PACIFIC WILDCAT RESOURCES CORP.

a d v a n c e d a n d s t r a t e g i c m i n e r a l s a n d m e t a l s

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED

December 31, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Pacific Wildcat Resources Corp. (the "Company") as at December 31, 2011 and for the year then ended in comparison to the same year ended in 2010. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2011 and December 30, 2010 and related notes.

As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The December 31, 2011 and 2010 consolidated financial statements have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements and IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1"). A discussion of IFRS and its impact on the Company's financial presentation is presented in this report in the Change in Accounting Policies section.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The effective date of this MD&A is April 30, 2012.

Throughout the report we refer to PAW, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Pacific Wildcat Resources.

Cautionary Statement on Forward-Looking Information

Certain statements contained in this MD&A may contain forward-looking statements. Use of any of the words 'anticipate', 'continue', 'estimate', 'expect', 'may', 'will', 'project', 'should', 'believe' and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A reflect the current expectations, assumptions or beliefs of PAW based on information currently available to the Company. With respect to forward-looking statements contained in this MD&A, assumptions have been made regarding, among other things, the Company's ability to generate sufficient cash flow from operations and capital markets to meet its future obligations, the regulatory framework in Mozambique with respect to, among other things, permits, license's authorizations, royalties, taxes and environmental matters, the ability of management to establish a commercial mining operation on its property in Mozambique, and the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's demand. PAW believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct as actual results and future events could differ materially from those anticipated in such statements and such forward-looking statements included in this MD&A and should not be relied upon. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from the estimates and assumptions used in the preliminary assessment and mine plans in respect of the Company's properties; failure to establish estimated mineral resources; fluctuations in tantalum prices and currency exchange rates; inflation; tantalum recoveries being less than those indicated by the testwork carried out to date (there can be no assurance that tantalum recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions and during production); political developments in Mozambique; changes to regulations affecting the Company's activities; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological date; and the other risks described in this report. Furthermore, the Company has at the date of this report only acquired its Initial Interest in the Mrima Hill Project in Kenya as described herein, there Company in order to complete this acquisition will require substantial funding of approximately AUS$10.5 and has not as at the date of this report secured said funding. The Company anticipates being successful in obtaining said funding through some form of equity issue and upon completion of same, the Company will be required to obtained certain permits and mining licenses. These forward-looking statements speak only as of the date of this MD&A. PAW assumes no obligation to update these forward-looking statements except as may otherwise be required pursuant to applicable laws.

OVERALL PERFORMANCE

The Company is incorporated under the Business Corporations Act (British Columbia) and is primarily engaged in mineral exploration company with a focus on becoming a producer of strategic and rare earth metals with its Muiane Tantalum Project in Mozambique and the completion of its acquisition of Mrima Hill Project a niobium and rare earths in project in Kenya. To date, the Company has not earned significant revenues and is considered to be in the exploration stage and the business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The Company is listed on the TSX Venture Exchange, having the symbol PAW.V as a Tier 2 issuer and its corporate office located at Suite 2001 - 1177 West Hastings Street Vancouver, British Columbia Canada, V6E 2K3.

Highlights – three months December 31, 2011 and date of this report

- completed a non-brokered private placement for the issuance of 17,142,857 Units at a price of $0.35 for gross proceeds to the Company of CDN $6,000,000;
- reported the Niobium and Rare Earth assay results from the final batch of 764 metres (7 holes) from the 1,810 metre (16 hole) diamond drill campaign completed at the Mrima Hill Niobium and Rare Earth deposit in Kenya in 2011 highlights include:

  - Rare Earth and Niobium mineralisation has now been shown to extend well beyond 100m depth below surface and in many places remains open both laterally and at depth;

  - Shallow intercepts of High Grade Niobium mineralisation intersected including 6.48m at 1.86% Nb_2O_5 from 11.8m and 54.4m at 1.27% Nb_2O_5 from 21.4m;

  - Wide zones of High Grade Niobium mineralisation at depth with 24.25m at 1.03% Nb_2O_5 from 113.37m;

  - Wide High Grade Total Rare Earth Oxide ("TREO") intercepts including 24.5m at 8.92% TREO from 80.8m, 35.5m at 6.03% TREO from 15.85m, 28.8m at 5.63% TREO from 61.55m, 27.0m at 7.23% TREO from 85.65m and 43.95m at 6.06% TREO from 21.4m; and

  - Very High Grade TREO results include 6.1m at 11.27% TREO from 87m, 4.0m at 11.78% TREO from 104.15m and 1.5m at 15.71% TREO from 31.8m.

