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, 2013

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, 2013 and for the year then ended in comparison to the same year ended in 2012. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2013 and December 30, 2012 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 August 22, 2014.

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 and Kenya 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, niobium and rare earth prices and currency exchange rates; inflation; metal recoveries being less than those indicated by the testwork carried out to date (there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions and during production); political developments in Mozambique and Kenya; 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 AND RESULTS OF OPERATIONS

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 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 110 – 2300 Carrington Road West Kelowna, V4T 2B6

Corporate Developments/Management Cease Trade Order

The Company has undergone significant management and board changes since January 31, 2014 with resignations of President and CEO, Darren Townsend, Chairman and Director, Terrence Lyons and in April the Company's CFO Terese Gieselman resigned. Don O'Sullivan a current director assumed the role as President and CEO and Malcom Carson was appointed CFO on April 15, 2014. The Company advised on April 16, 2014 the it would be unable to file its 2013 audited financial statements for the year ended December 31, 2013 (the "Annual Statements"), management discussion and analysis (MD&A) relating to the Annual Statements, primarily as a result of the resignations and the time required for auditors in Mozambique, Kenya and Canada to complete the audit of the Company and its subsidiaries. As a result, the Company further announced it had made an application to the British Columbia Securities Commission ("BCSC") to approve a temporary management cease trade order ("MCTO") under National Policy 12-203 Cease Trade Orders for Continuous Disclosure Defaults ("NP-12-203").

On May 1, 2013 the BCSC granted the MCTO, and during this period the Company undertook to comply with the alternative information guidelines set out in NP-12-203 which among other things require the Company to issue bi-weekly default stats reports by way of a new release, which the Company complied with. The MCTO also prohibited all trading in it and all acquisitions of the securities of the Company, by certain insiders, until two days after receipt by the BCSC of all the required filings.

The Company experienced further delays in completing its Annual Statements primarily due to delays in receiving its audited statements of its subsidiaries and the additional time required to determine whether an impairment charge against the Company's Mrima Hill project was appropriate due to the current legal status of its Special Mining License in Kenya. In addition, until the Company had completed its Annual Statements it was not in a position to finalize its unaudited financial statements for the three months ended March 31, 2014 and its related Management's Discussion and Analysis and Chief Executive Officer and Chief Financial Officer certifications (the "Interim Filings").

As a result the Company did not meet the June 30, 2014 deadline issued by the BCSC under its MCTO, and requested additional time from the BCSC to complete its Annual Statements and Interim Filings. The BCSC however did not grant an extension and on July 3, 2014 BCSC issued a full Cease Trade Order ("CTO") pursuant to section 164(1) of the Act, and will remain ceased until such time as the Company has completed the outstanding Annual and Interim Filings, and the Executive Director has revoked the CTO.

Accordingly, the TSX Venture Exchange (the "Exchange") pursuant to Policy 3.3 "Timely Disclosure" section 3.8(x), effective July 3, 2014, suspended trading in the Company's securities as a result of the CTO issued.

With the filing of the Company's Annual Statements and Interim Filings, the Company will proceed to make application for a Revocation Order to the Executive Director wherein the Company anticipates the CTO will be lifted in due course.

Exploration and Development

Mrima Hill Project - Kenya

As described in the Company's Annual MD&A dated for reference April 30, 2013, on September 12, 2012 the Company completed the acquisition of the UK Subsidiaries which collectively have a 70% interest in CMK a private Kenyan company that held three prospecting licences in Kenya referred to as the Mrima Hill Property.

Exploration

On March 7, 2013 CMK received its Special Mining License (the "**License**") from the Republic of Kenya, Mines and Geology Department. The License, which was for a term of 21 Years, is for the exploration, development and mining of Niobium and Rare Earth Elements at Mrima Hill. Key Aspects of the License include:

- Area of the License of 142 hectares (area includes key High Grade Niobium and associated High Grade Rare Earth Oxide mineralisation zones);

- Gross Sales Value Royalty (Free on Board) of 3% for Niobium and 5% for Rare Earth Elements payable to the Government of the Republic of Kenya

- CMK at the appropriate time to put in place mineral ore processing facility to produce Ferro Niobium and to extract Rare Earth Elements; and

- All activities to comply with laws of the Republic of Kenya, including but not limited to, the Environmental Management and Coordination Act No 8, Wildlife Conservation and Management Act CAP 376 and Forest Act No 7.

