



# **WOLF DEN**

**Wolfden Resources Corporation**

**MANAGEMENT'S DISCUSSION & ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Form 51-102F1**

For the three and nine months ended September 30, 2021 and 2020  
(Stated in Canadian Dollars)



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

**Date of Report: November 25, 2021**

## **General**

---

The following Management's Discussion and Analysis ("MD&A") of Wolfden Resources Corporation should be read in conjunction with the consolidated financial statements for the three and nine months ended September 30, 2021 with a comparative period for the three and nine months ended September 30, 2020 and the notes thereto. The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of November 25, 2021, and all information is current as of such date. Readers are encouraged to read the Corporation's public information filings on SEDAR at [www.sedar.com](http://www.sedar.com).

This discussion provides management's analysis of Wolfden's historical financial and operating results and provides estimates of Wolfden's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, reliance should not be placed on forward-looking statements. Wolfden's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that Wolfden will derive there from. Wolfden disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

## **Corporate Overview**

---

Wolfden Resources Corporation (the "Corporation" or "Wolfden") was incorporated under the laws of the Province of Ontario on August 12, 2009.

On October 18, 2012 the Corporation completed its initial public offering and received approval from the TSX Venture Exchange to list its common shares on the TSX-V as a Tier 1 Mining Issuer and began trading under the symbol WLF.

## **Quarterly Operational Highlights**

---

Wolfden Resources Corporation is engaged in the exploration and development of mineral properties in North America focusing on metals that power the grid and support the EV market. One of the flagship properties is the wholly owned high-grade (Zn, Pb, Cu, Ag, Au) VMS Pickett Mountain Project in Maine, USA (the "Project"). Located close to excellent infrastructure, the Corporation plans to complete sufficient exploration, definition and expansion drilling and various technical studies in order to demonstrate the economic potential for an underground mining scenario on the Project. In addition, the Corporation has two reasonably well defined nickel sulphide deposits and associated numerous exploration targets in Manitoba and two large scale silver-rich hydrothermal prospects in rocks that extend from Maine to New Brunswick.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

**Exploration and Field Work**

Exploration work during the period included drill programs at Pickett Mt. and Big Silver in Maine, field work on the silver projects in New Brunswick in advance of a drill program, and geological modelling in advance of mineral resources estimates planned for Pickett Mt., Rice Island and Nickel Island before year end.

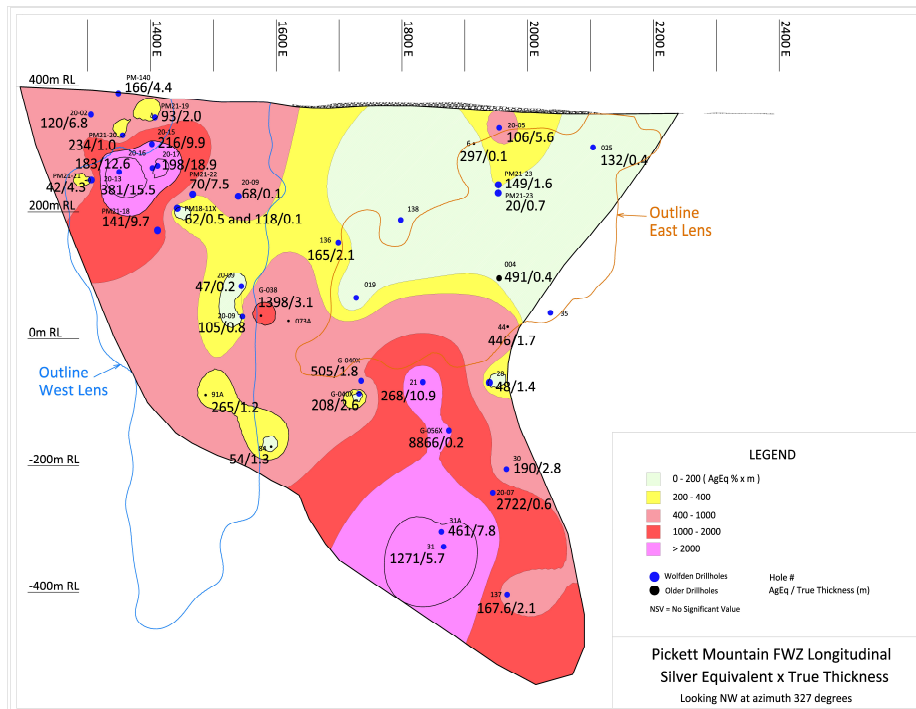
**Pickett Mountain – Maine**

Efforts during the quarter included soil surveys and a drill program. A total of 453 soil samples were collected and a total of 653 metres of diamond drilling in three holes was completed in Q3. All of the holes targeted extensions the Footwall Lens (FWZ) that occurs approximately 200 metres to the North and stratigraphically under the East Lens. The holes intersected stringer to semi-massive sulphide mineralization while targeting higher grade silver mineralization and previous positive results.

