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August 3rd, 2011

Mr. Brian Wessen
President, CEO and Director
Woulfe Mining Corp.
408 – 837 West Hastings Street
Vancouver, British Columbia
Canada V6C 3N6

Dear Sir:

Re: A Valuation of Sangdong Mining Corporation

Executive Summary

Ross Glanville & Associates Ltd. ("Glanville") has been retained by Mr. Brian Wessen, President and CEO of Woulfe Mining Corp. ("Woulfe"), to provide an opinion of value (the "Valuation Opinion") of the Fair Market Value of Sangdong Mining Corporation (a wholly-owned subsidiary of Woulfe), whose major asset is the Sangdong tungsten-molybdenum project (the "Sangdong Project, or the "Project") in South Korea. For this purpose, Fair Market Value means "The highest price available in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of cash". An alternative definition of Fair Market Value is "the highest price an asset might reasonably be expected to bring if sold by the owner in the normal method applicable to the asset in question in the ordinary course of business in a market not exposed to any undue stress and composed of willing buyers and sellers dealing at arm's length and under no compulsion to buy or sell."

The Sangdong Project is an advanced tungsten project (with molybdenum by-product), located to the southeast of Seoul, Korea. Sangdong Mining Corporation ("Sangdong Mining") owns a 70% interest in the Project, and may earn the remaining 30% (for an aggregate 100% interest, subject to a 2% net smelter return royalty, or "NSR") by delivering a bankable feasibility study before the end of 2011.

Sangdong was one of the world's largest operating tungsten mines before its closure in 1992 due to very depressed tungsten prices. A preliminary economic assessment of recommencing

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production was completed by Wardrop (a Tetra Tech Company) in April 2010, and that study showed very attractive economics for the proposed underground operation. As a result, Woulfe decided to move directly to the pre-feasibility and feasibility studies for the re-opening of the Sangdong mine. As part of that plan, additional diamond drilling was carried out, which delineated a higher grade core which could be mined in the early years of operation; and an updated resource statement is being prepared by Wardrop (and a preliminary report has already been made available to Woulfe and Glanville – see the main body of this report). In addition, an updated capital evaluation has been prepared. Wardrop, in conjunction with other consultants, is in the process of preparing a Bankable Feasibility Study on the underground development, and Woulfe is moving ahead with the rehabilitation of the underground workings above the current water table. Permitting and detailed design of the mine and process plant are now well advanced. The pre-feasibility study should be available in a couple of months, followed by the full feasibility study, which is expected to be completed well before the end of 2011, with commercial production targeted for 2013. As a result of the foregoing, as well as the material increase in the tungsten price, the value of the Sangdong Project has increased significantly since the end of last year.

A comprehensive in-house cash flow model has been prepared by Woulfe and reviewed by Glanville. That comprehensive model has been utilized by Glanville to generate cash flow projections based on a number of different input parameters and assumptions, some of which are slightly different from those utilized by Woulfe (such as a higher capital cost and a lower long-term tungsten price). Glanville calculated a net present value of US$575 million at a WO_3 price of US$375[1] per metric tonne unit (a metric tonne unit is 22.05 pounds) and a discount rate of eight percent. However, as set out in this report, the fair market value at this stage of development would be lower than this calculated net present value to account for a number of factors, including the risks associated with any cash flow projections that are generated prior to the completion of a full feasibility study. Upon the receipt of a bankable feasibility study, the fair market value would be a higher percentage of the calculated net present value, since many of the risks and costs would have been better quantified by that time. It should also be noted that the calculated net present value at a WO_3 price of US$450 (approximately the current price) is almost US$800 million.

In preparing this Valuation Opinion, Glanville relied upon, among other things, the technical and financial reports provided by Woulfe, discussions with Wardrop personnel the reports of professionals who have worked on the Sangdong Project, prior valuations of similar projects (including other tungsten and molybdenum projects) prepared by Glanville and others, reviews of tungsten and molybdenum price projections, prior exploration and development expenditures, a review of comparable transactions, and analyses of publicly-listed companies with similar or comparable projects. Glanville did not visit the Sangdong Project for purposes of preparing this Valuation Opinion, and has not performed independent geological investigations, or reviews of ownership and permitting.

In order to determine the value of the Sangdong Project, Glanville considered a number of different valuation methods, but relied upon the 'discounted cash flow' (or 'net present value') approach, which is the normal method utilized for valuing mining projects that are advanced to or

[1] Note that the current price of WO_3 is approximately US$450 per metric tonne unit.

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beyond the stage of a preliminary economic assessment. The calculated net present value was subsequently reduced to account for the risks that are inherent in a project that has not been the subject of a completed Feasibility Study. The 'Comparable Transactions' method was utilized as another indicator of value, but less weight was placed on this method, due to a wider range of uncertainty due to the difficulty of finding true comparables. This method is based on the implied values per pound of contained metal based on the purchase/sale of other similar projects or market capitalizations of companies with comparable deposits.

A summary of the values indicated by each of the two valuation methods deemed appropriate for Sangdong is provided in the following table:

Valuation Method	**Indicated Values**
Net Present Value (NPV):	**US$306 million**[2]
Comparable Transactions:	**US$256 million**

It should be noted that the Sangdong project is not very sensitive to changes in the capital cost, and that the calculated net present value of US$575 million (at the Base-Case WO_3 price of US$375 per metric tonne unit) is approximately 4 times the estimated capital cost of the project, indicating an extremely attractive project[3]. In addition, the capital is paid back in approximately 1.5 years from startup of operations at the assumed base-case WO_3 price of US$375 per metric tonne unit, or in just under 1.2 years at the current price of WO_3 (approximately US$450 per metric tonne unit of WO_3). The project is most sensitive to the change in the WO_3 price (NPVs of plus and minus over 19% for a plus and minus 10% changes, respectively, in the WO_3 price), almost as sensitive to changes in the grade of WO_3 (NPVs of plus and minus 17% for plus and minus 10% changes, respectively, in the grade), less sensitive to changes in the operating costs (NPVs of plus and minus 8% for minus and plus 10% changes, respectively, in the operating costs), and not very sensitive to the change in capital costs (NPVs of plus and minus 2.5% for minus and plus 10% changes, respectively, in the capital costs).

