Wolfden Resources Corporation

Condensed Consolidated Interim Financial Statements

For the three and nine months ended
September 30, 2019 and 2018

WOLFDEN RESOURCES CORPORATION

NOTICE TO SHAREHOLDERS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of Wolfden Resources Corporation were prepared by management in accordance with International Financial Reporting Standards ('IFRS"). Only changes in accounting policies have been disclosed in these unaudited condensed consolidated interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited condensed consolidated interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)
(Unaudited)

As at	September 30 2019 $	December 31 2018 $
ASSETS		
Current assets		
Cash and cash equivalents [note 5]	**2,108,173**	1,031,141
Amounts receivable [note 6]	**140,078**	196,977
Prepaids	**13,934**	10,251
Total current assets	**2,262,185**	1,238,369
Non-current assets		
Equipment [note 7]	**1,626**	4,147
Total assets	**2,263,811**	1,242,516
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**661,794**	799,868
Taxes payable	**-**	323,981
Total current liabilities	**661,794**	1,123,849
EQUITY		
Share capital [note 9]	**32,127,569**	29,351,833
Equity settled employee benefits [note 9]	**1,634,043**	1,413,971
Other comprehensive loss	**(116,796)**	(78,027)
Deficit	**(32,042,799)**	(30,569,110)
Total equity	**1,602,017**	118,667
Total liabilities and equity	**2,263,811**	1,242,516

Going concern [note 1]
Commitments [note 12]
See accompanying notes to the consolidated interim financial statements

These consolidated interim financial statements are authorized for issue by the Board of Directors on November 18, 2019.

They are signed on the Corporation's behalf by:

"Ron Little" Director

"John Seaman" Director

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)
(Unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
EXPENSES				
Depreciation *[note 7]*	**94**	384	**282**	736
Exchange loss (gain)	**(130)**	(32,888)	**338**	(32,888)
Exploration and evaluation expenses *[note 8]*	**989,211**	779,387	**1,684,949**	2,822,578
Flow through interest penalty	**-**	18,453	**-**	31,703
General and administrative expenses *[note 11]*	**141,492**	191,783	**502,699**	590,426
Professional fees	**13,098**	92,933	**57,913**	127,869
Share-based payments *[note 9]*	**81,394**	539,240	**286,463**	605,090
	1,225,159	1,589,292	**2,532,644**	4,145,514
Loss before the following	**(1,225,159)**	(1,589,292)	**(2,532,644)**	(4,145,514)
Investment income	**8,127**	2,353	**14,936**	(6,809)
Other income	**182,891**	21,042	**385,047**	21,042
Write down of equipment *[note 8]*	**-**	-	**(2,239)**	-
Gain on sale of mineral property	**750,000**	1,000,000	**750,000**	1,000,000
Income taxes				
Current	**(1,016)**	-	**88,789**	-
	(1,016)	-	**88,789**	-
Loss for the period	**(283,125)**	(565,897)	**(1,473,689)**	(3,117,663)
Exchange differences on translation of foreign operations	**(13,191)**	100,980	**38,769**	66,155
Comprehensive loss for period	**(269,934)**	(666,877)	**(1,512,458)**	(3,183,818)
Basic and diluted loss per share *[note 10]*	**-**	(0.01)	**(0.01)**	(0.03)

See accompanying notes to the consolidated interim financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Stated in Canadian Dollars)
(Unaudited)

For the nine months ended September 30

	2019 $	2018 $
OPERATING ACTIVITIES		
Loss for the period	**(1,473,689)**	(3,117,663)
Add charges to earnings not involving a current payment of cash		
Depreciation	**282**	736
Exchange loss (gain)	**-**	(32,888)
Share based payments	**286,463**	605,090
Shares issued for mineral properties	**-**	25,000
Shares issued for mineral properties	**13,000**	-
Write-down of equipment	**2,239**	-
	(1,171,705)	(2,519,725)
Changes in non-cash working capital balances related to operations		
Amounts receivable	**56,899**	87,914
Prepaids	**(3,683)**	7,856
Accounts payable and accrued liabilities	**(137,622)**	16,152
Taxes payable	**(323,981)**	-
Cash used in operating activities	**(1,580,092)**	(2,407,803)
INVESTMENT ACTIVITIES		
Purchase of investments, net	**-**	(13,064)
Cash used in investment activities	**-**	(13,064)
FINANCING ACTIVITIES		
Proceeds from private placement	**2,500,000**	217,500
Proceeds from the exercise of warrants	**262,500**	344,176
Proceeds from the exercise of stock options	**-**	334,363
Share issue costs	**236**	-
Cash provided by financing activities	**2,762,736**	896,039
Increase (decrease) in cash and cash equivalents during the period	**1,182,644**	(1,524,828)
Cash and cash equivalents, beginning of the period	**1,031,141**	2,981,692
Effect of foreign exchange on cash and cash equivalents	**(105,612)**	(33,267)
Cash and cash equivalents, end of the period	**2,108,173**	1,423,597

See accompanying notes to the consolidated interim financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)
(Unaudited)

