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 NINE MONTHS ENDED

September 30, 2012

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 September 30, 2012 and for the period then ended in comparison to the same period ended in 2011. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the period ended September 30, 2012 and September 30, 2011 and related notes.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The effective date of this MD&A is November 29, 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 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 through its Muiane Tantalum Project in Mozambique and its acquisition of Stirling Capital Limited and Cortec (Pty Ltd), owner of a 70% interest Cortec Mining Kenya Limited, which has the exploration rights to the Mrima Hill niobium and rare earth 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 2K

Highlights – three months September 30, 2012 and date of this report

Exploration and Development

Mrima Hill Project - Kenya

Acquisition of Stirling Capital and Cortec (PTY) Ltd.

The Company acquired 100% of the issued and outstanding shares of Stirling Capital Ltd. ("Stirling") and Cortec (PTY) Ltd. ("Cortec UK) (the "Acquisition") on September 12, 2012 (collectively referred to as the "UK Subsidiaries"). The acquisition was made pursuant to the July 22, 2010 Conditional Purchase Agreement (the "Acquisition Agreement") with Finebrook Investments Pty Ltd, as trustee for the O'Sullivan Superannuation Fund ("O'Sullivan Fund ") and Dunross Capital Ltd ("Dunross"). The UK Subsidiaries collectively have a 70% interest in Cortec Mining Kenya ("CMK'), a private Kenyan company that holds three prospecting licences in Kenya. The Acquisition was completed in two tranches of 7% and 93%.

On February 28, 2011 the Company closed the initial tranche of the Acquisition and acquired 7% of the issued share capital of each of Stirling and Cortec UK (the "Initial Closing"), to be held in escrow pending completion of the final tranche of the Acquisition, with the second tranche of 93% of the issued share capital of Stirling and Cortec UK to be acquired upon the satisfaction of certain condition precedents (the "Final Closing").

On July 3, 2012, subject to Exchange approval the Company and Vendors entered into a further agreement ("Amending Agreement") to settle the previously agreed cash consideration of Cdn$10,960,147 (Aus$10,579,830) that is payable to the Vendors on the closing of the Acquisition by a combination of the issuance of common shares and a convertible promissory note.

On July 12, 2012 The Company received the Exchange's conditional acceptance to amend the terms of the Acquisition Agreement. Accordingly the Company issued to the Vendors 4,507,585 PAW Shares in accordance with the Acquisition Agreement. The overall total value of the consideration paid to the Vendors by the Company on completion of the Acquisition did not change. The Amending Agreement remained subject to the Company's shareholders approval (received on September 10, 2012).

On September 12, 2012 the Company completed the Final Closing of the Acquisition of the remaining 93% of the issued share capital of the UK Subsidiaries by issuing to the Vendors an aggregate of 92,592,244 common shares of PAW at a deemed price of Cdn$0.11 per share and issued to the Vendors a convertible promissory notes in the aggregate amount of Cdn$775,000 (See Note 12 Convertible Notes Payable). All securities issued to the Vendors on the final closing are subject to a hold period expiring on January 13, 2013.

Based on the Company's assessment, the inputs, processes and outputs of the UK Subsidiaries and CMK did not meet the definition of a business pursuant to IFRS. The Company has treated the Acquisition of the UK Subsidiaries as an asset acquisition using the purchase method and allocated the fair value of consideration to the identifiable assets and liabilities.

The fair value of the net assets acquired was determined to be $24,601,524:

Net assets acquired	
Cash	$72,602
Receivables	$104,552
Property, plant and equipment	$4,765
Exploration and evaluation assets	$ 37,825,243
Trade Payables	$ (129,303)
Loans due to related parties	$(1,835,457)
Non-controlling interest	$(10,543,510)
Due PAW	$(897,369)
Total-net assets acquired	$24,601,523
Consideration paid	24,601,524

Exploration

On May 11, 2012 the Company reported its Niobium and Rare Earth assay results from the first 1,462 meters (14 holes) of reverse circulation ("RC") drilling from a 4,941 metres program at Mrima Hill Niobium and Rare Earth project, in Kenya.

Assay results delineating, thick, high grade Niobium and Total Rare Earth Oxide ("TREO") intercepts have been received from RC drilling in the south west of Mrima Hill.