Based on a review of all factors considered relevant, **Glanville is of the opinion that the value of Sangdong Mining Corporation - with its major asset being its net interest (after paying the 2% net smelter return royalty) in the Sangdong Project - is approximately US$300 million (since much greater weight should be given to the Net Present Value Method than the Comparable Transactions Method),** with a reasonable range being from US$200 million to US$400 million (approximately minus and plus one third, respectively). Such an apparent wide range is not unreasonable for a development project, due to the significant uncertainties related to a number of technical, economic, and political factors. However, if the input parameters and assumptions utilized in the cash flow model are generally substantiated by the Bankable Feasibility Study, the value would then be higher than the foregoing indicated US$300 million.

[2] This value is based on 50% of the calculated net present value of US$575 million (or US$288 million) at a WO_3 price of US$375 per metric tonne unit, plus 25% of the US$73 million (or US$18 million) incremental value due to the mining of the Deep Moly deposit (for which there is no NI 43-101 Technical Report), commencing five years after the start of the tungsten operation.

[3] Many projects that are placed into production have net present values of one to two times the capital cost estimate.

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Engagement of Glanville

Glanville has been retained by Woulfe to provide an opinion of value (the "Valuation" or "Valuation Opinion") of the Fair Market Value of Sangdong Mining Corporation. Glanville will be paid a fee for his services, but none of the fee is contingent on the value determined for of the Sangdong Project or Sangdong Mining Corporation. In addition, Glanville is to be indemnified in respect of certain liabilities that might arise out of the engagement.

Independence of Glanville

Glanville is an independent arm's-length consultant who is free from current and/or potential conflicts of interest in preparing this Valuation Opinion. Glanville has no direct or indirect, past or current interests in Sangdong Mining, Woulfe Mining, or any other companies that own, or expect to own, interests in the Sangdong Project, nor does Glanville expect to acquire or receive such interests, securities or benefits in the future, other than the professional services fees from Woulfe for preparing this Valuation Opinion. There are no understandings, agreements or commitments between Glanville and Woulfe, or any of its associates or affiliates, with respect to any future business dealings.

Credentials of Glanville

Glanville is a company specializing in valuations of mining companies and mineral resource projects, as well as providing fairness opinions and litigation support (such as being an expert witness in court cases involving valuation disputes) related to financial and technical issues. The president, Ross Glanville, graduated from the University of British Columbia in 1970 with a Bachelor of Applied Science Degree (Mining Engineering), and became a member of the Association of Professional Engineers of British Columbia (P.Eng.) in 1972. In 1974, Glanville obtained a Master of Business Administration Degree (MBA), specializing in finance and securities analysis. In 1980, Glanville became a member of the Certified General Accountants of B.C. (CGA). He was also a member of the former Canadian Association of Mineral Valuators.

Glanville has almost 40 years of mineral production and exploration experience in many countries, and has been involved in the exploration, discovery, financing, development, and production of a number of mineral deposits. He was formerly President of Giant Bay Resources Ltd. and Vice President of Wright Engineers Ltd. (acquired by Fluor Corporation), and has been a director of a number of mineral resource companies. He has prepared over eight hundred valuations and/or fairness opinions; and has written several articles, and given many presentations, related to the valuations of exploration and mining companies. Glanville has provided fairness opinions and valuations for mergers, amalgamations, and acquisitions of public and private companies. These assignments were undertaken for investment dealers, regulatory bodies (including stock exchanges), banks, various government agencies, venture capital firms, trading companies, mining and exploration companies, oil and gas companies, and others. He has

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formed public companies (listed on the Toronto Stock Exchange, the Australian Stock Exchange, NASDAQ, and the TSX Venture Exchange), and has served on the Boards of Directors of four companies with producing mines. Glanville has also acted in more than 50 court cases and assessment appeal board hearings in Canada, the U.S.A., Australia, and the U.K. Some of Glanville's valuation articles were published by the United Nations, the Society of Mining Engineers, and by various Canadian magazines and newspapers.

Scope of Review

In order to prepare this Valuation Opinion, Glanville reviewed and relied upon, or carried out (as the case may be) the following, among other things:

- Sangdong Project Scoping Study for Woulfe Mining Corporation, prepared by Wardrop (a Tetra Tech Company), and dated April 2010
- a preliminary resource update for the upper portion of the deposit prepared by Wardrop in June of 2011
- Technical Report on the Sangdong Property Skarn Deposit, Republic of Korea, by Wardrop, and dated March 10th, 2008
- memo (dated February 7th, 2008) from Paul Matthews and Heywood Bates to Willie McLucas on the Sangdong Deep Molybdenum Zone
- Report on Sangdong Tungsten Mine in Korea, June 2001, by Hang Jae Le of Korea Engineering Co., Ltd
- updated capital costs prepared in conjunction with external and internal consultants
- drilling results from the recently-completed drilling program
- annual financial statements and MD&A (for the year ended June 30th, 2010) of Woulfe
- quarterly financial statements and MD&A for Woulfe for the quarter ended March 31st, 2011
- news releases of Woulfe
- discussions with the Chief Executive Officer of Woulfe
- a review of the website of Woulfe
- a review of Sedar filings of Woulfe
- share trading history of Woulfe
- resource estimates for the Sangdong tungsten/molybdenum deposits
- discussions and correspondence with the Chief Operating Officer of Woulfe
- prior exploration and acquisition expenditures on Sangdong by Woulfe
- geological descriptions and/or exploration reports on the Sangdong project
- the cash flow model prepared by Woulfe
- data related to other transactions of a comparable or similar nature, which Glanville considered to be relevant
- certain industry reports and statistics that Glanville deemed appropriate
- relevant prior valuations and fairness opinions (related to similar exploration and development projects) by Glanville and others
- a number of marketing reports related to the supply/demand balances and price outlooks for tungsten and molybdenum

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- reviews of independent mining analysts' reports on similar or comparable projects
- market capitalizations of listed companies with similar or comparable mineral exploration properties
- Canaccord Genuity junior mining publications, showing values per contained pound for molybdenum and nickel
- such other reviews, calculations, analyses, research and investigations deemed appropriate and relevant in the circumstances.

Assumptions and Limitations

In providing this Preliminary Valuation Opinion, Glanville assumed and relied upon the accuracy and completeness of all technical, financial, and other information furnished to him by Woulfe and their consultants and representatives. He has not undertaken any specific independent verification of such information (although data were reviewed to determine their "reasonableness"). However, Glanville has no reason to believe that the information provided to him is not accurate, and he has not been denied access to any information that he requested from the management of Woulfe.