- commenced a 5,000 metre Reverse Circulation ("RC") drill program to target PAW's maiden Rare Earth Oxide resource at Mrima Hill;
- completed the commissioning of the Tantalum Mineral Dressing Plant (Secondary Plant) at its Muiane Tantalum Project in Mozambique; and
- executed an amendment agreement to extend the closing date for the completion of its acquisition of a 70% interest in Mrima Hill until May 7, 2012.

Exploration and Development

Mrima Hill Project - Kenya

Acquisition

The Company's focus 2012 remains the completion of its acquisition of the 70% interest in the Mrima Hill Project in Kenya (the "Acquisition"). To date the Company has completed its initial acquisition of 7% interest. On April 23, 2012 the Company entered into an Amending Agreement to extend the Closing date of the Acquisition of Mrima Hill to May 7, 2012.

Upon meeting all the remaining closing conditions, which the parties shall use their best endeavors to achieve, the parties have agreed to complete the Acquisition by May 7, 2012 through the issue of the balance of the Closing Shares of approximately 4.5M and the balance of cash due approximately CDN$10.5M to the Owners on the final closing in accordance with the terms and conditions of the Acquisition Agreement.

At Final Closing, the Company will hold a 100% interest in Stirling and Cortec UK, who own an aggregate 70% interest in Cortec Kenya which holds the Mrima Hill Niobium and Rare Earth Project. The Owners shall then be entitled, at this time, to nominate a Director to the Board of Directors of the Company. At Final Closing, the Company shall receive the remaining 93% interest that it does not own in each of Stirling and Cortec UK such that the Company will then hold a 100% interest in each corporation. The Owners shall be entitled, at this time, to nominate a Director to the Board of Directors of the Company.

The number of Closing Shares shall be limited such that when aggregated with the Initial Shares, the Owners will not collectively hold greater than 19.9% of the post-closing non-diluted number of issued and outstanding common shares of PAW. In the event that the number of Closing Shares is required to be reduced to less than 28,702,353 PAW Shares to comply with this limitation, the Owners shall be paid the difference in cash. This cash payment shall be separate and apart from the Closing Cash Payment.

Community

The Company and Cortec Kenya continue to report good progress being made with a number of community projects at Mrima Hill. Highlights include completion of two class rooms built at the schools of Mwabovo and Bumbuni. A communal water bore has been drilled at Mwabovo School and a second at Dzuni. Construction of a workshop at the Mrima Polytechnic has also been completed.

Exploration

Highlights to date on the Rare Earth Resource RC resource drill program of which 5,000m has been completed and has demonstrated increased depth potential of the mineralized saprolitic clays and saprolitic rock include:

- 1km of additional drill access tracks approved and cleared at Mrima Hill over a high grade Total Rare Earth Oxide ("TREO") region;

- RC Resource drilling underway with good recoveries and intersecting prospective saprolite below 100m drill depth;

- Recent TREO diamond drilling results (NR #2012-03) together with previous TREO results have supported an upward revision of the initial Exploration Target* for the TREO mineralization of between 30 million to 40 million tonnes at grades ranging from 4.0% to 5.0% TREO;

- A track mounted rig has completed 53 holes totaling 5,112m of RC drilling which included 3 waterbores for 171m. The 50 Exploration holes completed averaged a depth of 99m. Sample recovery and metre production rates have improved in comparison to the 2010 RC program. Sample recovery in the top 10m has further improved following the implementation of the ODEX drilling system. An average production day drill rate of 79m per shift has been achieved so far with the 2012 Exploration RC drilling.

- The initial RareEarth Resource drilling has focused in the south west corner of Mrima Hill. This is one of the areas found to be anomalous for TREO by the Kenyan Mines Department who sampled 81 pits to a depth of 8m throughout Mrima Hill in 1955, an anomaly that was confirmed by the PAW diamond drill program of 2011 (see News Releases - NR #2011-21, NR #2011-22, NR #2012-03). The saprolite is prospective for TREO and niobium and has formed as a product of a weathered carbonatite intrusion. The RC holes are at 100m spacing and aim to achieve a maiden National Instrument 43-101 resource for TREO, as well as an update on the Initial Niobium Resource reported on the 7th of July 2011 ("NR #2011-14"); at Mrima Hill. These resource estimates are expected to be completed in the third quarter of 2012.

