each, directly and indirectly, or over which each exercised control or direction as at the date of this Listing Statement.

Name and Municipality of Residence(1)	Current Positions and Offices Held	Principal Occupations During Last Five Years(1)(2)	Date of Appointment as a Director or Officer	Common Shares Beneficially Owned (Number and %)(4)
David Constable (3), Burlington, Ontario	Director	Independent geological consultant from 2010 to present; VP Investor Relations, FNX Mining Company Inc. from 2006 to 2010	September 21, 2010	250,000
Hubert R. Marleau, (3), Montreal, Quebec	Director and Interim Chief Executive Officer	President and CEO of Palos Capital Corporation (an investment fund management company) from March 1998 to present;	April 12, 2010 (as director) February 27, 2013 (as interim CEO)	Nil

Name and Municipality of Residence[1]	Current Positions and Offices Held	Principal Occupations During Last Five Years[1][2]	Date of Appointment as a Director or Officer	Common Shares Beneficially Owned (Number and %)[4]
Mark Goodman, Toronto, Ontario	Director	Executive VP of Dundee Corporation (a TSX listed asset management company) from May 2013 to Present, Vice President of Dundee Corporation from June 2012 to May 2013, CEO, Cogitore Resources Inc. (a resource exploration company listed on the TSX Venture Exchange) from June 2013 to Present; Executive Chairman of Cogitore Resources Inc. from February 2007 to June 2013;	February 24, 2014	Nil[5]
Benjamin Yi, Toronto, Ontario	Director	Investment Analyst with Goodman & Company Investment Counsel from April 2010 to Present, Analyst with Dynamic Funds from July 2006 to April 2010	October 30, 2013	Nil
Michel Gaucher, Montreal, Quebec	Director	President and CEO of the Dynamis Group Inc., a private diversified holding company from 1995 to Present	October 30, 2013	Nil
Michael Skead, Toronto, Ontario	Director	Vice President – Project Evaluation of Dundee Resources Ltd. from June 2012 to Present; President and CEO of Ryan Gold Corp. from May 2008 to May 2012	October 30, 2013	Nil
Marion McGrath, New Westminster, British Columbia, Canada	Corporate Secretary	Self Employed Businesswoman, iO Corporate Services from May 2001 to Present	March 1, 2007	Nil
Mark Gelmon, Vancouver, British Columbia, Canada	Chief Financial Officer	Self-Employed Financial & Management Consultant from 1996 to Present	February 9, 2010	Nil

(1) The information as to municipality of residence and principal occupation of each nominee has been individually furnished by the respective nominee.
(2) Includes occupations for the preceding five years unless the director was elected at the previous Annual Meeting and was shown as a nominee for election as a director in the Information Circular for that meeting.
(3) Member of Audit Committee.
(4) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised is based upon information furnished to the Company by each proposed nominee as at the date hereof.
(5) Does not include Common Shares beneficially owned, or over which control and direction is exercised by Dundee Corporation. See *"Principal Shareholders"*.

The term of office of each of the directors expires at the next general meeting of shareholders.

As of the date hereof, all of the directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control over 250,000 Common Shares in the capital of the Company, representing less than 0.01% of the issued and outstanding shares of the Company.

14.2 Committees

The Company currently has the following committees:

(a) Audit committee: The members of the audit committee are Benjamin Yi (chair), David Constable, and Michel Gaucher.

(b) Compensation committee: The members of the compensation committee are Mark Goodman (chair), David Constable and Michel Gaucher.

(c) Corporate governance and disclosure committee: The members of the corporate governance and disclosure committee are Hubert Marleau (chair) David Constable and Benjamin Yi

14.3 Cease Trade Orders and Bankruptcies

Except as disclosed below, as at the date of this Listing Statement and within the ten years before the date of this Listing Statement, no director, chief executive officer, chief financial officer or a shareholder holding sufficient number of securities of the Company to materially affect control of the Company,

(a) is or has been a director or executive officer of any company (including the Company), that:

(i) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) that after that person ceased to be a director or executive officer, was subject to an order which resulted from an event that occurred while that person was acting in the capacity as director or executive officer that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within 10 years before the date of the Listing Statement became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Ms. Marion McGrath is and was an officer of the Company at the date of a cease trade order issued by the British Columbia Securities Commission on November 5, 2009 for failure to file audited financial statements and management's discussion and analysis for the Company for the year ended June 30, 2009 on time. The order was revoked on December 8, 2009 following the filing of the required documents. The Company's shares were also suspended from trading on the TSX Venture Exchange on November 6, 2009 in relation thereto and resumed trading on December 9, 2009.

Mr. Constable was a Director of Rage Energy Inc. when it was subject to a cease trading order as a result of failing to file financial reports on time. The cease trading order was imposed on May 10, 2007 and was lifted on October 29, 2007. Rage Energy Inc. was again subject to a cease trading order in December 2008 for failure to file financial reports and this cease trading halt remains in effect to the present time.

Mr. Marleau was a director of Mitec Telecom Inc., ("Mitec") a reporting issuer, which announced on September 15, 2010 that it was not in a position to file its first quarter, fiscal 2011 interim consolidated financial statements for the period ending July 31, 2010. As a result, Mitec applied for an order from the relevant Canadian securities regulatory authorities for a management cease trade order ("MCTO") as provided for in National Policy 12-203 - Cease Trade Orders for Continuous Disclosure Defaults which prohibits trading in securities of the Corporation by certain insiders of the Corporation. On September 20, 2010, a temporary MCTO effective until October 1, 2010 was granted by the Autorité des marchés financiers, being the principal regulator, prohibiting certain directors and/or officers to trade in securities of the Corporation, including Mr. Marleau.

Mr. Marleau was a director of Magistral Biotech Inc. in early 2006 when it was subject to a cease trade order imposed by L'Autorité des marchés financiers and the British Columbia Securities Commissions because it did not file a comparative financial statement for the financial year ended December 31, 2005. Magistral Biotech Inc. subsequently filed the necessary disclosures and in late 2006, L'Autorité des marchés financiers and the British Columbia Securities Commissions each issued Partial Revocation Orders allowing Magistral Biotech Inc. to effect certain transactions to complete a reverse take-over with Immunotec Research Ltd.

Mr. Marleau was a director of Malette International Inc. ("Malette") a reporting issuer listed on the Toronto Stock Exchange Venture Exchange when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the Bankruptcy and Insolvency Act. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the Autorité des marchés financiers issued a cease trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the board of directors of Malette.

14.4 Penalties and Sanctions

Except as described below, no director, executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has, within the ten years prior to the date of this Listing Statement, been subject to:

(a) any penalties or sanctions imposed by a court or securities regulatory authority relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Marleau was required by the TSX Venture Exchange, in May 2007, to submit an undertaking to the TSX Venture Exchange concerning the submission in a true and correct manner of all future Personal Information Forms in relation to acting as director of Artevo Corporation. Mr. Marleau was reprimanded by the TSX Venture Exchange, on May 12, 2011, for the breach of his 2007 undertaking to the TSX Venture Exchange; required to attend a workshop, required to pay a fee of $3,000, required to provide a

written acknowledgement that he had read the TSX Venture Exchange correspondence and that the 2007 undertaking remains in effect.

14.5 Conflicts of Interest

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resources properties. These associations to other public companies in the resource sector may give rise to conflicts of interest from time to time.

Under the laws of the Province of British Columbia, the directors and senior officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will disclose such interest in a contract or transaction and will abstain from voting on any resolution in respect of such contract or transaction. See also Item 4.3 "*Risk Factors*".

14.6 Management

Hubert Marleau, 70, is the Economist and Co-Founder of Palos Management. With over 30 years of experience in the business and financial community, Mr. Marleau has raised funds privately and publicly for hundreds of emerging and mature companies, structured many mergers and acquisitions as well as designed and created numerous financial deals in Canada. Mr. Marleau has worked at the senior executive level of several large investment banks notably, Nesbitt Thomson Inc., Levesque Beaubien Inc. and Marleau, Lemire Inc. During his career, Mr. Marleau was a governor of the Toronto Stock Exchange, the Montreal Stock Exchange, and the Vancouver Stock Exchange, a director of the Investment Dealer Association of Canada and Board member for a multitude of publicly traded companies. Mr. Marleau graduated from the University of Ottawa with an Honours Bachelor of Science in Economics.

Mr. Marleau is a director and interim CEO of the Company. Mr. Marleau devotes approximately 20% of his working time to the affairs of the Company. Mr. Marleau has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

David Constable, 65, is a professional geologist with more than 40 years of varied experience in precious, base metal and uranium exploration and development throughout North and South America, Australia and Asia. Since 1996, he has focused on financing and marketing of junior and mid-tier resources companies, both as an Investor Relations professional and a director. Mr. Constable was Vice President, Investor Relations of Australia's Normandy Mining until it was acquired by Newmont Mining in 2002. He then joined FNX Mining Company Inc. in the same capacity. He retired after FNX merged with Quadra Mining Ltd. (which became QuadraFNX Mining Ltd. and was subsequently acquired by KGHM International Ltd. in 2012). Mr. Constable received his B.Sc. (Honours) in geology from Mount Allison University and MBA (Honours) from Laurentian University. He also holds an ICD.D designation from the Institute of Canadian Directors.

Mr. Constable is a director of the Company. Mr. Constable devotes approximately 20% of his working time to the affairs of the Company. Mr. Constable has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

Mark Goodman, 45, has been actively engaged in the financial services and mining industry since 1992. He began his career working for Dundee Corporation and has held numerous positions within the organization. In addition, Mr. Goodman is the founder and Executive Chairman of Cogitore Resources Inc., a publicly listed company focused on base metals exploration in Northern Quebec. Mr. Goodman has also served as President and CEO of both Valdez Gold and Cogitore. Mr. Goodman sits on the Board of Directors of several publicly and privately held companies including, Cogitore Resources Inc., Corona Gold Corp., Ryan Gold Corp., Energy Fuels Inc., Odyssey Resources Inc., Dynamic Venture Opportunities Fund (Ontario Labour Sponsored Fund) and Merc International Minerals.

Mr. Goodman is a director of the Company. Mr. Goodman devotes approximately 10% of his working time to the affairs of the Company. Mr. Goodman has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

Michael Skead, 52, is a geologist with over 23 years of international experience in the mineral exploration field. He previously served as the President and Chief Executive Officer of Ryan Gold Corp. from October 2007 to May 2012 and the Vice President of Banro Corp. from August 2005 to September 2007. Michael has a B.Sc Honours from the University of Cape Town and an M.Sc in Mineral Exploration and Exploration Geology from Rhodes University.

Mr. Skead is a director of the Company. Mr. Skead devotes approximately 15% of his working time to the affairs of the Company. Mr. Skead has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

Michel Gaucher, 70, is the Chief Executive Officer and Chairman of the Board of Dynamis Group Inc, a diversified holding company. Michel is also a Director of Palos Capital Corporation. He is a President of College Stanislas of Montreal and Director and member of several non-profit organizations. Mr. Gaucher is a member of the Quebec and Canadian Bar Associations, and of the Order of Professional Engineers of Quebec. Michel sat on the board of directors of Cambior Inc. from 1991 to 2006. Michel holds a Bachelor of Arts from College Stanislas, a Bachelor of Science from Ecole Polytechnique of Montreal, an MBA from McGill University and a Bachelor of Law from the University of Montreal.

Mr. Gaucher is a director of the Company. Mr. Gaucher devotes approximately 10% of his working time to the affairs of the Company. Mr. Gaucher has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

Benjamin Yi, 31, is an investment analyst with Goodman & Company, Investment Counsel. Prior to joining Goodman & Company, Benjamin co-founded and led the Product Analytics group at Dynamic Funds, where he focused on fund analysis and the development of closed end fund trading strategies. Previously, Benjamin worked in a business development capacity at VenGrowth Capital Partners, a Toronto based private equity and venture capital firm, after beginning his career at Fidelity Investments Canada. Benjamin holds a Bachelor of Commerce degree from Trinity College and a Master of Finance degree from the Rotman School of Management at the University of Toronto. He is a member of the Toronto CFA Society and became a CFA charter holder in 2008.

Mr. Yi is a director of the Company. Mr. Yi devotes approximately 10% of his working time to the affairs of the Company. Mr. Yi has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

Marion McGrath, 53, has been actively engaged in the securities industry for over 25 years. She has served as a director and officer of numerous public companies in a corporate administrative capacity. Ms.

McGrath is the owner of iO Corporate Services Ltd., which company provides corporate and accounting services to various publicly-traded Canadian companies. Prior to organizing iO Corporate, Ms. McGrath was a senior legal assistant with a Vancouver-based securities law firm.

Ms. McGrath is the corporate secretary of the Company. Ms. McGrath devotes approximately 10% of her working time to the affairs of the Company. Ms. McGrath has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

Mark Gelmon, 56, obtained his Bachelor of Arts degree at the University of British Columbia and subsequently attained his Chartered Accountant designation in 1995 and is a member of the Institute of Chartered Accountants of B.C. Mr. Gelmon has provided his expertise to several TSX Venture Exchange listed companies in the capacity of director, chief financial officer and consultant.

Mr. Gelmon is the chief financial officer of the Company. Mr. Gelmon devotes approximately 25% of his working time to the affairs of the Company. Mr. Gelmon has not entered into a non-competition or non-disclosure agreement with the Company and is not an employee of the Company.

ITEM 15: CAPITALIZATION

15.1 Issued Capital

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	348,906,636	384,877,895	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B) (to the extent known)	91,033,886	121,994,145	34.88%	31.70%
Total Public Float (A-B)	227,202,058	262,883,750	65.12%	58.30%

Freely-Tradeable Float

Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	Nil	6,086,956	Nil	1.58%
Total Tradeable Float (A-C)	348,906,636	378,790,939	100.00%	98.42%

15.2 Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities	17	21,250
2,000 – 2,999 securities	1	2,500
3,000 – 3,999 securities		
4,000 – 4,999 securities	1	4,501
5,000 or more securities	31	348,878,385
	50	348,906,636

15.3 Public Securityholders (Beneficial)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	14	462
100 – 499 securities	119	31,637
500 – 999 securities	123	93,697
1,000 – 1,999 securities	351	465,160
2,000 – 2,999 securities	289	915,150
3,000 – 3,999 securities	192	1,323,674
4,000 – 4,999 securities	135	1,730,221
5,000 or more securities	1,924	272,107,750
Unable to confirm		

15.4 Non-Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	2	13,133,053
	2	13,133,053

15.5 Convertible Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options exercisable at $0.14 per share until January 17, 2015	300,000	300,000
Options exercisable at $0.11 per share until June 3, 2015	250,000	250,000
Options exercisable at $0.11 per share until September 30, 2015	550,000	550,000
Options exercisable at $0.175 per share until December 14, 2016	990,000	990,000
Warrants exercisable at $0.30 per share until August 31, 2014	13,075,000	13,075,000
Compensation warrants exercisable into units at a price of $0.20 per unit until August 31, 2014, each unit comprising one common share and ½ share purchase warrant, each whole warrant exercisable into one common share at $0.30 per share until August 31, 2014	1,057,500	1,586,250
Warrants exercisable at $0.12 per share until September 13, 2016	10,000,000	10,000,000
Warrants exercisable at $0.12 per share until September 16, 2016	3,133,053	3,133,053
Convertible Loan Agreement exercisable into units at a price of $0.115 per unit until January 24, 2015, each unit comprising one common share and one share purchase warrant exercisable into one additional common share at a price of $0.12 per share for a period of the lesser of January 24, 2019 or three years following the conversion of the loan	3,043,478 units	6,086,956

ITEM 16: EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy. Compensation for this financial year and prior financial years have historically been based

upon a negotiated salary, with stock options and bonuses potentially being issued and paid as an incentive for performance.

The Board has established a Compensation Committee, the members of which are David Constable, and Hubert Marleau. The function of the compensation committee is to review, on an annual basis, the compensation paid to the Company's executive officers and to the directors, to review the performance and compensation paid to the Company's executive officers and to make recommendations on compensation to the Board. In addition, the Committee reviews annually the compensation plans for the Company's non-executive staff.

Option-Based Awards

The Compensation Committee, together with the Board of Directors, has the responsibility to administer compensation policies related to executive management of the Company, including option-based awards.

Shareholders have approved a stock option plan pursuant to which the Board has granted stock options to executive officers. The stock option plan provides compensation to participants and an additional incentive to work toward long-term Corporation performance.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Ventures Exchange, and closely align the interests of the executive officers with the interests of the Company's shareholders.

Summary Compensation Table

In accordance with the provisions of applicable securities legislation, the Company had five "Named Executive Officers" during the financial year ended June 30, 2013, namely Hubert Marleau (Interim CEO), Brian Wesson (former CEO), Mark Gelmon (CFO), Amelia Wesson (VP Administration), and William Kable (VP Technical). For the purpose of this information circular:

"CEO" of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"Named Executive Officers or NEOs" means:

(a) a CEO;
(b) a CFO;
(c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000;

(d) each individual who would be an NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries during the three most recently completed financial years ended on June 30, 2013, 2012 and 2011 in respect of the Named Executive Officers. For the information concerning compensation related to previous years, please refer to the Company's previous Information Circulars available at www.sedar.com.