On May 21, 2013 the Company commenced assaying work on the first holes of 3,482 metres of Reverse Circulation drilling undertaken in 2012. Assaying is being undertaken in two stages with stage one focusing on ten holes for a total of 976 metres (completed). The purpose of this drilling was to focus on defining high grade Total Rare Earth zones to be used as part of the Company's National Instrument 43-101 compliant Total Rare Earth Resource estimate (the "Technical Report"). On July 29, 2013 the Company reported the updated independent Niobium and inaugural Total Rare Earth Mineral Resource estimate.

On August 2, 2013 the Company as a result of a review by the British Columbia Securities Commission issued a news release to clarify and retract certain technical disclosure which was disclosed prior to the Company's press release dated July 29, 2013 as noted above. See News Release of August 2, 2013 filed on *www.SEDAR.com* and the Company's website. Additionally the Company filed the Technical Report on September 9, 2013 accordingly which can also be found on the Company's website and SEDAR.

On August 7, 2013 the Company become aware of a press statement (the "Press Statement") made on 5 August 2013 by the Honourable Najib Balala, Cabinet Secretary of Mining in Kenya (the "Kenyan Ministry Cabinet Secretary"), on the purported revocation of all licenses (Prospecting, Exploration and Mining), issued in Kenya between 14th January 2013 and 15th May 2013 and related reports with respect to this issue from news media outlets in Kenya.

The Press Statement discloses that a task force has been appointed to undertake a comprehensive review of all prospecting, exploration and mining licenses issued between January 2003 to August 2013. The purpose is to assess the validity of such licenses, draft recommendations and provide a report to enable the Kenyan Ministry Cabinet Secretary to take necessary action within sixty days.

From media sources it appears as if the 21 year Special Mining License granted to Cortec Mining Kenya Limited is affected by the Kenyan Ministry Cabinet Secretary's decision.

Subsequent to this announcement, CMK filed an application in the High Court in Kenya to quash the purported revocation of CMK's 21 year Special Mining Lease 351 ("**SML351**") and to prohibit the Kenyan Ministry of Mining from taking any further action detrimental to CMK's interests.

On September 3, 2013 the Company was granted leave for its application to be heard in the High Court in Kenya to prohibit the Kenyan Ministry of Mining from taking any further action detrimental to CMK's interests. The judge granted an injunction restraining the Ministry of Mining from issuing any license for the area affected by the CMK's existing license at Mrima Hill to any other party whilst the matter is before the Court.

On November 12, 2013, CMK's application to the Kenyan High Court was placed before a judge for directions. The Court directed that submissions will be highlighted on 17th December 2013.

The application to the Kenyan High Court was heard on the 18th February 2014 for the delivery of the Ruling on the application by the National Environmental Management Authority ("**NEMA**"), seeking to strike out this suit on the claim that it ought to have been filed in Environment and Land Court and the Attorney General's application seeking the appointment of a bench of three judges to hear the matter. The Court dismissed the application by NEMA, holding that the suit was rightfully instituted before the Judicial Review Division of the High Court.

The Judge directed that in the interests of justice, the suit be referred to the Environment and Land Division for determination. He further directed that the suit be mentioned before a judge in the said division on 4th March, 2014 in order that directions on the highlighting of submissions may be taken.

On March 20, 2014 an application from the County Government of Kwale (the" **County**") to be enjoined was allowed by consent of all the parties represented in Court. The County was directed to file and serve its Replying Affidavit and submissions for Judicial Review.

The Replying Affidavit was heard on 25th June, 2014 wherein the Advocate for the County applied for an adjournment of the hearing for the reason that the Ex-parte Applicant's submissions named the County as an Interested Party and that he therefore, required time to seek instructions and file a Replying Affidavit and Submissions. The request was granted despite vehement opposition to the same. The hearing of the matter was adjourned to the 16th and 18th September, 2014.