- The revised initial Exploration Target for the TREO mineralization of between 30 million to 40 million tonnes at grades ranging from 4.0% to 5.0% TREO has been developed taking into account all available assay data from the completed RC and diamond drilling programs at Mrima. This estimate is based on the development of a conceptual interpretation of the available drilling data utilising a 1.0% TREO lower cut-off. This interpretation was subsequently constrained to the surveyed topographic surface and limited to a maximum depth of 80 metres below surface. TREO mineralization however has been intersected at depths greater than 80 metres. Further planned drilling will increase confidence and allow a deeper base to the Exploration Target.

See the Company's website www.pacificwildcat.com and SEDAR for further details in news releases as noted hereinabove.

Mozambique

Muiane Project – Mozambique

During February 2012, the Company completed the commissioning of the Tantalum Mineral Dressing Plant (Secondary Plant) at its Muiane operations in Mozambique where the Company has over 350 square kilomtres of tenements on the Alto Ligonha pegmatite belt, host to a number of historic Tantalum mines. The Secondary Plant is used for mineral dressing purposes to upgrade Tantalum concentrate from the Company's Primary Plant to a grade that is saleable. The equipment in the Secondary Plant consists of crushers, feed bins, conveyors, specialist rare earth magnets, twin deck screens, Sweco screens and air tables. This equipment has been supplied by Nagrom Mineral Processors, who have specialist expertise in Tantalum mineral dressing plants. In addition during the year the Primary Plant has been fitted with new higher performance pumps that have improved the overall performance of the Primary Plant. The Primary Plant is now operating on a two shift per day production cycle to increase the level of Tantalum concentrate production. The successful commissioning of the Secondary plant at Muiane will allow the Company to produce a Tantalum product that is expected to be of a saleable grade. In the interim the Company is awaiting confirmatory assays for the concentrate produced and anticipates to commence marketing and selling its Tantalum concentrate during second quarter 2012.

Outlook

In addition to its objectives for the Company's project in Muiane, the Company remains focused on the completion of the Final Closing and completion of the required financing to complete the Kenya transaction. The Company will look to complete its the second stage drill program and based on those results the Company anticipates a third stage reverse circulation drill program to commence upon completion of the Acquisition.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2011, December 31, 2010 and December 31, 2009. The following annual results are compliant with IFRS: December 31, 2011 and 2010. Annual results for the year ended December 31, 2009 has been presented in accordance with Canadian GAAP and has not been restated to IFRS.

	December 31		
	2011	2010	2009
Total revenue	$ —		$ —
Loss before other items and future income tax provision	$ (2,802,384)	$ (1,242,620)	$ (609,408)
Loss per share	$ $0.03)	$ (0.02)	$ (0.02)
Loss after income tax	$ (3,205,998)	$ (1,696,217)	$ (937,709)
Loss and comprehensive loss	$ (3,126,661)	$ (1,779,507)	$ (869,549)
Total assets	$ 28,086,147	$ 7,149,725	$ 4,303,652
Working capital	$ 4,156,538	$ 760,031	$ 526,015

RESULTS OF OPERATIONS

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities, the Company continues to incur annual net losses.

For the year ended December 31, 2011 (the "Current Year")

Loss for the year:

Being in the exploration stage, the Company does not have revenues from operations and, except for interest income from its cash, relies on equity funding by investors for its continuing financial liquidity. The focus of the Company is the exploration of its development of its Muiane Project in Mozambique and the completion of the acquisition of the Mrima Hill Project in Kenya. In support of these activities, the Company during the Current Year reported a loss of $3,126,661($0.03 loss per share) compared to $1,287,615 ($0.04 loss per share) for December 31, 2010.

Administrative and general expenses for the Current Year and year ended December 31, 2010 consisted of:

		December 31 2011		December 31 2010
General and Administrative				
Consulting fees – Note 14	$	481,795	$	490,758
Corporate relations		318,116		40,167
Filing fees		24,746		17,162
Office		164,511		51,157
Professional fees – Note 14		122,110		145,203
Transfer agent fees		24,752		13,883
Travel		252,295		73,090
	$	1,388,325	$	831,420

Significant variances to note are:

Increase in expenditures for travel and corporate relations for the current period related to concentrated marketing efforts and included a twelve month strategic online program with Stockhouse.