Summary Compensation Table
For Financial Years Ended June 30, 2013, 2012 and 2011

Name and Principal Position	Year Ended June 30	Salary ($)[1]	Share-Based Awards ($)	Option-Based Awards ($)[2]	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans ($)	Long Term Incentive Plans ($)			
Hubert Marleau[3] Interim CEO and Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	48,000[4]	48,000
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mark Gelmon Chief Financial Officer	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil[6]	Nil
	2012	Nil	Nil	45,398[5]	Nil	Nil	Nil	Nil[6]	45,398
	2011	Nil	Nil	20,711[5]	Nil	Nil	Nil	Nil	20,711
Brian Wesson[7] President/CEO and Director	2013	Nil	Nil	Nil[7]	Nil	Nil	Nil	430,000[9]	430,000
	2012	Nil	Nil	635,568[8]	Nil	Nil	Nil	250,500[10]	886,068
	2011	Nil	Nil	997,269[8]	Nil	Nil	Nil	240,000[11]	1,237,269
Amelia Wesson[7] Vice-President - Administration and Director	2013	Nil	Nil	n/a	Nil	Nil	Nil	430,000[9]	430,000
	2012	Nil	Nil	n/a	Nil	Nil	Nil	250,500[10]	250,500
	2011	Nil	Nil	n/a	Nil	Nil	Nil	240,000[11]	240,000
William Kable[12] Former VP Technical	2013	Nil	Nil	Nil	Nil	Nil	Nil	81,000[14]	81,000
	2012	Nil	Nil	45,398[13]	Nil	Nil	Nil	157,000[14]	202,398
	2011	Nil	Nil	n/a	Nil	Nil	Nil	150,000[14]	150,000

Notes:

1. The value of perquisites and benefits, if any, for each Named Executive Officer was less than the lesser of $50,000 and 10% of the total annual salary and bonus.
2. The value of the option-based award was determined using the Black-Scholes option-pricing model. All options granted were granted with an exercise price equal to the market price of the Company's common shares on the date of grant. Accordingly, the values shown for these options are not the "in-the-money" value at the time of grant, but the theoretical value of the options at that time based on the Black-Scholes-option pricing formula. For information regarding the "in-the-money" value of the options, please see the table under "Outstanding Option-Based Awards" below.
3. Mr. Marleau consented on February 27, 2013 to act as Interim CEO, following the resignations of the Wesson's.
4. Of the $48,000 paid to Hubert Marleau during the fiscal year ended June 30, 2013, $12,000 was for management fees and the remaining was director fees payable to Mr. Marleau prior to him becoming a Named Executive Officer (for more information regarding "Director Fees" please refer to header "Directors Compensation" below).
5. Mr. Gelmon was granted 250,000 stock options on December 15, 2011, exercisable at a price of $0.175 and expiring on December 14, 2016 during the 2012 fiscal year and 200,000 stock options on October 1, 2010, exercisable at a price of $0.11 and expiring on September 30, 2015.
6. Mr. Gelmon does not receive any compensation directly from the Company. All compensation paid by the Company in connection with the services of Mr. Gelmon are paid to iO Corporate Services Ltd., a company which provides secretarial and accounting services for a monthly fee of $15,000. Mr. Gelmon is a consultant of iO Corporate Services Ltd.
7. Mr. and Mrs. Wesson tendered their resignations to the Company on February 26, 2013; subsequently their stock options were cancelled.
8. Westech International (HK) Ltd., a company owned and controlled jointly by Brian Wesson and Amelia Wesson, was granted 3,500,000 stock options on December 15, 2011, exercisable at a price of $0.175 and expiring on December 14, 2016 during the 2012 fiscal year and 3,500,000 stock options on December 13, 2010, exercisable at a price of $0.325 and expiring on December 12, 2015.
9. During the 2013 fiscal year, $860,000 was paid to Westech International (HK) Ltd., a Corporation owned and controlled jointly by Brian Wesson and Amelia Wesson, pursuant to an employment agreement with Westech.
10. On December 1, 2011, the monthly management fees paid to Westech International (HK) Ltd. increased to $43,000. During the 2012 fiscal year $501,000 in management fees were paid to Westech International (HK) Ltd., a Corporation owned and controlled jointly by Brian Wesson and Amelia Wesson.
11. The Company pays a monthly management fee of $40,000 to Westech International (HK) Ltd., a company owned and controlled jointly by Brian Wesson and Amelia Wesson.

12. On August 9, 2012, Mr. Kable ceased to be the VP of Technical. Subsequently, on January 12, 2013, Mr. Kable passed away. All stock options held by Mr. Kable at the time of his death with expire one year after his death if unexercised.
13. Mr. Kable was granted 250,000 stock options on December 15, 2011, exercisable at a price of $0.175 and expiring on December 14, 2016 during the 2012 fiscal year.
14. The Company paid $150,000 in geological consulting fees during the 2011 fiscal year, $157,000 during 2012 and $81,000 during 2013 to Kable Resource Associates Pty Limited, a company owned and controlled by William Kable.

Outstanding Share-Based Awards and Option-Based Awards

The Company has a "rolling" stock option plan (the "Plan"). Pursuant to the Plan, the Company can grant options up to a maximum of 10% of the Company's issued and outstanding share capital. As at the date of this Listing Application, the Company has a total of 4,340,000 options outstanding pursuant to the Plan. For further information regarding the terms of the Plan, refer to the heading "*Options to Purchase Securities*" above.

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Company at the end of the most recently completed financial year to each of the Named Executive Officers.

	Option-Based Awards				Share-Based Awards	
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value[1] of Unexercised In-The-Money Options ($)**	**Number of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value[1] of Share-Based Awards That Have Not Vested ($)**
Hubert Marleau	250,000	$0.11	June 3, 2015	Nil	Nil	Nil
	250,000	$0.175	December 14, 2016	Nil	Nil	Nil
Brian Wesson	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil
Amelia Wesson	-See Note (2)	-	-	-	-	-
Mark Gelmon	200,000	$0.11	September 30, 2015	Nil	Nil	Nil
	250,000	$0.175	December 14, 2016	Nil	Nil	Nil
William Kable[3]	500,000	$0.10	July 5, 2014	Nil	Nil	50,000
	500,000	$0.11	June 3, 2015	Nil	Nil	Nil
	250,000	$0.175	December 14, 2016	Nil	Nil	Nil

Notes:

1. Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. The last closing price of the Company's shares was $0.10 on June 28, 2013.
2. Option granted to Westech International (HK) Ltd., a Corporation owned and controlled jointly by Brian Wesson and Amelia Wesson were cancelled subsequent to their resignations.
3. On January 11, 2013, William Kable passed away and his options will be cancelled on January 11, 2014.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table details the value of incentive plan awards to Named Executive Officers that vested during the financial year ended June 30, 2013.

Name	Option-Based Awards – Value Vested During the Year ($)	Share-Based Awards – Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Hubert Marleau	Nil	Nil	Nil
Brian Wesson[3]	Nil	Nil	Nil
Amelia Wesson[3]	Nil	Nil	Nil
William Kable[2]	Nil	Nil	Nil
Mark Gelmon	Nil	Nil	Nil

Notes:

1. All Options that vested during the financial year ended June 30, 2013 were not-in-the-money on the date of vest as the market closing price was equal to or less than the exercise price.
2. On January 11, 2013, William Kable passed away and his options will be cancelled on January 11, 2014.
3. Option granted to Westech International (HK) Ltd., a Corporation owned and controlled jointly by Brian Wesson and Amelia Wesson were cancelled subsequent to their resignations.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than disclosed under the heading "*Management Contracts*", the Company does not have an employment contract with any of its Named Executive Officers. Each Named Executive Officer devotes a portion of his or her time to the Company and a portion of his or her time to other companies where he or she is a director and/or officer. Accordingly, the Name Executive Officers invoice the Company based on the percentage of time devoted to the Company.

Other than as referred to in "*Management Contracts*" below, neither the Company nor any of its subsidiaries have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of the executive officers' employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the executive officers' responsibilities following a change in control.

Management Contracts

Other than as described under the heading "*Termination of Employment, Change in Responsibilities and Employment Contracts*" above, there are no management functions of the Company, which are to any substantial degree performed by a person or Corporation other than the directors or executive officers of the Company.

Compensation of Directors

The Company has established a policy for which all non-executive directors are compensated for their services to the Company. Currently, all non-executive directors receive a monthly fee of $2,500 and those directors who preside as Chair on a committee receive $3,000 per month.

The following table sets forth all amounts of compensation provided to directors who were not Named Executive Officers of the Company during the Company's most recently completed financial year end.

Name	Fees Earned ($)[1]	Share-Based Awards ($)	Option-Based Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
John Icke	36,000	Nil	Nil	Nil	Nil	Nil	36,000
David Constable	36,000	Nil	Nil	Nil	Nil	Nil	36,000
Ned Goodman[3]	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. The value of perquisites and benefits, if any, for each Director was less than the lesser of $50,000 and 10% of the total annual salary and bonus.
2. The value of the option-based award was determined using the Black-Scholes option-pricing model. All options granted were granted with an exercise price equal to the market price of the Company's common shares on the date of grant. Accordingly, the values shown for these options are not the "in-the-money" value at the time of grant, but the theoretical value of the options at that time based on the Black-Scholes-option pricing formula. For information regarding the "in-the-money" value of the options, please see the table under "Outstanding Option-Based Awards" below.
3. Ned Goodman was appointed a Director of the Company on February 3, 2013 and tendered his resignation on June 24, 2013. Mr. Goodman was re-appointed as a Director on August 22, 2013 and tendered his resignation on February 24, 2014.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Company at the end of the most recently completed financial year to each of the Directors of the Company who were not Named Executive Officers during the last financial year ended June 30, 2013.

	Option-Based Awards				Share-Based Awards	
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value[1] of Unexercised In-The-Money Options ($)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value[1] of Share-Based Awards That Have Not Vested ($)
John Icke	250,000	$0.14	January 17, 2015	Nil	Nil	Nil
	500,000	$0.11	June 3, 2015	Nil	Nil	Nil
	250,000	$0.175	December 14, 2016	Nil	Nil	Nil
David Constable	250,000	$0.175	December 14, 2016	Nil	Nil	Nil
Ned Goodman	Nil	n/a	n/a	n/a	n/a	n/a

Notes:

1. Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. The closing price of the Company's shares was $0.10 on June 28, 2013.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table details the value of incentive plan awards to Directors (who were not Named Executive Officers) that vested during the financial year ended June 30, 2013.

Name	Option-Based Awards – Value Vested During the Year ($)	Share-Based Awards – Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
John Icke	Nil[1]	Nil	Nil
David Constable	Nil[1]	Nil	Nil
Ned Goodman	n/a	n/a	n/a

Notes:

1. All Options that vested during the financial year ended June 30, 2013 were not-in-the-money on the date of vest as the market closing price on the date of grant was equal to or less than the exercise price.

Securities Authorized For Issuance under Equity Compensation Plans

For a description of our equity compensation plan, please see the heading "Options" above and "Continuation of Share Option Plan" below. The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2013:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders - (the Option Plan)	4,340,000	$0.19	29,237,358
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	4,340,000	$0.19	29,237,358

ITEM 17: INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of June 30, 2013 or as at the date hereof

ITEM 18: RISK FACTORS

18.1 Risk Factors

The Company is in the business of acquiring, exploring and developing mineral properties, and is exposed to a number of risks and uncertainties that are common to other junior mineral exploration companies in the same business. The mining industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no other source of revenue other than interest on cash balances. The Company will rely mainly on equity and debt financing to fund its exploration and development activities.

An investment in the common shares of the Company involves a significant degree of risk and ought to be considered a highly speculative investment. The following is brief discussion of those factors which

may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance:

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in Woulfe's resource base.

Woulfe's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of Woulfe.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which Woulfe will have has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which Woulfe's properties are located, often in poor climate conditions.

The long-term commercial success of Woulfe depends on its ability to find, acquire, develop and commercially produce tungsten, molybdenum, gold, silver, uranium, vanadium, lead, zinc and other metals. No assurance can be given that Woulfe will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Woulfe may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

History of Net Losses/ No Foreseeable Positive Cash Flow

Woulfe has not received any revenue to date from the exploration activities on its properties. Woulfe incurred losses during its most recently completed financial years. Woulfe has not yet found that commercial mining activity is warranted on any of its properties. Even if Woulfe does undertake development activity on any of its properties, there is no certainty that Woulfe will produce revenue, operate profitably or provide a return on investment in the future.

The exploration of Woulfe's properties depends on its ability to obtain additional required financing. There is no assurance that Woulfe will be successful in obtaining the required financing, which could cause it to postpone its exploration plans or result in the loss or substantial dilution of its interest in its properties as disclosed in this Listing Statement.

No History of Profitable Mineral Production

The Company has no history of commercially producing metals from its mineral exploration properties and there can be no assurance that it will successfully establish mining operations or profitably produce coal or other base and precious metals.

None of the Company's properties are currently in production. The future development of any properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure. As a result, the Company will be subject to all of the risks associated with establishing new mining operations and business enterprises, including:

- the timing and cost of the construction of mining and processing facilities;
- the availability and costs of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

There are no assurances that the Company's activities will result in profitable mining operations or that the Company will successfully establish mining operations or profitably produce coal or other metals at any of its properties.

Mineral Resources and Reserves

The figures for the Company's resources and reserves are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated. Unless otherwise indicated, mineralization figures presented in this Listing Statement and in the Company's other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by the Company's personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no

assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

The resource and reserve estimates contained in this Listing Statement and in the documents incorporated herein by reference have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for tungsten, gold or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven and probable reserves at any of its mineral properties other than the Sangdong Project. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves at any of the Company's properties. The failure to establish proven and probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.

Capital Costs, Operating Costs, Production and Economic Returns

Actual capital costs, operating costs, production and economic returns may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations. The capital costs required to take the Company's projects into production may be significantly higher than anticipated.

None of the Company's mineral properties have sufficient operating history upon which the Company can base estimates of future operating costs. Decisions about the development of these and other mineral properties will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates metals from the ore;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for the Company, including the Sangdong Feasibility Study or other feasibility studies, if prepared, may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual operating costs will not be higher than currently anticipated.

Permits and Licenses

The activities of Woulfe are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Although Woulfe believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and

regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of Woulfe. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of Woulfe's investments in such projects may decline.

Each of the Company's mining licenses and permits is effective for a term of 20 years. Under the Mining Industry Law of Korea (the "**MIL**"), if a holder of the mining licenses and permits intends to renew the licenses and permits for an additional term, it must obtain approval from the Minister of Knowledge and Economy (the "**MKE**"). Thus, there is no assurance that Woulfe can renew these licenses and permits. Furthermore, the MIL empowers the MKE to revoke the mining licenses or permits or reduce the mines if the MKE determines that engaging in mining in certain mines are against public good or hinders major national construction projects. Thus, there is no assurance that Woulfe's mining licenses or permits will not be subject to such restrictions.

Foreign Operations

Woulfe's current principal exploration properties are located in South Korea. Its operations may be exposed to various levels of political, economic, and other risks and uncertainties depending on the country or countries in which it operates. These risks and uncertainties include, but are not limited to, terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors, or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions may result in a government adopting different policies with respect to foreign development and ownership of mineral resources. Any changes in policy may result in changes in laws affecting ownership of assets, foreign investment, taxation, rates of exchange, resource sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of the Resulting Issuer to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operations.

Currently, Woulfe is materially dependent upon its foreign operations in South Korea. Any changes in regulations or shifts in political attitudes in South Korea are beyond the control of Woulfe and may adversely affect its business, financial condition and prospects. Future development and operations may be affected in varying degrees by one or more of the factors set forth above. The effect of these factors cannot be accurately predicted.

Title Risks

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, Woulfe believes that it has either contractual, statutory, or other legal rights to make such use of the

surface as is reasonably necessary in connection with those activities. Although Woulfe believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired. Successful challenges to the title of Woulfe's properties could impair the development of operations on those properties.

Although Woulfe has received a title opinion from counsel in South Korea regarding title to the mineral rights related to its mineral properties, according to the laws of South Korea, even if a person is recorded on the mining rights registry as the mining rights holder, it does not necessarily mean that such person is a title holder to the mining rights. Thus, there may be a possibility that the mining rights of such holder may be revoked or revealed to be void and its rights would be deleted from the mining rights registry in the event of (i) legal defect in the case of acquisition, such as a purchase and due to such defect, such acquisition is revoked or revealed to be void, or (ii) a person who is recorded on the mining rights registry as the preceding holder is not the legitimate rights holder for any reason (in such case, the person recorded on the mining rights registry as the mining rights holder would have acquired a non-existing right).

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Woulfe and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Competition

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of ore are discovered, a ready market will exist for the sale of same. Marketability of natural resources which may be discovered by Prophecy will be affected by numerous factors beyond the control of the Company, such as market fluctuations, the proximity and capacity of natural resource markets and

processing equipment, government regulations including regulations relating to prices, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of such factors cannot be predicted but they may result in the Company not receiving an adequate return on its capital.

Volatility of Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of tungsten and other minerals. The prices of those commodities has fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods.

The price of tungsten may have a significant influence on the market price of the Company's shares and the value of the Company's mineral properties. The effect of these factors on the price of tungsten, and therefore the viability of the Company's exploration projects, cannot be accurately predicted. If tungsten and metals prices were to decline significantly or for an extended period of time, the Company may be unable to continue operations, develop the properties or fulfill obligations under agreements with the Company's joint venture partners, if any, or under its permits or licenses.

Substantial Capital Requirements

The Company estimates that its current financial resources are sufficient to undertake presently planned exploration and development programs. Further exploration on and development and construction of the Company's mineral properties may require additional capital. One source of future funds presently available to the Company is through the sale of equity capital. There is no assurance that this source will continue to be available as required or at all. If it is available, future equity financings may result in substantial dilution to shareholders. Another alternative for the financing of further exploration would be the offering by the Company of an interest in its mineral properties to be earned by another party or parties carrying out further exploration or development thereof. There can be no assurance that the Company will be able to conclude any such agreements on favourable terms or at all.

Any failure of the Company to obtain the required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and liquidity and may require the Company to cancel or postpone planned capital investments.

Recent Global Financial Conditions

Recent global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Woulfe to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, Woulfe's operations could be adversely impacted and the value and the price of the Company's shares could continue to be adversely affected.

Reliance on Key Employees

The success of Woulfe will be largely dependent upon the performance of its management and key employees. In assessing the risk of an investment in the Woulfe Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of Woulfe. Woulfe does not, nor does it foresee that it will, maintain life insurance policies in respect of its key personnel. Woulfe could be adversely affected if such individuals do not remain with the Issuer.

Conflicts of Interest

Certain of the directors and officers of Woulfe will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of Woulfe may become subject to conflicts of interest. The *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57 ("**BCBCA**") provides that if a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the knowledge of management of Woulfe, as at the date hereof there are no existing or potential material conflicts of interest between Woulfe and a director or officer of Woulfe except as otherwise disclosed herein.

Dividends

To date, Woulfe has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of Woulfe will be made by its board of directors on the basis of its earnings, financial requirements and other conditions.

Currency Fluctuations

Woulfe maintains its accounts in Canadian dollars. Woulfe's operations in Korea will make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results. Woulfe does not plan to engage in currency hedging activities.

Potential Volatility of Share Price

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the Company's shares may be volatile and could be subject to wide fluctuations due to a number of factors, including but not limited to: actual or anticipated fluctuations in the Company's results of operations; changes in estimates of the Resulting Issuer's future results of operations by management or securities analysts; and general industry changes. In addition, the financial markets have in the past experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many venture issuers and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the solar installation industry specifically, may adversely affect the market price of the Company's shares.

Uninsured Risks

Woulfe, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, Woulfe may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Dilution

The number of common shares the Company is authorized to issue is unlimited. The Company may, in its sole discretion, issue additional shares from time to time, and the interests of the shareholders may be diluted thereby.

Other Risks and Hazards

The Company's operations are subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in regulatory environment;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions;
- uncertainties relating to the interpretation of drill results;
- inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration or development results will not be consistent with the Company's expectations;
- the potential for delays in exploration or the completion of feasibility studies;
- other acts of God or unfavourable operating conditions.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on future cash flow, results of operations and financial condition.

ITEM 19: PROMOTERS

Other than the directors and officers of the Company, management is not aware of any person or company who could be characterized as a promoter of the Company or a subsidiary of the Company within the two most recently completed financial years or during the current financial year.

Executive compensation for the past three years is disclosed under the heading "Executive Compensation" in the management information circular dated October 25, 2013, which section is

incorporated by reference in this Listing Statement and a copy of which is available for viewing under the Company's corporate profile at www.sedar.com.

ITEM 20: LEGAL PROCEEDINGS

The Company is not a party to any outstanding legal or regulatory proceedings, and the directors of the Company do not have any knowledge of any contemplated legal or regulatory proceedings that are material to the business and affairs of the Company.