Impairment

The Company considers both quantitative and qualitative factors to assess impairment. As described and set out in chronological order hereinabove, the Company is currently involved in a legal dispute with the Kenyan Ministry of Mining regarding the purported revocation of all licenses (Prospecting, Exploration and Mining), issued in Kenya between 14th January 2013 and 15th May 2013 in Kenya, which includes the Company's **SML351.**

Due to the described legal matters, curtailing the Company's ability to mine and develop Mrima Hill, the Company has determined there were indicators of impairment for this project. As a result, in accordance with IAS 36, Impairment of Assets, for the year ended December 31, 2013, an impairment charge of $57,678,850 was recognized in respect of the Mrima Hill Project with a nominal value of $1 remaining, recognizing the Company still 70% interest in the project Is uncertain until the legal disputes are settled.

CMK, who began its special mining license application process in early 2012 is confident it has complied with all applicable rules and regulations and has thoroughly reviewed its process in support of its application. CMK's Managing Director and PAW Director Mr. David Anderson continues to work with the CMK team and our legal representatives to protect its interests with the aim of resolving this matter favorably. The Company will continue to update its shareholders on this matter.

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

Mozambique

Muiane Project – Mozambique

As previously reported, during he year ended December 31, 2012 the Company did not complete the anticipated sale of 100% of the shares of the Company's Mozambique subsidiary Tantalum Mineracao e Prespeccao Limitada ("TML") to Muscadine the owner of the gemstone rights on all TMP Licenses.

As at the date of this report the Company maintains ownership and continues to develop the asset as working capital allows. The Company continues to maintain its operations on a scaled back basis until such time as the Company has the required capital to improve and facilitate the operation to commercial production.

During the year ended December 31, 2013, the Company completed an updated assessment of the TMP operations and determined that the carrying amount exceeded the recoverable value, and wrote down the carrying the carrying value and recorded an impairment charge of $1,123,679 (2012: $6,347,080). The aggregate carrying value of the TMP operations is the aggregate recoverable value of $3,046,595 for licenses, and plant and mining equipment as under Assets under Construction and Plant and Field Equipment in the Company's Annual statements.

Exploration and Evaluation Expenditures

During the year ended December 31, 2013 the Company focused on; completing its Technical Report on Mrima Hill; work associated with the Mining License issue as noted hereinabove; associated Environmental Impact Assessments. Additionally the Company strived to make improvements at its Muiane Project operations with limited capital resources. As described herein above additional capital improvements will be required at its Muiane facilities in order to reach commercial production.

Expenditures in relation to these activities for the years ended December 31, 2013 included:

		TML Licenses		Mrima Hill		Total
Balance December 31, 2012	$	1,624,396	$	56,528,643		58,153,039
Foreign exchange movement		16,217		—	$	16,217
Assaying		33,312		25,692		59,004
Geological fees and consulting		89,303		137,252		226,555
Metallurgy		33,312		—		33,312
Salaries		298,879		—		298,879
Fieldwork		—		1,821		1,821
Holding and administrative costs		577,946		962,970		1,540,916
Site costs		13,135		11,880		25,015
Transport and rentals		4,321		4,434		8,755
Legal		26,46		6,159		32,621
Total exploration and evaluation at December 31, 2013	$	2,717,283	$	57,678,851	$	60,396,134
Impairment of exploration and evaluation assets		(1,123,679)		(57,678,850)		(58,802,529))
Balance December 31, 2013	$	1,593,604		1		1,593,605

During the year ended December 31, 2012 the Company focused on completion of the acquisition of Mrima Hill and work required to obtain its Mining License as described herein above. Additionally the Company focused on improvement at its Muiane operations however, without the required capital was unable to make the required improvements in order to obtain commercial production or complete the sale of the asset as described herein above, as a result, the Company made an impairment to the property.

Expenditures in relation to these activities for the year ended December 31, 2012 included:

		TML Licenses		Mrima Hill		Total
Balance December 31, 2011	$	6,379,558	$	—		6,379,558
Foreign exchange movement		58,371		—	$	58,371
Acquisition Costs		—		56,135,662		56,135,662
Assaying		65,326		7,198		72,524
Geological fees and consulting		155,443		286,948		442,391
Salaries		836,499		—		836,499
Holding and administrative costs		114,191		—		114,191
Site costs		336,774		93,605		430,379
Transport and rentals		—		—		—
Legal fees		25,314		5,230		30,544
Impairment of exploration and evaluation assets		(6,347,080)		—		(6,347,080)
Balance December 31, 2012	$	1,624,396	$	56,528,643	$	58,153,039

