Wolfden Resources Corporation

Consolidated Financial Statements
(Stated in Canadian Dollars)

For the three months ended March 31, 2020 and 2019

Wolfden Resources Corporation

WOLFDEN

Notice to Shareholders
For the three months ended March 31, 2020
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)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)

As at	**March 31 2020 $**	December 31 2019 $
ASSETS		
Current assets		
Cash and cash equivalents	**3,257,192**	312,646
Amounts receivable [note 5]	**27,754**	36,437
Prepaids	**8,219**	8,519
Investments [note 6]	**383,495**	716,017
Total current assets	**3,676,660**	1,073,619
Non-current assets		
Equipment [note 7]	**1,268**	1,368
Total assets	**3,677,928**	1,074,987
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**154,950**	268,151
Restricted share units *[note 9]*	**15,351**	15,351
Total current liabilities	**170,301**	283,502
EQUITY		
Share capital *[note 9]*	**32,189,785**	32,189,785
Equity settled employee benefits [note 9]	**1,727,492**	1,656,404
Other comprehensive income	**301,248**	(165,713)
Deficit	**(30,710,898)**	(32,888,991)
Total equity	**3,507,627**	791,485
Total liabilities and equity	**3,677,928**	1,074,987

Going concern [note 1]
Commitments [note 12]
Subsequent events [note 15]

See accompanying notes to the consolidated financial statements

These consolidated financial statements are authorized for issue by the Board of Directors on June 1, 2020.

They are signed on the Corporation's behalf by:

"Ron Little"	*"John Seaman"*
Director	Director

WOLFDEN

(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Stated in Canadian Dollars)

For the three months ending March 31

	2020 $	2019 $
		-
EXPENSES		
Depreciation [note 7]	**100**	94
Exchange loss (gain)	**(12,115)**	244
Exploration and evaluation expenses [note 8]	**389,666**	123,372
Flow through interest penalty	**4**	-
General and admin expenses [note 11]	**200,713**	203,581
Professional fees	**31,682**	10,170
Share-based payments [note 9]	**71,088**	55,328
TOTAL EXPENSES	**681,138**	392,789
Profit/ (Loss) before the following	**(681,138)**	(392,789)
Investment income	**17,479**	1,149
Other income [note 8]	**2,841,752**	252,326
	2,859,231	253,475
Profit/ (Loss) before income taxes	**2,178,093**	(139,314)
Income tax expense	**-**	85,231
Profit/ (Loss) for the year	**2,178,093**	(224,545)
Exchange differences on translation of foreign operations	**466,958**	56,009
Comprehensive Profit/ (Loss) for year	**2,645,051**	(280,554)
Basic and diluted Profit/ (Loss) per share [note 10]	**0.02**	-

See accompanying notes to the consolidated financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in Canadian Dollars)

For the three months ending March 31,

	2020 $	2019 $
OPERATING ACTIVITIES		
Profit/ Loss for the period	**2,178,093**	(224,545)
Add charges (deduct gains) to earnings not involving a current payment of cash		
Depreciation	**100**	94
Share based payments	**71,088**	55,328
	2,249,281	(169,123)
Changes in non-cash working capital related to operations		
Amounts receivable	**8,687**	158,302
Prepaids	**300**	6,748
Accounts payable and accrued liabilities	**(113,201)**	(555,484)
Taxes payable	**-**	65,687
Cash used in operating activities	**(104,215)**	(493,870)
INVESTMENT ACTIVITIES		
Redemption of investments, net	**332,522**	601,053
Cash provided by investment activities	**332,522**	601,053
FINANCING ACTIVITIES		
Proceeds from shares issued in private placements	**-**	2,500,000
Proceeds from the exercise of warrants	**-**	262,500
Cash provided by financing activities	**-**	2,762,500
Increase (decrease) in cash and cash equivalents during year	**2,477,588**	2,869,683
Cash and cash equivalents, beginning of year	**312,646**	272,050
Effect of foreign exchange on cash and cash equivalents	**466,958**	(56,009)
Cash and cash equivalents, end of year	**3,257,192**	3,085,724

See accompanying notes to the consolidated financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)