ITEM 21: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except in regards to the executive compensation of directors and officers in their roles as same or the participation by directors and officers in recently completed private placements of the Company or as described below, no director or executive officer, insider, or any associate or affiliate of such insider or director or executive officer, have had any material interest, direct or indirect, in any material transaction of Woulfe within the Company's three most recently completed financial years or during the current financial year, which has materially affected or will materially affect Woulfe.

Ned Goodman, a former director of the Corporation, is the President, Chief Executive Officer, a director and controlling shareholder of Dundee Corporation. As of December 31, 2013, Mr. Goodman held an approximate 85.8% voting interest in Dundee Corporation.

Dundee Corporation currently owns, directly or indirectly, approximately 15.28% of the outstanding Common Shares of the Corporation on undiluted basis and 21.51% of the outstanding Common Shares of the Corporation on a partially diluted basis.

During the financial year commencing July 1, 2013, the Corporation has completed or proposes to complete the following material transactions with Dundee Corporation:

(a) On September 13, 2013, Dundee Corporation subscribed for 10,000,000 units of the Corporation (each a "Units") at a price of $0.10 per Unit generating aggregate gross proceeds of $1,000,000. Each Unit is comprised of one common share and one common share purchase warrant. Each whole warrant is exercisable for a period of 36 months at a price of $0.12 per share;

(b) On January 24, 2014, Dundee Corporation advanced to the Corporation $350,000 as an unsecured loan pursuant to a convertible loan agreement all as more particularly described at *General Development of the Business – Three Year History - Loans*; and

(c) As announced on January 27, 2014, the Corporation plans to complete a private placement offering of convertible unsecured subordinated debentures of the Corporation, whereby Dundee Corporation will be the sole subscriber and acquire $4,000,000 in convertible unsecured subordinated debentures convertible into common shares or preferred shares of the Corporation and the sole holder of any issued preferred shares all are more particularly described at *General Development of the Business – Three Year History – Recent Financings*.

ITEM 22: AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Company's auditor is KPMG LLP at their Vancouver office at 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3

The Company's transfer agent and registrar is Computershare Investor Services Inc. of 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9.

ITEM 23: MATERIAL CONTRACTS

Other than a bridge loan agreement, a subscription agreement and a joint venture agreement executed on February 26, 2012, an amended and restated bridge loan agreement and amended omnibus agreement executed on March 4, 2013 and an amended omnibus agreement dated February 14, 2014 in connection with the IMC Transaction as described above (the "**IMC Agreements**"), there are no other contracts, other than those herein disclosed in this Listing Statement and other than those entered into in the ordinary course of the Company's business, that are material to the Company and which were entered into in the most recently completed financial year ended June 30, 2013 or before the most recently completed financial year but are still in effect as of the date of this Listing Statement. The IMC Agreements are available under the Company's profile on SEDAR.

ITEM 24: INTERESTS OF EXPERTS

24.1 Names of Experts

Jonathan Glidden, C.Eng, FIMMM, Paul Gribble, B.Sc., C.Eng., FIMMM, Andrew Carter, Eur. Ing., B.Sc., C.Eng., MIMMM, MSAIMM, SME, Rodney Elvish, FRMIT, Dip Min Ec., HonFAusIMM (CP Met), Phil Thomas, C. Eng., FIMMM, Mike Turner, M. Sc., DIC, B.Sc. (Eng)(Hons), ARSM, FAusIMM (CP), RPEQ, Garth Liukko, P. Eng., Karlis Jansons, P. Eng. and Tim Wrigley, B.SC. (Hons), M.Sc., Ph.D., MAusIMM (CP) for TetraTech Wardrop UK were responsible for preparing the Sangdong Feasibility Study, and each are an independent qualified person as defined in NI 43-101.

Edward Gleeson, B. Eng. (Mining), MAusIMM (CP), Rodney Elvish, FRMIT, Dip Min Ec., HonFAusIMM (CP Met), Rod L. Webster, B.Sc. (Applied Geology), MAusIMM (CP) for AMC Consultants Pty Ltd. were responsible for preparing the Muguk PEA, and each are an independent qualified person as defined in NI 43-101.

KPMG LLP, Chartered Accountants, prepared the auditor's report for the audited annual financial statements of Woulfe.

24.2 Interests of Experts

To the knowledge of Woulfe, none of the experts above or their respective associates or affiliates, beneficially owns, directly or indirectly, any securities of Woulfe, has received or will receive any direct or indirect interests in the property of Woulfe or is expected to be elected, appointed or employed as a director, officer or employee of Woulfe or any associate or affiliate thereof.

ITEM 25: OTHER MATERIAL FACTS

There are no other material facts about the Company and its securities that are not disclosed under the preceding items or incorporated by reference that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to our company and our securities.

ITEM 26: FINANCIAL STATEMENTS

The audited financial statements of the Company for the years ended June 30, 2013 and June 30, 2012 are appended to this Listing Statement as Schedule "A" and the unaudited interim financial statements of the Company for the three months ended December 31, 2013 are appended to this Listing Statement as Schedule "C".

ITEM 27: ADDITIONAL INFORMATION

Additional information on the Company can be found on the Company's website at www.woulfemining.com or on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional information is provided in the Company's most recent financial statements and the management's discussion and analysis for its most recently completed financial year.

SCHEDULE "A"

AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012

WOULFE MINING CORP

Consolidated Financial Statements

For the years ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Woulfe Mining Corp.

We have audited the accompanying consolidated financial statements of Woulfe Mining Corp., which comprise the consolidated statements of financial position as at June 30, 2013 and June 30, 2012, and the consolidated statements of comprehensive loss, cash flows and changes in equity for the years ended June 30, 2013 and June 30, 2012 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Woulfe Mining Corp. as at June 30, 2013 and June 30, 2012, and its consolidated financial performance and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which describes that the Company has no current sources of revenue and a history of losses. These conditions, along with other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

KPMG LLP (signed)

Chartered Accountants

October 21, 2013
Vancouver, Canada

WOULFE MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	June 30, 2013	June 30, 2012
Assets		
Current assets:		
Cash and cash equivalents	$ 1,994,586	$ 851,638
Receivables (note 5)	80,729	381,888
Prepaid expenses and deposits	174,306	318,393
	2,249,621	1,551,919
Loan receivable from related party (note 6)	-	1,169,006
Deferred financing costs (note 19)	1,039,132	855,530
Property, plant and equipment (note 7)	1,315,733	1,214,984
Exploration and evaluation assets (note 8)	53,658,704	46,669,919
	$ 58,263,190	$ 51,461,358
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 10)	$ 4,685,653	$ 4,179,239
Provisions (note 9)	659,940	657,966
Loan payable (note 12)	10,153,808	5,084,547
	15,499,401	9,921,752
Employee benefit obligations (Note 11)	219,317	157,520
Provisions (note 9)	53,902	74,646
Deferred income tax liability	3,173,555	2,853,038
	18,946,175	13,006,956
Shareholders' equity:		
Share capital (note 13)	62,625,990	58,725,903
Share-based payment reserve (note 13)	14,943,983	13,904,535
Deficit	(38,252,958)	(34,176,036)
	39,317,015	38,454,402
	$ 58,263,190	$ 51,461,358

Nature of operations and going concern (note 1)
Proposed transaction (note 19)
Subsequent event (note 20)

See accompanying notes to the consolidated financial statements.
Approved by the Board:

"Hubert Marleau" Director ***"John Icke"*** Director

WOULFE MINING CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Years ended June 30, 2013 and 2012
(Expressed in Canadian dollars)

		2013		2012
Expenses:				
Amortization	$	4,961	$	-
Consulting		112,340		384,130
Directors' fees		108,000		132,871
Investor relations		191,621		315,147
Management fees		872,000		501,000
Office and miscellaneous		325,083		345,617
Professional fees		623,821		711,680
Shareholder communication		401,347		708,737
Share-based payment expense (note 13)		(25,684)		1,221,290
Transfer agent and regulatory fees		62,678		71,917
Travel and related costs		594,492		1,142,735
		(3,270,659)		(5,535,124)
Other income (expenses):				
Interest expense		(326,146)		(84,547)
Interest income		34,788		67,598
Gain on settlement of debt		-		26,359
Foreign exchange gain (loss)		(107,462)		324,406
		(398,820)		333,816
Loss before income taxes		(3,669,479)		(5,201,308)
Income tax expense (note 18)				
Current		(139,000)		(75,000)
Deferred		(320,517)		(335,927)
		(459,517)		(410,927)
Loss for the year		(4,128,995)		(5,612,235)
Other comprehensive income (loss)				
Actuarial gain (loss) on employee benefit obligations (note 11)		52,073		(31,496)
Comprehensive loss for the year	$	(4,076,922)	$	(5,643,731)
Loss per common share	$	(0.01)	$	(0.02)
Weighted average number of common shares outstanding		331,181,936		291,027,400

See accompanying notes to the consolidated financial statements.

WOULFE MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 and 2012
(Expressed in Canadian dollars)

	2013	2012
Cash provided by (used in):		
Operating activities:		
Loss for the year	$ (4,128,995)	$ (5,612,235)
Items not involving cash:		
Amortization expense	4,961	-
Income tax expense	459,517	410,927
Foreign exchange	107,461	(324,406)
Gain on settlement of debt	-	(26,359)
Share-based payment expense (recovery)	(25,684)	1,221,290
Interest expense	326,146	84,547
Interest income	(34,788)	(67,598)
	(3,291,383)	(4,313,834)
Changes in non-cash working capital items:		
Receivables	302,133	(129,689)
Prepaid expenses and deposits	148,997	6,725
Accounts payable and accrued liabilities	(666,340)	906,874
Interest received	63,522	38,592
	(3,443,071)	(3,491,332)
Financing activities:		
Proceeds from issuance of share capital (note 13)	5,332,500	5,106,860
Share issuance costs paid	(367,281)	-
Issuance of loan payable (note 12)	4,739,461	5,000,000
Deferred financing costs paid	(59,699)	(698,150)
	9,644,981	9,408,710
Investing activities:		
Exploration and evaluation expenditures	(6,120,691)	(11,036,858)
Purchase of property, plant and equipment	(227,078)	(409,222)
Repayment of loan provided to related party (note 6)	1,140,000	-
Loan provided to related party (note 6)	-	(1,140,000)
	(5,207,769)	(12,586,080)
Change in cash and cash equivalents	994,141	(6,668,702)
Effect of foreign exchange on cash and cash equivalents	148,807	(79,397)
Cash and cash equivalents, beginning of year	851,638	7,599,737
Cash and cash equivalents, end of year	$ 1,994,586	$ 851,638

Supplemental disclosure with respect to cash flows (note 17)

See accompanying notes to the consolidated financial statements.

WOULFE MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2013 and 2012
(Expressed in Canadian dollars)

	Share Capital				
	Number	**Amount**	**Share-based payment reserve**	**Deficit**	**Total**
Balance at June 30, 2011	268,206,833	$ 51,797,260	$ 14,441,472	$ (28,532,305)	$ 37,706,427
Comprehensive loss:					
Loss for the year	-	-	-	(5,612,235)	(5,612,235)
Actuarial loss on employee benefits	-	-	-	(31,496)	(31,496)
Total comprehensive loss for the year	-	-	-	(5,643,731)	(5,643,731)
Shares issued for cash	40,966,750	5,106,860	-	-	5,106,860
Reallocation of reserves on the exercise of warrants	-	1,821,783	(1,821,783)	-	-
Share-based payment expense	-	-	1,284,846	-	1,284,846
Balance June 30, 2012	309,173,583	58,725,903	13,904,535	(34,176,036)	38,454,402
Comprehensive loss:					
Loss for the year	-	-	-	(4,128,995)	(4,128,995)
Actuarial gain on employee benefits	-	-	-	52,073	52,073
Total comprehensive loss for the year	-	-	-	(4,076,922)	(4,076,922)
Shares issued for cash	26,600,000	5,332,500	-	-	5,332,500
Share issuance costs	-	(357,234)	(10,047)	-	(367,281)
Warrant valuation	-	(1,145,439)	1,145,439	-	-
Reallocation of reserves on the exercise of warrants	-	46,823	(46,823)	-	-
Reallocation of reserves on the exercise of options	-	23,437	(23,437)	-	-
Share-based payment expense recovery	-	-	(25,684)	-	(25,684)
Balance at June 30, 2013	335,773,583	$ 62,625,990	$ 14,943,983	$ (38,252,958)	$ 39,317,015

See accompanying notes to the consolidated financial statements.

1. Nature of operations and going concern:

Woulfe Mining Corp. ("Woulfe" or the "Company") is incorporated under the laws of British Columbia, Canada. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The principal business of the Group is the acquisition, exploration, and development of mineral properties. The Company has four wholly-owned subsidiaries: Sangdong Mining Corporation ("Sangdong"), Yeonwha Mining Corporation ("Yeonwha") and Woulfe Processing LLC ("WPC") are incorporated in South Korea and Orient Gold (BVI) Ltd. ("Muguk") is incorporated in the British Virgin Isles. The Group's principal properties are located in South Korea and are in various stages of exploration to determine whether they contain economically viable mineral deposits.

The Company's head office is located at 408 - 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6. The Company's registered and records office is 2080 - 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements are prepared on a going concern basis which assumes that 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 June 30, 2013, the Company had an accumulated deficit of $38,252,958 and a working capital deficiency of $13,249,780 and to date, the Company has not generated any revenues, other than nominal interest on its deposits, to meet its operating and administrative expenses or its other obligations.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration and development work on its South Korean mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the progress and results of exploration, the state of the global economy, and investor perceptions and expectations. If the Company is unable to obtain additional financing, the Company may be required to curtail exploration activities and sell or abandon its mineral property interests. This may result in an impairment of the carrying value of exploration and evaluation assets.

The Company has entered into an arrangement (note 19) which, if completed, would provide a substantial portion of the required funding for the Company's Sangdong project together with a proposed new credit facility. Although the Company completed an equity offering subsequent to year end (note 20), the Company expects to require additional funding in fiscal 2014 to support its planned exploration and corporate activities and to pay its obligations as they come due. These conditions cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of presentation and statement of compliance:

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board ('IASB').

These consolidated financial statements were authorized for issue by the Board of Directors on October 21, 2013.

(b) Basis of consolidation and presentation:

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. Significant accounting policies:

Foreign currency transactions

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. Transactions denominated in a foreign currency are translated into Canadian dollars using the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are retranslated into Canadian dollars using the exchange rate in effect at the period-end date and the related exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars using the exchange rate in effect at the date the value is determined and the related exchange gains and losses are recognized in profit or loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

3. Significant accounting policies (continued):

Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, and include cash on deposits and Canadian guaranteed investment certificates ("GIC's") at a major Canadian banking institution. The GIC's are cashable on demand without interest penalties.

Financial instruments

Financial assets

Financial assets are designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified at FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. The Company has no financial assets classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured initially at fair value and subsequently at amortized cost using the effective interest rate method. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss except for losses in value that provide objective evidence of impairment, which are recognized in profit and loss. The Company's cash and cash equivalents, accounts receivable and loan receivable from related party are classified as loans and receivables. The Company does not hold any held to maturity financial assets.

Transaction costs associated with FVTPL financial assets are expensed as incurred. Transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial liabilities

All financial liabilities are designated upon inception at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. The Company's financial liabilities consist of accounts payable and accrued liabilities and loan payable.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading. Financial liabilities designated as FVTPL and derivatives are recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. The Company has no financial liabilities classified as FVTPL or derivatives.

3. Significant accounting policies (continued):

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs, which are costs incurred prior to obtaining the legal right to explore a property, are expensed as incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E"), including initial acquisition costs, are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, employee benefits, depreciation on equipment used during the exploration phase and general and administrative expenses directly related to exploration and evaluation activities. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur. Borrowing costs are expensed during the exploration and evaluation phase.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, which is when financing for the project has been secured and the board has approved a construction decision, the property is considered to be a mine under development and the related exploration and evaluation assets are reclassified to property, plant and equipment.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. When facts and circumstances suggest that the carrying amount of a project exceeds its recoverable amount, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Impairment

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. An impairment is recognized if the estimated present value of the future cash flows of the financial assets are less than their carrying values.

3. Significant accounting policies (continued):

Impairment (continued)

Impairment of non-financial assets

At the end of each reporting period, the Company's non-financial assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less cost to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Property, plant and equipment

Recognition and measurement

On initial recognition, items of property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs. Costs also includes an estimate of the present value of any future unavoidable costs of dismantling and removing an item of property, plant and equipment and the corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

3. Significant accounting policies (continued):

Property, plant and equipment (continued):

Major maintenance and repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss when incurred.

Gains and losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net in profit or loss.

Amortization

Amortization is recognized in the statement of comprehensive loss or exploration and evaluation assets, as applicable, and is provided on a straight line basis over the estimated useful life of the assets as follows:

Asset	Years
Buildings	20
Equipment	4
Vehicles	4

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Items included in construction in progress are not amortized.

Provisions

Environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and property, plant and equipment and with environmental rehabilitation or reclamation. The environmental rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. A current pre-tax discount rate specific to the liability is used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the unwinding of the discount rate due to the passage of time is recognized as interest expense.

3. Significant accounting policies (continued):

Provisions (continued)

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and warrants are classified as equity instruments. The proceeds received form the issuance of share units, which consist of common shares and warrants, are allocated first to the warrants based on their fair value with the residual proceeds allocated to the common shares. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss over the period during which all vesting conditions are satisfied ("vesting period"). Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the fair value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the equity instrument issued is used.

All equity-settled share-based payments are reflected in the share-based payment reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in the share-based payment reserve is reclassified to share capital, adjusted for any consideration received on exercise.

3. Significant accounting policies (continued):

Share-based payments (continued)

Where a grant of options is settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company accounts for the settlement as an acceleration of vesting and recognizes immediately in profit or loss any unrecognized share-based payment expense associated with such options.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Other long-term employee benefits

The Company's employees in Korea are entitled to benefits on the completion of employment as specified in the Korean Labor Standards Act. The obligation associated with these benefits is accounted for as a defined benefit plan. The net obligation in respect of these long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value using a discount rate that is the yield at the reporting date on AA+ credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. Any actuarial gains and losses are recognized in other comprehensive income (loss) in the period in which they arise.

Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. Significant accounting policies (continued):

Interest income and expense

Interest income comprises interest income on funds invested (including available-for-sale financial assets). Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Interest expense is comprised of interest expense on loans and borrowings and unwinding of the discount on provisions. Interest costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Income (loss) per share

Basic income (loss) per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For periods in which the Company incurs a loss, diluted loss per share equals basic loss per share as the effect of options and warrants would be anti-dilutive.