Financial Condition

Financial position:	December 31 2013	December 31 2012
Cash and cash equivalents	**89,736**	124,775
Property, plant and equipment	**2,437,440**	2,409,833
Exploration and evaluation assets	**1,593,605**	58,153,039
Total Assets	**4,153,310**	60,846,080
Shareholders' equity(capital deficit)	**(2,275,772)**	55,791,570

During the year ended December 31, 2013 and as at the date of this report, the Company continues to work to settle various outstanding loans payable and looked to increase its working capital through the completion of two non-brokered financings, as well as obtain various loans from private and related parties as further described herein.

Changes to the Company's financial condition at December 31, 2013 from the Company year ended December 31, 2012 included the completion of a non-brokered private placement for gross proceeds of $1,199,000 completed on April 23, 2013 resulting in the issuance of 19,983,332 units at a purchase price of $0.06. Each unit is comprised of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.10 per share for a period of 12 months from the closing date of the private placement.

Additionally on April 25, 2013 the Company announced subject to Exchange approval, that it will conduct a non-brokered private placement financing ("Private Placement") to raise aggregate gross proceeds of up to $1,500,000 through the issuance of up to 21,428,572 units at a price of $0.07 per unit. Each unit will consist of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.10 per share for a period of 12 months from the closing date of the private placement.

On August 12, 2013 and as at the date of this report the Company closed the first tranche (the "First Tranche") of the Private Placement for 1,849,285 Units for gross proceeds to the Company of $129,450. Each Unit consists of one common share (a "Share") in the capital of the Company and one-half of one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one additional common share (a "Warrant Share") of the Company at an exercise price of $0.10 per Warrant Share for a period of 12 months from the closing date of the First Tranche. The Company has received subscriptions of $29,357 for Tranche 2 which as at the date of this report has not closed.

On April 26, 2013 the Company received Exchange approval to settle various notes payable (the "Debt Settlement") of $839,009 with arm's length parties by the issuance of 11,186,783 units at a price of $0.075 per unit. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months of issuance exercisable at a price of $0.10. The fair value of the warrants issued a part of the debt settlement was $328,892.

A note payable and accrued interest totaling $55,138 due to Terry Lyons a director of the Company was settled by the issuance of 735,173 common shares at a price of $0.075 per share.

The Company also received additional loans of $285,780 through private investors and related parties. In addition to these loans, the Company completed a convertible note financing for $330,000 wherein on October 22, 2013 and December 5, 2013 the Company entered into unsecured Convertible Promissory Notes (the "Notes") with private investors and related parties (the "Holders") for an aggregate CDN$330,000 at an interest rate of 15% per annum compounded monthly (the "Interest").

The Holders will have the right at any time prior to the maturity date, to convert the Notes into units at a conversion price of $0.05 (a "Unit"). Each Unit will consist of one common share and one share purchase warrant (a "Warrant"). Each Warrant will entitle the Holder to acquire one additional common share at a price of $0.05 per share for a period of 2 years from the date of issuance.
On September 11, 2013 the Company and the Vendors holding the convertible notes in connection with the Mrima Hill acquisition entered into an extension agreement extending the repayment date of the $775,000 principal plus interest to January 20, 2014 and amended the conversion price from $0.11 per share to $0.07 per share. The Company received Exchange approval on the conversion price amendment on September 23, 2013.

The Company and the Lender of the $1,000,000 Credit Facility entered into extension agreements extending the repayment dates to date of July 1, 2014. The Company is currently working on a further extension date with the Lender as it works on its working capital deficiency and legal issue on Mrima Hill.

Outlook

The Company remains focused on resolving the Mrima Hill project Mining License issues whilst it continues the development of the Muiane Project as resources allow. Additionally the Company is continuing to look for alternatives sources of funding such as a joint venture partner or a sale of the asset to settle its outstanding debt obligations as well as provide for working capital. Furthermore the Company is working with its convertible notes and loans payable creditors to extend the existing maturity dates , which were due on July 1, 2014.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2013, December 31, 2012 and December 31, 2011. The following annual results are compliant with International Financial Reporting Standards ("IFRS").