	Share Capital		Reserves			
Issued and outstanding:	**Number of Shares**	**Share Capital**	**Equity Settled Employee Benefits**	**Foreign currency translation**	**Deficit**	**Total Equity**
Balance as at December 31, 2017	110,006,930	28,033,631	1,062,794	-	(25,417,191)	3,679,234
Exercise of warrants [note 9]	1,690,908	344,176	-	-	-	344,176
Exercise of stock options [note 9]	1,558,750	588,276	(253,913)	-	-	334,363
Share-based payments	-	-	605,090	-	-	605,090
Private placement [note 9]	750,000	217,500	-	-	-	217,500
Shares issued for mineral properties	100,000	25,000	-	-	-	25,000
Loss for the period	-	-	-	(66,155)	(3,117,663)	(3,183,818)
Balance as at September 30, 2018	114,106,588	29,208,583	1,413,971	(66,155)	(28,534,854)	2,021,545
Exercise of warrants [note 9]	1,075,000	146,205	-	-	-	146,205
Adjustment related to exercise of stock options	-	15,045	-	-	-	15,045
Share issue costs [note 9]	-	(18,000)	-	-	-	(18,000)
Loss for the period	-	-	-	(11,872)	(2,034,256)	(2,046,128)
Balance as at December 31, 2018	115,181,588	29,351,833	1,413,971	(78,027)	(30,569,110)	118,667
Exercise of warrants *[note 9]*	1,750,000	262,500	-	-	-	262,500
Private placement *[note 9]*	12,500,000	2,500,000	-	-	-	2,500,000
Shares issued for mineral properties	100,000	13,000	-	-	-	13,000
Share issue costs	-	236	-	-	-	236
Share-based payments *[note 9]*	-	-	220,072	-	-	220,072
Loss for the period	-	-	-	(38,769)	(1,473,689)	(1,512,458)
Balance as at September 30, 2019	**129,531,588**	**32,127,569**	**1,634,043**	**(116,796)**	**(32,042,799)**	**1,602,017**

See accompanying notes to the consolidated interim financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

1. NATURE OF BUSINESS

Wolfden Resources Corporation (the "Corporation" or "Wolfden") was incorporated under the laws of the Province of Ontario on August 12, 2009. The principal business activity of the Corporation is the acquisition, exploration and development of mineral properties that it believes contain mineralization that will be economically recoverable in the future.

Going concern

The Corporation, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economic and metal price volatility and there is no assurance management will be successful in its endeavours. At September 30, 2019, the Corporation has no source of operating cash flows, other than the sale of timber which has generated net revenue of $385,047 for the period ended September 30, 2019 (2018 - $21,042). The Corporation incurred a net loss of $1,473,689 for the period ended September 30, 2019 (September 30, 2018 - $3,117,663) and has accumulated a deficit of $32,042,799 (December 31, 2018 - $30,569,110) since the inception of the Corporation. As at September 30, 2019, the Corporation had working capital of $1,600,391 (December 31, 2018 – $114,520) and the Corporation's ability to continue as a going concern is dependent upon its ability to raise additional capital to continue the development of its mineral properties. During the period ended September 30, 2019, the Corporation raised gross proceeds of $2,762,500 through private placements of shares and the exercise of warrants (during the year ended December 31, 2018, the Corporation raised gross proceeds of $1,311,202).

There are material market uncertainties that cast significant doubt on the Corporation's ability to continue as a going concern. The Corporation's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable level of operation. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of loss and comprehensive loss classification that would be necessary should the Corporation be unable to continue as a going concern. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed interim financial statements for the three and nine months ended September 30, 2019 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Corporation's annual financial statements as at December 31, 2018.

The financial statements of the Corporation for the period ended September 30, 2019 were approved and authorized by the Board of Directors on November 18, 2019.

Basis of consolidation

The Corporation's condensed consolidated interim financial statements consolidate those of its subsidiaries. The Corporation's subsidiaries are:

	Percentage of ownership	Jurisdiction	Principal activity
Wolfden Resources Canada Inc.	100%	Canada	Mineral exploration
Wolfden USA Inc.	100%	United States	Mineral exploration
Wolfden Mt. Chase LLC	100%	United States	Mineral exploration

All transactions and balances between the Corporation and its subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between the companies.

Change in functional currency

Prior to January 1, 2018, the functional currency of Wolfden USA Inc. and Wolfden Mt. Chase LLC, the U.S. subsidiaries, was the Canadian Dollar ("CAD"). Per IAS 21 - *The effects of Changes in Foreign Exchange Rates ("IAS 21")*, an entity's functional currency should reflect the underlying transactions, events and conditions that are relevant to the entity. Management considered primary and secondary indicators including the currency used operationally for purchases, labour and other costs, as well as receipts of other income.

Based on these factors, management concluded that effective January 1, 2018, the U.S. subsidiaries functional currency should be the United States dollars ("USD").

As the Corporation's Canadian operations primarily operate in CAD and are financed in CAD, management has determined that their functional currency remains CAD.

Significant accounting judgements and estimates

In the application of the Corporation’s accounting policies, which are described in Note 2 of the audited consolidated financial statements for the year ending December 31, 2018, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant estimates include:

i. the inputs used in accounting for share purchase option expense in the statement of loss and comprehensive loss;

ii. the provision for income taxes which is included in the statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the statement of financial position which have not yet been confirmed by the taxation authorities, and

iii. the estimated useful lives of equipment and leaseholds which are included in the statement of financial position and the related depreciation included in the statement of loss and comprehensive loss.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements have been prepared on the basis of all IFRS and interpretations effective as at September 30, 2019.