Modelling of the FWZ and the margins of the West Lens where previous drilling had intersected multiple massive sulphide zones, have been included in a mineral resource update released during Q4 2021. New stringer zone type mineralization was discovered north of the FWZ which returned a best intercept of 13.17% ZnEq over 1.9 metres (estimated true width 1.4 metres) in hole PM21-25. Down hole geophysical surveys are planned in the two holes drill in this area.

An updated FWZ long section is presented below showing color contoured silver equivalent grades over estimated true widths. Along with elevated silver values, some intercepts also contained significant amounts of zinc, lead and copper.

**FWZ Long Section with color-contoured AgEq g/t over estimated true width**



A second, silver-enriched time horizon (or a fourth lens), with potential to host economic silver and base metal mineralization, has been further defined in the recent drill programs. Future exploration will target both of the silver-rich targets.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

*Pickett Mountain Preliminary Economic Assessment*

On November 2, 2020 the Corporation filed on SEDAR an independent technical report entitled "National Instrument 43-101 Technical Report, Preliminary Economic Assessment Pickett Mountain Project, Penobscot County, Maine, USA" with an effective date of September 14, 2020. Highlights of the economic study were previously announced by the Corporation in a news release dated September 14, 2020. Much of the work in this PEA was previously used and further refined from the rezoning petition that was filed in January 2020.

Highlights of the 2020 PEA Base Case Financial Model are as follows:

- 37% After-tax IRR
- US\$ 198 million After-tax NPV8% to Wolfden
- US\$ 147 million initial capital expenditure including a 20% contingency and closure costs
- 2.4 year Payback
- 0.38 \$/lb Zinc AISC

**Note: The PEA financial model used consensus metal prices assumptions of \$1.15/lb Zinc, \$1.00/lb Lead, \$3.00/lb Copper, \$18.00/oz Silver and \$1,500/oz Gold.**

Mineral Resources used in the PEA Mine Plan

The mineral resource used in the PEA includes indicated and inferred resources and is a restatement of the January 7<sup>th</sup>, 2019 mineral resource statement using a 7% cutoff grade (or an NSR value of \$139/t) rather than the previous 9% cutoff grade (\$178/t NSR). The same methodology used in the 2019 estimate was applied to the updated estimate where the metal prices were not updated (to those used in the PEA financial model) and no additional information was either included or excluded. Infill drill results since the 2019 resource estimate are expected to upgrade the mineral resource and could potentially lead to an increase.

Pickett Mt. Mineral Resource Statement as of September 14, 2020

	Tonnes	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Density	ZnEq %
Indicated Resource	2,177,000	9.25	3.68	1.32	96.4	0.9	3.98	18.23
Inferred Resource	2,294,000	9.79	3.88	1.15	101.1	0.9	3.99	18.62

The mineral resources were estimated using the metal prices of US\$1.20/lb Zn, \$2.50/lb Cu, \$1.00/lb Pb, \$16.00/oz Ag, and \$1,200/oz/Au, using a 7% cutoff grade that equates to an NSR cut-off of \$139/tonne at the same metal prices. An average recovery of 75% for all metals was assumed. A 10% mining dilution at zero grade was only added to the financial model which also used different metal prices.

*Pickett Mountain Re-zoning Application Status*

The Company filed an updated rezoning application on September 1, 2021, only to withdraw the application on October 5, 2021 at a meeting with the Maine LUPC. The Company will re-apply in due course. See subsequent events.

**Big Silver – Maine**

Efforts during the quarter work included soil surveys and the commencement of a drill program, with two holes completed in 417 metres. This work included 1,135 soil samples and 164 core samples were collected and sent to the laboratory for analysis.