Highlights:

- Wide zones of TREO intercepts from surface and at depth. Intercepts include 23m at 14.80% TREO from 77m (open at depth), 65m at 4.02% TREO from surface and 91m at 4.78% TREO from 21m
- Niobium mineralisation intersected by this drilling has yielded 62m at 1.07% Nb_2O_5 from surface (including 10m at 2.08% Nb_2O_5 from 25m), 93m at 0.88% Nb_2O_5 from 10m (including 38m at 1.28% Nb_2O_5 from 21m), 23m at 1.44% Nb_2O_5 from 77m, 12m at 1.30% Nb_2O_5 from 22m, 14m at 1.35% Nb_2O_5 from 15m, 11m at 1.65% Nb_2O_5 from 46m, and 12m at 1.66% Nb_2O_5 from 97m.
- New intrusive system identified on the south western ridge on Mrima Hill (named "Camp Hill").

A total of 51 RC holes for 4,941m from the 2012 drilling program have now been completed, targeting TREO and Niobium mineralization on the southern half of Mrima Hill. For further details regarding these drill results are included in the Company's news release dated May 11, 2012 and filed on the Company's website and SEDAR.

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

Mozambique

Muiane Project – Mozambique

On September 14, 2012 the Company entered into an agreement (the "Sale Agreement") with Muscadine Limited ("Muscadine") or its duly appointed Nominee, for the sale of 100% of the shares of TML. Muscadine is the owner of the gemstone rights on all TMP Licenses and will now acquire the tantalum rights. The transaction is scheduled to close no later than November 15, 2012, or such other date as may be agreed upon by the parties.

Under the terms of the Sale Agreement, Muscadine will purchase the TML Shares and associated tantalum rights in consideration of the payment to PAW on closing of:

1) a cash payment of US $3 million, and

2) the transfer and delivery to PAW of an aggregate of 8,872,727 PAW shares currently owned by Muscadine.

The closing of the transaction is subject to the satisfaction of certain conditions, including among others, the acceptance of the Exchange, the receipt of various regulatory approvals, if required.

On November 15, 2012 the Company and Muscadine Limited agreed to an extension of the Closing Date of the Sales Agreement until the December 15, 2012 to allow for completion of the Conditions Precedent including applicable regulatory approvals.

Outlook

The Company remains focused on the exploration and development of Mrima Hill and the completion of Sales Agreement regarding the TML Licenses.

RESULTS OF OPERATIONS

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 during the period ended September 30, 2012 was the completion of the Acquisition of the Stirling and Cortec UK shares and development of its Muiane project in Mozambique. In support of these activities, the

Company during the nine months ended September 30, 2012 reported a loss of $1,263,589 ($0.01 loss per share) compared to $2,764,751 ($0.00 loss per share) for the same period September 30, 2011. For the three months ended September 30, 2012 the Company reported a net loss of $158,464 ($0.00 loss per share) compared to $644,526 for the comparative period ended September 30, 2011. See below for details.

Results of Operations

For the period ended September 30, 2012	Three Months ended September 30		Nine Month Ended September 30	
	2012	2011	**2012**	2011
Financial results:				
Total comprehensive loss	$ **(158,464)**	$ (644,526)	$ **(1,205,521)**	$ (2,764,751)
Basic and diluted loss per share	$ **(0.00)**	$ (0.02)	$ **(0.01)**	$ (0.03)

Administrative and general expenses for the three and nine months ended September 30 consisted of:

	Three Months ended September 30		Nine Month Ended September 30	
	2012	2011	**2012**	2011
General and Administrative				
Consulting fees	$ **(27,167)**	$ 83,658	$ **404,046**	$ 215,590
Corporate relations	**33,924**	110,429	**171,658**	276,477
Filing fees	**47,365**	7,559	**62,875**	22,977
Office	**48,528**	39,602	**144,838**	137,931
Professional fees	**127,080**	78,304	**312,591**	205,111
Transfer agent fees	**6,395**	12,035	**13,368**	22,231
Travel	**(462)**	1,658	**70,545**	112,947
Wages	**—**	109,635	**—**	109,635
	$ **235,663**	$ 442,881	$ **1,179,921**	$ 1,102,899

Significant variances to note are:

Increase in consulting fees included includes corporate development fees of $139,493 paid to a corporate financial advisory firm. In the President's monthly salary was increased on March 1, 2012 to AUD$27,083 per month (AUD$325,000 per annum) plus 9% superannuation contribution per annum from AUD$17,000. The increase in professional fees relates the review of financing options to complete the Mrima Hill closing.