Accounting standards issued and effective January 1, 2019, recently adopted

The Corporation has assessed the following changes to accounting standards and determined that there was no material impact on the financial statements:

- IFRS 16, Leases introduces new requirements for the classification and measurement of leases. The standard is effective for annual reporting periods beginning January 1, 2019 although early application is permitted for companies that also apply IFRS 15 – Revenue from Contracts with Customers. The Corporation will adopt it using the modified retrospective approach, resulting in no restatement of prior year comparatives and the cumulative impact of applying IFRS 16 will be recognized at January 1, 2019. The Corporation has completed the assessment of its equipment and building rentals, land leases and service agreements and determined there will be no significant impact on lease expense or depreciation expense. Upon adoption, the Corporation has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight line basis for short-term leases (lease term of 12 months or less) and low value assets ($5,000 or less). There was close attention paid to all of the Corporation's drilling contracts to ensure that they did not contain embedded leases for property,plant and equipment. None of those contracts resulted in right of use of an asset.

- IFRIC 23, Uncertainty over Income Tax Treatments provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation is applicable for period beginning on or after January 1, 2019.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

4. SEGMENTED INFORMATION

The Corporation's significant segments are represented by its separately identifiable exploration and evaluation properties (see *note 8* for disclosure by property). The Corporation also operates in two distinct geographic areas. The Canadian operations are managed from the Corporation's head office in Thunder Bay. The U.S. operations are managed from an office in Maine.

For the six months ended September 30, 2019

	Canada $	USA $	Total $
Segmented Assets	1,879,958	383,851	**2,263,809**
Segmented Liabilities	(474,584)	(187,210)	**(661,794)**
Operating activities			
Depreciation	282	-	**282**
Exchange loss (gain)	338	-	**338**
Exploration and evaluation expenses	1,139,591	545,358	**1,684,949**
Flow-through interest penalty	-	-	**-**
General and administrative	484,834	17,865	**502,699**
Professional fees	40,199	17,714	**57,913**
Share-based payments	286,463	-	**286,463**
Total	**1,951,707**	**580,937**	**2,532,644**
Loss	**892,752**	**580,937**	**1,473,689**

For the three months ended September 30, 2019

	Canada $	USA $	Total $
Operating activities			
Depreciation	94	-	**94**
Exchange loss (gain)	(130)	-	**(130)**
Exploration and evaluation expenses	473,657	515,554	**989,211**
Flow-through interest penalty	-	-	**-**
General and administrative	124,382	17,110	**141,492**
Professional fees	(4,597)	17,695	**13,098**
Share-based payments	81,394	-	**81,394**
Total	**674,800**	**550,359**	**1,225,159**
Loss (income)	**(267,234)**	**550,359**	**283,125**

(Stated in Canadian Dollars)

For the six months ended September 30, 2018

	Canada $	USA $	Total $
Operating activities			
Depreciation	736	-	736
Exchange loss (gain)	(32,888)	-	(32,888)
Exploration and evaluation expenses	945,770	1,876,808	2,822,578
Flow-through interest penalty	31,703	-	31,703
General and administrative	555,306	35,120	590,426
Professional fees	127,869	-	127,869
Share-based payments	605,090	-	605,090
Total	2,233,586	1,911,928	4,145,514
Loss	1,205,735	1,911,928	3,117,663

For the three months ended September 30, 2018

	Canada $	USA $	Total $
Operating activities			
Depreciation	384	-	384
Exchange loss (gain)	(32,888)	-	(32,888)
Exploration and evaluation expenses	(278,234)	1,057,621	779,387
Flow-through interest penalty	18,453	-	18,453
General and administrative	174,527	17,256	191,783
Professional fees	92,933	-	92,933
Share-based payments	539,240	-	539,240
Total	514,415	1,074,877	1,589,292
Loss	666,877	1,074,877	666,877

December 31, 2018

	Canada $	**USA $**	**Total $**
Segmented Assets	1,031,444	211,072	1,242,516
Segmented Liabilities	(769,041)	(354,808)	(1,123,849)

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and amounts held in short term deposits that have up to a one year maturity but that are cashable within 30 days or less into a known amount of cash.

	2019	2018
	$	$
Cash	**436,347**	272,050
Investments*	**1,671,826**	759,091
	2,108,173	1,031,141

* At September 30, 2019, the Corporation holds guaranteed investment certificates of $159,312 maturing October 29, 2019, yielding 1.600% and guaranteed investment certificates of $1,512,514, maturing April 9, 2020, yielding 1.75% (December 31, 2018 - $759,091 maturing October 29, 2019, yielding 1.60%).

6. AMOUNTS RECEIVABLE

	2019	2018
	$	$
Recoverable taxes (i)	**34,518**	98,632
Trade receivables (ii)	**105,559**	98,345
	140,077	196,977

(i) Recoverable taxes include Canadian harmonized sales tax receivable.
(ii) Trade receivables relate to the proceeds receivable on the sale of timber from the Pickett Mountain property, net of the 20% payable to Altius and 8% timber management fee.

WOLFDEN

(Incorporated under the laws of Ontario)

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

7. EQUIPMENT AND LEASEHOLDS

	Computer Equipment $	Vehicles $	Total $
Cost			
Balance, January 1, 2018	13,120	27,068	40,188
Write-down of assets	-	-	-
Balance, December 31, 2018	13,120	27,068	40,188
Write-down of assets	-	(27,068)	(27,068)
Balance, September 30, 2019	**13,120**	**-**	**13,120**
Accumulated depreciation			
Balance, January 1, 2018	11,074	23,847	34,921
Depreciation for the period	308	812	1,120
Balance, December 31, 2018	11,382	24,659	36,041
Depreciation for the period	112	170	282
Write-down of assets	-	(24,829)	(24,829)
Balance, September 30, 2019	**11,494**	**-**	**11,494**
Carrying amounts			
December 31, 2018			4,147
September 30, 2019			**1,626**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