Standards, amendments and interpretation not yet effective:

The following accounting standards, which may be relevant to the Company have been introduced or revised by the IASB:

(*i*) IFRS 9 *Financial Instruments*:

IFRS 9 *Financial Instruments* and its amendments replaced guidance in IAS 39 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company, for annual periods beginning on July 1, 2015. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

3. Significant accounting policies (continued):

(*ii*) IFRS 10 *Consolidated Financial Statements*:

In May 2011, the IASB issued IFRS 10, *Consolidated Financial Statements* and IFRS 12, *Disclosure of Interests in Other Entities.* IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard defines the principle of control and establishes control as the basis for determining which entities are consolidated in an entity's consolidated financial statements. IFRS 10 sets out three elements of control: a) power over the investee; b) exposure, or right, to variable returns from involvement with the investee; and c) the ability to use power over the investee to affect the amount of the investors return. IFRS 10 sets out the requirement on how to apply the control principle. IFRS 12 outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows. IFRS 10 and IFRS 12 supersede IAS 27, *Consolidated and Separate Financial Statements and SIC-12, Consolidated – Special Purpose Entities.*

IFRS 10 and IFRS 12 are effective for the Company on July 1, 2013. The Company does not anticipate the applications of IFRS 10 and IFRS 12 to have an impact on its consolidated financial statements.

(*iii*) IFRS 11 *Joint Arrangements:*

IFRS 11 describes the accounting for arrangements in which there is joint control which requires joint arrangements to be classified either as point operations or joint ventures based on set criteria. In addition, IFRS 11 requires use of equity accounting as; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. The standard is effective for the Company on July 1, 2013. The Company does not anticipate the amendment of IFRS 11 to have a significant impact on its consolidated financial statements.

(*iv*) IFRS 13 *Fair Value Measurement*:

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The standard is effective for the Company on July 1, 2013. The Company does not anticipate the application of IFRS 13 to have a significant impact on its consolidated financial statements.

3. Significant accounting policies (continued):

(vi) Amendments to IAS 19 *Employee benefits*

The amendments to IAS 19 require the following:

- Recognition of actuarial gains and losses immediately in other comprehensive income
- Full recognition of past service costs immediately in profit or loss
- Recognition of expected return on plan assets in profit or loss to be calculated based on the rate used to discount the defined benefit obligation
- Additional disclosures that explain the characteristics of the entity's defined benefit plans and risks associated with the plans, as well as disclosures that describe how defined benefit plans may affect the amount, timing and uncertainty of future cash flows, and details of any asset-liability match strategies used to manage risks.

The amendments also impact termination benefits, which would now be recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37 *Provisions*, and when the entity can no longer withdraw the offer of the termination benefits. The standard is effective for the Company on July 1, 2013. The Company does not anticipate the application of IAS 19 to have a significant impact on its consolidated financial statements.

4. Critical accounting estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assessment of the Company's ability to continue as a going concern requires estimates of future cash flows and includes the consideration of other factors, the outcome of which is uncertain. Significant factors considered in the Company's assessment of its ability to continue as a going concern are disclosed in note 1. Information about other critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is discussed below:

(a) Exploration and evaluation expenditure:

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. Specifically, the recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. 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 statement of comprehensive loss in the period the new information becomes available.

4. Critical accounting estimates and judgments (continued):

(b) 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.

(c) Functional currency:

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below:

(a) Income taxes:

Significant estimation 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 as a provision and recognizes the related expense, including interest and penalties, in current tax expense. 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 and other tax deductions when it is probable that these assets will be recovered. Recoverability is based on forecasted taxable income or the availability of sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses and other deductions can be utilized. 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.

4. Critical accounting estimates and judgments (continued):

(b) 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 expected life used in the model is based on historical exercise experience adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Volatility is based on historical share price experience. The amount recognized for share-based payment is also affected by management's estimate of the instruments that are expected to vest which is based on historical experience as well as other factors. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 13.

5. Receivables:

The Company's receivables are as follows:

	June 30, 2013	June 30, 2012
Value added tax receivable	$ 62,777	$ 379,918
Other receivables	17,952	1,970
	$ 80,729	$ 381,888

6. Loan receivable from related party:

On December 7, 2011, the Company entered into a loan agreement with a company controlled by two directors of the Company. The principal amount of the loan, being $1,140,000, was advanced on December 14, 2011 with the condition that the borrower may only use the loan proceeds to acquire 9,500,000 common shares pursuant to the exercise of share purchase warrants with an exercise price of $0.12 and expiring on December 17, 2011 (completed December 17, 2011). The loan bore interest at the rate of prime plus 5% per annum (accruing from March 7, 2012), and was due on the earlier of June 1, 2012 and the sale of any shares acquired pursuant to the exercise of the warrants until the loan and accruing interest was repaid in full. The loan was secured by a general security agreement with the collateral for the loan being the shares issued as a result of the exercise of the 9,500,000 share purchase warrants. During the year ended June 30, 2013, the loan and related accrued interest was repaid in full to the Company.

7. Property, plant and equipment:

	Buildings	Vehicles	Equipment	Construction in progress	Total
Cost					
Balance at June 30, 2011	$ 117,339	$ 62,914	$ 440,368	$ 510,576	$1,131,197
Additions	2,308	81,733	27,878	297,303	409,222
Disposals	-	-	(19,642)	-	(19,642)
Balance at June 30, 2012	119,647	144,647	448,604	807,879	1,520,777
Additions	-	20,870	54,474	151,734	227,078
Balance at June 30, 2013	$ 119,647	$ 165,517	$ 503,078	$ 959,612	$1,747,854
Amortization					
Balance at June 30, 2011	$ 5,398	$ 13,020	$ 198,244	$ -	$ 216,662
Additions	5,568	22,884	80,321	-	108,773
Disposals	-	-	(19,642)	-	(19,642)
Balance at June 30, 2012	10,966	35,904	258,923	-	305,793
Additions	5,840	37,823	82,665	-	126,328
Disposals	-	-	-	-	-
Balance at June 30, 2013	$ 16,806	$ 73,727	$ 341,588	$ -	$ 432,121
Carrying amounts					
Balance at June 30, 2012	$ 108,681	$ 108,743	$ 189,681	$ 807,879	$1,214,984
Balance at June 30, 2013	102,841	91,790	161,490	959,612	1,315,733

8. Exploration and evaluation assets:

The following tables summarize exploration and evaluation assets and expenditures by property for the year ended June 30, 2013:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebek	Uranium Ogchon	Total
Balance, June 30, 2012	$ 44,123,548	$ 448,242	$ 673,153	$ 431,905	$ 993,071	$46,669,919
Acquisition costs	1,234,605	-	-	-	-	1,234,605
Consulting, data processing, and Survey	142,174	-	-	-	-	142,174
Drilling	34,746	-	-	-	-	34,746
Engineering	2,345,539	-	-	-	-	2,345,539
Field costs	273,124	-	271	-	40	273,435
Legal	388,301	-	-	-	-	388,301
Professional fees	44,463	-	9,264	1,557	-	55,284
Project administration	646,804	-	(14,557)	229	-	632,476
Salaries and employee benefits	1,681,594	-	-	-	-	1,681,594
Travel and related costs	193,674	-	6,957	-	-	200,631
Total costs incurred (recovered)	6,985,024	-	1,935	1,786	40	6,988,785
Balance, June 30, 2013	$ 51,108,572	$ 448,242	$ 675,088	$ 433,691	$ 993,111	$ 53,658,704

The following tables summarize exploration and evaluation assets and expenditures by property for the year ended June 30, 2012:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebek	Uranium Ogchon	Total
Balance, June 30, 2011	$ 32,105,468	$ 249,063	$ 341,487	$ 416,673	$ 785,322	$ 33,898,013
Acquisition costs	3,575,473	152,404	-	-	9,146	3,737,023
Consulting, data processing, and Survey	848,819	6,726	84,508	-	26,590	966,643
Drilling	444,528	35,791	7,758	-	-	488,077
Engineering	3,895,935	-	-	-	5,738	3,901,673
Field costs	467,527	-	2,355	-	13,948	483,830
Legal	120,514	-	312	-	-	120,826
Professional fees	27,195	-	142,100	11,233	-	180,528
Project administration	720,057	77	50,567	3,999	29,720	804,420
Salaries and employee benefits	1,628,104	1,581	27,092	-	36,748	1,693,525
Travel and related costs	289,928	2,600	16,974	-	85,859	395,361
Total costs incurred	12,018,080	199,179	331,666	15,232	207,749	12,771,906
Balance, June 30, 2012	$ 44,123,548	$ 448,242	$ 673,153	$ 431,905	$ 993,071	$ 46,669,919

8. Exploration and evaluation assets (continued)**:**

(a) Sangdong Mining Titles, South Korea:

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.

During the year ended June 30, 2013, the Company acquired certain land for the development of the Sangdong processing plant at the Sangdong mining property which is included in acquisition costs in the above table.

(b) Sim Properties, South Korea:

During fiscal 2007, the Company paid US$10,000 for the option to acquire a 100% interest in any or all of the Sim Properties located throughout South Korea. In order to acquire any mineral claim group within the Sim Properties, the Company is required to pay US$100,000, of which US$50,000 can be paid in common shares at the option of the Company.

Yeonwha 1 and Taebaek Mining Title:

On February 26, 2010, the Company acquired the Yeonwha 1 and Taebaek Mining Titles for cash consideration of US$100,000 and the issuance of 500,424 common shares valued at US$100,000.

Chongyang and Muguk Mining Titles:

During fiscal 2007, the Company acquired the Muguk and Chongyang Mining Titles by paying US$100,000 and issuing 80,442 common shares valued at US$100,000.

(c) Ogchon Mining Titles, South Korea:

The Company has been granted nine uranium/vanadium mining licenses located in the Geumsan area, southeast of the major regional centre of Daejeon.

9. Provisions:

	Tax uncertainties	Other	Total
Balance at June 30, 2011	$ 658,976	$ 62,401	$ 721,377
Additions	-	12,245	12,245
Foreign exchange	(1,010)	-	(1,010)
Balance at June 30, 2012	657,966	74,646	732,612
Additions	-	2,440	2,440
Reductions	-	(24,276)	(24,276)
Foreign exchange	1,974	1,092	3,066
Balance at June 30, 2013	$ 659,940	$ 53,902	$ 713,842

Provisions are classified on the consolidated statements of financial position as follows:

	Short-term	Long-term	Total
Balance at June 30, 2012	$ 657,966	$ 74,646	$ 732,612
Balance at June 30, 2013	659,940	53,902	713,842

10. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are as follows:

	June 30, 2013	June 30, 2012
Trade payables	$ 4,322,533	$ 3,389,057
Accrued liabilities	363,120	790,182
	$ 4,685,653	$ 4,179,239

11. Employee benefits:

The Company's employees in Korea are entitled to benefits at the completion of employment as specified in the Korean Labor Standards Act. The amount of the benefit is determined by multiplying the number of years of service by the average monthly salary for the three months prior to completion of employment.

Movement in the present value of the defined benefit obligations:

		2013		2012
Employee benefit obligations at July 1	$	157,520	$	41,176
Benefits paid by the plan		(33,417)		(7,719)
Current service costs		136,486		90,825
Interest and foreign exchange on obligation		10,801		1,742
Actuarial (gains) losses in other comprehensive loss		(52,073)		31,496
Employee benefit obligations at June 30	$	219,317	$	157,520

Expense recognized in exploration and evaluation assets:

		2013		2012
Current service costs	$	136,486	$	90,825
Interest on obligation		10,801		1,742
	$	147,287	$	92,567

Actuarial (gains) losses recognized in other comprehensive loss:

		2013		2012
Cumulative amount at July 1	$	49,958	$	18,462
Recognized during the year		(52,073)		31,496
Cumulative amount, at June 30	$	(2,115)	$	49,958

Actuarial assumptions:

	2013	2012
Discount rate	3.70%	3.97%
Expected rates of salary increases	5.35%	5.35%
Average expected years of service	7.65 years	7.60 years

12. Loan payable:

During the year ended June 30, 2012, in conjunction with the proposed transaction with IMC International Metalworking Companies B.V. ("IMC") (note 19), IMC advanced $5,000,000 to Sangdong, pursuant to a term loan agreement (dated February 26, 2012), for purposes of project advancement pending the closing of the proposed transaction.

The loan bears interest at 5.00% per annum on the aggregate outstanding principal amount (including previously accrued interest) of the term loan and is payable at maturity.

The maturity date of the term loan was the earlier of (i) the closing of the IMC transaction and (ii) the one year anniversary of the date of the term loan agreement, being February 26, 2013.

On March 4, 2013, the Company executed an amended and restated loan agreement in respect of the original $5,000,000 loan. Pursuant to the amended agreement, the original loan has been extended to the earlier of the closing of the proposed transaction or February 26, 2014. In addition, the aggregate amount outstanding under the amended loan agreement, including unpaid interest on the original $5,000,000, was increased to $10,000,000 and the Company received additional proceeds of $4,739,461. Total interest accrued to June 30, 2013 was $153,808 (2012 - $84,547).

13. Share capital and share-based payment reserve:

Authorized:

Unlimited number of common shares without par value.

Issued and outstanding:

During the year ended June 30, 2013, the Company issued 200,000 common shares pursuant to the exercise of stock options and 250,000 common shares pursuant to the exercise of share purchase warrants for proceeds totalling $102,500.

On August 31, 2012, the Company completed a brokered private placement of 21,150,000 units at $0.20 per unit for total gross proceeds of $4,230,000, and a non-brokered private placement of 5,000,000 units at $0.20 per unit for total gross proceeds of $1,000,000. Each unit is comprised of one common share and ½ share purchase warrant with each whole warrant entitling the holder to acquire one common share at $0.30 until August 31, 2014. Of the total proceeds, $1,145,439 was allocated to the warrants based on their fair value with the residual amount allocated to common shares. Cash issuance costs totalling $367,281 were incurred in connection with both transactions. In conjunction with the brokered private placement, the Company issued 1,057,500 agent's warrants. Each agent's warrant entitles the holder to acquire one unit exercisable at $0.20 per unit to August 31, 2014. Each unit is comprised of one common share and ½ share purchase warrant, with each whole warrant exercisable at $0.30 until August 31, 2014. The fair value of the compensation warrants was $90,711. The fair value of the warrants and compensation warrants was determined using the Black-Scholes option-pricing model with the following assumptions: expected life of two years; volatility – 79%; dividend rate – nil; risk free interest rate – 1.15%.

13. Share capital and share-based payment reserve (continued):

Stock options

The Company has a stock option plan under which the Board of Directors is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant.

The options can be granted for a maximum term of five years and vest as determined by the Directors.

The following table summarizes information about the Company's stock option transactions:

	Number Of Options		Weighted Average Exercise Price
Balance, June 30, 2011	12,975,000	$	0.27
Options granted	6,100,000		0.18
Options exercised	(560,000)		0.15
Options cancelled/expired	(375,000)		0.26
Balance, June 30, 2012	18,140,000		0.25
Options exercised	(200,000)		0.14
Options cancelled/expired	(13,600,000)	(1)	0.28
Balance, June 30, 2013	4,340,000	$	0.13
Number of option exercisable at June 30, 2013	4,340,000	$	0.13

(1) 10,500,000 stock options were cancelled in conjunction with the resignation by the Company's former Chief Executive Officer and former director.

The weighted average remaining contractual life of share options outstanding at June 30, 2013 is 2.34 years (June 30, 2012 - 3.32 years).

As of June 30, 2013, the Company had the following outstanding stock options:

Number of Options	Exercise Price	Number exercisable	Expiry Date
500,000	0.10	500,000	July 5, 2014
550,000	0.14	550,000	January 18, 2015
1,250,000	0.11	1,250,000	June 3, 2015
500,000	0.11	500,000	September 30, 2015
1,490,000	0.18	1,490,000	December 14, 2016
4,340,000		4,340,000	

13. Share capital and share-based payment reserve (continued):

Stock options (continued)

During the year ended June 30, 2013, the Company recognized share-based payment expense of $9,555 (2012 - $1,284,846) related to options that vested during the current year and reversed an expense relating to the cancellation of options granted in a prior year which did not vest. As a result, the Company recorded a net share-based payment recovery of $25,684.

During the year ended June 30, 2012, the Company granted 6,100,000 stock options and recognized share-based payment expense of $1,284,846 relating to those options, plus options granted in prior years that vested during the year.

The fair value of options granted was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	2013	2012
Risk-free interest rate	-	1.24%
Expected life of options	-	4.88 years
Annualized volatility	-	147%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

The weighted average share price on the date of exercise for options exercised during the year ended June 30, 2013 was $0.25 (2012 - $0.29).

Warrants

The following table summarizes information about the Company's warrant transactions:

	Outstanding Warrants	Weighted average exercise price
Balance, June 30, 2011	42,406,750	$ 0.13
Warrants exercised	(40,406,750)	0.12
Warrants expired	(500,000)	0.12
Balance, June 30, 2012	2,000,000	0.30
Warrants issued	13,075,000	0.30
Warrants exercised	(250,000)	0.30
Warrants expired	(1,750,000)	0.30
Balance, June 30, 2013	13,075,000	$ 0.30

13. Share capital and share-based payment reserve (continued):

Warrants (continued)

As of June 30, 2013, the Company had the following outstanding warrants:

Number of Warrants	Exercise Price	Expiry Date
13,075,000	$ 0.30	August 31, 2014

In addition, the Company also has 1,057,500 outstanding compensation warrants which are exercisable at $0.20 until August 31, 2014 into units consisting of one common share and ½ share purchase warrant with each whole purchase warrant issued exercisable into one common share at $0.30 until August 31, 2014.

14. Related party transactions:

In addition to the loan disclosed in Note 6, the Company incurred the following costs charged by key management personnel, which includes the Company's Chief Executive Officer, Corporate Secretary, Vice President Exploration and directors, and companies controlled by key management personnel:

	2013	2012
Executive compensation (1)(2)(3)(4)	$1,133,000	$ 851,500
Non-executive directors' fees	108,000	132,871
Share-based payments	-	933,377
	$1,241,000	$1,917,748

(1) $180,000 (2012 - $180,000) to a company controlled by the corporate secretary of the Company.
(2) $860,000 (2012 - $501,000) paid or accrued to a company controlled by the former Chief Executive Officer and a former director of the Company, which included a settlement of $516,000 (2012 - $Nil) pursuant to the terms of a management agreement.
(3) $81,000 (2012 - $170,500) to a company controlled by the former Vice President of Exploration included in exploration and evaluation assets.
(4) $12,000 (2012 - $Nil) to the interim Chief Executive Officer of the Company.

Included in accounts payable at June 30, 2013 is $598,758 (2012 - $55,741) payable to directors and former directors of the Company relating to the above transactions. These amounts are non-interest bearing, unsecured and due within the next fiscal year.

15. Financial instruments and risk management:

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.

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 and loan payable which bears interest at a fixed rate. The Company does not believe it is exposed to material interest rate risk related to these instruments.

Foreign currency risk

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 accounts receivable is as follows:

	June 30, 2013		June 30, 2012	
	Amount in Foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Cash and cash equivalents	33,390	$ 35,147	29,504	$ 30,244
Korean Won:				
Cash and cash equivalents	1,596,875,007	1,455,833	526,654,906	471,858
Receivables	99,082,941	90,332	71,096,891	63,700
Total financial assets		$ 1,581,312		$ 565,802

15. Financial instruments and risk management (continued)**:**

Foreign currency (continued)

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

	June 30, 2013		June 30, 2012	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Accounts payable and accrued liabilities	1,029,159	$ 1,080,257	1,040,618	$ 1,089,318
Australian dollars:				
Accounts payable and accrued liabilities	985,293	972,137	623,153	635,548
Korean Won:				
Accounts payable and accrued liabilities	491,204,117	447,819	634,127,345	568,148
Total financial liabilities		$ 2,500,213		$ 2,293,014

Based on the above net exposures and assuming that all other variables remain constant, a 10% increase (decrease) in the CAD dollar against the various currencies would result in a decrease (increase) in net loss of approximately $92,000 for the year ended June 30, 2013 (2012 - $170,000).