Glanville decided upon the methodologies to be utilized in this Valuation Opinion, and did not request or receive suggestions from the management of Woulfe as to the methodologies that might have been utilized. Glanville relied upon technical reports, discussions with executives/officers of Woulfe, conversations with representatives of Wardrop, comparable properties, information provided by management/directors, past expenditures, and results to date.

This Valuation Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, as they are reflected in the information, data and other material (financial or otherwise) reviewed by Glanville as they were represented to him in his discussions with management of Woulfe. He has made assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Woulfe. Although it is believed that these assumptions are reasonable with respect to the Sangdong Deposit, to the extent they are incorrect it may affect his view as to the Valuation of Sangdong Mining Corporation.

It should be noted that this report is a Valuation Opinion of Sangdong Mining Corporation, not a technical report. As a result, Glanville has only provided a brief summary of a portion of the key information provided in the technical reports and exploration summaries. Those reports contain details regarding geology, mineralization, property location, agreements, and exploration and development history.

Woulfe acknowledges that the services of Glanville are provided in an advisory capacity only, and that Glanville is not liable for losses, damages, or other claims that may result from or be alleged to result from any application or use that Woulfe and/or others may make of such information and data. Woulfe hereby waives, releases, indemnifies and agrees to hold Glanville harmless from any and all liability for losses, damages, legal costs, and other claims arising from

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the Valuation Opinion and/or related issues. Woulfe hereby waives the right to commence any lawsuit against Glanville, and will pay (in a timely manner) any legal costs incurred by Glanville as a result of any lawsuit related to this Valuation Opinion. Glanville has not conducted a review of the Sangdong mineral titles, ownership, or environmental obligations, and consequently Glanville has not expressed any opinion on these subjects. Glanville does not accept any responsibility for errors or omissions pertaining to information provided by Woulfe or their employees, lawyers, directors, agents, or other related parties.

Glanville reserves the right to amend or withdraw this Valuation Opinion in certain circumstances, including in the event that there occurs a material change of facts or representations upon which Glanville relied, or in the event that Glanville reasonably concludes that the information provided or any representation upon which he relied contains an untrue statement of material fact or omits to state a material fact that, in his reasonable opinion, would make this Valuation Opinion untrue or inaccurate in any material respect. However, Glanville is under no obligation to make any subsequent changes or provide notification to anyone of such changes to the information. The management and directors of Woulfe should inform Glanville if anything in this Valuation Opinion is, in their opinion, inaccurate or misleading in any way.

Glanville believes that his analyses must be considered as a whole, and that selecting portions of his analyses or the factors considered by him, without considering all factors and analyses together, could create a misleading view of the process underlying the Valuation Opinion. The preparation of a Valuation Opinion is a complicated process, and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Ownership and Agreements

Woulfe's subsidiary company, Sangdong Mining Corporation ("Sangdong Mining") owns a 70% interest in the Sangdong Property, and may earn the remaining 30% (for an aggregate 100% interest, subject to a 2% net smelter return royalty, or "NSR") by delivering a bankable feasibility study in 2011.

Sangdong Project

Overview

The Sangdong Project contains a skarn-type tungsten-moybdenum-bismuth deposit, and is located to the southeast of Seoul, Korea. Sangdong was one of the world's largest tungsten mines before closure in 1992 due to very low tungsten prices. At the time of closing, the Sangdong Mine had 20 levels (total length of 20 kilometers), six inclines (total length of 3.8 kilometers), one incline for ventilation, and one shaft 450 meters deep.

A preliminary economic assessment was completed by Wardrop in April 2010, and that study showed very attractive economics for the proposed underground operation. As a result of that

study and additional internal evaluations, Woulfe decided to move directly to pre-feasibility and feasibility studies for the re-opening of the Sangdong mine. As part of the requirements for such studies, additional diamond drilling was undertaken to delineate a higher grade core which could be mined in the early years of an operation. Wardrop is undertaking the Bankable Feasibility Study ("BFS") on the underground development, and Woulfe has been rehabilitating the underground workings above the current water table. The BFS will evaluate a 1.2 million tonne per year underground mining scenario to include ore treatment by gravity concentration and flotation for the production of a tungsten concentrate. The BFS will also incorporate an onsite refinery to produce an ammonium paratungstate ("APT") product for direct sale. A molybdenum concentrate by-product will also be produced. The potential for doubling capacity to 2.4 million tonnes per year will be part of the evaluation. The BFS is expected to be completed before the end of 2011, with commercial production targeted for 2013. It should be noted that Woulfe obtained a mine development licence on June 7th, 2010.

Geology, Mineralization, and Resources

Mineralization occurs within flat-lying skarn-altered horizons in the Cambrian-age Myobong Shale Formation, and to a minor extent, within the overlying Pungchon Limestone and underlying Jangsan Quartzite, and is primarily associated with concordant and cross-cutting quartz veins. Alteration is concentrically zoned with respect to an underlying, Cretaceous-age granitic intrusive that was the source of hydrothermal fluids that caused the alteration and introduced the mineralization. Mineralization is also concentrically zoned with respect to the underlying intrusive, with the highest grades occurring in the central, most intensely altered zone. The tungsten and associated molybdenum mineralization within the skarn horizon is divided into three zones: Main, Hangingwall and Footwall. The Main Zone was the focus of mining at Sangdong for sixty years, with minor workings in the Hangingwall Zone. Immediately underlying the skarn footwall mineralized zone, within the quartzite, is the Jangsan Stockwork (also referred to as the Deep Moly deposit), a zone of quartz veins hosting predominantly molybdenum mineralization. The resources (all classified as inferred) for each of the zones (with a cut-off grade of 0.10% WO_3 for the Hangingwall and Footwall zones, and 0.16% MoS_2 for the Jangsan zone), as set out in the Wardrop Scoping Study (dated April 2010), are summarized below:

Zone	Tonnes (millions)	WO_3 (%)	MoS_2 (%)
Hangingwall	45.8	0.32	0.05
Footwall	57.4	0.37	0.04
Jangsan[4] (Deep Moly)	7.1		0.18

[4] Earlier resource estimates showed 161 million tonnes grading 0.0875% MoS_2 (February 2008 memo by Paul Matthews and Heywood Bates), and 16 million tonnes grading 0.40% MoS_2 (2001 study by Korea Engineering Co., Ltd), so clearly more drilling is required to determine grade-tonnage curves. The foregoing resources are not NI 43-101 compliant.