8. EXPLORATION AND EVALUATION

For the nine months ended September 30, 2019

	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other	2019	Inception to date
Analysis	-	96,123	3,149	-	-	**99,272**	**674,586**
Geological	1,370	291,891	35,925	33,676	5,545	**368,407**	**2,036,818**
Geophysical	-	215,914	33,568	-	-	**249,482**	**2,228,120**
Geochemical	-	16,624	1,206	5,322	-	**23,152**	**213,281**
Travel / Accom	2,142	75,642	-	3,546	-	**81,330**	**601,875**
Drilling	-	545,414	-	-	-	**545,414**	**5,541,023**
Property Work	27	17,940	1,235	28,124	-	**47,326**	**667,609**
Ops Support	13	75,081	1,260	1,333	-	**77,687**	**209,224**
Administration	49,933	2,773	-	28,840	-	**81,546**	**698,313**
Total Exploration	53,485	1,337,402	76,343	100,841	5,545	**1,573,616**	**12,870,849**
Other Costs*	58,091	14,511	14,650	(11,980)	36,061	**111,333**	**20,819,691**
Total	111,576	1,351,913	90,993	88,861	41,606	**1,684,949**	**33,690,540**
Total to date	2,667,698	6,844,572	2,468,279	1,349,143			

For the three months ended September 30, 2019

	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other	2019
Analysis	-	54,396	-	-	-	**54,396**
Geological	1,370	123,734	7,800	13,430	2,500	**148,834**
Geophysical	-	176,768	24,510	-	-	**201,278**
Geochemical	-	16,544	1,206	-	-	**17,750**
Travel / Accom	2,142	37,198	-	-	-	**39,340**
Drilling	-	326,005	-	-	-	**326,005**
Property Work	27	17,940	1,235	9,679	-	**28,881**
Ops Support	13	40,613	360	300	-	**41,286**
Administration	18,310	1,524	-	9,407	-	**29,241**
Total Exploration	21,862	794,722	35,111	32,816	2,500	**887,011**
Other Costs*	58,000	14,511	7,200	(11,980)	34,469	**102,200**
Total	79,862	809,233	42,311	20,836	36,969	**989,211**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

For the nine months ended September 30, 2018

	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other	2018	Inception to Sep 30, 2018
Analysis	-	37,098	743	1,950	-	**39,791**	**532,198**
Geological	1,370	180,100	2,750	70,890	33,834	**288,944**	**1,407,870**
Geophysical	2,719	834,493	11,880	-	-	**849,092**	**1,676,509**
Geochemical	-	1,480	2,135	-	-	**3,615**	**179,409**
Travel	2,142	108,369	-	1,257	2,410	**114,178**	**459,409**
Drilling	-	1,191,290	-	-	-	**1,191,290**	**3,916,064**
Property Work	27	48,796	3,025	27,237	-	**79,085**	**566,001**
Ops Support	13	89,266	1,620	2,230	-	**93,129**	**207,244**
Administration	57,734	630	106	28,626	400	**87,496**	**591,006**
Total Exploration	64,005	2,491,522	22,259	132,190	36,644	**2,746,620**	**9,535,723**
Other Costs*	65,091	13,985	13,810	(18,520)	1,592	**75,958**	**20,700,316**
Total	129,096	2,505,507	36,069	113,670	38,236	**2,822,578**	**30,236,039**

For the three months ended September 30, 2018

	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other	2018
Analysis	-	5,258	-	-	-	**5,258**
Geological	1,370	67,561	2,000	26,958	(3,945)	**93,944**
Geophysical	-	30,188	11,880	-	-	**42,068**
Geochemical	-	1,480	-	-	-	**1,480**
Travel	2,142	41,220	-	-	717	**44,079**
Drilling	-	391,180	-	-	-	**391,180**
Property Work	27	27,837	3,025	9,054	-	**39,943**
Ops Support	13	44,216	540	200	-	**44,969**
Administration	17,219	630	51	9,649	-	**27,549**
Total Exploration	20,771	609,570	17,496	45,861	(3,228)	**690,470**
Other Costs*	65,000	13,985	8,340	-	1,592	**88,917**
Total	85,771	623,555	25,836	45,861	(1,636)	**779,387**

*Included in other costs is government assistance received.

Mineral property acquisitions and agreements

Maine, U.S.A.

Pickett Mountain Property

On November 16, 2017, the Corporation acquired a 100% interest in the Pickett Mountain Property (the “Property”), located in Penobscot County, northern Maine, U.S.A for a cash purchase price of $11,292,055 (US$8.5 million) (the “Acquisition”).

To fund the acquisition of the Property, the Corporation entered into a Royalty Agreement that granted a 1.35% gross sales royalty on the Property to Altius Resources Inc. (“Altius”), a wholly owned subsidiary of Altius Minerals Corporation, for cash consideration of $7,663,800 (US$6,000,000) and completed a non-brokered private placement (the "Offering") of 20,200,000 subscription receipts ("Subscription Receipts") at a price of $0.25 per Subscription Receipt for gross proceeds of $5,050,000, with Altius subscribing for 14,200,000 Subscription Receipts. The subscription receipts were converted into 14,200,000 common shares of the

Corporation.