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 June 30, 2013, the Company had cash and cash equivalents of $1,994,586 to settle current financial liabilities of $15,499,401. All of the Company's financial liabilities are due within one year. Accordingly, the Company requires additional funding to meet its obligations. This is further discussed in note 1.

15. Financial instruments and risk management (continued)**:**

Fair value

Fair value measurements are categorized in accordance with a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantively the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have any financial instruments recognized at fair value. The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and loan payable approximate their fair values because of their short terms to maturity or based on current market rates of interest.

16. 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 of the loan payable under the IMC facility (note 19) must be used to fund exploration and evaluation activities in 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 financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

17. Supplemental disclosure with respect to cash flows:

Significant non-cash investing and financing activities included:

- $121,368 (2012 - $108,773) of amortization expense capitalized to exploration and evaluation assets;
- Exploration and evaluation asset expenditures of $497,044 (2012 - $2,874,078) accrued in accounts payable;
- Reclassifying $70,260 (2012 - $1,821,783) from share-based payment reserve to common shares on the exercise of stock options and warrants;
- A recovery of $26,716 (2012 – provision of $12,800) of provisions and a provision of $142,157 (2012 - $92,567) in employee benefit expense included in exploration and evaluation assets;
- Deferred financing fees of $123,903 (2012 - $157,380) included in accounts payable; and
- Share-based compensation expense of $Nil (2012 - $63,556) capitalized to exploration and evaluation assets.

18. Income taxes:

The provision for income taxes reported differs from the amount computed by applying cumulative Canadian Federal and provincial income tax rates to the loss before the tax provision due to the following:

	2013	2012
Loss and Comprehensive loss for the year before taxes	$ (3,669,479)	$ (5,201,308)
Statutory tax rate	25.25%	25.75%
Expected income tax recovery	$ (926,543)	$ (1,358,649)
Effect of differences in foreign tax rates	87,137	156,543
Temporary differences not recognized	982,336	928,804
Stock based compensation	(6,485)	314,543
Non-deductible expenses and other	323,072	369,686
Total income taxes	$ 459,517	$ 410,927

As at June 30, 2013, recognized deferred tax liabilities of $3,173,555 (2012 - $2,853,028) relates to temporary differences associated with exploration and evaluation assets.

As at June 30, 2012, the Company had deductible temporary differences for which deferred tax assets have not been recognized because it is not probably that future profit will be available against which the Company can utilize the benefits. Deferred tax assets have not been recognized in respect of the following temporary differences:

	2013	2012
Non-capital losses and other tax deductions	$ 33,093,821	$ 32,559,544
Employee benefit obligations and other provisions	292,018	170,039
	$ 33,385,839	$ 32,729,583

18. Income taxes (continued)**:**

As at June 30, 2013, the Company's non-capital losses and their expiry are as follows:

Year of Expiration	Woulfe	Korea	Total
2014	$ -	$ 1,367,991	$ 1,367,991
2020	-	1,198,646	1,198,646
2021	-	1,534,512	1,534,512
2022	-	2,608,366	2,608,366
2023	-	2,216,825	2,216,825
2027	2,154,058	-	2,154,058
2028	3,624,962	-	3,624,962
2029	2,260,242	-	2,260,242
2030	1,974,130	-	1,974,130
2031	3,782,156	-	3,782,156
2032	5,093,782	-	5,093,782
2033	3,306,621	-	3,306,621
	$ 22,195,951	$ 8,926,340	$ 31,122,292

19. Proposed transaction with IMC:

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, 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 an aggregate of $5,000,000 to Sangdong (subsequently increased to $10,000,000) (note 12), pursuant to a loan agreement, as amended, for purposes of project advancement pending the closing of the transaction;
- IMC agreed to acquire a 25% interest in Sangdong, the Company's 100%-owned subsidiary, for cash consideration totalling $35,000,000;
- The Company and IMC have agreed to establish a Korean company ("APT Co."), which will be beneficially owned 45% by the Company and 55% by IMC. The parties will invest up to CDN$15,750,000 and $19,250,000, respectively, into APT Co. to build a facility in Korea for the processing of tungsten concentrate to be purchased from Sangdong. IMC has agreed to make available to the Company a loan for the Company's portion of the investment;
- APT Co. has agreed to acquire no less than 90%, and up to 100%, of Sangdong's 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 production pursuant to a separate off-take agreement.

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

19. Proposed transaction with IMC (continued)**:**

On September 20, 2012, the Company announced that it received confirmation from IMC that it is 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 toward closing its investment in the Sangdong project, subject to the remaining conditions precedent to the transaction.

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

During the year ended June 30, 2013, the Company signed a Memorandum of Understanding ("MoU") for KRW 168 Billion (USD $150,000,000) with Shinhan Bank of South Korea. The MoU relates to a 12-year term loan with proceeds to be used for the development of the Sangdong Tungsten/Molybdenum Project as noted above.

20. Subsequent event:

Subsequent to June 30, 2013, the Company completed a non-brokered private placement for gross proceeds of $1,313,305. The Company issued 13,133,053 units at $0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant will enable the holder to acquire one additional common share at the price of $0.12 per share for a period of 3 years.

SCHEDULE "B"

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2013

OVERVIEW

The following discussion and analysis of financial position and results of operations ("MD&A") is prepared as at October 21, 2013 and should be read in conjunction with the June 30, 2013 audited consolidated financial statements and related notes for the years ended June 30, 2013 and 2012 of Woulfe Mining Corp. ("Woulfe" or the "Company"). All dollar amounts included therein and in the following MD&A, unless otherwise indicated, are expressed in Canadian dollars.

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, molybdenum, vanadium and uranium. The assets secured have known historical mineralization. The Company has been extensively evaluating its Sangdong tungsten/molybdenum mine and has achieved significant progress and milestones. The Company has also commenced evaluation of its Muguk gold/silver project.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The Company's audited consolidated financial statements for the year ended June 30, 2013 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. Hubert Marleau
- Mr. John Icke
- Mr. David Constable
- Mr. Ned Goodman

On February 27, 2013, the Company announced that Brian and Amelia Wesson resigned from their positions as directors of the Company and as its president and chief executive officer and its vice-president of business administration, respectively.

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 100%-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 Korea for the processing of tungsten concentrate, to be purchased from Sangdong, into tungsten 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 is 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.

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 September 17, 2013, the Company announced that Korea Zinc Co. Ltd. ("Korea Zinc") had exercised its right to participate in the Company's non-brokered private placement, as originally announced on August 26, 2013.

  As a result of the exercise of the participation right, Korea Zinc acquired 3,133,053 units at a price of $0.10 per unit for aggregate gross proceeds of $313,305. The units were comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.12 per share until September 16, 2016.

  All securities issued in connection with the participation right are subject to a four-month hold period expiring on January 17, 2014.

  The proceeds of the private placement will be used for general working capital purposes.

- On September 16, 2013, Dundee Corporation disclosed within an Early Warning Report that, subsequent to acquiring 10,000,000 units of the Company (described below), it now owns 55,317,500 common shares of the Company as well as warrants enabling them to acquire an additional 21,057,500 common shares of the Company. This represents an approximate 15.42% interest in the Company on an undiluted basis and 20.27% assuming the conversion of all warrants in their possession.

- On September 16, 2013, the Company announced that it completed its non-brokered private placement as announced on Aug. 23, 2013, placing an aggregate of 10,000,000 units of the Company at a price of $0.10 per unit for aggregate gross proceeds of $1,000,000. The units comprise one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.12 per share until September 13, 2016.

The sole subscriber in the offering was Dundee Corporation, an insider of the Company. All securities issued in connection with the offering will be subject to a four-month hold period expiring on Jan. 14, 2014.

- On April 19, 2013, the Company announced that it has appointed Mr. Sang Bum Lee as president of the Company's wholly-owned South Korean subsidiary, Sangdong Mining Corporation.

  Mr. Lee has over 30 years of experience in the non-ferrous metals (zinc, lead and precious metals) industry gained in South Korea, Australia, Europe and the United States in various technical roles that include project engineering, construction project management, and business and technology improvements, as well as general management.

  Since completion of his bachelor of engineering (major: metallurgical engineering) at the Korea University in South Korea, Mr. Lee has enjoyed a successful career spanning 30 years with Korea Zinc Co. Ltd., a South Korean company which supplies approximately 10 per cent of the world's demand of zinc metal products and also one of the largest non-ferrous metals producers in the world. Mr. Lee held various positions ranging from process engineering, plant construction, production management and commercial management to, most recently, managing director and chief executive officer of Sun Metals Corp. Pty. Ltd., a wholly-owned Australian subsidiary of Korea Zinc.

- On March 13, 2013, the Company announced that it has appointed Hubert Marleau, a director of the Company, as its interim chief executive officer. Mr. Marleau is a director of Palos Capital Corp. with over 40 years of experience in the business and financial community. Mr. Marleau has raised funds privately and publicly for a multitude of emerging and mature companies, structured many mergers and acquisitions, as well as designed and created numerous financial deals in Canada. Mr. Marleau has worked at the executive level of several large investment banks notably, Nesbitt Thomson Inc., and Levesque Beaubien Inc. in addition to his own firm, Marleau, Lemire Inc. Throughout his career, Mr. Marleau has been a board member for a multitude of publicly traded companies, governor of the Vancouver and Montreal exchanges, a member of the listings committee of the Toronto Stock Exchange, and director of the Investment Dealer Association of Canada.

- On March 4, 2013, the Company announced that it executed an amended and restated bridge loan agreement in respect of the original $5-million bridge loan advanced by TaeguTec Ltd. (“TaeguTec”), an affiliate of IMC, on February 26, 2012, and an amendment agreement to the subscription agreement dated February 26, 2012, between the Company, its wholly-owned subsidiary, Sangdong, and IMC, pursuant to which IMC will acquire a 25-per-cent interest in Sangdong for aggregate consideration of $35-million. (See Strategic Investment section above).

  Pursuant to the amended loan agreement, the maturity date of the original loan has been extended to the earlier of the closing of the strategic transactions with IMC or February 26, 2014, and TaeguTec has agreed to make two further advances of term loans to Sangdong, such that the aggregate amount outstanding under the amended loan agreement, including capitalized interest and accrued, unpaid and non-capitalized interest on the original $5-million advance to date, shall be $10-million when such additional advances are made.

  Pursuant to the amendment agreement, the parties have agreed that the outside date for the completion of the transactions contemplated by the subscription agreement shall be extended until February 26, 2014. The parties are, however, working toward completion of the transactions contemplated by the subscription agreement as soon as is feasible.

- On February 4, 2013, the Company announced that it had appointed Mr. Ned Goodman to the board of directors. Mr. Goodman is president and chief executive officer of Dundee Corp. and president and chief executive officer of Goodman Investment Counsel Inc. He is a geologist, a

chartered financial analyst, a member of the Canadian Mining Hall of Fame, and is widely recognized as one of Canada's most prominent and successful mining sector financiers.

- On October 23, 2012, the Company signed an agreement to purchase certain land adjacent to the Sangdong mine for the future development of the Sangdong processing plant for $1,167,363 (paid).
- On October 30, 2012, Dundee Corp. announced that, in accordance with regulatory requirements, it acquired a further 6,207,000 common shares of the Company through the facilities of the TSX Venture Exchange.
- On October 9, 2012, the Company announced that the first blast at the new production portal at the Sangdong Project took place as scheduled on October 8, 2012. The new portal has been named the "Woulfe Drive". The initial production area is only 50 metres from the current portal position. The development of the six-metre-square access drive to reach the initial production area was completed in January 2013.
- On September 26, 2012, the Company announced that it had signed a contract for the development of the main access portal and a commercial-scale mine on the Sangdong property. The mining contractor, appointed through a competitive bid among six qualified mining contractors in Korea, will supply all the mining equipment, labour and consumables at a cost of 14,130 won (or US$13.22 at the prevailing exchange rate) per tonne of ore delivered to the crusher. Tetra Tech (Wardrop), in the feasibility report released on April 20, 2012, estimated the mining cost at US$33.32 per tonne of ore. The mining contractor appointed has strong technical experience gained in underground mines as well as construction of numerous road and railway tunnels in Korea. The contractor possesses large underground mine vehicle fleets, and qualified mining and civil engineers that will be deployed to the Sangdong Project. Woulfe has commissioned TetraTech to assess the new mining contract and its impact on feasibility, project economics and resources for the Sangdong Property. This will be done in conjunction with the update of the Sangdong resources which will take into account the additional drilling (7,195 metres) carried out since February, 2012, the previous cut-off date for the feasibility drilling.
- On September 25, 2012, the Company announced that it was moving forward with its proposed 168-billion-won (US$150-million) debt financing with Shinhan Bank, as announced on July 11, 2012. Shinhan Bank is one of the largest commercial banks in Korea. On completion of formal due diligence, the parties are expected to move to a binding debt financing agreement during the third quarter of fiscal 2014 The Sangdong Mine and process plant will be financed with $35,000,000 in equity from IMC and US$150,000,000 in debt from the Shinhan Bank. The ammonium paratungstate ("APT") refinery joint venture company will be financed with US$35,000,000 invested by IMC and the Company through debt and equity in accordance with their respective interest.
- On September 20, 2012, the Company announced that it received confirmation from IMC that they were satisfied with the results of their due diligence of the Sangdong project, as required by the transaction agreements executed on February 26, 2012, and will be working toward closing its investment in the Sangdong project, subject to the remaining conditions precedent to the transaction.
- On August 31, 2012, the Company announced that it completed a brokered private placement with Dundee Securities Ltd. as lead agent announced on August 14, 2012, placing an aggregate of 21.15 million units of the Company at a price of $0.20 per unit for aggregate gross proceeds of $4,230,000. The units comprise one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.30 per share until August 31, 2014. Dundee received a cash commission of $211,500, representing 5% of the gross proceeds from the sale of the units forming the brokered

offering and an aggregate of 1,057,500 warrants equal to 5% of the number of units issued in the brokered offering. Each agent's warrant will entitle the holder, on exercise, to purchase one unit of the Company at a price of $0.20 per unit until August 31, 2014. In addition to the brokered offering, the Company completed a non-brokered private placement of a further 5,000,000 units for proceeds totaling $1,000,000. All securities issued in conjunction with the offerings were subject to a four month hold period that expired on January 1, 2013.

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 South Korean Sangdong tungsten operations acquired by the Company closed in the 1990s due to low commodity prices at the time due to the entrance of China in the global tungsten supply markets. When the Sangdong mine closed, it still contained substantial residual resources. In aggregate, these properties give the Company a solid pipeline of projects with known mineralization and significant underground infrastructure and development in place. This significantly reduces the cost and time for evaluation and development, and lowers the mining and process risk as these projects were mined and produced salable products. End-user markets for all products to be produced are in close proximity to the project.

The Company's priority is the development of two priority projects, Sangdong (tungsten / molybdenum) and Muguk (gold), with four other projects at preliminary evaluation stage:

1. Sangdong tungsten/molybdenum project – Mine planning has commenced and detailed engineering of the process plant and infrastructure is well advanced. The feasibility study is being updated to reflect the latest cost estimates.
2. Muguk gold/silver project – A NI-43-101-compliant preliminary economic assessment has been released by AMC Consultants Pty Ltd. and development options are being assessed.
3. Yeonwha lead/zinc project – Data collection underway in preparation of completing obligatory work requirements.
4. Moly Stockwork project – This target lies below the Sangdong tungsten/molybdenum deposit and was drilled in the 1980s; various non-compliant resource estimates have been prepared, however further exploration is required to fully understand the mineralization trends; this is potentially a significant project depending on molybdenum pricing..
5. Chongyang tungsten/molybdenum project – Data collection is underway in preparation of completing obligatory work requirements.
6. Uranium leases – The uranium/vanadium mineralization is typically low grade and economic viability is dependent on high metal prices; land tenure within the Ogchon Belt is being monitored with a view to increasing the Company's mining titles.

The majority of the funds expended during the past two fiscal years ended June 30, 2013 and 2012 have been related to the Sangdong project following the completion of the positive scoping study released in early 2010 and the feasibility study released in April 2012. Mining approval was granted in June 2010 and extensive mine rehabilitation and confirmation drilling was completed during the year ended June 30, 2011. This work has significantly improved the Company's understanding of the historical mining and

residual resources, and as a result, the Company has refined its strategy for the development of the project.

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. The mine is flooded below the valley floor, however 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$475/mtu in October, 2013.

The Company workforce at site increased to over 40 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.

Going forward, there are two key objectives:

1. With the feasibility study and initial detail design complete, (which includes drilling, metallurgical testwork, initial mine plan and geology), the Company is now in a position to initiate development of the production decline and to finalize contracts for the construction of the process plant.

   However, during the fourth quarter of fiscal 2013 and during the first quarter of fiscal 2014, management felt that it was prudent to perform additional evaluation of the mine plan so as to ensure that the Company moves to the development and production phases in the most efficient and economically beneficial manner. This additional evaluation is near completion.

2. Closing of the US$150 million debt financing to complete items as described in point 1 above.

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 October 9, 2006, the Company signed an acquisition agreement to acquire a 51% interest in twenty three (23) mining titles covering the Sangdong property and acquired the exclusive right to develop, mine and conduct exploration activities on the mining titles located in eastern South Korea. Consideration for the agreement included a payment by the Company of US$80,000 (paid) and a further US$16,000 (paid) on or before January 8, 2007, plus a 2% NSR on commencement of production.

The Company's rights to the mining titles are dependent on the Company paying US$720,000 (paid) and issuing common shares with a value of US$800,000 (issued), plus US$2,400,000 in cash and issuance of common shares at a value of US$800,000 in three tranches on July 24, 2007 (paid and issued), July 24, 2008 and July 24, 2009. In addition, the Company is committed to incurring exploration expenditures totaling at least US$11,200,000 over the five year period from closing (agreed by the parties as of January 24, 2007).

On July 18, 2008, the payment due on July 24, 2008 was renegotiated and the parties agreed that US$1,200,000 shall be paid on July 31, 2008 (paid) along with the issuance of 2,744,218 common shares with a value of US$800,000 (issued) and the remaining balance of US$1,200,000 and US$2,200,000 of

the third payment into shares of the company at $0.25 per share on Jul 21, 2009. On December 18, 2009, the Company paid the final payment US$1,000,000.

On June 23, 2009, eleven (11) of the mining titles on the periphery of the Sangdong project area and well outside of the area required for the mining operation were returned to the vendor. The Company had not completed the required work program on these titles and there was no requirement to retain the titles.