	December 31		
	2013	2012	2011
Total revenue	$ —	$ —	$ —
Loss before other items and future income tax provision	$ (60,555,579)[1,2]	$ (8,880,532)[3,4]	$ (2,802,384)[5]
Loss per share	$ (0.21)	$ (0.04)	$ (0.03)
Loss after income tax	$ (60,555,579)	$ (8,106,532)	$ (3,205,998)
Loss and comprehensive loss	$ (60,644,301)	$ (8,076.649)	$ (3,126,661)
Total assets	$ 4,153,310	$ 60,846,080	$ 28,086,147
Working capital (deficiency)	$ (3,991,316)	$ (2,858,016)	$ 4,156,538

Significant variances include:

(1) Includes impairment of exploration and evaluation assets of $1,123,679 with respect to the TMP Licenses in Mozambique;
(2) Includes impairment of exploration and evaluation assets of $57,678,850 with respect to the Mrima Hill Project in Kenya;
(3) Includes stock based compensation of $639,220 and general and administrative costs of $1,718,417 (see Results of Operations);
(4) Includes impairment of exploration and evaluation assets of $6,347,080 with respect to the TMP Licenses in Mozambique; and
(5) Includes stock based compensation of $1,249,783 and general and administrative costs of $1,388,325 and an income tax expense of $406,061).

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, PAW continues to incur annual net losses.

Financial Results for the years ended December 31,2013 and December 31, 2012

2013

The focus of the Company during the year ended December 31, 2013 was the settlement of its non-related loans through the settlement of debt which was completed on April 26, 2013, completion of its Technical Report on Mrima Hill and working towards resolving its legal issues with the Kenya government regarding its Mrima Hill Special Mining Licenses. In support of these activities, the Company reported a $60,644,301 comprehensive loss or $0.21 basic and diluted loss per share for year ended December 31, 2013. The significant increase in comprehensive loss was primarily attributed to the impairment of the Company's Mrima Hill Project in Kenya of $57,678,850 as described hereinabove. In addition the Company recorded an impairment to its TMP Licenses in Mozambique of $1,123,679. The decrease in general and administrative expenses was primarily attributed to scale back of operations to reserve the Company's treasury whilst it worked to complete its shares for debt transaction and non-brokered financings. In addition the Company recorded interest expense on its outstanding loans and convertible notes payable of $328,892.

2012

The focus of the Company during the year ended December 31, 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, for the year ended December 31, 2012, the Company reported a $8,078,649 comprehensive loss or $0.04 basic and diluted loss per share. The increase in comprehensive loss was primarily attributed to the impairment of the Company's TMP Licenses in Mozambique of $6,347,080. Decreases to note for 2012 were share-based payments of $639,220 a decrease from $1,249,783 from 2011 as well as tax recovery of $774,000 for the year ended 2012. The deferred income tax recovery adjustment was the result of the impairment of the TMP Licenses.

		December 31 2013		December 31 2012
General and Administrative				
Consulting fees	$	107,201	$	203,725
Corporate relations		108,255		178,284
Filing fees		21,072		25,626
Financing charges		—		245,908
Office		145,737		263,503
Professional fees		119,078		386,445
Transfer agent fees		5,952		15,573
Travel		17,750		74,103
Wages		401,020		325,250
	$	926,065	$	1,718,417

Significant variances to note include:

2013

Consulting fees in the prior year included corporate development fees of $139,493 paid to a corporate financial advisory firm. During the year ended December 31, 2013 the Company had reduced its overhead to minimal consultants in order to reduce overhead costs.

The decrease in corporate relations expenditures and travel was the result of scaling back on marketing to reserve capital resources.

2012

Financing charges related cash payments of $100,000 and the fair values of the finder's warrants of $145,908 in connection with the Convertible Note financing completed during the year.

Office expenses include expenses related to its subsidiary TML of $50,883 for the year ended December 31, 2012 compared to a credit adjustment of $72,000 in the prior year which primarily relates to the increase in offices fees. Other increases included an increase in administrative fees in relation to the hire of an executive assistant mid-year 2011 ($78,564 including a recruiting charge of $15,672) and 2012 ($101,178) includes a full 12 months of fees.