Pursuant to the Royalty Agreement, Altius has the option to purchase an additional 0.50% gross sales royalty at any time before the first anniversary of commercial production for US$7,500,000. In addition, the Corporation granted Altius certain rights to convert the Pickett Mountain Royalty to equity under certain terms, or to exchange the royalty for a similar royalty on the Corporation's Orvan Brook property. Furthermore, the Corporation agreed to use its best efforts to transfer the timber rights in connection with the Pickett Mountain Project (the "Timber Rights") as soon as practicable. The gross proceeds to be received by Wolfden from the sale of the Timber Rights must be at least US$5,000,000 or such other amount as agreed to by Wolfden and Altius, acting reasonably (the "Timber Proceeds"). Upon such transfer, Wolfden is required to pay Altius 20% of the Timber Proceeds (such 20% amount being the "Timber Rights Consideration"), and deposit into escrow the amount equal to the greater of: (i) US$2,000,000, and (ii) 50% of the difference between the Timber Proceeds and the Timber Rights Consideration (the "Escrowed Proceeds"). The Escrowed Proceeds will be released in accordance with the terms of the Royalty Agreement. Any remaining Escrowed Proceeds will be released from escrow and paid to Wolfden within two business days after the occurrence of any of the following: (i) the first date of commercial production on the Pickett Mountain Project, provided that Wolfden has obtained all the required permits for commercial production on the Pickett Mountain Project; or (ii) the expiry of the Call Right Exercise Period (as defined below).

During the third quarter of 2018, Wolfden Mt. Chase LLC entered into a Forest Management Agreement with Huber Resources Corp. to harvest select portions of the timber on the Property. As per the terms of the contract, Huber has developed a long term forest plan to harvest and sell select portions of the Property, in a sustainable manner, so as to protect the forest and maintain its timber value. A portion (20%) of the sales receipts are paid to Altius, on a regular basis, which is consistent with the terms of the Royalty Agreement. For the period of nine months ended September 30 2019, the Corporation recorded net timber sales proceeds of $385,047 (US$ 296,553), that are net of 20% allocated to Altius as per the agreement (2018 - $21,042). These funds are not being placed in escrow and have been included in the working capital of the Corporation.

Pursuant to the Royalty Agreement, Altius has a call right, conversion right and exchange right. Each is summarized below.

Call Right

For the period commencing 36 months following the transfer date of the Timber Rights and ending on the date that is 60 months following such transfer date (the "Call Right Exercise Period"), Altius will have the right to receive the Escrowed Proceeds upon the occurrence of a Trigger Event. A "Trigger Event" means the occurrence of any of the following events, as determined by Altius, acting reasonably: (i) the cancellation or revocation of any material permit required in connection with the Pickett Mountain Project, subject to a 30 day cure period; (ii) the delay of issuance or effectiveness of any permit required in connection with the Pickett Mountain Project for more than 30 days after the date on which Wolfden advised Altius that such permit was expected or required to be issued or effective; (iii) a change in applicable laws which materially adversely affects the Pickett Mountain Project; (iv) the failure to rezone the Pickett Mountain Project as required in connection with the Pickett Mountain Project prior to the date that is 30 months following the date of the Royalty Agreement; (v) Wolfden fails to diligently conduct, or ceases to diligently conduct, as applicable, exploration activities on the Pickett Mountain Project; or (vi) Wolfden fails to incur exploration expenses in respect of the Pickett Mountain Project of not less than US$5,000,000 in aggregate during the three year period ending on the third anniversary of the date of the Royalty Agreement.

Conversion Right

At any time after November 14, 2023, and, if the Timber Rights have not been transferred prior to November 14, 2018, at any time after November 14, 2018, Altius will have the right to convert the Pickett Mountain Royalty, in accordance with the terms of the Royalty Agreement, to cash or Common Shares, or a combination thereof (the "Conversion Right"). Upon the exercise of the Conversion Right, the Common Share consideration to be received by Altius will be equal to the lesser of: (a) the number of Common Shares that is equal in Royalty Value; and (b) the number of Common Shares that does not exceed 19.99% of all outstanding Common Shares on a partially diluted basis. The remaining balance of the Royalty Value is to be paid to Altius in cash. Under the Royalty Agreement, "Royalty Value" means an amount equal to the aggregate of: (i) all amounts paid by Altius to Wolfden (including the purchase price consideration paid by Altius) in respect of the Pickett Mountain Royalty, minus (ii) all Escrowed Proceeds received by Altius, minus (iii) all other payments received by Altius in respect of the Pickett Mountain Royalty. The Common Share conversion price is the greater of: (i) $0.05 per Common Share; and (ii) the volume weighted average trading price of the Common Shares on the TSXV (or any other principal exchange on which the Common Shares are trading) for the twenty consecutive trading days immediately preceding the date of the exercise of the Conversion Right. Upon the exercise of the Conversion Right and satisfaction of the payment thereof by Wolfden, any remaining Escrowed Proceeds will be released to Wolfden.

Exchange Right

Under the Royalty Agreement, Altius has the right to exchange the Pickett Mountain Royalty to a gross sales royalty in respect of the Orvan Brook property, which will be calculated and payable on the same terms as the terms of the Pickett Mountain Royalty in effect on the date of exchange, *mutatis mutandis*.

During the period ending June 30, 2019, Altius and Wolfden agreed to an amendment to their Offering and Subscription Agreements, dated November 14, 2017 whereby during any period when the common shares of Wolfden are trading on the Toronto Stock Exchange Venture Exchange at a volume-weighted average trading price of not less than $0.60 per common share for at least 20 consecutive trading days, it will, upon written request by Wolfden during such period, exercise its warrants. Altius currently holds 7,000,000 Wolfden common share purchase warrants priced at $0.35 per share with a termination date of November 15, 2022.

Other properties, Maine USA

On April 6, 2019, the Corporation's U.S. subsidiary entered into a land lease agreement on a property located in Maine, U.S.A. The agreement called for a first year lease payment of $25,000 USD.