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Exploration

On December 6th, 2010, Woulfe announced that it had commenced drilling into the upper portion of the Sangdong Project. The 38-hole 5,000-meter Phase I drill program (designed to provide information about a large continuous block of mineralization 60 to 200 meters wide, and extending 1200 meters across the entire ore body and down the eastern and western sides of the deposit left in place by the former operators of the mine) has been completed, and a follow-up Phase 2 program is underway. This Phase 2 program is expected to be completed within about three months, and will target additional high grade in the Main zone and the extensive Footwall zone above Level 1.

The Main Zone was previously not considered a potential source of mill feed, as it protected the old hoist chambers, incline shafts, and main haulage, which were essential to the mining of the Main Ore Zone in the lower parts of the mine. The recently-completed drilling was aimed at validating the model and enabling the development of a firm mining plan for the first five years of operation. A 3D block model of the upper mineralized zones and previous mining areas has been constructed, and a mining plan has been created.

Some of the better intersections from the drilling results over the past six months include the following (true widths, grades of WO_3 and zones):

- 9.6 meters of 0.55% (Footwall)
- 8.4 meters of 0.42% (Footwall)
- 18.3 meters of 0.91% (Main)
- 41.2 meters of 0.61% (Main)
- 9.4 meters of 0.65% (Main)
- 4.5 meters of 0.65% (Hangingwall)
- 12.4 meters of 0.70% (Main)
- 8.9 meters of 1.15% (Main)
- 8.6 meters of 0.73% (Footwall)
- 8.0 meters of 0.99% (Main)
- 8.2 meters of 0.68% (Footwall)
- 17.3 meters of 0.88% (Hangingwall)
- 9.2 meters of 0.55% (Footwall)

Preliminary Resources

The new preliminary resource for the upper portion of the deposit, as determined by Wardrop, is summarized below, and has been based on the first phase of the additional drilling, recognition of pillar resources in the Main Zone, the assimilation of additional data from the old mine, and an understanding of the nature of the mineralization. The cut-off grades, minimum intersection length, search radius, and other resource calculation inputs can be obtained from the Wardrop

resource report.

Zone	Class	Tonnes	WO_3%	MoS_2
HW[5]	Indicated	1,143,000	0.38	0.07
Main	Indicated	2,076,000	0.47	0.03
FW[6]	Indicated	2,749,000	0.41	0.03
Total		5,968,000	0.42	0.04
HW	Inferred	6,073,000	0.38	0.06
Main	Inferred	9,002,000	0.50	0.04
FW	Inferred	3,497,000	0.46	0.04
Total		18,572,000	0.45	0.05

It should be noted that the foregoing resources would be almost sufficient for the projected mine life that was utilized in the cash flow projections if all of the inferred resources can be converted to indicated resources (and then to probable reserves). However, the grade of the foregoing averages about 0.44% WO_3 and 0.045% MoS_2, versus the average grades of just under 0.41% WO_3 and 0.04% utilized in the cash flow projections. Although a detailed mining plan has yet to be generated, Glanville is of the opinion that the lower grade utilized in the cash flow projections is reasonable, based on mining dilution and percentage extraction. However, it should be emphasized that the foregoing are not yet reserves as defined by National Instrument 43-101 until additional drilling has been carried out (to convert inferred resources to indicated resources) and the mine plan has been completed. In addition to the foregoing resources for the upper portion of the deposit, it is likely that higher grade resources will be delineated with ongoing drilling programs and by selectively delineating resources from the remaining large resource in the Footwall and Hangingwall.

If one were to deduct the foregoing upper portion of the Hangingwall and Footwall resources of just under 13.5 million tonnes (1,143,000 plus 2,749,000 plus 6,073,000 plus 3,497,000), grading 0.41% WO3 and 0.04% MoS_2, from the total inferred resource (as previously calculated by Wardrop for the Hangingwall and Footwall) of 103.2 million tonnes grading 0.35% WO_3 and 0.04% MoS_2, the remaining inferred resources would be almost 90 million tonnes at a grade of 0.34% WO_3 and 0.04% MoS_2 (and it is likely that higher grade portions of this resource could be selectively mined). In addition, there is the Deep Moly deposit, to which Kores ascribed a resource of 16 million tonnes grading 0.40% MoS_2 (not NI 43-101 compliant). The remaining resources set out in this paragraph have not been utilized in the Base-Case cash flow projection, but have been incorporated in order to determine a value based on comparable cents per pound of contained metal (see a subsequent section of this report entitled Comparable Transactions Method).

[5] HW refers to Hangingwall
[6] FW refers to Footwall

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Wardrop Scoping Study

The April 2010 Wardrop Scoping Study showed a pre-tax net present value for the Sangdong Project of US$461.7 million at an 8% discount rate. Key input parameters and assumptions utilized by Wardrop included the following:

- only the Footwall zone was considered for the evaluation[7]
- 'mineable' resource of 36 million tonnes grading 0.33% WO_3 and 0.04% MoS_2
- production rate of 2.4 million tonnes per year for 15 years
- US$315 per metric tonne unit of WO_3
- US$25 per pound of Mo contained in MoO_3
- benched room-and-pillar underground mining method
- two 15% decline ramps to access the orebody
- gravity preconcentration and flotation concentrate production
- WO_3 concentrate fed to the Ammonium Paratungstate ("APT") refinery
- production of APT at a grade of 79% WO_3 at 95% recovery
- operating costs of US$32.50 per tonne of ore fed to the processing plant
- capital costs of US$289 million

Recent Developments

The Sangdong property has been opened to a point about 900 meters from the portal. Compressed air has been installed, and the local power authority has provided a 500 kva power supply, with a capacity of 10 megawatts. This power supply is being used for larger electric hydraulic drill rigs in order to drill large diameter core holes for geotechnical analysis and metallurgical test work. Woulfe is currently conducting a 19-hole geotechnical drill program focused on testing the characteristics of the site; and this site investigation will enable the finalization of the process plant layout and allow the detailed civil engineering to move forward. Woulfe is in the process of shipping one tonne of drill core to Canada for metallurgical testing and finalization the process flow sheet.