On May 10, 2010, the Company announced that it had increased its ownership interest in Sangdong by 19% from 51% to 70% by virtue of delivering the scoping study report. The Company will earn the remaining 30% interest (for an aggregate 100% interest) by delivering a feasibility study report. The Vendor will receive a Net Smelter Royalty (NSR) of 2%. It should be noted that South Korea has no government royalties and Woulfe holds these titles in its name and the Vendor's interest in trust.

During the year ended June 30, 2012, the Company entered into an agreement with the vendor (Se Woo Mining) to acquire the 2% NSR, as well as the remaining 30% interest in the Sangdong Mining Titles, for a payment of U.S. $3,500,000 (paid).

As a result, the Company now owns a 100% interest in the property.

Muguk Gold/Silver Mining Titles, South Korea

Muguk was the largest gold mine in South Korea until its premature 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.

In July 2011, Woulfe commenced a third hole targeting the depth extension of the Three Brothers Vein. This hole is currently at a depth of around 600 metres and is expected to intersect mineralization at around 735 metres. The objective of the current drilling program is to confirm the down dip extension of the mineralization below the historic workings and to substantiate the grades that were reported in the lower levels

Australian Mineral Consultants ("AMC") has 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.

Yeonwha 1 and Taebaek Base Metal Mining Titles, South Korea

The Yeonwha 1 and Taebaek mining titles were part of the acquisition option agreement, dated October 9, 2006, which granted the Company an exclusive option to acquire the right, title and interest in any or all of the Sim Properties located throughout South Korea.

On February 10, 2010, the Company notified the optionor of its intention to exercise the option to acquire the five (5) Yeonwha 1 and three (3) Taebaek mining titles. As a result, the Company paid US$100,000 on February 26, 2010 along with the issuance of 500,424 common shares valued at US$100,000. In February 2010, the Company applied for a mining title adjoining the Yeonwha titles and this has yet to be granted.

These titles are the core of the base metals division which is focused on lead, zinc and copper deposits. The properties are situated in close proximity to a zinc-lead refinery and, as with Sangdong, the mines were operated for many years and have extensive lateral access development.

Data will be gathered on the project during fiscal 2014 and the deposits will be modeled so that a drill program can be designed to verify the residual mineralization.

Chongyang Tungsten/Molybendum Mining Titles, South Korea

The Chongyang mining titles were part of the acquisition option agreement, dated October 9, 2006, which granted the Company an exclusive option to acquire the right, title and interest in any or all of the Sim Properties located throughout South Korea.

On October 9, 2006 the Company exercised its option to acquire the four (4) Chongyang mining titles. Consideration for this purchase called for the Company to pay the vendor US$100,000 in cash (paid) and US$100,000 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 Chongyang mine produced tungsten in the past and is 100% owned by the Company. The mine was previously evaluated for gold by Indochina Goldfields in 1995, at which time the bulk tonnage open pit potential for tungsten/molybdenum mineralization was recognized.

In late 2009, the Company completed obligatory drilling of 450 metres to test targets below the worked out mining areas. The results of this drilling were disappointing and the Company will now undertake a

detailed evaluation of the historic data to generate a database and 3D model of the steeply dipping, narrow vein mineralization prior to further drilling.

Uranium Mining Titles, South Korea

The Company had been granted ten uranium/vanadium mining licenses and has another under application. The leases are situated within the Ogchon Belt, a structural trend that runs through the centre of the country. The areas under license are considered prospective and are known to host low grade uranium and vanadium mineralization. The economic viability of the mineralization has yet to be demonstrated, and the Company is monitoring the progress of other participants within the uranium belt.

SELECTED ANNUAL INFORMATION

	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2011
Interest income	$ 34,788	$ 67,598	$ 63,450
Loss for the year	(4,128,995)	(5,612,235)	(5,205,260)
Total assets	58,263,190	51,461,358	42,990,229
Mineral properties	53,658,704	46,669,919	33,898,013

During the year ended June 30, 2011, the Company raised $12,468,750 through a private placement and the exercise of stock options and warrants. The proceeds were used primarily to increase resource property interests and to fund operations.

During the year ended June 30, 2012, the Company raised $5,106,860 through the exercise of stock options and warrants. The Company also received $5,000,000 pursuant to a loan agreement entered into during the year. The proceeds of the loan and the exercise of the stock options and warrants were used primarily to increase resource property interests and to fund operations.

During the year ended June 30, 2013, the Company raised gross proceeds of $5,332,500 through the exercise of stock options and warrants, and the completion of a private placement. The proceeds were used primarily to increase resource property interest and to fund operations. In addition, the Company received $4,739,461 from IMC pursuant to an increase in the loan payable to IMC.

RESULTS OF OPERATIONS

Operating activities:

The Company's activities focused on continuing its exploration and evaluation programs on its existing South Korean properties. In all, the Company incurred approximately $7 million in exploration and evaluation and property, plant & equipment expenditures during the year ended June 30, 2013, a decrease of $5.8 million over the prior year spend of $12.8 million. The exploration section above sets out in greater detail the exploration achievements on the various properties. Comprehensive loss for the year ended June 30, 2013 was $4,076,922 compared to a comprehensive loss of $5,643,731 for the year ended June 30, 2012.

Net cash used in operating activities for the year ended June 30, 2013 was $3,443,071 (2012 – $3,491,332) and is consistent with operating activities during the comparative year. Net cash used in

investing activities of $5,207,769 (2012 – $12,586,080) was related to ongoing mineral property exploration and evaluation activities in South Korea offset by the receipt of $1,140,000 from the repayment of the related party loan receivable. During the year ended June 30, 2013, cash received from financing activities was $9,644,981 (2012 - $9,408,710), comprised of $5,332,500 from the exercise of 450,000 options and warrant and the completion of a private placement of 26,150,000 shares. The Company also received $4,739,461 pursuant to an additional loan advanced by IMC, offset by deferred financing costs incurred of $59,699.

SUMMARY OF QUARTERLY RESULTS

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

Three months ended (000's)	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Loss for the period	$ (1,011)	$ (698)	$ (1,550)	$ (870)
Loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)
Three months ended (000's)	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Loss for the period	$ (1,342)	$ (1,145)	$ (2,107)	$ (1,018)
Loss per share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)

LIQUIDITY AND SHARE CAPITAL DATA

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 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 consolidated financial statements for the year ended June 30, 2013 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 June 30, 2013, the Company had a deficit of $38,252,958 and had incurred a comprehensive loss totaling $4,076,922 for the year ended June 30, 2013 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. During the current year, the Company raised gross proceeds of $5,230,000 pursuant to the completion of two private placements, and received $102,500 from the exercise of stock options and warrants. Subsequent to June 30, 2013, the Company raised additional gross proceeds of $1,313,305 pursuant to the completion of another private placement.

During the current period, the Company also received $4,739,461 from IMC pursuant to an amended and restated loan agreement. The maturity date of this amended loan is the earlier of the closing of the proposed transaction with IMC and February 26, 2014.

SUBSEQUENT EVENT

Subsequent to June 30, 2013, the Company completed a non-brokered private placement for gross proceeds of $1,313,305. The Company issued 13,133,503 units at $0.10 per unit. Each unit consists of one common share and one share purchase warrant exercisable at $0.12 per warrant for a period of 3 years. (See Recent Operational Highlights section above).

OUTSTANDING SHARE DATA

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

	Number of Shares
Balance, June 30, 2012	309,173,580
Shares issued pursuant to private placements	26,150,000
Shares issued on the exercise of warrants	250,000
Shares issued on the exercise of stock options	200,000
Balance, June 30, 2013	335,773,580
Shares issued pursuant to a private placement	13,133,053
Balance, October 21, 2013	348,906,633

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

Number outstanding	Exercise price	Number exercisable	Expiry date
500,000	0.10	500,000	July 5, 2014
550,000	0.14	550,000	January 18, 2015
1,250,000	0.11	1,250,000	June 3, 2015
500,000	0.11	500,000	September 30, 2015
1,490,000	0.18	1,490,000	December 14, 2016
4,340,000		4,340,000	

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

Number	Exercise price	Expiry date
13,075,000	$0.30	August 31, 2014
13,133,053	$0.12	September 16, 2016

In addition, the Company also has 1,057,500 outstanding compensation warrants which are exercisable at $0.20 until August 31, 2014 into units consisting of one common share and ½ share purchase warrant with each whole purchase warrant issued exercisable into one common share at $0.30 until August 31, 2014.

CAPITAL RESOURCES

At June 30, 2013, the Company had a working capital deficiency of $13,249,780.

The Company's future capital requirements will depend on many factors including further exploration, pre-feasibility and 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 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 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 together with a proposed new credit facility. However, the Company expects to require additional funding in fiscal 2014 to support its planned exploration and corporate activities and to pay its obligations as they come due. This funding is not yet arranged or committed and, accordingly, these conditions cast significant doubt on the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

During the year ended June 30, 2013, the Company had entered into the following transactions with related parties:

	2013	2012
Corporate secretarial services, administrative services and accounting services provided by a company controlled by an officer of the Company.	$ 180,000	$ 180,000
Management fees paid or accrued to a company controlled by former directors of the Company (i)	$ 860,000	$ 501,000
Directors' fees	$ 108,000	$ 132,871
Geological consulting fees included in deferred exploration costs to a company controlled by a former officer of a wholly-owned subsidiary of the Company.	$ 81,000	$ 170,500
Management fees paid or accrued to the interim CEO of the Company	$ 12,000	-

(i) Total management fees for the year ended June 30, 2013 includes the accrual of $416,000, pursuant to the terms of a management agreement, upon the resignation of Brian and Amelia Wesson.

Included in accounts payable at June 30, 2013 is $598,758 (2012 - $55,741) payable to directors, former directors and officers of the Company and to companies with directors or former directors in common.

These amounts are non-interest bearing, unsecured and paid in the ordinary course of business.

On December 7, 2011, the Company entered into a loan agreement with a company controlled by two directors of the Company. The principal amount of the loan, being $1,140,000, was advanced on December 14, 2011 with the condition that the borrower may only use the loan proceeds to acquire 9,500,000 common shares pursuant to the exercise of share purchase warrants with an exercise price of $0.30 and expiring on December 17, 2011 (completed December 17, 2011). The loan bore interest at the rate of prime plus 5% per annum (accruing from March 7, 2012), and was due on the earlier of June 1, 2012 and the date of sale of any shares acquired pursuant to the exercise of the warrants until the loan and accruing interest is repaid in full. The loan was secured by a general security agreement with the collateral for the loan being the shares issued as a result of the exercise of the 9,500,000 share purchase warrants. During the year ended June 30, 2013, the Company received $1,191,699 as full repayment of the loan, along with related interest thereon.

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 expenditure:

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 the consolidated financial statements for the year ended June 30, 2013 at Note 13.

Accounting policies

New Standards Not Yet Adopted

Standards and interpretations issued but not yet effective applicable to the Company:

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosures of Interest in Other Entities
- IFRS 13, Fair Value Measurement
- Amendments to IAS 19, Employee benefits

Refer to the June 30, 2013 audited consolidated financial statements for a description of these standards. The Company is evaluating the impact that certain of these standards will have on the financial statements.

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 andaccounts 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, accounts receivable and loan receivable from related party 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 June 30, 2013, the Company had cash and cash equivalents of $1,994,586 to settle financial liabilities of $15,499,401. All of the Company's current financial liabilities are due within one year.

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 loan payable which bears 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:

	June 30, 2013		June 30, 2012	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Cash and cash equivalents	33,390	$ 35,147	29,504	$ 30,244
Korean Won:				
Cash and cash equivalents	1,596,875,007	1,455,833	526,654,906	471,858
Receivables	99,082,941	90,332	71,096,891	63,700
Total financial assets		$ 1,581,312		$ 565,802

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

	June 30, 2013		June 30, 2012	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Accounts payable and accrued liabilities	1,029,159	$ 1,080,257	1,040,618	$ 1,089,318
Australian dollars:				
Accounts payable and accrued liabilities	985,293	972,137	623,153	635,548
Korean Won:				
Accounts payable and accrued liabilities	491,204,117	447,819	634,127,325	568,148
Total financial liabilities		$ 2,500,213		$ 2,293,014

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 net loss of approximately $92,000 for the year ended June 30, 2013 (2012 – $170,000).

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 financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

OTHER MATTERS

Commitments:

Other than commitments undertaken by the Company pursuant to its existing mineral property interests and mineral property acquisitions in South Korea, the Company has no other material commitments.

Investor relations

The Company retained the services of Nicola Street Capital Inc., commencing on March 15, 2010, to provide the Company with investor relations services for $5,000 per month, increasing to $10,000 per month commencing February 1, 2011, on a month-to-month basis. During the year ended June 30, 2013, the Company terminated the agreement.

The Company retained the services of Renmark Financial Communications, commencing on June 1, 2010, to provide the Company with investor relations services for $7,000 per month, currently on a month-to-month basis. During the year ended June 30, 2013, the Company terminated the agreement.

Off-balance sheet arrangements:

At June 30, 2013, and as at the date of this MD&A, Management has no off-balance sheet arrangements in place.

SCHEDULE "C"

INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2013

WOULFE MINING CORP

Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2013

(Unaudited)

(Expressed in Canadian dollars)

WOULFE MINING CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian dollars)

	December 31, 2013	June 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 448,670	$ 1,994,586
Receivables (note 4)	61,938	80,729
Prepaid expenses and deposits	166,189	174,306
	676,797	2,249,621
Deferred financing costs (note 12)	1,039,132	1,039,132
Property, plant and equipment (note 5)	1,256,874	1,315,733
Exploration and evaluation assets (note 6)	55,314,632	53,658,704
	$ 58,287,435	$ 58,263,190
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 3,635,860	$ 4,685,653
Provisions (note 7)	672,184	659,940
Loan payable (note 9)	10,412,440	10,153,808
	14,720,484	15,499,401
Employee benefit obligations	267,926	219,317
Provisions (note 7)	60,476	53,902
Deferred income tax liability	3,951,813	3,173,555
	19,000,699	18,946,175
Shareholders' equity:		
Share capital (note 10)	63,427,575	62,625,990
Share-based payment reserve (note 10)	15,445,705	14,943,983
Deficit	(39,586,544)	(38,252,958)
	39,286,736	39,317,015
	$ 58,287,435	$ 58,263,190

Nature of operations and going concern (note 1)
Proposed transaction (note 12)
Subsequent events (Note 13)

See accompanying notes to the condensed consolidated interim financial statements.

WOULFE MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012	Six Months Ended December 31, 2013	Six Months Ended December 31, 2012
Expenses:				
Amortization	$ -	$ 2,067	-	2,067
Consulting	-	37,500	-	75,000
Directors' fees	28,000	27,000	46,000	54,000
Investor relations	-	60,824	-	123,621
Management fees	18,000	129,000	36,000	258,000
Office and miscellaneous	24,652	106,908	45,312	174,730
Professional fees	110,048	260,780	183,665	410,151
Shareholder communication	4,517	157,264	6,141	209,272
Share-based payment expense (note 10)	-	8,027	-	25,595
Transfer agent and regulatory fees	23,224	20,181	32,306	30,487
Travel and related costs	18,523	311,180	23,742	424,890
	(226,964)	(1,120,731)	(373,166)	(1,787,813)
Other income (expenses):				
Interest expense	(130,131)	(64,321)	(258,632)	(129,154)
Interest income	8,707	7,785	11,354	32,888
Foreign exchange gain (loss)	4,127	(207,983)	62,514	(130,652)
Gain on settlement of debt	13,837	-	35,602	-
	(103,460)	(264,519)	(149,162)	(226,918)
Loss before income taxes	(330,424)	(1,385,250)	(522,328)	(2,014,731)
Income tax expense				
Current	(20,000)	(25,000)	(33,000)	(100,000)
Deferred	(399,313)	(140,412)	(778,258)	(306,312)
	(419,313)	(165,412)	(811,258)	(406,312)
Comprehensive loss for the period	$ (749,737)	$ (1,550,662)	$ (1,333,586)	$ (2,421,043)
Loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	348,906,633	335,552,116	343,502,404	326,655,156

See accompanying notes to the condensed consolidated interim financial statements.

WOULFE MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31,
(Unaudited)
(Expressed in Canadian dollars)

	2013	2012
Cash provided by (used in):		
Operating activities:		
Loss for the period	$ (1,333,586)	$ (2,421,043)
Items not involving cash:		
Amortization expense	-	2,067
Income tax expense	811,258	406,312
Foreign exchange	162,252	130,652
Gain on settlement of debt	(35,602)	-
Share-based payment expense	-	25,595
Interest expense	258,632	129,154
Interest income	(11,354)	(32,888)
	(148,400)	(1,760,151)
Changes in non-cash working capital items:		
Receivables	27,217	252,416
Prepaid expenses and deposits	11,312	(29,424)
Accounts payable and accrued liabilities	(672,808)	(1,063,677)
Interest received	11,354	32,888
	(771,325)	(2,567,948)
Financing activities:		
Proceeds from issuance of share capital (note 10)	1,313,305	5,332,500
Share issuance costs paid	(9,998)	(313,778)
Loan receivable from related party	-	1,169,006
Deferred financing costs paid	(83,160)	(80,494)
	1,220,147	6,107,234
Investing activities:		
Exploration and evaluation asset expenditures	(2,045,215)	(1,468,457)
Purchase of property, plant and equipment	(2,368)	(1,387,688)
	(2,047,583)	(2,856,145)
Change in cash and cash equivalents	(1,598,761)	683,141
Effect of foreign exchange on cash and cash equivalents	52,845	2,771
Cash and cash equivalents, beginning of period	1,994,586	851,638
Cash and cash equivalents, end of period	$ 448,670	$ 1,532,008

Supplemental disclosure with respect to cash flows (note 11)

See accompanying notes to the condensed consolidated interim financial statements.

WOULFE MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital				
	Number	**Amount**	**Share-based payment reserve**	**Deficit**	**Total**
Balance at June 30, 2012	309,173,583	$ 58,725,903	$ 13,904,535	$ (34,176,036)	$ 38,454,402
Comprehensive loss:					
Loss for the period	-	-	-	(2,421,043)	(2,421,043)
Shares issued for cash	26,600,000	5,332,500	-	-	5,332,500
¤ Share issuance costs	-	(357,234)	(10,047)	-	(367,281)
Warrant valuation	-	(1,145,439)	1,145,439	-	-
Reallocation of reserves on the exercise of warrants	-	46,823	(46,823)	-	-
Reallocation of reserves on the exercise of options	-	23,437	(23,437)	-	-
Share-based payment expense	-	-	25,595	-	25,595
Balance December 31, 2012	335,773,853	$ 62,625,990	$ 14,995,262	$ (36,597,079)	$ 41,024,173
Balance at June 30, 2013	335,773,583	$ 62,625,990	$ 14,943,983	$ (38,252,958)	$ 39,317,015
Comprehensive loss:					
Loss for the period	-	-	-	(1,333,586)	(1,333,586)
Shares issued for cash	13,133,053	1,313,305	-	-	1,313,305
Share issuance costs	-	(6,099)	(3,899)	-	(9,998)
Warrant valuation	-	(505,621)	505,621	-	-
Balance at December 31, 2013	348,906,636	$ 63,427,575	$ 15,445,705	$ (39,586,544)	$ 39,286,736

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of operations and going concern:

Woulfe Mining Corp. ("Woulfe" or the "Company") is incorporated under the laws of British Columbia, Canada. The consolidated financial statements of the Company are comprised of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The principal business of the Group is the acquisition, exploration, and development of mineral properties. The Company has four wholly-owned subsidiaries: Sangdong Mining Corporation ("Sangdong"), Yeonwha Mining Corporation ("Yeonwha") and Woulfe Processing LLC ("WPC") are incorporated in South Korea and Woulfe Gold (BVI) Ltd. ("Muguk") is incorporated in the British Virgin Isles. The Group's principal properties are located in South Korea and are in various stages of exploration to determine whether they contain economically viable mineral deposits.