SUMMARY OF QUARTERLY RESULTS

	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
Total revenues	$—	$—	$—	$—
Comprehensive Loss for the period	(59,711,170)	(239,031)	(445,663)	(248,437)
Basic and diluted loss per share	$(0.21)	$(0.00)	$(0.00)	$(0.00)

	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	Mar. 31, 2012
Total revenues	$—	$—	$—	$—
Comprehensive Income (loss) for the period	(6,767,885)	$(263,717)	$(549,641)	$(497,406)
Basic and diluted loss per share	$(0.04)	$(0.00)	$(0.00)	$(0.00)

Fourth Quarter

The Company during the three months ended December 31, 2013 reported a loss of $59,711,170 (2012 - $6,767,885) or $0.21 loss per share (2012 - $0.04 loss per share). The primary component of the operating expense included the impairment of TMP Licenses located in Mozambique of $1,123,679 (2012 - $6,347,080) and the impairment to Mrima Hill of $57,678,850 (2012 - $Nil) as described hereinabove with an adjustment to income tax recovery of $Nil (2012 - $774,000) in connection with this impairment. In addition the Company recorded a loss on debt settlement related to the fair value of the warrants issued of $328,892 (2012 - $Nil) and financing charges of $Nil (2012 - $245,908) in connection with the completion of the Convertible Note. In addition during three months ended December 31, 2013 the Company recorded interest on notes and loans of $103,985 (2012 - $105,039).

Significant variances to note for the quarters include:

The decrease in reported loss for the three months ended September 30, 2013 related to a gain in foreign exchange translation on certain amounts on consolidation of its UK and CMK subsidiaries of $117,104 including a gain on reporting currency related to its TML subsidiary of $92,584.

The increase in reported loss for June 30, 2013, related to the recording of interest expenses of $70,175 and loss on foreign exchange of $61,716.

The Company during the three months ended December 31, 2012 reported a loss of $6,767,885 ($0.04 loss per share). The primary component of the operating expense included the impairment of TMP Licenses located in Mozambique of $6,347,080 with an adjustment to income tax recovery of $774,000 in connection with this impairment. In addition the Company recorded financing charges of $245,908 in connection with the completion of the Convertible Note.

The reduction in expenses for the September 30, 2012 quarter related to the scale back of investor relations, employees, office administration to conserve cash on hand.

Comparison of Cash Flows

For the year ended December 31, 2013 cash used in operations was $833,834 (2012 – $1,387,631). The cash flows provided from financing activities of $2,221,486 included primarily $1,328,000 proceeds received from a non-brokered private placements in addition to $29,357 received for Tranche Two additional financing as described hereinabove. For the comparative prior year December 31, 2014 cash flows provided included $5,034,821 from the proceeds received from a non-brokered private placement, net of share issue costs, subscriptions received from the prior year and repayment of related party amounts. Cash outflows from investing activities included expenditures on the Company’s Muaine and Mrima Hill projects of $1,422,690 in comparison to the Company’s prior year ended December 31, 2012 of $7,854,109 on Muaine and in connection with the acquisition of Mrima Hill.

Use of Proceeds from Private Placements

On April 23, 2013 the Company completed a non-brokered private which resulted in the issuance of 19,983,332 units at a purchase price of $0.06 per unit for gross proceeds of $1,199,000 as described hereinabove.

On April 25, 2013 the Company initiated a non-brokered private placement financing to raise aggregate gross proceeds of up to $1,500,000 through the issuance of up to 21,428,572 units at a price of $0.07 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.10 per share for a period of 12 months from the closing date of the private placement. On August 12, 2013 the Company completed Tranche One and issued 1,849,285 Units for gross proceeds to the Company of $129,450. As at December 31, 2013 the Company has received $29,357 in subscriptions for Tranche Two.

Net proceeds from the April 23, 2013 financing and the Tranche One of the April 25, 2013 financing were used to fund additional resource definition work including the preparation of the Technical Report on Mrima Hill and for general working capital purposes.

On January 23, 2012 completed a private placement financing for gross proceeds of $6,000,000 of which $2,426,425 was received at December 31, 2011 ($5,630,975 net share issue costs of $369,025) through the issuance of 17,142,857 Units at a price of $0.35 per Unit.