**Silver Projects – New Brunswick**

Trenching, soil sampling and an induced polarization (IP) survey continued in New Brunswick on the California Lake, Bear Creek and Restigouche silver prospects with 985 metres of trenching and 28.6 line kilometres of IP completed at the end of Q3, 2021. Initial soil results have validated the multiple historic high



## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

quality soil anomalies that parallel previous high-grade silver drill results with IP data expected to refine trenching and drill hole targeting. Modelling of the silver zones has been completed at California Lake where a follow-up drill program commences in early October.

### **Rice Island – Manitoba**

The Rice Island Ni-Cu-Co-PGE sulphide deposit is comprised of a U-shaped 'keel' of higher-grade mineralization where previous drilling returned intercepts of up to 14.7 metres grading 3.63% nickel, 1.13% copper, 0.12% cobalt (March 22, 2016, true width approx. 5m) and a 'feeder-dyke-type' zone that returned intercepts of up to 21.1 metres of 2.4% nickel, 1.3% copper and 0.16 g/t PGE2 (April 12, 2016, true width approx. 10.6m) (see Figure 1). A historical inferred mineral resource (non 43-101 compliant) was reported as 5.5 million tonnes at a grade of 1.1% nickel, 0.7% copper and 0.07% cobalt. The potential tonnage and grade of the historical resource is conceptual in nature and should not be relied upon. The Keel Zone has been traced for 600 metres and remains open down-plunge while the Feeder Zone is open along strike and at depth. The Feeder Zone was not included in the historical inferred resource.

An updated geological model and an onsite visit by an independent consultant was completed during the quarter in order for the Corporation to produce an NI43-101 compliant mineral resources estimate, that is expected before year end.

Funding of the drill program and exploration work in 2021 includes a \$230,000 grant from the Manitoba Government Mineral Development Fund, that is subject to certain conditions. An interim report has been submitted to support partial payment of the grant. A final report is in progress and the Company foresees the ability to access all of the grant with the ongoing work in 2021.

The Corporation has also identified other potential nickel bearing targets, similar to Rice Island and plans to complete ground geophysical surveys in advance of the next drill program planned for Q1 2022.

#### **The Next Rice Island Drill Program**

Follow-up drilling is warranted and planned for Q1 2022 following the completion of additional mineral resources modelling. One of the highest priorities is to test for further expansion of the Keel Zone down plunge and its north and south limbs. In addition, the down plunge extension of the Feeder Zone and several other, untested geophysical targets and those reported intersections of ultramafic rocks, with associated conductive zones. Several other targets have been identified and plans include ground geophysics in late Q4 to further prioritize the 2022 drill program.

### **Nickel Island – Manitoba**

Similar to Rice Island, modeling and independent consultant work was completed in advance of an initial NI43-101 compliant resource estimate for Nickel Island, expected before year end or early in Q1 2022. Planning is underway for a potential drill program in Q1 2022.

The Company had applied for a grant from the Manitoba Government Mineral Development Fund to advance the Nickel Island as well, which was returned with a favorable response. The program, had to be deferred until to 2022, for logistical reasons and the Company is hopeful that the grant remains available for the planned 2022 winter program.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

## Results of Operations

The following table provides selected financial information and should be read in conjunction with the Corporation's audited financial statements for the periods below.

	Year ended December 31, 2020 \$	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
<b>Operations</b>			
Other Income	3,140,880	1,183,436	1,378,770
Loss for the year	(624,185)	(2,319,881)	(5,151,919)
Comprehensive loss for the year	(627,534)	(2,407,567)	(5,229,946)
Basic and diluted loss per share	(0.00)	(0.02)	(0.05)
<b>Balance Sheet</b>			
Working capital	544,146	790,117	114,520
Total assets	1,000,993	1,074,987	1,242,516
Total liabilities	(455,837)	(283,502)	(1,123,849)

## Summary of Quarterly Results

The following table sets out selected quarterly financial data for the most recently completed interim quarters:

Quarter	2021 Third (\$)	2021 Second (\$)	2021 First (\$)	2020 Fourth (\$)	2020 Third (\$)	2020 Second (\$)	2020 First (\$)	2019 Fourth (\$)	2019 Third (\$)
Investment income	1,970	1,376	197	472	879	1,285	17,479	4,248	8,127
Operating expenses	1,100,093	862,684	1,313,973	1,307,330	1,312,579	716,941	681,138	871,410	1,225,159
Operating profit/(loss)	(982,823)	(763,292)	(1,313,776)	(1,007,730)	(1,311,700)	(715,656)	2,178,093	(807,479)	(283,125)
Comprehensive income/(loss)	(990,674)	(778,659)	(1,320,294)	(1,301,434)	(1,150,088)	(821,065)	2,645,051	(869,482)	(269,934)
Profit/(loss) per share	(0.01)	(0.01)	(0.01)	(0.0)	(0.01)	(0.01)	0.02	-	-

Quarter on quarter, the Corporation has seen the loss vary depending primarily on the amount of exploration expenditures, as well as financing available, while managing to keep a control on the administrative expenses, with slight variances due to personnel levels.