Woulfe continues to develop 3D models to analyze the mine layout for maximum efficiency. This includes the design of a new 6.5 meter by 6.5 meter access portal which is expected to intersect ore within the first 20 meters of development, thus reducing the cost of extraction and accelerating production. APT production and detailed metallurgical test work is being carried out to finalize the design of the grinding and flotation circuits.

Woulfe has announced that it secured all equipment required for the front-end truck discharge and primary crushing area. The package consists of new equipment that was procured at a significantly discounted rate from a cancelled contract, and comes with all technical documentation intact, including design drawings. With slight modifications by Woulfe, the equipment will be incorporated into the Sangdong Project.

[7] However, Wardrop states that the Hangingwall zone, Main zone (or remnant pillars), and the Jangsan molybdenum stockwork may be evaluated in future studies.

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CIMVal Standards

The Exchanges (TSX.V and TSX) require that CIMVal Standards (Canadian Institute of Mining, Metallurgy and Petroleum Standards and Guidelines for Valuations of Mineral Properties) be used by Issuers and their professional advisors when preparing formal valuations and valuation reports on mineral properties. The CIMVal Standards are limited to Valuations of Mineral Properties (including any interests therein), and do not cover fairness opinions or valuations of corporations or other entities that hold Mineral Properties as assets. As a result, the CIMVal standards are not applicable to this Opinion of value of Sangdong Mining Corporation (which owns the Sangdong Project), although Glanville is familiar with the CIMVal Standards and has followed them where appropriate.

It should be emphasized that this Valuation Opinion is not a technical report nor a formal valuation as defined in The Canadian Institute of Mining, Metallurgy and Petroleum publication of February 2003, "Standards and Guidelines for Valuation of Mineral Properties", (CIMVal Standards and Guidelines).

Approaches to Valuing Mineral Exploration Properties

In order to determine the value of the Sangdong Project of Sangdong Mining Corporation, Glanville considered a number of different valuation methods, but relied upon the 'discounted cash flow' (or 'net present value') approach, which is the normal method utilized for valuing mining projects that are advanced to or beyond the stage of a preliminary economic assessment. The resulting net present value is then 'risk-adjusted' (reduced in value) to account for the uncertainty of achieving the various input parameters and assumptions, and for the additional costs and time required to complete the BFS.

The 'Comparable Transactions' method was utilized as another indicator of value, but less weight was placed on this method, due to a wider range of uncertainty due to the difficulty of finding true comparables. This method is based on the implied values per pound of contained metal based on the purchase/sale of other similar projects or market capitalizations of companies with comparable deposits.

Net Present Value

With this method, annual cash flows are projected over the expected life of the project, and these cash flows are then discounted at an appropriate rate over the project life to arrive at a Net Present Value. A comprehensive in-house cash flow model has been prepared by Woulfe and reviewed by Glanville. That comprehensive model has been utilized by Glanville to generate cash flow projections based on a number of different input parameters and assumptions, some of which are slightly different from those utilized by Woulfe.

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The key input parameters and assumptions utilized for Glanville's Base-Case scenario are summarized below, with the detailed cash flow projections attached (including production forecasts, operating assumptions, revenue projections, capital costs, depreciation, operating costs, and financial details).

- underground mining, with decline access
- mine production rate of 1,200,000 tonnes per year[8]
- mine operating life of 21 years
- average mill feed grade of 0.41% WO3, with 0.45% WO_3 (and 0.04% MoS_2) in the first 4.5 years, and then 0.40% WO_3 (and 0.04% MoS_2) for the next 16.5 years[9]
- commencement of production in 2013
- WO_3 recovery of 81% to concentrate and MoS_2 recovery of 85% to concentrate
- 96% recovery of WO_3 from concentrate to APT (containing 89% WO_3)
- APT conversion cost of $20 per metric tonne unit of WO_3
- conversion of MoS_2 to MoO_3 at a cost of US$1.50 per pound of Mo
- a long-term constant-dollar WO_3 price of US$375[10] per metric tonne unit, and a long-term molybdenum price of US$15[11] per pound of molybdenum contained in MoO_3
- royalties of 2% of the net smelter return
- no income taxes for five years, then 10% for five years, and subsequently 20% of taxable income
- initial capital of US$141 million[12] (almost 20% of which is for the APT refinery) plus ongoing capital of approximately US$5 million per year (plus an additional US$22 million in 2016/2017)
- working capital of US$10 million
- average operating costs of approximately US$44 per tonne of mill feed, excluding royalties
- constant-dollar discount rate of 8%[13]

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[8] It should be noted that the process plant is designed to crush ore at a rate of 2.4 million tonnes per annum, and grind initially at 1.2 million tonnes per year. There is the potential to increase the grinding rate if the tungsten market remains strong and/or the price of molybdenum increases. Two rod mills will be installed, and a third could be added should circumstances prove viable for increasing the grinding rate.

[9] The preliminary resource calculation (almost 25 million tonnes – in all categories - grading 0.44% WO_3 and 0.045% MoS_2) by Wardrop shows sufficient resources (in all categories, if all were to be converted to reserves by additional drilling) for the projected mine life in the cash flow projections. However, as stated earlier in this report, these resources are not reserves as set out in National Instrument NI 43-101, until additional drilling has been carried out (to convert inferred resources to indicated resources) and the mine plan has been completed.

[10] See a subsequent section of this report for a discussion of the tungsten price outlook.

[11] See a subsequent section of this report for a brief discussion of the molybdenum market.

[12] This is about US$10 million higher than that currently being utilized by Woulfe.

[13] The discount rate has been determined based on a variety of methods, including the following:

- rates utilized by mining companies
- the weighted average cost of capital for comparable companies/projects
- empirical evidence based on a number of transactions for base metals projects and companies
- rates utilized by mining valuation analysts

Based on the foregoing, Glanville believes that an 8% (constant-dollar) discount rate is appropriate for the Sangdong Project. It should also be emphasized that the 8% is a constant-dollar after tax discount rate, which is equivalent to about a 15% pre-tax discount rate with a theoretical effective income tax rate of 30% and an inflation projection of 2.5% per year. Note that the 15% is equal to 10.5% after tax of 30%, or 8% after inflation of 2.5%.

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Utilizing the key input assumptions as set out above, Glanville calculated a pre-tax net present value of US$575 million. However, the fair market value is lower than this to account for a number of factors including the risks associated with any cash flow projections generated prior to a full feasibility study.