Net proceeds from this financing 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.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2013 the Company had a working capital deficiency of $3,991,316 (December 31, 2012 - $2,858,016). The Company has not generated revenue from operations. The Company incurred a loss of $60,644,301 during the year ended December 31, 2013, and has accumulated deficit of $57,615,590 and is expected to continue to incur losses. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Company further financed its operations through various loans provided from private investors and related parties as described hereinabove. The Company will be required to raise additional funds through further equity issuances, or convertible note or exercise of warrants to fund any further exploration costs, and capital requirements to improve operations at Muiane to achieve commercial production as well as provide working capital to meet its ongoing cash requirements for the next 12 months.

Although the Company has been successful in raising capital in the past, there is no assurance it will be able to do so in the current market place.

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, 2013.

OFF BALANCE-SHEET ARRANGEMENTS

The Company has no off balance-sheet arrangements.

RELATED PARTY TRANSACTIONS

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

a) Rental Payments

i. Rental and administration payments of $8,400 (year ended December 31, 2012 - $8,400) were accrued or paid to Minco Corporate Management Inc. a Company controlled by the Company's former Chief Financial Officer;

ii. Office administration fees of $40,438 (year ended December 31, 2012 - $79,262) were paid to Aspire Mining and/or DAPRB PTY LTD. a company controlled by David Paull a former director of the Company as reimbursement for shared office space in relation to the Muaine operations and capitalized under Exploration and Evaluation expenditures.

	December 31 2013	December 31 2013
Key management personnel compensation comprised :		
Consulting fees	**$248,148**	$177,398
Professional fees	**—**	$79,107
Wages	**$401,020**	$325,250
	$649,168	$581,755

b) Key Management Compensation

i) Wages of $401,020 (2012 - $325,250) were paid to Darren Townsend, President and Chief Executive Officer;

ii) Consulting fees of $78,636 (2012 - $122,730) were paid to a Minco Corporate Management Inc. ("Minco") a company controlled by Terese Gieselman, Chief Financial Officer ("CFO") and Secretary of the Company, providing accounting services, administration staff, corporate compliance services and CFO consulting fees;

iii) Consulting fees of $169,511 (2012 - $Nil) were paid or accrued to David Anderson a director of the Company. A part of these fees related to exploration expenditures on the Mrimi Hill property that were capitalized.

iv) Professional fees of $Nil (2012 - $79,107) were paid to Norton Rose and/or McLeod Dixon for legal services provided by Darryl Levitt, a former director of the Company.

c) Related party liabilities:

Amounts due to:	Service For		December 31 2013		December 31 2012
Darren Townsend	Salaries	$	208,344	$	17,268
Darren Townsend	Expenses		6,645		-
Minco Corporate Management Inc.	Consulting fees	$	34,319	$	3,128
David Anderson	Consulting fees	$	90,544	$	15,504
David Anderson	Expenses	$	62,738	$	—
Don O'Sullivan	Expenses	$	168,544	$	—
Terry Lyons	Expenses	$	—	$	508

The related party liabilities are unsecured, non-interest bearing and due on demand.

d) Non-current loans payable

The non-current loans payable to related parties includes loans of $2,315,501 (2012 – $1,913,286) to CMK (See note 5 Acquisition of Subsidiary) due to directors or companies controlled by directors of CMK. The advances are unsecured non-interest bearing wherein the lenders have agreed such loans will be not called for repayment before January 1, 2015.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 objectives, 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 the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk 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 interest rate, commodity price risk and foreign currency risk.

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 has cash balances and interest-bearing liabilities. The Company's current policy is to invest excess cash in interest bearing accounts of major Canadian chartered banks and other reputable financial institutions. The Company considers this risk to be immaterial. The Company regularly monitors compliance to its cash management policy.

The Company is not subject to interest rate risk on its loans payable and convertible loans payable as the instruments have fixed interest rates.

Cash is subject to floating interest rates.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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 is in exploration stage and has operations in Mozambique, U.K. and Kenya and transactions are denominated in US dollars, Australian dollars, Great British Pounds and Kenyan Shilling. As such the Company has exposure to foreign currency exchange rate fluctuations. A 10% fluctuation in foreign held cash against the Canadian dollar would approximately result in a $7,200 increase or decrease in the Company's after tax net earnings. The Company has not entered into any agreements or purchased any instruments to hedge possible foreign currency risks.