## Overall Performance

The comprehensive loss for the three months ended September 30, 2021 was \$990,674 which was a decrease of \$159,414 over the comprehensive loss for three months ended September 30, 2020 of \$1,150,088. Furthermore, a loss of \$3,059,763 has been recorded for the nine months ended September 30, 2021, as compared to the profit of \$383,543 for the same period of previous year, mainly due to no timbers sales during the period in 2021 versus three years of advanced timber sales during the same period in 2020. Exploration and evaluation expenses decreased from \$1,013,237 to \$766,257 with the additional work on Rice Island in 2021 for the same reason, the general and administrative expenses increased from



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

\$261,509 to \$334,664 for the three months ended September 30, 2021 when compared with 2020. The share based payments have increased to \$54,350 as compared to \$17,243 in 2020 due to the fact that the 2020 annual compensation bonuses were award during the period instead prior to year end for the previous year.

The major components of general and administrative costs for the nine months ended September 30, 2021 include contractors' filing services fees of \$ 50,723, transfer agent fees \$28,795, legal fees of \$61,117, director fees of \$64,672 and investor relation expenses of \$ 105,081.

The Corporation recorded \$1,970 in investment revenue for the three months ended September 30, 2021 as compared to \$879 in the previous year.

### Exploration and Evaluation Expenditures

The Corporation incurred exploration and evaluation expenditures of \$1,802,592 for the nine months ended September 30, 2021, the breakdown of exploration and evaluation for the period is as follows:

**For the nine months ended September 30, 2021**

	<b>Manitob a Nickel</b>	<b>Pickett Mountain</b>	<b>Teta- gouche</b>	<b>Big Silver</b>	<b>For the period in 2021</b>	<b>Total inception to date</b>
Analysis	-	103,434	3,780	1,846	109,060	939,586
Geological	122,094	140,173	110,353	22,309	394,929	3,480,479
Geophysical	24,430	1,006	63,721	3,386	92,542	2,760,451
Geochemical	-	-	11,926	-	11,926	295,635
Travel	-	27,314	909	7,581	35,804	690,575
Drilling	292,610	409,820	30,000	-	732,429	7,197,297
Property Work	-	14,307	-	18,814	33,121	753,500
Ops Support	11,796	86,046	13,042	14,031	124,916	487,175
Administration	-	516	-	-	516	752,122
General Expense	-	16,734	400	2,630	19,763	19,763
Site Acquisition Costs	-	-	-	12,219	12,219	12,219
Mine Permitting Exp	-	235,367	-	-	235,367	235,367
<b>Total Exploration</b>	<b>442,526</b>	<b>1,034,716</b>	<b>234,132</b>	<b>82,815</b>	<b>1,802,592</b>	<b>17,624,169</b>
Other costs*	-	-	-	-	-	21,133,497
<b>Total</b>	<b>442,526</b>	<b>1,034,716</b>	<b>234,132</b>	<b>82,815</b>	<b>1,802,592</b>	<b>38,757,666</b>



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

**For the three months ended September 30, 2021**

	<b>Manitoba Nickel</b>	<b>Pickett Mountain</b>	<b>Teta- gouche</b>	<b>Big Silver</b>	<b>For the period in 2021</b>	<b>Total inception to date</b>
Analysis	-	40,414	3,780	1,846	46,040	939,586
Geological	8,770	35,096	69,258	9,736	122,860	3,480,479
Geophysical	-	-	38,459	-	38,459	2,760,451
Geochemical	-	-	11,926	-	11,926	295,635
Travel	-	13,068	608	7,581	21,257	690,575
Drilling	-	319,477	30,000	-	349,477	7,197,297
Property Work	-	13,807	-	18,814	32,621	753,500
Ops Support	-	14,200	7,700	9,692	31,592	487,175
Administration	-	-	-	-	-	752,122
General Expense	-	15,293	400	2,630	18,323	19,763
Site Acquisition Costs	-	-	-	-	-	12,219
Mine Permitting Exp	-	93,702	-	-	93,702	235,367
Total Exploration	8,770	545,056	162,132	50,298	766,257	17,624,169
Other costs*	-	-	-	-	-	21,133,497
<b>Total</b>	<b>8,770</b>	<b>545,056</b>	<b>162,132</b>	<b>50,298</b>	<b>766,257</b>	<b>38,757,666</b>