Management fees in the comparative quarter were capitalized to the Company's Muiane Project. Increase in office expenditure were the result of increased activities and administrative costs associated with same. Professional fees included accounting and tax work for the Company's Mozambique subsidiary for 2010 year end audit work.

FINANCINGS

On January 23, 2012 the Company completed a non-brokered private placement which resulted in the issuance of 17,142,857 Units at a price of $0.35 for gross proceeds to the Company of CDN $6,000,000 of which $2,426,425 was already received at the year end. Each Unit consists of one common share, one half of one common share warrant (each whole warrant a "$0.50 Warrant"), entitling the holder to acquire one additional common share at a price of $0.50 for 18 months from Closing and an additional one half of one common share warrant (each whole warrant a "$0.75 Warrant"), entitling the holder to acquire one additional common share at a price of $0.75 for 18 months from Closing. The $0.50 Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of $0.60 for any twenty consecutive trading-day period, subsequent to four months and a day from Closing ("Accelerated Expiry"). The $0.75 Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of $0.85 for any twenty consecutive trading-day period, subsequent to four months and a day from Closing ("Accelerated Expiry"). In the event of an Accelerated Expiry, the expiry date will be the earlier of the regular 18 month expiry date and 30 days from the date the Company advises the placees of the Accelerated Expiry.

Finders' fees of 6% cash and 6% warrants ("Finders Warrant") were paid on a portion of the Financing, in accordance with the policies of the Exchange. Each Finders Warrant entitles the holder to purchase one common share (a "Finders Share") at a price of $0.50 per Finder Share for a period of 18 months from issuance and on the same terms as the Warrants for aggregate cash payments of CDN $327,625 and 936,073 Finders Warrants.

Net proceeds from the Private Placement will be used to advance the Mrima Hill Niobium and Rare Earth Project, advance the Muiane Tantalum Project and to make a payment of AUS $ 3,000,000 to the Vendors (paid) of the Mrima Hill Project as part of the Company's move towards closing the Mrima Hill Acquisition.

On August 9, 2011 the Company complete as non-brokered private placement for 8,570,606 Units at a price of $0.65 for gross proceeds to the Company of CDN $5,570,894. Each Unit consists of one common share and one half of one common share warrant (each whole warrant a "Warrant"), entitling the holder to acquire one additional common share at a price of $1.00 for 18 months from Closing. The Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of $1.25 for any twenty consecutive trading-day period, subsequent to four months and a day from Closing ("Accelerated Expiry"). In the event of an Accelerated Expiry, the expiry date will be the earlier of the regular 18 month expiry date and 30 days from the date the Company advises the placees of the Accelerated Expiry.

Finders' fees of 6% cash and 6% warrants ("Finders Warrant") were paid on a portion of the Financing, in accordance with the policies of the Exchange. Each Finders Warrant entitles the holder to purchase one common share (a "Finders Share") at a price of $0.65 per Finder Share for a period of 18 months from issuance and on the same terms as the Warrants for aggregate cash payments of CDN $312,856 and 481,317 Finders Warrants at a compensation charge of $108,775.

The net proceeds from this private placement will be used to further advance the acquisition of the Company's interest in its Mrima Hill Project in Kenya, continued development at its Muaine Tantalum Project in Mozambique and for general working capital purposes.

The Company is also received proceeds of $1,400,729 from the early exercise of warrants and exercise prices of $0.22 and $0.30 per share.

In addition the Company received $292,412 from the exercise of stock options at prices between $0.12 and $0.25.

On August 26, 2011 pursuant to the Company's 2010 Option Plan granted 3,750,000 stock options (the "Options"), at a price of $0.65 per common share in accordance with the policies of the TSX Venture Exchange (the "Exchange") to various Directors, Officers and Consultants of the Company for a stock based compensation charge of $1,397,542.

SUMMARY OF QUARTERLY RESULTS

	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	Mar. 31, 2011
Total revenues	$0	$0	$0	$0
Comprehensive Loss for the period	$(438,144)	$(2,042,068)	$(299,965)	$(346,484)
Basic and diluted loss per share	$(0.00)	$(0.02)	$(0.00)	$(0.00)
	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	Mar. 31, 2010
Total revenues	$0	$0	$0	$0
Comprehensive Income (loss) for the period	$(737,925)	$(484,973)	$(314,859)	$(241,750)
Basic and diluted loss per share	$(0.01)	$(0.01)	$(0.00)	$(0.00)

Three Months Ended December 31, 2011("Fourth Quarter")

Company during the Fourth Quarter reported a loss of $438,144 ($0.00 loss per share). A primary component of the operating expense in the Fourth Quarter related to the Mrima Hill acquisition.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2011 the Company had working capital of $4,175,703 (December 31, 2010 - $2,879,128) and no long-term debt. With respect to working capital, $4,298,671 was held in cash and cash equivalents.