	Share Capital		Reserves			
Issued and outstanding:	Number of Shares	Share Capital	Equity Settled Employee Benefits	Foreign exchange differences	Deficit	Total Equity
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
Share-based payments *[note 9]*	-	-	55,328	-	-	55,328
Loss and comprehensive loss for the period		-	-	(56,009)	(224,545)	(280,554)
Balance as at March 31, 2019	**129,431,588**	**32,114,333**	**1,469,299**	**(134,036)**	**(30,793,655)**	**2,655,941**
Share-based payments *[note 9]*	402,917	62,452	187,105	-	-	249,557
Shares issued for mineral property [note 9]	100,000	13,000				13,000
Loss and comprehensive loss for the period		-	-	(31,677)	(2,095,336)	(2,127,013)
Balance as at December 31, 2019	129,934,505	32,189,785	1,656,404	(165,713)	(32,888,991)	791,485
Share-based payments [note 9]		-	71,088	-	-	71,088
Profit and comprehensive profit for the period		-	-	466,958	2,178,093	2,645,051
Balance as at March 31, 2020	**129,934,505**	**32,189,785**	**1,727,492**	**301,248**	**(30,710,898)**	**3,507,627**

See accompanying notes to the consolidated financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and
2019 (Stated in Canadian Dollars)

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. The office address of the Corporation is 1100 Russell Street, Unit 5 Thunder Bay, Ontario, P7B 5N2.

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 economics, health concerns and metal price volatility and there is no assurance management will be successful in its endeavours. At December 31, 2019, the Corporation has no ongoing source of operating cash flows but has earned approximately $3,927,000 from timber sales in the USA over the last two years. The Corporation incurred a net profit of $2,178,093 for the period ended March 31, 2020, (net loss of $224,545 for the period ended March 31, 2019) and has accumulated a deficit of $30,710,898 (March 31, 2019 - $30,793,655) since the inception of the Corporation. As at March 31, 2020, the Corporation had working capital of $3,506,359 (December 31, 2019 – $790,117) 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. For the period of three months ended March 31, 2020 the Corporation recorded timber sales net proceeds of $2,841,752 (US$ 2,363,591) (2019 $252,326 (US$ 189,799)), that are net of a 20% allocation to Altius as per a timber rights agreement on the Pickett Mountain Project, that was included in the working capital of the Corporation.

These material uncertainties cast significant doubt on the Corporation's ability to continue as a going concern. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable levels of operation. These 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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The condensed consolidated interim financial statements of the Corporation for the period ended March 31, 2020 were approved and authorized by the Board of Directors on June 1, 2020.

Basis of consolidation

The Corporation's consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events, or conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. Management also assesses the degree of autonomy the foreign operation has with respect to operating activities.

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, 2019, 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.

<u>Significant estimates</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and
2019 (Stated in Canadian Dollars)

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 March 31, 2020.

Accounting standard issued and effective January 1, 2019:

IFRS 16, Leases introduces new requirements for the classification and measurement of leases. The standard was 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 applied IFRS 16 with a date of initial application of January 1, 2019 using the modified retrospective approach, resulting in no restatement of prior year comparatives. The Corporation 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 periods beginning on or after January 1, 2019. The Corporation has adopted the Interpretation in its financial statements for the annual period beginning on January 1, 2019 and has determined that there is no material impact or disclosures required.

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 three months ending March 31, 2020

	Canada $	USA $	Total $
Segmented Assets	575,176	3,102,752	**3,677,928**
Segmented Liabilities	(126,502)	(43,799)	**(170,301)**
Operating Activities			
Depreciation	100	-	100
Flow-through interest penalty	4	-	4
Exchange loss	(851)	(11,263)	(12,115)
Exploration and evaluation expenses	29,624	360,042	389,666
General and administrative	227,048	(26,335)	200,713
Professional fees	31,604	78	31,682
Share-based payments	71,088	-	71,088
Total	**358,616**	**322,523**	**681,138**
Other items	17,479	2,841,752	2,859,231
Profit/ (Loss) for the year	**(341,137)**	**2,519,229**	**2,178,093**

(Incorporated under the laws of Ontario)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019 (Stated in Canadian Dollars)

For the three months ending March 31, 2019

	Canada $	USA $	Total $
Segmented Assets	2,862,544	427,449	**3,289,993**
Segmented Liabilities	(219,037)	(415,015)	**(634,052)**
Operating activities			
Depreciation	94	-	**94**
Flow-through interest penalty	-	-	**-**
Exchange loss	244	-	**244**
Exploration and evaluation expenses	93,568	29,804	**123,372**
General and administrative	202,826	755	**203,581**
Professional fees	10,000	170	**10,170**
Share-based payments	55,328	-	**55,328**
Total	**362,060**	**30,729**	**392,789**
Other items	(1,149)	(252,326)	**(253,475)**
Loss for the year	**360,911**	**(221,597)**	**139,314**

As at December 31, 2019

	Canada $	USA $	Total $
Segmented Assets	947,066	127,923	**1,074,989**
Segmented Liabilities	(197,385)	(86,117)	**(283,502)**

5. AMOUNTS RECEIVABLE

	2020 **$**	2019 $
Recoverable taxes (i)	**25,488**	36,437
Trade receivables	**2,265**	-
	27,754	36,437

(i) Recoverable taxes include Canadian harmonized sales tax receivable.