\*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 sell or transfer the timber from the project for gross proceeds of US\$5,000,000 or such other amount as agreed to by Wolfden and Altius, acting reasonably (the "Timber Proceeds"). Wolfden is required to pay Altius 20% of the Timber Proceeds. These terms as shown were amended from the original agreement on October 7, 2020.

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





## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

from the property over 5 years. For the year ended December 31, 2020, the Corporation recorded net timber sales proceeds of \$3,140,880 (US\$ 2,400,000), that are net of 20% (US\$600,000) that was passed onto to Altius as per the Royalty Agreement (2019 - \$252,326). The entire amount of the proceeds was recognized as no further performance obligation is required by the Corporation. 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 conversion right and exchange right. The Call Right, which related to Altius's call option on the Timber Rights, was eliminated in the October 7, 2020 amendment of the Royalty Agreement as a direct result of the Corporations January 22, 2020 \$4.5 M timber sale agreement which by effect, eliminated the possibility for any potential call option on those Timber Rights. Each or the other two rights are valid and are summarized below.

### *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.

### *Timber Agreements*

On January 22, 2020, the Corporation secured up to US\$4.5 million in non-dilutive funding for its exploration projects by selling-forward timber from its wholly owned Pickett Mountain Zn-Pb-Cu-Ag-Au Project in Maine, USA. Under the terms of a 5 year stumpage agreement with a privately owned Maine timber company, the Corporation received US\$3 million upon closing 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. In addition, the timber company also granted Wolfden an option to earn a 100% interest (less an NSR) in the mineral rights of the property that adjoins Pickett Mountain as well as long-term road access rights for the current forest road used to reach the Pickett Mountain deposit from the state highway #11. As part of the Altius Royalty agreement on Pickett Mt., dated November 2017 and as amended on October 7, 2020, Altius is entitled to 20% of the gross timber sales and therefore only 80% of the timber proceeds are reported as revenues by the Corporation.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

**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- and second-year payment of \$25,000 USD, both of which have been paid.

On November 30, 2020, the Corporation's U.S. subsidiary entered into a mineral rights earn-in agreement on a property in Maine referred to as the Big Silver Project. The agreement called for a first-year payment of \$50,000 which has been paid. The Corporation is assessing the project and compiling the historical data so that it can be in a position to drill some confirmation holes in H2 2021.

**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, 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 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 (payment received and included in "Gain on disposal of mineral properties" in 2019). 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.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

***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 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.

**Liquidity and Capital Resources**

---

The Corporation's cash and cash equivalents balance was \$4,881,311 as at September 30, 2021 compared to \$2,154,475 as at September 30, 2020. Current assets as at September 30, 2021 were \$4,942,496 and total assets as at September 30, 2021 were \$4,943,300.

***Operating Activities***

For the nine months ended September 30, 2021, the Corporation used \$2,703,571 in cash related to operating activities. The non-cash charges to earnings included depreciation of \$206 and share-based payments of \$532,333. During the year, the majority of the cash used in operating activities can be attributed to the funding of day to day operations.

***Financing Activities***

For the nine months ended September 30, 2021, the Corporation received cash of \$ 6,642,200 through private placements and exercise of stock options.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

## Outstanding share data

---

### Common Shares

The Corporation's authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2021, 152,818,670 common shares were issued.

### 2021

#### Private Placement # 1

On January 27, 2021, the Corporation completed a non-brokered (no agent) private placement of 6,250,000 common shares of the Corporation at a price of \$0.32 per Common Share with Altius Mineral Corporation ("Altius") and Kinross Gold Corporation ("Kinross") for gross proceeds of \$2,000,000 ("the Offering"). Altius now holds approximately 12.6% and Kinross holds approximately 11.4% of the issued and outstanding shares of the Corporation.

#### Private Placement # 2

On February 24, 2021, the Corporation completed a non-brokered (no agent) private placement of 1,550,000 common shares of the Corporation that are "flow through shares" within the meaning in the Income Tax Act (Canada) at a price of \$0.40 per Common Share for gross proceeds of \$620,000.