New Brunswick, Canada

Tetagouche Property

On January 6, 2014, the Corporation closed a definitive purchase agreement (the "Agreement") to acquire a large strategic land package situated in the Bathurst Mining Camp and surrounding area in northeastern New Brunswick. Collectively, the property acquisition comprises land holdings totaling more than 20,000 hectares (the “Property”).

Wolfden acquired the Property from 8100896 Canada Inc., a wholly owned subsidiary of GeoVenCap Inc. (the "Vendor"). Pursuant to the terms of the Agreement, the Corporation purchased all of the Vendor's right, title and interest to and in the Property for cash consideration of $125,000 and 571,428 common shares of Corporation (the "Consideration Shares") having a value of $100,000. The Consideration Shares were subject to a four month hold period under applicable securities laws in Canada.

Orvan Brook Property

On January 3, 2017, the Corporation acquired through claim staking the Orvan Brook property located in the Bathurst Mining Camp, 35 kilometres west of the town of Bathurst, New Brunswick.

Clarence Stream Property Agreements

On August 2, 2016, the Corporation entered into a definitive option agreement (the "Option Agreement") with 2520885 Ontario Inc. and Galway Metals Inc. (collectively the "Optioner"), whereby Optioner agreed to acquire a 100% undivided interest in Wolfden's Clarence Stream property (the "Property"), located in southwestern New Brunswick.

In order to earn a 100% interest in the Property, the Optioner will make cash payments to Wolfden totaling $3,250,000 over a 3 year period (the "Option Period"). In addition, the Optioner will grant Wolfden a 1% Net Smelter Return Royalty (the "NSR") from any minerals produced on the Property; the Optioner can purchase the NSR from Wolfden at any time for the sum of $2,000,000. The Optioner has made all payments at of August 2019 in order to earn a 100% interest in the Property less the 1% NSR held by Wolfden.

Under the terms of the Option Agreement, the Optioner will make scheduled cash payments to Wolfden comprising $750,000 on signing of the Option Agreement (the "Effective Date") (payment received), $750,000 on or before the first anniversary of the Effective Date (payment received and included in "Gain on disposal of mineral properties" in 2017), $1,000,000 on or before the second anniversary of the Effective Date (payment received and included in "Gain on disposal of mineral properties' in 2018) and $750,000 on or before the third anniversary of the Effective Date. On July 9, 2019, the Corporation received $750,000 from Galway Metals Inc. as the final payment in relation to their Earn-in Option for completing a 100% interest in the Clarence Stream property. Wolfden retains a 1% NSR subject to buy back conditions held by Galway.

During the Option Period, the Optioner was solely responsible for carrying out and administering exploration, development and mining work on the Property and obtaining all regulatory and third party consents, approvals and authorizations to carry out such work.

Brunswick No. 6 West Property

On April 29, 2015, the Corporation acquired, by claim staking, the Brunswick No. 6 West property (the "Property). The wholly owned Property is located 20 kilometres southwest of the City of Bathurst, in the heart of the Bathurst Mining Camp.

Manitoba, Canada

Rice Island Property

On September 15, 2015, the Corporation acquired a 100% interest in the Rice Island nickel-copper deposit situated on the Rice Island property (the "Property") through claim staking. The Property is located in west-central Manitoba.

During the fourth quarter of 2015, a Notice of Dispute (the "Notice") was filed with the Province of Manitoba with respect to the Rice Island, Manitoba claims. Specifically, the Notice states that an individual (the "Disputant") has taken the position that one of the claims recorded in favour of Wolfden is invalid due to the existence of the Disputant's claims on the land prior to Wolfden's staking of the claim. Wolfden has responded to the Notice and is confident that it has clear and legal title to the subject claim as confirmed by the issuing of the recording certificate by the Manitoba Mining Recorder. This matter was brought to a resolution in conjunction with the signing of the Rice Island Tie-On Property ("RITOP") agreement described below.

On September 21, 2016, the Corporation entered into an option agreement to expand the Rice Island property by earning a 100% interest in the Rice Island Tie-On Property, located adjacent to Wolfden's existing Rice Island property. Under terms of the option agreement with the Vendor, to earn a 100% interest in the RITOP, the Corporation must make cash payments totaling $250,000 and issue 500,000 common shares of Wolfden annually over a five year period, on or before the anniversary date of the signing of the agreement. A $25,000 cash payment and the issuance of 100,000 common shares was completed on signing. In addition, the Corporation must incur $1,000,000 in exploration expenditures over the same five year period including $100,000 in the first year. This has been completed.

Upon earning a 100% interest in the RITOP, the Vendor retains a 2.5% Net Smelter Royalty on the RITOP as well as on the Rice Island property; of which, Wolfden can purchase 1.5% of the Net Smelter Royalty for the sum of $1,500,000 (0.5% increments at $500,000 per each increment) for each of the properties. Wolfden also retains the right of first refusal on the remaining 1.0% Net Smelter Royalty held by the Vendor for each of the RITOP and Rice Island property.

9. SHARE CAPITAL AND RESERVES

i. Authorized

The Corporation is authorized to issue an unlimited number of common shares.

ii. Details of share issuances

2019

Private Placement

On March 29, 2019, the Corporation completed a non-brokered (no agent) private placement with Kinross Gold Corporation (“Kinross”) of 12,500,000 shares of the Corporation (“Common Shares”) at a price of $0.20 per Common Share for gross proceeds of $2,500,000. The securities of the financing are subject to a four-month hold period under applicable Canadian securities laws, which expires July 30, 2019.