6. INVESTMENTS

At March 31, 2020, the Corporation holds an interest savings account of $383,495, which is a next day settlement and yielding 0.25%. (December 31, 2019 - $716,017 maturing April 09, 2020, yielding 1.75%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019 (Stated in Canadian Dollars)

7. EQUIPMENT

	Computer Equipment	Vehicles	Total
	$	$	$
Cost			
Balance, January 1, 2019	13,120	27,068	40,188
Write-down of assets		(27,068)	(27,068)
Balance, December 31, 2019	13,120	-	13,120
Balance, March 31, 2020	**13,120**	**-**	**13,120**
Accumulated depreciation			
Balance, January 1, 2019	11,382	24,659	36,041
Depreciation for the period	370	170	540
Write-down of assets	-	(24,829)	(24,829)
Balance, December 31, 2019	11,752	-	11,752
Depreciation for the period	100	-	100
Balance, March 31, 2020	**11,852**	**-**	**11,852**
Carrying amounts			
December 31, 2019	1,368	-	1,368
March 31, 2020	1,268	-	1,268

WOLFDEN

(Incorporated under the laws of Ontario)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019 (Stated in Canadian Dollars)

8. EXPLORATION AND EVALUATION

For the three months ended March 31, 2020

	Rice Island	**Pickett Mountain**	**Teta gouche**	**Orvan Brook**	**Other**	**Total**	Total inception to date
Analysis	-	-	-	-	-	-	809,118
Geological	175	61,134	-	-	11,829	73,139	2,305,489
Geophysical	280	18,115	-	-	1,818	20,213	2,295,424
Geochemical	-	3,320	-	-	2,252	5,572	220,721
Travel	-	12,900	-	-	3,107	16,007	632,561
Drilling	-	3,727	-	-	-	3,727	5,792,259
Property	-	100	-	-	28,893	28,993	747,311
Ops Support	2,700	40,793	-	300	5,579	49,372	258,956
Administration	91	769	-	-	7,032	7,892	744,386
Total	3,246	140,857	-	300	60,511	204,914	13,806,224
Other costs*	-	-	-	-	184,752	184,752	21,012,774
Total	3,246	140,857	-	300	245,263	389,666	34,818,998

For the three months ended March 31, 2019

	Rice Island	**Pickett Mountain**	**Teta gouche**	**Orvan Brook**	**Other**	**Total**	Total inception to date
Analysis	-	-	-	-	-		575,314
Geological	-	-	15,525	12,374	305	28,204	1,696,615
Geophysical	-	13,479	9,058	-		22,537	2,001,175
Geochemical	-	79	-	5,322	-	5,401	195,530
Travel	-	6,623	-	3,546		10,169	530,714
Drilling	-	5,375	-	-		5,375	5,000,984
Property	-	-	-	9,385		9,385	629,668
Ops Support	-	4,248	360	733		5,341	208,324
Administration	17,327	-	811	9,689		27,827	644,594
Total	17,327	29,804	25,754	41,049	305	114,239	11,487,899
Other costs*	91	-	7,450	-	1,592	9,133	20,717,491
Total	17,418	29,804	33,204	41,049	1,897	123,372	32,205,390

*Included in acquisition / development 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).

On January 22, 2020, the Corporation secured up to US$4.5 million in non-dilutive funding by selling-forward $5 million worth of timber from its Pickett Mountain Property. Under the terms of the agreement the Corporation received US$3 Million and is entitled to receive an additional US$1.5 million between the 4th and 5th anniversary of the agreement. The timber company has the right to harvest US$5 million of timber from the property over 5 years. For the period of three months ended March 31, 2020, the Corporation recorded net timber sales proceeds of $2,841,752 (US$ 2,363,591), that are net of 20% allocated to Altius as per the Royalty Agreement (2019 - $252,326). 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 mineral rights earn-in agreement on a property located in Maine, U.S.A. The agreement called for a first year 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 (the ""Property"") situated in the Bathurst Mining Camp and surrounding area in northeastern New Brunswick."

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 the Optioner has 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 as 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 is 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 at Wekusko Lake, just east of the Snow Lake concentrator complex owned by Hudbay Minerals Inc."