For projects that have completed scoping studies, the adjusted market capitalizations of companies (adjusted for other assets and liabilities other than the property itself) are typically in the range of 15% to 30% of the calculated scoping study after-tax net present values based on long-term projected commodity prices at the time of the study. For those projects with pre-feasibility studies completed, the range is generally from 25% to 40%. For projects with bankable feasibility studies, the range is typically 35% to 65% of the calculated after-tax net present values. It should be noted that most of the other comparable projects are not as advanced as the Sangdong Project, since there is already considerable infrastructure in place at Sangdong, and the project has a history of production (thus reducing technical risk)[14]. Due to the foregoing, it is Glanville's opinion that the Sangdong Project is equivalent to other projects at the Feasibility Study stage, and that one should utilize a percentage of about 50%. Although the Feasibility Study has not been completed for Sangdong, it is well advanced, with several components at or beyond the Feasibility Study stage. In addition, the project economics appear more robust than most projects that are successfully developed into operating mines. As a result, Glanville believes that it would be appropriate to utilize a factor of 50% of the calculated net present value, resulting in a fair market value of Sangdong (net of the 2% NSR, and prior to the consideration of the Deep Moly deposit) of approximately US$288 million (50% of US$575 million).

In addition to the foregoing, one must add some value for the Deep Moly project, which might be subsequently processed along with the Sangdong Deposit. Due to synergies of producing from both deposits, the calculated incremental value was US$73 million[15] (US$648 million for the combined Sangdong/Deep Moly versus the standalone Sangdong value of US$575 million). However, due to the fact that this project is much less advanced and more uncertain than the Sangdong Deposit itself[16], Glanville has only added 25% of this incremental value, or about US$18 million. As a result, the total fair market value of the Sangdong Project has been estimated to be US$306 million (US$288 million plus US$18 million).

Sensitivity Analyses

Glanville carried out a number of sensitivity analyses, with some of the key results shown below. All numbers are expressed in US dollars, and all are individual sensitivities (that is, they are

[14] In addition, the civil design work has commenced, and the geotechnical program for both the plant site and the site of the proposed tailings dam is underway. The detailed structural engineering design of the process plant is being undertaken by Contromation Energy Services of Jakarta in conjunction with Wardrop Engineering and Woulfe.

[15] This is based on the assumption of a total of 17 million tonnes grading 0.30% MoO_3 as mill feed – commencing four years after the start of the main operation, and at an annual production rate of 1.2 million tonnes (in addition to the main WO_3 operation at a production rate of 1.2 million tonnes per year).

[16] However, one should note that over 40 historical holes and two new holes have been drilled into the stockwork deposit. Woulfe intends to drill additional holes into the deposit in 2012 once it achieves underground access to drill oblique holes into the mineralized veins.

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individual changes to the Base-Case assumptions, and are not 'combined' changes). In addition, the sensitivities only apply to the Base-Case, which excludes the Deep Moly addition.

	Minus 10%	Base Case	Plus 10%
Price of WO_3 (Per MTU)[17]	$337	$375	$413
Net Present Values (millions)	$464	$575	$686
WO_3 Grade (%)[18]	0.41/0.36	0.45/0.40	0.49/0.44
Net Present Values (millions)	$476	$575	$686
Operating Costs Per Tonne	$40	$44	$48
Net Present Values (millions)	$620	$575	$528
Discount Rates (%)	7.2	8.0	8.8
Net Present Values (millions)	$625	$575	$529
Capital Costs (millions)	$137	$141[19]	$155
Net Present Values (millions)	$589	$575	$561

Note that the calculated net present values at WO_3 prices of US$400 and US$450 (the current price) per metric tonne unit are US$649 million and US$798 million, respectively. It should also be noted that the net present value would be US$279 million if the mine life was only 4.5 years (Stage I only), and the tungsten price was US$450 per metric tonne unit (the current price) – assuming a grade of 0.45% WO_3 and a discount rate of 8%.

Tungsten Price

Tungsten is an essential component in steel and industrial applications, and is vital to global economic development. To manufacture any piece of equipment, a tungsten insert is required, and this application accounts for about 60% of tungsten usage. Tungsten has a melting point of over 3,000 degrees Celsius, and is a high-performance wear material. As a result, with the general recovery in the world economy (and resultant increased production of equipment, steel, and high-performance wear material), the price has been driven up. In addition, China (which produces about 80% of global supplies) announced earlier this year an increase in its export duties for tungsten products to ensure supply for its own industrial growth. Although Europe and North America use about 43% of world tungsten supplies, their output amounts to only about 5%. The main supply factors that have influenced tungsten prices in the recent past have been disposals from government stockpiles and the influence of Chinese government policy in the tungsten sector. However, there has been little investment in the development of new reserves and deposits

[17] The molybdenum price was maintained at US$15 per pound of Mo contained in MoO_3, since the net contribution from molybdenum is less than 5% of the total.

[18] The first number refers to the grade for the first 4.5 years (Stage I), while the second number refers to the grade for the remainder of the life (or an additional 16.5 years).

[19] Note that the presently-indicated capital cost is approximately US$130 million, which Glanville increased by almost 10% to $141 million.

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in China.

Tungsten prices are generally quoted in US dollars per metric tonne unit (22.05 pounds) of WO_3 contained in APT (Ammonium Paratungstate), which is a saleable product that typically contains about 89% WO_3.

When China stopped exporting tungsten in the mid 2000's, the price of tungsten in the widely-traded form of ammonium paratungstate jumped from below US$80 per metric tonne unit to nearly US$300 per metric tonne unit. Then, with an increase of recycling, the price stayed in the US$250 range for the ensuing five years. However, with recycling at the maximum and demand still high, the price took another jump, this time to its current level of around US$450 per metric tonne unit of WO_3. It seems that purchasers are currently more concerned about supply than price.

The WO_3 price for the Base-Case has been based on a number of factors, including the estimates of the long-term WO_3 and molybdenum prices by mining and other analysts, the prices utilized by financial institutions (such as lending banks) to determine lending amounts, as well as the historical prices in constant dollars. In 2010 dollars, the price of WO_3 was over US$500 per metric tonne unit in the mid-1970s, and around US$100 per metric tonne unit from about the mid-1980s to 2004. It then rebounded to almost US$300 per metric tonne unit before the 2008 market crash. It decreased to about US$200 per metric tonne unit during the subsequent recession, before rebounding to the current price level of approximately US$450 per metric tonne unit.