The Company's head office is located at 408 - 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6. The Company's registered and records office is 2080 - 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that 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 December 31, 2013, the Company had an accumulated deficit of $39,586,544 and a working capital deficiency of $14,043,687 and to date, the Company has not generated any revenues, other than nominal interest on its deposits, to meet its operating and administrative expenses or its other obligations.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration and development work on its South Korean mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the progress and results of exploration, the state of the global economy, and investor perceptions and expectations. If the Company is unable to obtain additional financing, the Company may be required to curtail exploration activities and sell or abandon its mineral property interests. This may result in an impairment of the carrying value of exploration and evaluation assets.

The Company has entered into an arrangement (note 12) which, if completed, would provide a substantial portion of the required funding for the Company's Sangdong Project together with a proposed new credit facility. Subsequent to December 31, 2013, the Company received $350,000 pursuant to the closing of a convertible debt financing. In addition, the Company expects to close a $4,000,000 non-brokered private placement through the sale of convertible unsecured subordinated debentures during March, 2014 (Note 13). However, the Company expects to require additional funding during the remainder of fiscal 2014 to support its planned exploration and corporate activities and to pay its obligations as they come due. These conditions cast significant doubt on the Company's ability to continue as a going concern. Failure to continue as a going concern would require assets and liabilities to be measured at their liquidation value which may be lower than than their current carrying value.

2. Basis of presentation and statement of compliance:

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34-Interim Financial Reporting. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's audited annual financial statements for the year ended June 30, 2013.

These condensed consolidated interim financial statements were authorized for issue by the Company's Audit Committee on February 27, 2013.

(b) Basis of consolidation and presentation:

These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

These condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

3. New accounting standards, amendments and interpretations:

(a) New accounting standards adopted:

The following standards, amendments and interpretations have been adopted by the Company as of July 1, 2013. There were no material impacts on the financial statements as a result of the adoption of these standards, amendments and interpretations:

(i) IFRS 10 *Consolidated Financial Statements*

(ii) IFRS 11 *Joint Arrangements*

(iii) IFRS 12 *Disclosures of Interests in Other Entities*

(iv) FIRS 13 *Fair Value Measurement*

(v) Amendments to IAS 19 *Employee benefits*

(b) New accounting standards not yet effective:

The following standards, amendments and interpretations, which may be relevant to the Company have been introduced or revised by the IASB:

(i) IFRIC 21 *Levies.* The Company intends to adopt IFRIC 21 in its financial statements for the annual period beginning July 1, 2014. The Company does not expect the amendments to have a material impact on the financial statements.

3. New accounting standards, amendments and interpretations (continued):

(b) New accounting standards not yet effective (continued):

(ii) *Annual Improvements to IFRS (2010-2012) and (2011-2013) cycles*. The Company intends to adopt these amendments in its financial statements for the annual period beginning on July 1, 2014. The Company does not expect the amendments to have a material impact on the financial statements.

4. Receivables:

The Company's receivables are as follows:

	December 31, 2013	June 30, 2013
Value added tax receivable	$ 18,809	$ 62,777
Other receivables	42,129	17,952
	$ 61,938	$ 80,729

5. Property, plant and equipment:

	Buildings	Vehicles	Equipment	Construction in progress	Total
Cost					
Balance at June 30, 2013	$ 119,647	$ 165,517	$ 503,078	$ 959,612	$ 1,747,854
Additions	-	-	4,297	-	4,297
Balance at December 31, 2013	$ 119,647	$ 165,517	$ 507,375	$ 959,612	$ 1,752,151
Amortization					
Balance at June 30, 2012	$ 16,806	$ 73,727	$ 341,588	$ -	$ 432,121
Additions	2,842	20,689	39,625	-	63,156
Balance at December 31, 2013	$ 19,648	$ 94,416	$ 381,213	$ -	$ 495,277
Carrying amounts					
Balance at June 30, 2013	$ 102,841	$ 91,790	$ 161,490	$ 959,612	$ 1,315,733
Balance at December 31, 2013	99,999	71,101	126,162	959,612	1,256,874

6. Exploration and evaluation assets:

The following tables summarize exploration and evaluation assets and expenditures by property for the six months ended December 31, 2013:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebek	Uranium Ogchon	Total
Balance, June 30, 2013	$ 51,108,572	$ 448,242	$ 675,088	$ 433,691	$ 993,111	$ 53,658,704
Acquisition costs	-	-	-	-	-	-
Consulting, data processing, and Survey	185,643	-	2,800	-	-	188,443
Drilling	745	-	-	-	-	745
Engineering	106,315	-	-	-	-	106,315
Field costs	109,957	-	-	-	-	109,957
Legal	21,594	-	38	-	-	21,632
Professional fees	103,023	-	-	4,921	-	107,944
Project administration	191,709	-	604	2,110	933	195,356
Salaries and employee benefits	895,699	-	-	-	-	895,699
Travel and related costs	29,813	-	24	-	-	29,837
Total costs incurred (recovered)	1,644,498	-	3,466	7,031	933	1,655,928
Balance, December 31, 2013	$ 52,753,070	$ 448,242	$ 678,554	$ 440,722	$ 994,044	$ 55,314,632

The following tables summarize exploration and evaluation assets and expenditures by property for the year ended June 30, 2013:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebek	Uranium Ogchon	Total
Balance, June 30, 2012	$ 44,123,548	$ 448,242	$ 673,153	$ 431,905	$ 993,071	$ 46,669,919
Acquisition costs	1,234,605	-	-	-	-	1,234,605
Consulting, data processing, and Survey	142,174	-	-	-	-	142,174
Drilling	34,746	-	-	-	-	34,746
Engineering	2,345,539	-	-	-	-	2,345,539
Field costs	273,124	-	271	-	40	273,435
Legal	388,301	-	-	-	-	388,301
Professional fees	44,463	-	9,264	1,557	-	55,284
Project administration	646,804	-	(14,557)	229	-	632,476
Salaries and employee benefits	1,681,594	-	-	-	-	1,681,594
Travel and related costs	193,674	-	6,957	-	-	200,631
Total costs incurred (recovered)	6,985,024	-	1,935	1,786	40	6,988,785
Balance, June 30, 2013	$ 51,108,572	$ 448,242	$ 675,088	$ 433,691	$ 993,111	$ 53,658,704

6. Exploration and evaluation assets (continued):

(a) Sangdong Mining Titles, South Korea:

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.

(b) Sim Properties, South Korea:

During fiscal 2007, the Company paid US$10,000 for the option to acquire a 100% interest in any or all of the Sim Properties located throughout South Korea. In order to acquire any mineral claim group within the Sim Properties, the Company is required to pay US$100,000, of which US$50,000 can be paid in common shares at the option of the Company.

Yeonwha 1 and Taebaek Mining Title:

On February 26, 2010, the Company acquired the Yeonwha 1 and Taebaek Mining Titles for cash consideration of US$100,000 and the issuance of 500,424 common shares valued at US$100,000.

Chongyang and Muguk Mining Titles:

During fiscal 2007, the Company acquired the Muguk and Chongyang Mining Titles by paying US$100,000 and issuing 80,442 common shares valued at US$100,000.

(c) Ogchon Mining Titles, South Korea:

The Company has been granted nine uranium/vanadium mining licenses located in the Geumsan area, southeast of the major regional centre of Daejeon.

7. Provisions:

	Tax uncertainties	Other	Total
Balance at June 30, 2013	$ 659,940	$ 53,902	$ 713,842
Additions	-	745	745
Foreign exchange	12,244	5,829	18,073
Balance at December 31, 2013	$ 672,184	$ 60,476	$ 732,660

7. Provisions (continued):

Provisions are classified on the consolidated statements of financial position as follows:

	Short-term	Long-term	Total
Balance at June 30, 2013	$ 659,940	$ 53,902	$ 713,842
Balance at December 31, 2013	672,184	60,476	732,660

8. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are as follows:

	December 31, 2013	June 30, 2013
Trade payables	$ 3,238,765	$ 4,322,533
Accrued liabilities	397,095	363,120
	$ 3,635,860	$ 4,685,653

9. Loan payable:

During the year ended June 30, 2012, in conjunction with the proposed transaction with IMC International Metalworking Companies B.V. (“IMC”) (note 12), IMC advanced $5,000,000 to Sangdong, pursuant to a term loan agreement (dated February 26, 2012), for purposes of project advancement pending the closing of the proposed transaction.

The loan bears interest at 5.00% per annum on the aggregate outstanding principal amount (including previously accrued interest) of the term loan and is payable at maturity.

The maturity date of the term loan was the earlier of (i) the closing of the IMC transaction and (ii) the one year anniversary of the date of the term loan agreement, being February 26, 2013.

On March 4, 2013, the Company executed an amended and restated loan agreement in respect of the original $5,000,000 loan. Pursuant to the amended agreement, the maturity date of the original loan has been extended to the earlier of the closing of the proposed transaction or February 26, 2014. In addition, the aggregate amount outstanding under the amended loan agreement, including unpaid interest on the original $5,000,000, was increased to $10,000,000 and the Company received additional proceeds of $4,739,461. Total interest accrued to December 31, 2013 was $412,440 (June 30, 2013 - $153,808). Subsequent to December 31, 2013, the maturity date of the loan was further extended to the earlier of the closing of the proposed transaction or December 15, 2014.

10. Share capital and share-based payment reserve:

Authorized:

Unlimited number of common shares without par value.

Issued and outstanding:

During the six months ended December 31, 2013, the Company completed a non-brokered private placement (two tranches) of 13,133,053 units for gross proceeds of $1,313,305. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one common share at $0.12 until September 13, 2016 (for the first tranche) and September 16, 2016 (for the second tranche). Cash issuance costs totalling $9,998 were incurred.

The total proceeds of the offering was allocated to the common shares and warrants based on their relative fair values resulting in $807,684 allocated to the common shares and $505,621 to the warrants. The fair value of the common shares was based on the share price on the date they were issued and the fair value of the warrants was determined using the Black-Scholes option-pricing model with the following assumptions: expected life of 3years; volatility – 82.55%; dividend rate – nil; risk free interest rate – 1.54%.

Stock options

The Company has a stock option plan under which the Board of Directors is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant.

The options can be granted for a maximum term of five years and vest as determined by the Directors.

No options were granted, exercised, expired or forfeited during the six months ended December 31, 2013 or the year ended June 30, 2013.

As of December 31, 2013, the Company had the following outstanding stock options:

Number of Options	Exercise Price	Number exercisable	Expiry Date
500,000	$ 0.10	500,000	July 5, 2014(1)
550,000	0.14	550,000	January 18, 2015(2)
1,250,000	0.11	1,250,000	June 3, 2015(3)
550,000	0.11	550,000	September 30, 2015
1,490,000	0.18	1,490,000	December 14, 2016(4)
4,340,000		4,340,000	

(1) Subsequent to December 31, 2013, all options were cancelled
(2) Subsequent to December 31, 2013, 250,000 options were cancelled
(3) Subsequent to December 31, 2013, 1,000,000 options were cancelled
(4) Subsequent to December 31, 2013, 500,000 options were cancelled

The weighted average remaining contractual life of share options outstanding at December 31, 2013 is 1.84 years (June 30, 2013 – 2.34 years).

10. Share capital and share-based payment reserve (continued):

Warrants

The following table summarizes information about the Company's warrant transactions:

	Outstanding Warrants	Weighted average exercise price
Balance, June 30, 2013	13,075,000	$ 0.30
Warrants granted	13,133,053	0.12
Balance, December 31, 2013	26,208,053	$ 0.21

As of December 31, 2013, the Company had the following outstanding warrants:

Number of Warrants	Exercise Price	Expiry Date
13,075,000	$ 0.30	August 31, 2014
10,000,000	0.12	September 13, 2016
3,133,053	0.12	September 16, 2016
26,208,053		

In addition, the Company also has 1,057,500 outstanding compensation warrants which are exercisable at $0.20 until August 31, 2014 into units consisting of one common share and ½ share purchase warrant with each whole purchase warrant issued exercisable into one common share at $0.30 until August 31, 2014.

11. Supplemental disclosure with respect to cash flows:

Significant non-cash investing and financing activities during the six months ended December 31, 2013 included:

- $63,156 (2012 - $59,456) of amortization expense capitalized to exploration and evaluation assets;
- Exploration and evaluation asset expenditures of $310,283 (2012 - $1,444,447) that were incurred during the current period that remain within accounts payable as at December 31, 2013; A provision expense of $745 (2012 – recovery of $20,632) and a provision of $76,038 (2012 - $70,064) in employee benefit expense, both of which are included in exploration and evaluation assets;
- Reclassifying $Nil (2012 - $70,260) from share-based payment reserve to common shares on the exercise of stock options;
- Share issuance costs of $Nil (2012 - $53,503) included in accounts payable; and
- Deferred financing fees incurred of $Nil (2012 - $173,672) accrued in accounts payable.

12. Proposed transaction with IMC:

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, 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 an aggregate of $5,000,000 to Sangdong (subsequently increased to $10,000,000) (note 10), pursuant to a loan agreement, as amended in March 2013, for purposes of project advancement pending the closing of the transaction;
- IMC agreed to acquire a 25% interest in Sangdong, the Company's 100%-owned subsidiary, for cash consideration totalling $35,000,000;
- The Company and IMC have agreed to establish a Korean company ("APT Co."), which will be beneficially owned 45% by the Company and 55% by IMC. The parties will invest up to CDN$15,750,000 and $19,250,000, respectively, into APT Co. to build a facility in Korea for the processing of tungsten concentrate to be purchased from Sangdong. IMC has agreed to make available to the Company a loan for the Company's portion of the investment;
- APT Co. has agreed to acquire no less than 90%, and up to 100%, of Sangdong's 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 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 is 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 toward closing its investment in the Sangdong project, subject to the remaining conditions precedent to the transaction.

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

During the year ended June 30, 2013, the Company signed a Memorandum of Understanding ("MoU") for KRW 168 Billion (USD $150,000,000) with Shinhan Bank of South Korea. The MoU relates to a 12-year term loan with proceeds to be used for the development of the Sangdong Tungsten/Molybdenum Project as noted above. While this MoU remains in effect, there is no assurance that this term loan will will be realized in the future.

13. Subsequent events:

The following events occurred subsequent to December 31, 2013:

a) The Company received proceeds totaling $350,000 pursuant to the advance of a convertible loan by Dundee Corp., a significant shareholder of the Company. The loan is unsecured and bears interest at the rate of 12% per annum, compounded annually, and maturing on January 28, 2015.

13. Subsequent events: (continued)

The principal of the loan is convertible, at the option of the lender, into units at a price of $0.115 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant will enable the lender to acquire one additional common share at a price of $0.12 per share up to the earlier of January 28, 2018 and thirty-six months from the date of conversion. At the option of either the Company or the holder, interest accruing on the loan may be convertible into units at a conversion price equal to the market price of the Company's common shares on the interest conversion date. Each interest unit will be comprised of one common share and one share purchase warrant. Each interest warrant will enable the holder to acquire one additional common share at the interest conversion price up to the earlier of January 28, 2018 and thirty-six months from the date of conversion.

b) The Company expects to receive, in March 2014, proceeds totaling $4,000,000 from Dundee Corp. pursuant to the expected closing of a non-brokered private placement of convertible, unsecured subordinated debentures at a price of $1,000 per debenture.

The debentures will have an interest rate of 12% per annum, payable monthly in arrears. The Company will have the option to satisfy, all or a portion of its interest payment obligations by delivering to the holder common shares of the Company at a price equal to the market price of the Company's common shares on the interest settlement date. The debentures will mature and be repayable on December 31, 2016.

Each $1,000 principal amount of the debentures will be convertible at the option of the holder into 7,692 common shares or 7,692 preferred shares of the Company, representing a conversion price of $0.13 per share or preferred share, as the case may be. Each $1,000 debenture will also include 7,692 common share purchase warrants of the Company. Each warrant shall entitle the holder thereof to acquire one share at a price of $0.13 per share for a period of sixty months from the closing of the offering. The preferred shares shall have a par value of $0.13 per preferred share.

The preferred shares will have (i) voting rights equivalent to the common shares, (ii) priority over the common shares in relation to distribution of the Company's assets in the event of liquidation, (iii) a right of conversion into common shares of the Company on a one-for-one basis at any time; and (iv) a fixed dividend rate of 12% of par value per year, payable monthly. The Company will have the option to satisfy all or a portion of its dividend payment obligations by delivering to the preferred shareholder common shares of the Company at a price equal to the market price of the Company's common shares on the dividend settlement date. In the event of a change in control of the Company, the holder may require the preferred shares be redeemed by the Company, in whole or in part, at a redemption price of $0.14 per preferred share, representing par value of the preferred shares plus a 10% premium.

The Company has agreed to pay Dundee Securities Ltd. an advisory fee of 10% of the gross proceeds from the sale of the debentures forming the offering, payable in units, at a price of $0.13 per unit. Each unit will be comprised of one share and one warrant with an exercise price of $0.13 per share.

SCHEDULE "D"

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

OVERVIEW

The following management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as at February 27, 2014 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the six months ended December 31, 2013 of Woulfe Mining Corp. ("Woulfe" or the "Company"). All dollar amounts included therein and in the following MD&A, unless otherwise indicated, are expressed in Canadian dollars.

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, molybdenum, vanadium and uranium. The assets secured have known historical mineralization. The Company has been extensively evaluating its Sangdong Tungsten/Molybdenum Mine 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 six months ended December 31, 2013 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. Hubert Marleau (interim CEO)
- Mr. David Constable (interim Chairman)
- Mr. Ned Goodman (resigned February 24, 2014)
- Mr. Mark Goodman (appointed February 26, 2014)
- Mr. Michael Skead
- Mr. Michel Gaucher
- Mr. Benjamin Yi

Messer's Skead, Gaucher and Yi were each appointed by the Company to its Board of Directors on October 29, 2013. Please see the Company's October 30, 2013 news release as filed on SEDAR for a profile of each of these new Board members. In addition, Mr. John Icke tendered his resignation from the Company's Board of Directors on October 28, 2013.

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 (see Recent Operational Highlights section below);

- 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 is 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 February 24, 2014, the Company announced that has received conditional approval to list its common shares on the Canadian Stock Exchange ("CSE"), and intends to voluntarily delist its common shares from the TSX Venture Exchange (the "TSX-V"). The Company's common shares are expected to be delisted from the TSX-V at the close of business on March 7, 2014, being 10 trading days from the date of this announcement, and with trading anticipated to commence on the CSE on Monday, March 10, 2014 under the symbol "WOF".