The Company has not generated revenues from its operations to date. The Company currently does not have sufficient cash resources to meet its obligations to complete the acquisition of the Mrima Hill Project in Kenya. The Company will be required to raise additional funds through equity issuances, or convertible note or exercise of warrants to fund the remaining acquisition costs and provide working capital. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

The Company's policy is to invest its cash in highly liquid, short term, interest bearing investments with maturities of 90 days or less from the date of acquisition or over for period longer that may be redeemable after 30 days. The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended December 31, 2011.

OFF BALANCE-SHEET ARRANGEMENTS

The Company has no off balance-sheet arrangements.

COMMITMENTS

On May 14, 2009 the Company entered into a consulting agreement (the "Townsend Contract") with Darren Townsend and DJCA Pty Ltd. (an Australian corporation of which Mr. Townsend is a director and beneficial owner) pursuant to which the Company has engaged the services of Mr. Townsend as the Company's President, Chief Executive Officer and a director of the Company. The Company shall pay Mr. Townsend on a monthly basis, a fee of $AUS17,000 for a minimum term of 3 years.

The Townsend Contract provides that Mr. Townsend/DJCA Pty Ltd is to be issued bonus shares wherein the Company granted Mr. Townsend a bonus of 2,000,000 common shares (the "Bonus Shares"). Exchange approval for the Bonus Shares was obtained on April 30, 2010. However, the services were provided from August 7, 2009, the date in which the Company entered into the Townsend Contract and completed the Company's Acquisition (Note 7). The Company has recognized the expense over the periods in which the services are received, as follows:

i) 1,000,000 shares on August 7, 2010 (issued), the first anniversary of the completion of the Company's Acquisition of TML. The shares were valued at the market price of the shares on the Exchange approval date, for an aggregate value of $190,000 with $48,000 expensed as management fees in the year ended December 31, 2009 and the remaining $142,000 being expensed as management fees in the year ended December 31, 2010.
ii) 1,000,000 shares on August 7, 2011 (outstanding), the second anniversary of the completion of the Company's Acquisition of TML. The shares were valued at the share price on the Exchange approval date for an aggregate value of $190,000, with $24,000 being expensed as management fees in the ended December 31, 2009, $95,000 expensed as management fees during the year ended December 31, 2010 and the remaining $71,000 being expensed as management fees in the year ended December 31, 2011. Shares to be issued were recorded as $119,000 at December 31, 2010 and $190,000 at December 31, 2011.

RELATED PARTY TRANSACTIONS

a) Rental Payments

Rental payments of $8,400 (year end December 31, 2011: $8,400) were paid to Minco Corporate Management Inc. a Company controlled by the Company's Chief Financial Officer;

b) Key Management Compensation

	December 31 2011	December 31 2010
Key management personnel compensation comprised :		
Consulting fees	$470,651	$280,576
Legal fees	$105,174	—
Share based payments	$817,759	$277,430
Total	$1,393,584	$558,006

i) Consulting fees of $211,778 (year ended December 31, 2010 - $196,293) were paid to Darren Townsend, President and Chief Executive Officer:
Consulting fees of $157,871 (year ended December 31, 2010 - $84,283) were paid to Minco Corporate Management Inc ("Minco"), a company providing accounting services, administration staff, corporate compliance services and CFO consulting fees controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company;

ii) Consulting fees and office administration fees of $101,002 (year ended December 31, 2010 - $24,109) were paid to DAPRB PTY LTD. a company controlled by David Paull director of the Company
iii) Legal fees of $54,453 (year ended December 31, 2010 - $nil) were paid to MacLeod Dixon for services provided by Darryll Levitt, a director of the Company.
iv) Legal fees of $50,721 (year ended December 31, 2010 - $nil) were paid to Yunis Shail Attorneys, a company controlled by Yunis Shaik, a director of the Company.

c) Related party liabilities included in trade and other payable:

Amounts due to:	Service for:	December 31 2011	December 31 2010
Minco Corporate Management Inc.	Consulting fees	$16,708	$132,000
Terry Lyons	Expenses	$7,773	—

FINANCIAL INSTRUMENTS

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objective, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by management and reported to the Board if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risks as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of two types of risk: foreign currency risk and interest rate risk.

Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained with financial institution of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represent the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash and cash equivalent assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

a) Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying amounts for cash and cash equivalents and trade and other payables approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

b) Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurement are those derived from inputs other than quotes prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CAPITAL MANAGEMENT

The Company monitors its cash, common shares and stock options as capital. The Company's objectives when managing capital are to maintain a sufficient capital base in order to meet short-term obligations and at the same time preserve the investor confidence required to sustain future development and production of the business.

The company is not exposed to any externally imposed capital requirements.

ADDITIONAL INFORMATION

Outstanding Share Data

PAW's authorized capital is unlimited common shares without par value, unlimited preferred shares "Class A" with a par value of $1.00 and unlimited preferred shares "Class B" without par value. As at the date of this report, 164,277,580 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise Price	Expiry Date
Stock option	1,810,000	$0.12	August 7, 2014
Stock option	75,000	$0.185	April 14. 2015
Stock option	1,200,000	$0.19	July 28, 2015
Stock option	3,250,000	$0.65	August 26, 2016
Stock option	500,000	$0.65	August 26, 2013
Stock option	300,000	$0.63	September 1, 2016
Warrants	500,000	$1.10	July 20, 2012
Broker Options	342,192	$0.22	July 10, 2012
Broker Options	1,217,189	$0.22	August 25, 2012
Agents Warrants	86,478	$0.30	July 10, 2012
Agents Warrants	20,000	$0.30	August 25, 2012
Warrants	1,299,400	$0.30	July 10, 2012
Warrants	6,274,653	$0.30	August 25, 2012
Warrants	3,902,553	$1.00	February 3, 2013
Agents Warrants	148,750	$1.00	February 3, 2013
Warrants	375,000	$1.00	February 5, 2013
Warrants	7,750	$1.00	February 8, 2013
Agents Warrants	332,577	$1.00	February 4, 2013
Warrants	8,571,429	$0.50	July 23, 2013
Warrants	8,571,429	$0.75	July 23, 2013
Agents Warrants	936,073	$0.50	July 23, 2013

a) **As at the date of this report, 3,951,766 common shares are held in escrow for a remaining period of 18 months and pursuant to the policies of the TSX-V.**

Exploration and Evaluation Expenditures

	Twigg Licenses	TML Licenses	Total
Balance December 31, 2010	**$ 50,930**	**$ 4,226,018**	**$ 4,276,948**
Effect of foreign currency translation	—	86,654	86,654
Assaying	—	40,156	40,156
Geological fees and consulting	—	276,767	276,767
Salaries	—	462,614	462,614
Camp site costs and visits	—	1,242,158	1,242,158
Maps miscellaneous	—	12,126	12,126
Legal fees	—	33,065	33,065
Impairment of mineral properties	(50,930)	—	—
Balance December 31, 2011	**—**	**6,379,558**	**6,379,558**

Twigg License - Mozambique

In June 2008 the Company signed a heads of agreement with African Eagle Resources plc ("AFE") covering the rights to a 145 square kilometer exploration license in northern Mozambique (the "Twigg Agreement"). This license area, which is currently held in the name of AFE's wholly-owned subsidiary, Twigg Resources Ltd. (the "Twigg License"), is located immediately adjacent to TMP Licenses.

The Twigg Agreement stipulated the Company will commit to spend US$200,000 on an initial work program to be completed over an 18 month period. The conditions of this agreement have not been met and the license has now expired therefore the carrying value of this asset has been impaired at December 31, 2011.

Interest In Mineral Property Option

		Mrima Hill Acquisition
Balance December 31, 2009	$	-
Cash payments to vendors		105,084*
Drilling and exploration		291,446
Legal, professional and consulting costs		396,614
Balance December 31, 2010	$	793,144
Cash payments to vendors	$	3,333,029*
Shares issued to vendors		8,170,000
Drilling and exploration		887,725
Legal, professional and consulting costs		1,368,834
Total December 31, 2011	**$**	**14,552,732**

Of the cash payments to vendors, $1,256,104 (year ended December 31, 2010 - $105,084) was spent on exploration.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Pacific Wildcat is a venture issuer, therefore this section is not applicable. The details of Pacific Wildcat's accounting policies are presented in Note 3 of the audited financial statements for the year ended December 31, 2011. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the year-ending December 31, 2011 are the first annual financial statements prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result the first date at which the Company has applied IFRS is January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Canadian GAAP.