There is a reasonably wide range of opinion as to the long term expected price of WO_3, with several analysts and market specialists expecting a strong price over the next five years. For example, Rosskill (a long-established and reputable market forecaster of a number of metals and commodities) suggests that the average price for 2012 could increase to US$475, with peaks of over US$500, and that prices will ease back in 2013 and 2014. Overall, Rosskill expects WO_3 prices (in APT) to average around US$400 for the five-year period from 2011-2015. As stated earlier in this report, Glanville utilized a long-term price of $375 per metric tonne unit of WO_3.

Molybdenum Price

Regarding molybdenum production from Sangdong, it is only expected to generate about 5% of the net revenue from the project in the early years, but increased when the Deep Moly deposit is put into production. Overall, the market for molybdenum is expected to be relatively strong, and the US$15 per pound of Mo contained in MoO_3 appears reasonable, if not conservative, for the long term. The world's steel industry consumes about 75% of molybdenum, with the remaining 25% being utilized for lubricants, hydro-cracking catalysts for oil refining, and high temperature applications. Molybdenum is required in the manufacture of all types of stainless steel, as it directly impacts product life and corrosion resistance. As infrastructure is improved or replaced, stainless steel is utilized to replace conventional building materials to lengthen the lives of the infrastructure. New developments in the use of molybdenum include fuel cells, nuclear reactor fuel, coal liquefaction, and nuclear reactor vessel walls.

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Comparable Transactions Method

Glanville has examined the stock market trading performance of many exploration, development, and production companies, as well as the terms of purchases of several exploration and development projects with tungsten (WO_3), molybdenum ($MoS_{2)}$, and nickel, and has examined the adjusted market capitalizations per pound of contained metal in resources for these exploration and development companies. As would be expected, the ranges in adjusted market capitalizations and purchase prices per pound of contained metal are reasonably wide, since the prices depend upon a variety of factors, including the stage of advancement (early stage exploration, 'potential resources', inferred resources, drill-indicated resources, proven reserves, production from one operation, or a multi-mine company, for example), the depth and attitude of the deposit (underground or open pit), the likely grade of the resource, the existing and potential size of the deposit, the likely metallurgical recovery, the location (type of infrastructure available), foreign exchange risk, the income tax and royalty structure, third party interests in the property (such as net smelter returns or gross override royalties), the level of technical study (scoping study, pre-feasibility study, feasibility study, operating statistics, etc.), the long term metal price outlooks, the exploration potential, the expectations for replacing resources/reserves and adding to them, the political jurisdiction in which the deposit is located, etc. In spite of the reasonably wide range of 'cents per pound' numbers, one can determine a much narrower range for properties with similar attributes. As a result, this method is often utilized as an indicator of value.

It should be noted that a large data base of comparable ('comparable' does not mean identical, but rather means both similar and relevant) transactions is available for exploration and development properties from a variety of sources, including published reports by mining analysts. Glanville has also accumulated a significant data base of comparable transaction values. These comparable transactions were accumulated for tungsten properties, molybdenum properties, and nickel properties. All three of these commodities have factors in common including similar costs of processing (as a percentage of the respective metal prices) beyond the concentrate stage, and metal prices that are of the same order of magnitude. For example, molybdenum is currently about US$14.50 per pound, WO_3 is about US$20.50 per pound, and nickel is about US$10.50 per pound. Glanville has utilized tungsten 'cents per pound' comparables[20], but has also included adjusted molybdenum and nickel 'cents per pound' comparables (adjusted for the relative prices), since there is a much larger data base of comparables for these other commodities. In order to determine WO_3 comparables, molybdenum comparables were factored by 1.41 (US$20.50 divided by US$14.50) and nickel comparables were factored by 1.95 (US$20.50 divided by US$10.50).

According to Canaccord Genuity (Junior Mining Weekly, July 13th, 2011), the weighted average market capitalization per pound of contained molybdenum attributed to their junior in-situ

[20] Glanville reviewed about a dozen companies with tungsten properties (including Largo Resources, Wolf Minerals, North American Tungsten, Playfair Mining, Geodex Minerals, King Island Scheelite, Galway Resources, Vital Metals, Hazelwood Resources, Venture Minerals, Ormonde Mining, Icon Resources, and Malaga), but found a wide variation in 'cents per pound' numbers. The foregoing appears to be partly because of the difference in stages of advancement, but also due to the fact that several of the companies have other significant projects. In addition, there were only about four or five of the tungsten projects that had similar resource sizes and grades as the Sangdong Deposit. Nevertheless, the tungsten comparables ranged around the adjusted comparables for molybdenum and nickel.

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database was Cdn$0.176 (US$0.183), while that for nickel was Cdn$0.135 (US$0.140) per pound. Based on the adjustments indicated in the prior paragraph, the foregoing would be the equivalent of US$0.258 (1.41 X $0.183) and US$0.273 (1.95 X $0.140), respectively, to apply per pound of contained WO3. It should be emphasized that the Sangdong Project is much more advanced than the molybdenum and nickel 'comparables' utilized by Canaccord Genuity, so the foregoing numbers should be adjusted upwards – perhaps by as much as 25% (to between $0.30 and $0.35 per pound of equivalent tungsten)

The actual tungsten comparable numbers generally ranged from about US$0.05 to US$0.50 per pound (with some higher than US$0.50 per pound), with the most comparable to Sangdong in the range of US$0.25 to US$0.45 per pound. For purposes of this valuation, Glanville has applied US$0.35 per pound of WO_3 and US$0.20 per pound of molybdenum to the higher grade resource in the upper portion of the deposit, US$0.23 per pound of WO_3 and US$0.13 per pound of molybdenum (two thirds of the respective numbers that have been applied to the higher grade resource) contained in the balance of the Footwall and Hangingwall resources, and US$0.10 per pound of molybdenum contained in the Deep Moly deposit (this is lower since it is applied to a non NI 43-101 resource, although the expected grade is relatively high, as indicated by drilling). The contained pounds of WO_3 and Mo, and the indicated values (US dollar values), are summarized below:

Zones		**WO_3**	**Mo**
Upper Portion[21]	Pounds:	240 million[22]	17 million[23]
	Values/Pound:	$0.35	$0.20
	Indicated Values:	$84 million	$3 million
Hangingwall/Footwall[24]	Pounds:	675 million[25]	50 million[26]
	Values/Pound:	$0.23	$0.13
	Indicated Values:	$155 million	$7 million
Deep Moly[27]	Pounds:		70 million[28]
	Value/Pound:		$0.10
	Indicated Value:		$7 million

[21] This includes the new resource delineated in the Main Zone plus an additional 13.5 million tonnes from the Footwall and Hangingwall zones.
[22] Approximately 25 million tonnes grading 0.44% WO_3
[23] Approximately 25 million tonnes grading 0.045% MoS_2, or 0.03% Mo
[24] This is the residual (the prior resource of 103.2 million tonnes grading about 0.35% WO_3, minus the portion of this included in the Upper Portion) of almost 90 million tonnes grading 0.34% WO_3 and 0.04% MoS_2.
[25] Approximately 90 million tonnes grading 0.34% WO_3
[26] Approximately 90 million tonnes grading 0.04% MoS_2, or 0.025% Mo
[27] Resource numbers varied from 17 million pounds of Mo to 186 million pounds of Mo, depending upon the cut-off grade. For purposes of this valuation method, Glanville has utilized 16 million tonnes grading 0.20% Mo (just over 0.30% MoS_2), or about 70 million pound of Mo.
[28] Approximately 25 million tonnes grading 0.045% MoS_2, or 0.03% Mo

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Based on the appropriate 'cents per pound' application to the foregoing contained pounds of WO_3 and Mo, the indicated value of 100% of the Sangdong Project would be **US$256 million** (US$84 million plus US$3 million plus US$155 million plus US$7 million plus US$7 million).

Valuation Summaries

A summary of the values indicated by each of the valuation methods deemed appropriate for Sangdong is provided in the following table:

Valuation Method	Indicated Values
Net Present Value:	**US $306 million**
Comparable Transactions:	**US $256 million**

It should again be emphasized that the foregoing net present value of US$306 million is the risk-adjusted present value, which has been reduced by about 50% from the calculated net present value of the standalone tungsten operation (50% of US$575 million), and reduced by 75% for the Deep Moly deposit (only retaining 25% of the calculated incremental net present value of US$73 million).

Opportunities

Some of the opportunities that could result in a higher value for the Sangdong Project include the following:

- additional drilling and mine planning could result in higher grades in the early years of the project (for example, based on a preliminary resource for a portion of the upper part of the deposit, the grade in the first four or five years might be closer to 0.50% WO_3 than the 0.45% assumed in the cash flow model)
- additional drilling could add to the resources or enable one to convert portions the large residual inferred resource base (which is in addition to the recently-generated resource of almost 25 million tonnes grading 0.44% WO_3 in the upper portion of the deposit – all categories) in the Hangingwall and Footwall to reserves, and result in an extension of the projected mine life or an expanded production rate
- the completion of a feasibility study and the subsequent required financing would eliminate many risks and uncertainties related to value
- the actual diluted grade may be higher than that utilized by Glanville in the net present value calculations
- mining the molybdenum stockwork (Deep Moly deposit) could add additional value
- an expansion of the production rate could provide economies of scale if the resource base increases, and more of the inferred resource is placed into the indicated category by additional drilling (and then into the probable reserve category with the application of mine factors)

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- higher long-term commodity prices than those assumed in the cash flow projections would add to the value (for example, Glanville utilized a long-term WO_3 price of US$375 per metric tonne unit, versus the current price of about US$450 per metric tonne unit)

Risks

Some of the risks (downside) that could result in a lower value for the Sangdong Project include the following:

- technical and operational problems could lead to lower than expected output
- portions of the inferred resources may not be converted into reserves
- there may be timing uncertainties as to the construction and start-up of operations
- mining interaction with old workings could result in additional costs
- the property is located within an earthquake zone
- capital costs could be higher than those utilized (although the net present value of the project is not very sensitive to changes in the capital cost, and Glanville has already increased the capital by about US$10 million for the cash flow projections)
- operating costs per tonne might be higher than the $44 total operating costs per tonne utilized by Glanville
- lower long-term commodity prices than those assumed in the cash flow projections would reduce the value
- financing from banks might involve the bank's utilization of long-term tungsten prices lower than that utilized in Glanville's cash flow projections
- there could be delays in delivery of critical equipment
- a definitive feasibility study, or bankable feasibility study, has not been completed (however, it is well advanced)

Other Considerations

In connection with the provision of this Valuation Opinion, Glanville considered such other factors or analyses which Glanville judged, based on his experience in rendering such opinions, to be appropriate. In arriving at the Valuation Opinion, Glanville has not attributed any particular weight to any specific analysis or factor considered by him, but rather Glanville has made qualitative judgments based on his experience in rendering such opinions, and on the circumstances and information as a whole.

Disclaimer

This report relies in part on information not within the control of Glanville, and while it is believed that the information and assumptions are reliable and valid as of the date hereof, and under the stated conditions and limitations, Glanville cannot guarantee their accuracy. In

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addition, Ross Glanville discloses that he has not conducted a title search or an ownership review, nor has he visited the property or carried out independent geological investigations. Glanville is basing the Opinion on its experience, on its examination of market conditions, a review of comparables, and on information provided by Woulfe and their consultants. The use of this Opinion and/or any information contained in it shall be at the user's sole risk, regardless of any fault or negligence of Glanville, and shall be solely for the use of the Directors and shareholders of Woulfe.

Conclusion

Based on a review of all factors considered relevant, **Glanville is of the opinion that the value of Sangdong Mining Corporation - with its major asset being its net interest (after paying the 2% net smelter return royalty) in the Sangdong Project - is approximately US$300 million (since much greater weight should be given to the Net Present Value Method than the Comparable Transactions Method),** with a reasonable range being from US$200 million to US$400 million (approximately minus and plus one third, respectively). Such an apparent wide range is not unreasonable for a development project, due to the significant uncertainties related to a number of technical, economic, and political factors. However, if the input parameters and assumptions utilized in the cash flow model are generally substantiated by the Bankable Feasibility Study, the value would then be higher than the foregoing indicated US$300 million.

Yours very truly,

Ross Glanville, B.A.Sc., P.Eng., MBA
President, Ross Glanville & Associates

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