Shares Issued for Mineral Property

Rice Island

In respect of the option agreement related to the Rice Island Tie-On Property, on August 30, 2019 (see Note 8 - Exploration and Evaluation), the Corporation issued 100,000 common shares to the vendor. These were valued at $0.13 per common share, totaling $13,000.

2018

Private Placement

On January 6, 2018, the Corporation completed a non-brokered private placement (the "Offering") of 750,000 units of the Corporation at a price of $0.29 per Share for gross proceeds of $217,500 with a Director of the Corporation. Each Unit comprised of one common share of the Corporation (a "Common Share") and one half (1/2) of one common share purchase warrant of the Corporation (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of $0.61 for a period of 60 months from the closing date of the Offering. The shares issued under the Offering were subject to a four-month hold period that expired May 6, 2018.

(Stated in Canadian Dollars)

Shares Issued for Mineral Property

Rice Island

In respect of the option agreement related to the Rice Island Tie-On Property, on September 12, 2018 (see Note 8 - Exploration and Evaluation), the Corporation issued 100,000 common shares to the vendor. These were valued at $0.25 per common share, totaling $25,000.

iii. Warrants

The following table reflects the continuity of warrants as at September 30, 2019:

Expiry Date	Exercise Price $	2019 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2019 Closing Balance #
January 18, 2019	0.15	1,750,000	-	(1,750,000)	-	**-**
November 15, 2022	0.35	10,100,000	-	-	-	**10,100,000**
January 15, 2023	0.61	375,000	-	-	-	**375,000**
		12,225,000	-	(1,750,000)	-	**10,475,000**
Weighted average exercise price		0.33	-	0.15	-	**0.35**

The following table reflects the continuity of warrants as at December 31, 2018:

Expiry Date	Exercise Price $	2018 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2018 Closing Balance #
May 31, 2018	0.20	1,515,909	-	(1,515,909)	-	-
December 15, 2018	0.15	1,250,000	-	(1,250,000)	-	-
December 29, 2018	0.60	375,000	-	-	(375,000)	-
January 18, 2019	0.15	1,750,000	-	-	-	1,750,000
November 15, 2022	0.35	10,100,000	-	-	-	10,100,000
January 15, 2023	0.61	-	375,000	-	-	375,000
		14,990,909	375,000	(2,765,909)	(375,000)	12,225,000
Weighted average exercise price		0.30	0.61	0.18	0.60	0.33

iv. Share purchase option compensation plan

Share-based payments consists of the following amounts:

	For the nine months ended 2019 $	2018 $
Share purchase options	**220,071**	605,090
Restricted share units	**66,392**	-
	286,463	605,090

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2019
(with comparative figures for the year ended December 31, 2018)

Share-based payments consists of the following amounts:

	For the three months ended 2019 $	2018 $
Share purchase options	**66,043**	539,240
Restricted share units	**15,351**	-
	81,394	539,240

The Corporation has a share incentive plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Corporation. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Corporation at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Board of Directors which cannot exceed ten years.

Expiry Date	Exercise Price $	2019 Opening Balance #	Granted #	Exercised #	Expired/ Cancelled #	2019 Closing Balance #
March 09, 2022	0.75	1,465,000	-	-	(205,000)	**1,260,000**
February 05, 2019	0.25	100,000	-	-	(100,000)	**-**
August 29, 2019	0.15	855,000	-	-	(855,000)	**-**
August 18, 2021	0.13	1,100,000	-	-	(150,000)	**950,000**
March 09, 2022	0.14	50,000	-	-	-	**50,000**
July 20, 2022	0.14	1,095,000	-	-	(150,000)	**945,000**
December 29, 2022	0.53	600,000	-	-	-	**600,000**
July 10, 2023	0.30	2,440,000	-	-	-	**2,440,000**
February 12, 2024	0.30	-	300,000	-	-	**300,000**
April 29, 2024	0.20	-	600,000	-	-	**600,000**
June 26, 2024	0.20	-	200,000	-	-	**200,000**
September 01, 2024	0.20	-	200,000	-	-	**200,000**
		7,705,000	1,300,000	- *	(1,460,000)	**7,545,000** **
Weighted average exercise price		0.32	0.24	-	0.50	**0.29**

(Stated in Canadian Dollars)

The following table reflects the stock options outstanding as at September 30, 2018:

Expiry Date	Exercise Price $	2018 Opening Balance #	Granted #	Exercised #	Expired/ Cancelled #	2018 Closing Balance #
March 09, 2022	0.75	1,510,000	-	-	(45,000)	**1,465,000**
July 22, 2018	0.25	1,480,000	-	(1,188,750)	(291,250)	**-**
February 05, 2019	0.25	100,000	-	-	-	**100,000**
August 29, 2019	0.15	1,000,000	-	(140,000)	(5,000)	**855,000**
August 18, 2021	0.13	1,215,000	-	(115,000)	-	**1,100,000**
March 09, 2022	0.14	50,000	-	-	-	**50,000**
July 20, 2022	0.14	1,210,000	-	(115,000)	-	**1,095,000**
December 29, 2022	0.53	600,000	-	-	-	**600,000**
July 10, 2023	0.30	-	2,440,000	-	-	**2,440,000**
		7,165,000	2,440,000	(1,558,750)*	(341,250)	**7,705,000** **
Weighted average exercise price		0.32	0.30	0.21	0.22	**0.34**

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $87,800 was recorded as compensation for the December 29, 2022 options that vested during the period, $34,777 for the February 12, 2024 options that vested during the period, $64,495 for the April 29, 2024 options that vested during the period, and $33,000 for the September 1, 2024 options that vested during the period, totalling $220,071 recorded as compensation during the nine months ended September 30, 2019 (2018 - $539,240 was recorded as compensation for the July 10, 2023 options that vested during the period and $65,850 was recorded as compensation for the December 29, 2022 options that vested during the period). As of September 30, 2019 there were 600,000 unvested stock options (December 31, 2018 - 350,000 unvested stock options).