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. As at December 31, 2019, the exploration commitments have 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 shares issued under the Offering were subject to a four- month hold period that expired 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.

iii. Warrants

The following table reflects the continuity of warrants as at March 31, 2020:

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Expiry Date	Exercise Price $	2020 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2020 Closing Balance #
November 15, 2022	0.35	10,100,000	-	-	-	**10,100,000**
January 15, 2023	0.61	375,000	-	-	-	**375,000**
		10,475,000	-	-	-	**10,475,000**
Weighted average exercise price		0.31	-	-	-	**0.31**

The following table reflects the continuity of warrants as at December 31, 2019:

Expiry Date	Exercise Price $	2019 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2019 Closing Balance #
January 18, 2020	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**

iv. Share purchase option compensation plan

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.

The following table reflects the stock options outstanding as at March 31, 2020:

Expiry Date	Exercise Price $	2020 Opening Balance #	Granted #	Exercised #	Expired/ Cancelled #	2020 Closing Balance #
March 09, 2022	0.75	1,260,000	-	-	-	**1,260,000**
August 18, 2021	0.13	950,000	-	-	-	**950,000**
March 09, 2022	0.14	50,000	-	-	-	**50,000**
July 20, 2022	0.14	945,000	-	-	-	**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**
		7,545,000	-	-	-	**7,545,000**
Weighted average exercise price		0.34	-	-	-	**0.29**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The following table reflects the stock options outstanding as at December 31, 2019:

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**

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $65,850 was recorded as compensation for the December 29, 2022 options that vested during the period, $3,240 for the February 12, 2024 options that vested during the period and $1,997 for the April 29, 2024 options that vested during the period (2019- 87,800 for the December 29, 2022 options that vested during the year, $39,568 was recorded as compensation for the February 12, 2024 options that vested during the year, $72,966 was recorded as compensation for the April 29, 2024 options that vested during the year, and $42,100 was recorded as compensation for the September 1, 2024 options that vested during the year, totaling $242,433 for the year ended December 31, 2019). As of March 31, 2020, there were 325,000 unvested stock options (December 31, 2019 - 400,000 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, 2019 - $0.32).

** The weighted average remaining life of the outstanding stock options is 4 years (December 31, 2019 – 4.2 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:

	2020	2019
Risk-free interest rate	**-**	1.633% - 1.822%
Annualized volatility	**-**	104.87% - 119.96%
Expected dividend	**-**	NIL
Expected option life	**-**	5 years

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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 2020 or 2019.

	2020	2019
Numerator:		
Profit/(Loss) for the period	**2,178,093**	(280,554)
Denominator:		
Weighted average number of common shares	**129,934,505**	116,878,810
Basic and diluted loss per share	**0.02**	-

11. RELATED PARTY 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 $5,657 (2019 - $22,627) 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.

Key management personnel remuneration includes the following amounts:

	2020 $	2019 $
Salary and wages	**122,303**	90,461
Share-based payments	**71,088**	43,900
Other compensation	**-**	4,208
Directors fees	**14,250**	9,750
	207,641	148,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and
2019 (Stated in Canadian Dollars)

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 for 2020 are $10,349.

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 offset exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

- Investments
  In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of one year 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.

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.

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 March 31, 2020.

2019 (Stated in Canadian Dollars)

	Level 1 $	Level 2 $	Level 3 $	**Total** $
Assets				
Investments	-	383,495	-	**383,495**

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, 2019.

	Level 1 $	Level 2 $	Level 3 $	**Total** $
Assets				
Investments	-	716,017	-	**716,017**

12. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options and warrants as capital, that as at March 31, 2020 totaled $33,917,277 (2019 - $33,846,189). 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.

13. SUBSEQUENT EVENTS

Share Issuance

In May 2020, 402,917 RSU’s were exercised by management and consultants into common shares of the Corporation.

Effects of COVID-19.

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Corporation has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the three months ended March 31, 2020 have not been adjusted to reflect their impact. The Corporation has been monitoring the COVID-19 outbreak and the potential impact at all of its operations and has put measures in place to ensure the wellness of all of its employees and surrounding communities where the Corporation works while continuing to operate. Currently, fieldwork has been halted on all of our projects and all corporate personnel travel has been restricted to absolute minimum requirements and employees have been encouraged to work remotely. With respect to our operations or work locations in Canada and the USA, we have implemented the typical control measures for dealing with the outbreak of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Corporation. We expect that procedures will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as more becomes known about the virus.