An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables:

Optional Exemptions

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS.

Business Combinations

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

Share-based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Compound Financial Instruments

The Company has elected not to retrospectively separate the liability and equity components of compound instruments for which the liability component is no longer outstanding at the date of transition to IFRS.

Changes in Existing Decommissioning, Restoration and Similar Liabilities

The Company has elected to apply the exemption from full retrospective application of decommissioning provisions as allowed under IFRS 1.

Cumulative Translation Differences

IFRS 1 allows the Company to set the currency translation adjustment, which is included in accumulated other comprehensive income, to zero at January 1, 2010 and adjust deficit by the same amount.

Extinguishing Financial Liabilities with Equity Instruments

The company has elected to apply the transitional provisions in IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments prospectively from the transition date. As a result any extinguishing financial liabilities with equity instruments prior to the transition date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39.

Investments in subsidiaries

The company's subsidiary is a first-time adopter later than its subsidiary. The company will measure the assets and liabilities of the subsidiary at the same carrying amounts as in the financial statements of the subsidiary, after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the entity acquired the subsidiary.

Mandatory Exemptions

Derecognition of Financial Assets and Liabilities

The Company has applied the derecognition requirements in IAS 39 Financial Instruments: Recognition and Measurement prospectively from the Transition Date. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the Transition Date in accordance with Canadian GAAP have not been reviewed for compliance with IAS 39.

Estimates

IFRS 1 prohibits use of hindsight to create or revise previous estimates. The estimates the Company previously made under Canadian GAAP have not been revised for application of IFRS.

Reconciliation of Canadian GAAP Equity and Comprehensive Income to IFRS

IFRS 1 requires a company to reconcile equity, comprehensive loss and cash flows for prior periods. The changes made to the consolidated statements of financial position and consolidated statements of comprehensive loss have resulted in reclassifications of various amounts on the consolidated statements of cash flows.

Explanations for the Adjustments are as follows:

a) **Reversal of Deferred Tax Liability**

IAS 12 prohibits the recognition of a deferred tax asset or liability for temporary differences that arise from the initial recognition of an asset or liability in a transaction that does not affect accounting or taxable profit or loss, other than in a business combination (initial recognition exemption). The Company previously recognized deferred tax in respect of asset acquisitions in 2009 with respect to the acquisition of its subsidiary TML. As a result the Company had a reduction of approximately $105,761 to opening deficit as at transition January 1, 2010 and the related deferred income tax liability on conversion to IFRS. During the year ended December 31, 2010, the company had a further reduction of $463,300 to its income tax expense and deferred income tax liability.

b) **Reversal of Cumulative Translation Adjustment**

IFRS 1 allows the Company to set the currency translation adjustment, which is included in accumulated other comprehensive income, to zero at January 1, 2010 and adjust deficit by the same amount. If, subsequent, to adoption, a foreign operation is disposed of the translation differences that arose before the date of transition of IFRS will not affect the gain or loss on disposal. Upon the change to IFRS, the Company reversed the currency translation balance of $15,501 at January 1, 2010 and recorded a decrease in the deficit of $15,501.

c) **Bonus Shares**

IFRS 2 provides guidance for share based payments where the grant date may occur after the date that services have begun to be rendered. For the Townsend Contract, TSX approval was received on April 30, 2010 whereas the services being rendered commenced on August 7, 2009. Based on IFRS 2 guidance the service expense has been recognized from the period August 7, 2009 to the date of vesting. As a result the Company has recognized a $72,000 management charge to the opening deficit at January 1, 2010 and a credit to shares to be issued. In the year ended December 31, 2010 a reduction to management fees of $28,592 has been recognized with the opposing entry with equity.

Management's Report On Internal Control Over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted on January 1, 2011 for issuers with financial years beginning after January 1, 2011 the Chief Executive Officer and Chief Financial Officer of the Company will file Form 52-109FV2 *Certification of Annual Filings Venture Issuer Basic Certificate* with respect to the financial information contained in the audited financial statements and respective accompanying Management's Discussion and Analysis for the year ended December 31, 2011.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Other Requirements

Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com or the Company's website at www.pacificwildcat.com.