The following table reflects the Company's foreign currency exposure as of December 31, 2013:

	Canadian dollar	US dollar	Australian dollar	Kenyan shilling	Great Britain pound	Total
	$	$	$	$	$	$
Financial assets:						
Cash	17,690	49,399	—	22,648	—	89,737
Financial liabilities:						
Trade and other liabilities	781,942	443,386	543,316	4,947	84,457	1,858,048
Loans payable	100,533	—	—	—	—	100,533
Convertible notes payable	2,105,000	—	—	—	—	2,105,000
Loans payable to related parties	50,000	—	9,533	2,315,501	—	2,375,034

The following table reflects the Company's foreign currency exposure as of December 31, 2012

	Canadian dollar	US dollar	Australian dollar	Kenyan Shilling	Total
	$	$	$	$	$
Financial assets:					
Cash	37,939	59,338	—	27,498	124,775
Financial liabilities:					
Trade and other liabilities	450,003	—	11,133	—	461,136
Loans payable	250,000	—	216,778	—	466,788
Convertible notes payable	1,775,000	—	—	—	1,775,000
Loans payable to related parties	375,000	—	63,300	1,913,286	2,351,586

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party 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. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents 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 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.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other payables, loans payable, convertible notes payable and loans payable to related parties. The Company does not typically maintain any trade payables beyond a 30 day period to maturity. As of December 31, 2013, the Company has a working capital deficiency of $3,991,316.

The following table summarizes the Company's significant remaining contractual maturities (representing undiscounted cash flows) for financial liabilities at December 31, 2013:

	Less than 3 months	3-12 months	Over 12 months	Total
Trade and other payables	$1,858,048	$ -	$ -	$ 1,858,048
Loan payable	150,533	-	-	150,533
Note payable	2,105,000	-	-	2,105,000
Loan payable to related parties	-	-	$2,315,501	2,315,501
Total	$4,113,581	$ -	$ -	$ 6,429,082

Contractual maturities for financial liabilities at December 31, 2012:

	Less than 3 months	3-12 months	Over 12 months	Total
Trade and other payables	$461,136	$ -	$ -	$461,136
Loan payable	905,088	-	-	905.088
Note payable	1,000,000	-	-	1,775,000
Loan payable to related parties	-	-	$1,913,286	1,913,286
Total	$2,366,224	$ -	$ -	$ -

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 Statements of Financial Position carrying amounts for cash, receivables and trade and other payables, notes payable, convertible notes payable and notes payable to related parties 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.

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 measurements are those derived from inputs other than quoted 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 considers its cash, common shares, warrants and stock options as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

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, 295,131,981 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	800,000	$0.19	July 28, 2015
Stock option	2,350,000	$0.65	August 26, 2016
Stock option	100,000	$0.63	September 1, 2016
Stock option	2,500,000	$0.405	February 22, 2017
Finders Warrants	1,336,363	$0.11	September 12, 2017
Finders Warrants	1,336,363	$0.11	November 26, 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 consolidated financial statements for the year ended December 31, 2013. 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.

Risks and Uncertainties

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company continues to develop the Mrima Hill

Property and TMP Licenses. The main operating risk is securing adequate funding to maintain and advance future development of the Mrima Hill property to feasibility and capital expenditures required on the Company's tantalum asset in Muiane in order to reach commercial production and produce tantalum concentrate.

As described hereinabove the Company is currently working towards resolving the issues of the grant of its Special Mining Licenses in Kenya, the Company although confident in its special mining license application process it has complied with all applicable rules and regulations and went through a thorough process in support of its application, the Company cannot guarantee this matter will be resolved favorably, the impact of which not resolved in the Company's favor could have a material effect on the Company's ability to further develop its Mrima Hill project.

As a mineral exploration company, PAW's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in provided high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

The Company is subject to the laws and regulations relating to environmental matters in Kenya and Mozambique. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

In absence of cash flows from operations, the Company relies on capital markets in the junior resource sector, to raises funds. Although the Company has been successful in the past of obtaining such financing through the sale of equity securities, such market is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them in the future. Failure to obtain such additional funding could result in the delay or the indefinite postponement of further exploration and the development of the Company's properties.