FINANCINGS

On July 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 at a value of $327,625.

Net proceeds from the Private Placement were used to advance the Mrima Hill Niobium and Rare Earth Project, 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 Stirling Capital Limited and Cortec (Pty Ltd) Acquisition.

The Company issued 300,000 common shares pursuant to the exercise of stock options for proceeds of $57,000.

The Company issued 27,272 common shares pursuant to the exercise of share purchase warrants for proceeds of $8,182.

Loans Payable
The Company on June 7, 2012 entered into an unsecured loan (the "Loan") with a private investor (the "Holder") for AUS$50,000 (the "Principle Sum"). The Principle Sum plus interest of 12% per annum ("Interest") is due on or before December 7, 2012 (the "Maturity Date").

Loans Payable
The Company on June 19, 2012 entered into an unsecured loan (the "Loan") with a private investor (the "Holder") for $200,000 (the "Principle Sum"). The Principle Sum plus interest of 12% per annum ("Interest") is due on or before December 19, 2012 (the "Maturity Date").

The Company on July 27, 2012 entered into an unsecured loan (the "Loan") with a private investor (the "Holder") for AUS$109,156 (the "Principle Sum"). The Principle Sum plus interest of 12% per annum ("Interest") is due on or before December 27, 2012 (the "Maturity Date").

The Company on September 7, 2012 entered into an unsecured loan (the "Loan") with a private investor (the "Holder") for AUS$50,000 (the "Principle Sum"). The Principle Sum plus interest of 12% per annum ("Interest") is due on or before December 7, 2012 (the "Maturity Date").

Credit Facility

The Company has arranged a total of $3 million in debt financing by way of a non-revolving secured credit facility (the "Facility") in the amount of $2.1 million.

Under the terms of the Facility, an aggregate of $2.1 million can be drawn down by the Company in tranches at specific drawdown dates over a period of nine months. All amounts drawn down under the Facility will bear interest at the rate of 15% per annum which will be capitalized and is payable in cash on the respective maturity dates. Each drawdown under the Facility plus accrued interest will mature on the earlier of 12 months from the date of such drawdown and the date that the Company completes the sale of assets at a deemed value of not less than $3 million. Any amounts not draw down on a drawdown date will bear a standby fee equal to 3% of the undrawn portion of drawdown amount is payable to the Lender on such applicable drawdown date. The Facility will be secured by a charge on the physical assets of TMPL by a pledge of 100% of the shares in TMPL.

The amounts drawn down under the Facility plus accrued and capitalized interest are convertible into units (the "Units") of the Company at the option of the Lender, at any time prior to their respective maturity date, at the greater of Cdn$0.11 per Unit and the closing market price of the common shares of the Company on the Exchange on the date immediately preceding the date of the drawdown.

Each Unit will consist of one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a purchase price equal to the greater of Cdn$0.11 per unit and the closing market price of the common shares of the Company on the Exchange as of the date immediately preceding the date of issuance of such warrant, for a period of 12 months from the date of the respective drawdown.

The Company has agreed to pay to a finder (the "Finder") at arm's length to the Company and the Lender, a finder's fee on the date of each drawdown in cash equal to 10% of each respective amount drawdown, and will issue to the Finder such number of finder's options which entitle the Finder to purchase such number of common shares of the Company as is equal to 25% of the number of common shares that may be issued on conversion of each amount drawdown at an exercise price equal to the greater of $0.11 per share and the market price of the common shares of the Company on the Exchange as at the closing on the day immediately preceding the date of the drawdown, exercisable for a period of five years from the date of the respective drawdown. Upon the First Drawdown, the Company will pay to the Finder $50,000 in cash and issue to the Finder an aggregate of 1,136,363 finder's options exercisable at $0.11 per unit until September 12, 2017.

The secured convertible note issued to the Lender under the terms of the Facility and the finder's options issued to the Finder are subject to a hold period in Canada expiring on January 13, 2013.

The proceeds from the debt financings will be used for advancing work on the Mrima Hill Niobium and Rare Earth project in Kenya and for general working capital purposes.