  The Company expects that the transition between the TSX-V and the CSE will be completed in a seamless manner.

- Concurrent with listing on the CSE, and further to its news release of January 27, 2014, the Company expects to complete the non-brokered private placement to raise $4,000,000 (discussed in more detail below).

  During March 2014, the Company expects to receive proceeds totaling $4,000,000 from Dundee Corp., a significant shareholder of the Company, pursuant to the expected closing of a non-

brokered private placement of convertible, unsecured subordinated debentures at a price of $1,000 per debenture.

The debentures will have an interest rate of 12% per annum, payable monthly in arrears. The Company will have the option to satisfy all, or a portion, of its interest payment obligations by delivering common shares of the Company to the holder of the debentures at a price equal to the market price of the Company's common shares on the interest settlement date. The debentures will mature and be repayable on December 31, 2016.

Each $1,000 principal amount of the debentures will be convertible, at the option of the holder, into 7,692 common shares or 7,692 preferred shares of the Company, representing a conversion price of $0.13 per share or preferred share, as the case may be. Each $1,000 debenture will also include 7,692 common share purchase warrants of the Company. Each warrant shall entitle the holder thereof to acquire one share at a price of $0.13 per share for a period of sixty months from the closing of the offering. The preferred shares shall have a par value of $0.13 per preferred share.

The preferred shares will also have (i) voting rights equivalent to the common shares, (ii) priority over the common shares in relation to distribution of the Company's assets in the event of liquidation, (iii) a right of conversion into common shares of the Company on a one-for-one basis at any time; and (iv) a fixed dividend rate of 12% of par value per year, payable monthly. The Company will have the option to satisfy all or a portion of its dividend payment obligations by delivering to the preferred shareholder common shares of the Company at a price equal to the market price of the Company's common shares on the dividend settlement date. In the event of a change in control of the Company, the holder may require the preferred shares be redeemed by the Company, in whole or in part, at a redemption price of $0.14 per preferred share, representing par value of the preferred shares plus a 10% premium.

The Company has agreed to pay Dundee Securities Ltd. an advisory fee of 10% of the gross proceeds from the sale of the debentures forming the offering, payable in units, at a price of $0.13 per unit. Each Unit will be comprised of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of $0.13 for a period of 60 months from the closing of the offering.

The Company intends to use the net proceeds of the offering to commence a proposed $6 million work program on the Sangdong project as previously announced on October 28, 2013 and to fund the Company's working capital deficit and budgeted general and administrative costs for calendar 2014.

- Subsequent to December 31, 2013, the Company received proceeds totaling $350,000 pursuant to the advance of a convertible loan by Dundee Corp. The loan is unsecured and bears interest at the rate of 12% per annum, compounded annually, and maturing on January 28, 2015.

  The principal of the loan shall be convertible, at the option of the lender, into units at a price of $0.115 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant will enable the lender to acquire one additional common share at a price of $0.12 per share up to the earlier of January 28, 2018 and thirty-six months from the date of conversion. At the option of either the Company or the holder, interest accruing on the loan may be convertible into units at a conversion price equal to the market price of the Company's common shares on the interest conversion date. Each interest unit will be comprised of one common share and one share purchase warrant. Each interest warrant will enable the holder to acquire one additional common share at the interest conversion price up to the earlier of January 28, 2018 and thirty-six months from the date of conversion.

- On October 28, 2013, the Company announced that it has completed its review of the June 6, 2012 Feasibility Study prepared for the Sangdong Project by TetraTech WEI Inc. under the direction of previous management. The Company completed its review with the assistance of its largest shareholder, Dundee Corporation. The Company has identified that considerable additional test work is necessary (the "work program") to bring the Sangdong Project to proper commercial and financing preparedness.

  The new work program prescribed will include diamond drilling to better define the ore body -- in particular, those areas of the resource that could potentially be mined in the early years of the mine's life. Additionally, further work must be completed on mine design, mining method selection, metallurgical process design, and much de-risking of other technical aspects of the Sangdong Project. It is estimated that this work program will cost approximately $6,000,000 and will take approximately twelve months to complete. The Company recently raised $4,350,000 (see above) and will be seeking additional financing to fund the remainder of this work program.

- On September 17, 2013, the Company announced that Korea Zinc Co. Ltd. ("Korea Zinc") had exercised its right to participate in the Company's non-brokered private placement, as originally announced on August 26, 2013.

  As a result of the exercise of the participation right, Korea Zinc acquired 3,133,053 units at a price of $0.10 per unit for aggregate gross proceeds of $313,305. The units were comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.12 per share until September 16, 2016.

  All securities issued in connection with the participation right are subject to a four-month hold period expiring on January 17, 2014.

  The proceeds of the private placement will be used for general working capital purposes.

- On September 16, 2013, Dundee Corporation disclosed within an Early Warning Report that, subsequent to acquiring 10,000,000 units of the Company (described below), it would own 55,317,500 common shares of the Company as well as warrants enabling them to acquire an additional 21,057,500 common shares of the Company. This represents an approximate 15.42% interest in the Company on an undiluted basis and a 20.27% interest assuming the conversion of all warrants in their possession.

- On September 16, 2013, the Company announced that it completed its non-brokered private placement as announced on August 23, 2013, placing an aggregate of 10,000,000 units of the Company at a price of $0.10 per unit for aggregate gross proceeds of $1,000,000. The units were comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.12 per share until September 13, 2016.

  The sole subscriber in the offering was Dundee Corporation, an insider of the Company. All securities issued in connection with the offering will be subject to a four-month hold period expiring on Jan. 14, 2014.

- On March 4, 2013, the Company announced that it executed an amended and restated bridge loan agreement in respect of the original $5-million bridge loan advanced by TaeguTec Ltd. ("TaeguTec"), an affiliate of IMC, on February 26, 2012, and an amendment agreement to the subscription agreement dated February 26, 2012, between the Company, its wholly-owned subsidiary, Sangdong, and IMC, pursuant to which IMC will acquire a 25-per-cent interest in Sangdong for aggregate consideration of $35-million. (See Strategic Arrangement section above).

  Pursuant to the amended loan agreement, the maturity date of the original loan was extended to the earlier of the closing of the strategic transactions with IMC or February 26, 2014 (subsequently extended to December 15, 2014), and TaeguTec made a further advance, such that the aggregate amount outstanding under the amended loan agreement, including capitalized interest and accrued, unpaid and non-capitalized interest on the original $5-million advance, was increased to $10-million.

  Pursuant to the amendment agreement, the parties have agreed that the outside date for the completion of the transactions contemplated by the transaction agreements shall be extended until December 15, 2014. The parties are, however, working toward completion of the transactions contemplated by the subscription agreement as soon as is feasible.

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 two priority projects, Sangdong (tungsten / molybdenum) and Muguk (gold), with four other projects at preliminary evaluation stage.

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 definitely 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$475/mtu (source: infomine.com) in February 2014.

The Company workforce at site increased to over 40 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 during the first two quarters of fiscal 2014, 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. This additional evaluation was completed in late October, 2013 (See Recent Operational Highlights section above).

Muguk Gold/Silver Mining Titles, South Korea

Muguk was the largest gold mine in South Korea until its premature 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.

Australian Mineral Consultants ("AMC") has 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.

Yeonwha 1 and Taebaek Base Metal Mining Titles, South Korea

The Yeonwha 1 and Taebaek mining titles were part of the acquisition option agreement, dated October 9, 2006, which granted the Company an exclusive option to acquire the right, title and interest in any or all of the Sim Properties located throughout South Korea.

On February 10, 2010, the Company notified the optionor of its intention to exercise the option to acquire the five (5) Yeonwha 1 and three (3) Taebaek mining titles. As a result, the Company paid US$100,000 on February 26, 2010 along with the issuance of 500,424 common shares valued at US$100,000. In February 2010, the Company applied for a mining title adjoining the Yeonwha titles and this has yet to be granted.

These titles are the core of the base metals division which is focused on lead, zinc and copper deposits. The properties are situated in close proximity to a zinc-lead refinery and, as with Sangdong, the mines were operated for many years and have extensive lateral access development.

Data will be gathered on the project during fiscal 2014 and the deposits will be modeled so that a drill program can be designed to verify the residual mineralization.

Chongyang Tungsten/Molybendum Mining Titles, South Korea

The Chongyang mining titles were part of the acquisition option agreement, dated October 9, 2006, which granted the Company an exclusive option to acquire the right, title and interest in any or all of the Sim Properties located throughout South Korea.

On October 9, 2006 the Company exercised its option to acquire the four (4) Chongyang mining titles. Consideration for this purchase called for the Company to pay the vendor US$100,000 in cash (paid) and US$100,000 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.

Uranium Mining Titles, South Korea

The Company had been granted ten uranium/vanadium mining licenses and has another under application. The leases are situated within the Ogchon Belt, a structural trend that runs through the centre of the country. The areas under license are considered prospective and are known to host low grade uranium and vanadium mineralization. The economic viability of the mineralization has yet to be demonstrated, and the Company is monitoring the progress of other participants within the uranium belt.

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 December 31, 2013 (the "current period"), the Company incurred approximately $0.70 million in exploration and evaluation and property, plant & equipment expenditures compared to $2.47 million incurred during the comparative three months ended December 31, 2012 (the "comparative period"). During the six months ended December 31, 2013 (the "current six-month period"), the Company incurred approximately $1.65 million in exploration and evaluation and property, plant & equipment expenditures compared to $3.45 million incurred during the six months ended December 31, 2012 (the "comparative six-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 six months ended December 31, 2013:

	Tungsten Sangdong	Tungsten Chongyang	Gold Muguk	Lead/zinc Yeonwha 1 and Taebek	Uranium Ogchon	Total
Balance, June 30, 2013	$ 51,108,572	$ 448,242	$ 675,088	$ 433,691	$ 993,111	$ 53,658,704
Acquisition costs	-	-	-	-	-	-
Consulting, data processing, and Survey	185,643	-	2,800	-	-	188,443
Drilling	745	-	-	-	-	745
Engineering	106,315	-	-	-	-	106,315
Field costs	109,957	-	-	-	-	109,957
Legal	21,594	-	38	-	-	21,632
Professional fees	103,023	-	-	4,921	-	107,944
Project administration	191,709	-	604	2,110	933	195,356
Salaries and employee benefits	895,699	-	-	-	-	895,699
Travel and related costs	29,813	-	24	-	-	29,837
Total costs incurred	1,644,498	-	3,466	7,031	933	1,655,928
Balance, December 31, 2013	$ 52,753,070	$ 448,242	$ 678,554	$ 440,722	$ 994,044	$ 55,314,632

During the current period, the Company incurred a comprehensive loss of $749,737 compared to a comprehensive loss of $1,550,662 incurred during the comparative period. The main reasons for the decrease in loss was a result of: 1) a decrease in professional fees as a result of decreased legal requirements; 2) a decrease in investor relations expense to $nil as a result of the termination, in March 2013, of all investor relations agreements with a total cost of approximately $20,275 per month; and 3) a decrease in management fees as a result of the fact that the current interim CEO was paid a fee of $6,000 per month during the current period while a company controlled by the former CEO and another director ceased to earn fees of $43,000 per month commencing March 1, 2013. In addition, during the fourth quarter of fiscal 2013 and the first and second quarters of fiscal 2014, management implemented a planned cost reduction plan that significantly reduced corporate expenses during the current period compared to those incurred during the comparative period.

During the current six-month period, the Company incurred a comprehensive loss of $1,333,586 compared to a comprehensive loss of $2,421,043 incurred during the comparative six-month period. The main reasons for the decrease in loss was a result of: 1) a decrease in professional fees as a result of decreased legal requirements; 2) a decrease in investor relations expense to $nil as a result of the termination, in March 2013, of all investor relations agreements with a total cost of approximately $20,600 per month; and 3) a decrease in management fees as a result of the fact that the current interim CEO was paid a fee of $6,000 per month during the current six-month period while a company controlled by the former CEO and another director ceased to earn fees of $43,000 per month commencing March 1, 2013. In addition, during the fourth quarter of fiscal 2013 and the first and second quarter of fiscal 2014, management implemented a planned cost reduction plan that significantly reduced corporate expenses during the current six-month period compared to those incurred during the comparative six-month period.

SUMMARY OF QUARTERLY RESULTS

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

Three months ended (000's)	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Loss for the period	$ (750)	$ (584)	$ (1,011)	$ (698)
Loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Three months ended (000's)	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Loss for the period	$ (1,550)	$ (870)	$ (1,342)	$ (1,145)
Loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (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 and the exercise of stock options and warrants and from proceeds advanced pursuant to a loan payable to IMC (see Recent Operational Highlights section above). The Company continues to seek capital through various means including the issuance of equity and/or debt.

The unaudited condensed consolidated interim financial statements for the six months ended December 31, 2013 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 December 31, 2013, the Company had a deficit of $39,586,544 and had incurred a comprehensive loss totaling $1,333,586 for the six months ended December 31, 2013. 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 six-month period with a cash balance of $1,994,586 and a working capital deficiency of $13,249,780. As at December 31, 2013, the Company's cash balance was $448,670 and, as at December 31, 2013, the Company's working capital deficiency was $14,043,687.

Net cash used in operating activities during the current six-month period was $771,325 (2012 – $2,567,948) and was significantly lower than cash used in operating activities during the comparative six-month period. The main reason for the decrease in cash used was a result of a greater reduction of payables during the comparative six-month period and a planned cost reduction plan that significantly reduced corporate expenses during the current six-month period.

Net cash provided by financing activities of $1,220,147 (2012 – $6,107,234) 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. (See Recent Operational Highlights section above).

Net cash used in investing activities of $2,047,583 (2012 – $2,856,145) 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 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 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 together with a proposed new credit facility. However, the Company expects to require additional funding in calendar 2014 to support its planned exploration, evaluation and corporate activities and to pay its obligations as they come due. This funding is not yet fully arranged or committed and, accordingly, these conditions cast significant doubt on the Company's ability to continue as a going concern.

As discussed within the Recent Operational Highlights section above, the Company is planning an additional work program which will require funding in the amount of at least $6,000,000.

Subsequent to December 31, 2013, the Company raised $350,000 pursuant to a convertible loan agreement and expects to receive an additional $4,000,000 pursuant to the expected completion of a non-brokered private placement of convertible debentures (See Recent Operational Highlights section above). These proceeds will be used to fund a portion of the planned work program as well as for general working capital purposes, which includes funding of the Company's budgeted overhead for the next twelve months.

OUTSTANDING SHARE DATA

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

	Number of Shares
Balance, June 30, 2013	335,773,583
Shares issued pursuant to private placement	13,133,053
Balance, December 31, 2013 and February 27, 2014	348,906,636

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 18, 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
2,090,000		2,090,000	

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

Number	Exercise price	Expiry date
13,075,000	$0.30	August 31, 2014
10,000,000	$0.12	September 13, 2016
3,133,053	$0.12	September 16, 2016

In addition, the Company has outstanding 1,057,500 compensation warrants which are exercisable at $0.20 until August 31, 2014 into units consisting of one common share and ½ share purchase warrant with each whole purchase warrant issued exercisable into one common share at $0.30 until August 31, 2014; and

RELATED PARTY TRANSACTIONS

During the six months ended December 31, 2013, the Company had entered into the following transactions with related parties:

	2013	2012
Corporate secretarial services, CFO services, administrative services and accounting services provided by a company controlled by an officer of the Company.	$ 90,000	$ 90,000
Management fees paid or accrued to a company controlled by former directors of the Company	$ -	$ 258,000
Management fees paid or accrued to the interim CEO of the Company	$ 36,000	$ -
Directors' fees	$ 46,000	$ 54,000
Geological consulting fees included in deferred exploration and evaluation costs to a company controlled by a former officer of a wholly-owned subsidiary of the Company.	$ -	$ 81,000

Included in accounts payable at December 31, 2013 is $174,258 (June 30, 2013 - $598,758) payable to directors, former directors and officers of the Company and to companies with directors or former directors in common.

These amounts are non-interest bearing, unsecured and paid in the ordinary course of business.

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 expenditure:

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 10 to the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2013.

Accounting policies

(a) New accounting standards adopted:

The following standards, amendments and interpretations have been adopted by the Company as of July 1, 2013. There were no material impacts on the financial statements as a result of the adoption of these standards, amendments and interpretations:

(i) IFRS 10 *Consolidated Financial Statements*

(ii) IFRS 11 *Joint Arrangements*

(iii) IFRS 12 *Disclosures of Interests in Other Entities*

(iv) FIRS 13 *Fair Value Measurement*

(v) Amendments to IAS 19 *Employee benefits*

(b) New accounting standards not yet effective:

The following standards, amendments and interpretations, which may be relevant to the Company, have been introduced or revised by the IASB:

(i) IFRIC 21 *Levies.* The Company intends to adopt IFRIC 21 in its financial statements for the annual period beginning July 1, 2014. The Company does not expect the amendments to have a material impact on the financial statements.

(ii) *Annual Improvements to IFRS (2010-2012) and (2011-2013) cycles*. The Company intends to adopt these amendments in its financial statements for the annual period beginning on July 1, 2014. The Company does not expect the amendments to have a material impact on the financial statements.

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, accounts receivable and loan receivable from related party 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 December 31, 2013, the Company had cash and cash equivalents of $448,670 to settle financial liabilities of $14,048,300. All of the Company's current financial liabilities are due within one year.

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 loan payable which bears 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:

	December 31, 2013		June 30, 2013	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Cash and cash equivalents	3,530	$ 3,300	33,390	$ 35,147
Korean Won:				
Cash and cash equivalents	202,611,528	204,483	1,596,875,007	1,455,833
Receivables	145,680,675	147,026	99,082,941	90,332
Total financial assets		$ 355,039		$1,581,312

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

	December 31, 2013		June 30, 2013	
	Amount in foreign currency	Amount in CAD dollars	Amount in foreign currency	Amount in CAD dollars
United States dollars:				
Accounts payable and accrued liabilities	1,046,467	$ 1,095,181	1,029,159	$ 1,080,257
Australian dollars:				
Accounts payable and accrued liabilities	742,343	704,706	985,293	972,137
Korean Won:				
Accounts payable and accrued liabilities	288,504,708	291,169	491,204,117	447,819
Total financial liabilities		$ 2,091,056		$ 2,500,213

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 net loss of approximately $174,000 for the six months ended December 31, 2013 (June 30, 2013 – $92,000).

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, 2013, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

OTHER MATTERS

Commitments:

As at December 31, 2013 and as at the date of this MD&A, the Company has no material commitments.

Investor relations

The Company has no investor relations agreements in place.

Off-balance sheet arrangements:

At December 31, 2013, and as at the date of this MD&A, the Company has no off-balance sheet arrangements in place.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia

this 5th day of March 2014.

Hubert Marleau (signed)	*Mark Gelmon (signed)*
Chief Executive Officer	Chief Financial Officer
Michel Gaucher (signed)	*Benjamin Yi (signed)*
Director	Director