* No options exercised during the period (The weighted average share price at date of exercise of the options for the year ending December 31, 2018 - $0.23).
** The weighted average remaining life of the outstanding stock options is 3.53 years (December 31, 2018 - 3.78 years).

The corporation currently estimates the forfeiture rate to be nil.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	2019	2018
Risk-free interest rate	**1.19-1.82%**	1.07% - 1.63%
Annualized volatility	**102.28 - 104.87%**	110.06% - 119.96%
Expected dividend	**Nil**	NIL
Expected option life	**5 years**	5 years

v. Restricted share unit plan

During the period, 1,208,750 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation. Each RSU has the same value as one Wolfden Resources Corporation common share. The RSUs vest equally over a three year period, vesting on June 26, 2019, April 29, 2020 and April 29, 2021. The Corporation estimated a forfeiture rate of nil% for RSUs issued during the period. The RSUs are expected to be settled in cash.

(Stated in Canadian Dollars)

The share based payment liability for RSUs is $66,392 as at September 30, 2019 ($nil for December 31, 2018) based on the vesting conditions. A share based payment expense of $15,351 was recorded during the three months ending September 30, 2019, and $66,392 was recorded during the nine month period ending September 30, 2019. At September 30, 2019 there were 1,208,750,000 RSUs outstanding (December 31, 2018 - nil) and the fair value of the RSUs at September 30, 2019 was $193,400 ($nil at December 31, 2018).

10. LOSS PER SHARE

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Corporation as the numerator. No adjustments to loss were necessary in 2019 or 2018.

For the nine months ended September 30

	2019	2018
Numerator:		
Loss for the period	**(1,473,689)**	(3,117,663)
Denominator:		
Weighted average number of common shares	**125,315,654**	112,355,630
Basic and diluted loss per share	**(0.01)**	(0.03)

For the three months ended September 30

	2019	2018
Numerator:		
Loss for the period	**(283,125)**	(565,897)
Denominator:		
Weighted average number of common shares	**125,315,564**	112,355,630
Basic and diluted loss per share	**-**	(0.01)

(Stated in Canadian Dollars)

11. RELATED PARTIES TRANSACTIONS

The Corporation's related parties include key management personnel and entities over which they have control or significant influence as described below.

	Nature of transactions
2401794 Ontario Inc.	Facilities
DRAX Services Limited	Corporate secretarial and filing services

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The following are the related party transactions, recorded at the exchange amount as agreed to by the parties:

(a) Included in general and administrative expenses are amounts totaling $16,965 (2018 - $16,965) for rent paid to 2401794 Ontario Inc., a wholly-owned subsidiary of Premier Gold Mines Ltd., a company related to the Corporation through Ewan Downie, Ron Little, and John Seaman, who are all Directors of Wolfden and Premier.

(b) Included in general and administrative expenses are amounts totaling $9,000 (2018 - $9,031) for corporate secretarial services provided by DRAX Services Limited., related to the Corporation through Shaun Drake, Corporate Secretary of Wolfden.

Key management personnel remuneration includes the following amounts:

	For the nine months ended	
	2019	2018
	$	$
Salary and wages	**256,846**	191,692
Share-based payments	**87,800**	364,200
Other compensation	**12,625**	7,919
Director's fees	**43,096**	9,750
	400,367	573,561

Key management personnel remuneration includes the following amounts:

	For the three months ended	
	2019	2018
	$	$
Salary and wages	**85,615**	95,307
Share-based payments	**43,900**	298,350
Other compensation	**4,208**	2,438
Director's fees	**14,250**	9,750
	147,973	405,845

12. COMMITMENTS

The Corporation has commitments relating to an office lease, which includes rent, common cost, and co-op cost, expiring June 2020.

The minimum payments are as follows:

	$
2019	5,655
2020	6,882
	12,537

13. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Corporation's operations include the acquisition and exploration of mineral properties in Canada. The Corporation examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Corporation by those counterparties, less any amounts owed to the counterparty by the Corporation where a legal right of off-set exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Cash and cash equivalents - In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of six months or less and are cashable at any time. Limits are also established based on the type of investment, the counterparty and the credit rate.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Corporation will realize a significant loss as a result of a decline in the fair market value is limited as the Corporation holds all of its funds in cash and guaranteed investment certificates.

(Stated in Canadian Dollars)

Currency risk

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Corporation is the Canadian dollar, however it has operations located in the United States, and as such is subject to fluctuations in that currency. Changes in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Corporation's results of operations, financial position or cash flows. The Corporation has not hedged its exposure to currency fluctuations. At September 30, 2019, a 100 basis point decrease/increase in the U.S. Dollar would result in a foreign exchange gain/loss of approximately $827.

The Corporation does not invest in derivatives to mitigate these risks.

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy as at September 30, 2019.

	Level 1 $	Level 2 $	Level 3 $	**Total** $
Assets				
Investments	-	1,671,826	-	**1,671,826**

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy as at December 31 2018.

	Level 1 $	Level 2 $	Level 3 $	**Total** $
Assets				
Investments	-	759,091	-	**759,091**

14. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options, restricted share units, and warrants as capital, that as at September 30, 2019 totaled $33,761,612 (2018 - $30,765,804). The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares and, acquire or dispose of mineral properties.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.