On November 26, 2012 the Company executed an amendment to the non-revolving credit facility agreement ("Amended and Restated Credit Agreement"). Under the terms of the Amended and Restated Credit Agreement PAW has now received the second drawdown amount of $500,000

The key terms of the Amended and Restated Credit Agreement are:

1. The requirement to repay the convertible note by the December 17, 2012 if PAW's Tantalum Assets in Mozambique are sold prior to this date.
2. If the Tantalum Asset sale does not close by December 17, 2012 then PAW shall release the convertible note provider from any further obligations with respect to the outstanding instalments (Tranche 3 and 4) of the convertible note, and
3. If the Tantalum Asset sale does not close by December 17, 2012 then PAW and its subsidiaries shall, within a period no later than 3 weeks after the December 17, 2012, provide the convertible note provider and holder with security and charge over the Mozambican Tantalum Assets.

Vendors Convertible Note

On September 12, 2012 the Company issued to the Vendors convertible promissory notes in the aggregate amount of $775,000 (the "Vendors Loan").

The notes are repayable at the Company's election at any time up to September 12, 2013 in cash. The Vendors Loan bears interest at the rate of 1% per month, compounded monthly and the principal and the interest is convertible at any time by the Vendors into common shares of PAW at a price of $0.11 per share. If the Vendors do not elect to convert the Vendors Loans into common shares, then the principal and interest becomes due in cash on September 12, 2013

SUMMARY OF QUARTERLY RESULTS

	Sept. 30, 2012	June 30, 2012	Mar. 31, 2012	Dec. 31, 2011
Total revenues	$0	$0	$0	$0
Comprehensive Loss for the period	$(158,464)	$(549,641)	$(497,406)	$(438,144)
Basic and diluted loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)
	Sept. 30, 2011	**June 30, 2011**	**Mar. 31, 2011**	**Dec. 31, 2010**
Total revenues	$0	$0	$0	$0
Comprehensive Income (loss) for the period	$(2,042,068)	$(299,965)	$(346,484)	$(737,925)
Basic and diluted loss per share	$(0.02)	$(0.00)	$(0.00)	$(0.01)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2012 the Company had working capital deficiency of $2,058,433 (Working Capital of December 31, 2011 - $4,175,703). The Company anticipates with the sale of its TML Licenses and proceeds of such sale will extinguish the loans payable and credit facility.

The Company has not generated revenues from its operations to date. The Company will be required to raise additional funds through equity issuances, or convertible note or exercise of warrants to fund exploration 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 period ended September 30, 2012.

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 (issued), 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

i. Rental payments of $6,300 (nine months end September 30, 2011: $6,300) were paid to Minco Corporate Management Inc. a Company controlled by the Company's Chief Financial Officer;

	September 30 2012	September 30 2011
Key management personnel compensation comprised :		
Consulting and administration fees	**$190,266**	$321,478
Legal fees	**$79,107**	—
Salaries	**$229,646**	—
	$499,019	$321,478

b) Key Management Compensation

i) Consulting fees of $111,004 (nine months ended September 30, 2011 - $128,509) were paid to a company controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company;

ii) Consulting fees and office administration fees of $79,262 (nine months ended September 30, 2011 - $35,007) were paid to Aspire Mining Limited a company where David Paull director of the Company, is a related party;
iii) Salaries and/or consulting fees of $229,649 (nine months ended September 30, 2011 - $158,965) were paid to Darren Townsend, President and Chief Executive Officer;
iv) Legal fees of $79,107 (nine months ended September 30, 2011 - $Nil) were paid to Norton Rose for services provided by Darryl Levitt, a director of the Company.

c) Related party liabilities:

Amounts due to:	Service for:	September 30 2012	December 31 2011
Minco Corporate Management Inc.	Consulting fees	$6,439	$16,708
Terry Lyons	Expenses	$—	7,773

c) Related party liabilities:

Due to related parties includes $458,385 (December 31, 2012 – $Nil) for loans payable to directors or companies controlled by common directors. The loans are unsecured and bear an interest rate at 12% per annum with a six month repayment due date.

Non-current loans payable to related parties includes advances of $1,835,457 to CMK due to directors or companies controlled by directors of CMK. The advances are unsecured, non-interest bearing and payable on demand. See note 4 Acquisition of Subsidiary.

These transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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, subject to market conditions 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. The Company during the quarter has reported a working capital deficiency which it is working to rectify - ***See Financial Condition, Liquidity and Capital Resources***.

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, 262,377,408 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[1]	6,274,653	$0.30	August 25, 2013
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
Finders Options	1,336,363	$0.11	September 12, 2017

As at the date of this report, there were no shares held in escrow.

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 and unaudited financials for the period September 30, 2012. 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.

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.