#### Private Placement # 3

On March 30, 2021, the Corporation completed a non-brokered (no agent) private placement of 12,725,000 unit of the Corporation at a price of \$0.32 per unit for gross proceeds of \$4,072,000. Each unit is comprised of one common share of the Corporation (a "Common Share") and one half of a common share purchase warrant of the Corporation (each whole warrant, a "Warrant"). Each whole purchase warrant can be converted in one common share of the Corporation at a price of \$0.45 for two years, subject to acceleration in certain circumstances.

### 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. On August 17, 2020, the Corporation further issued 100,000 shares to the vendor valued at \$0.28 per common share, totaling \$28,500.

### Warrants

The following table reflects the share purchase warrants outstanding as at September 30, 2021:

Warrant Expiry Date	Exercise Price	Warrants Outstanding
	\$	#
November 15, 2022	0.35	10,100,000
January 15, 2023	0.61	375,000
March 30, 2023	0.45	6,362,500
Total	0.39	16,837,500



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

*Stock Options*

The following table reflects the stock options outstanding as at September 30, 2021:

Expiry Date	Exercise Price	2021 Opening Balance	Granted	Exercised	Expired/ Cancelled	2021 Closing Balance
	\$	#	#	#	#	#
March 09, 2022	0.75	1,080,000	-	-	(80,000)	1,000,000
August 18, 2021	0.13	710,000	-	(690,000)	(20,000)	-
July 20, 2022	0.14	710,000	-	-	(20,000)	690,000
December 29, 2022	0.53	600,000	-	-	-	600,000
July 10, 2023	0.30	2,390,000	-	-	-	2,390,000
April 29, 2024	0.30	600,000	-	-	(70,000)	530,000
June 26, 2024	0.20	200,000	-	-	-	200,000
September 1, 2024	0.20	200,000	-	-	-	200,000
July 13, 2025	0.20	200,000	-	-	-	200,000
February 4, 2026	0.32	-	1,750,000	-	-	1,750,000
April 27, 2026	0.32	-	200,000	-	-	200,000
<b>Total</b>		<b>8,440,000</b>	<b>1,950,000</b>	<b>(690,000)</b>	<b>(190,000)</b>	<b>7,760,000</b>
Weighted Average exercise price		0.34	0.32	0.13	0.45	0.35

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$2,361 was recorded as compensation for the July 17, 2025 options that vested during the period and \$42,684 was recorded as compensation for the April 27, 2027 options (2020- 65,850 for the December 29, 2022 options that vested during the year, \$8,035 was recorded as compensation for the April 29, 2024 options that vested during the year and \$18,221 for the July 17, 2025 options that vested during the year). As of September 30, 2021, there were 100,000 unvested stock options (December 31, 2020 - 100,000 unvested stock options).

690,000 options were exercised during the period. The weighted average of these options was \$0.13 (The weighted average share price at date of exercise of the options for the year ending December 31, 2020 - \$0.34) The Corporation credited \$170,175 to the share capital in respect of shares issued.

\*\* The weighted average remaining life of the outstanding stock options is 2.55 years (December 31, 2020 – 2.43 years).

The Corporation currently estimates the forfeiture rate to be nil.

*Restricted Share Units*

1,070,000 Restricted Share Units ("RSUs") were issued in 2020 under the restricted share unit plan of the Corporation. The RSUs vest equally over a three year period, vesting on August 31 2020, April 29, 2021 and April 29, 2022. Each RSU has the same value as one Wolfden Resources Corporation common share. Additional, 1,208,750 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation in 2019. The RSUs vest equally over a three year period, vesting on June 26, 2019, April 29, 2020 and April 29, 2021 .The RSUs are expected to be settled in equity and are therefore accounted for as equity instruments.

A share based payment expense of \$9,305 (\$248,399 for December 31, 2020 ) was recorded for the period ended September 30, 2021. During the year, 759,584 shares vested at \$.035 per share and the Corporation credited \$231,763 to share capital in respect of the shares issued. As at September 30, 2021, there were 356,667 RSU's outstanding (December 31, 2020 – 1,116,250). The RSU's may be converted into common shares of the Corporation, at the option of the Corporation.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

### 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

---

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 is the related party transaction, recorded at the exchange amount as agreed to by the parties:

- (a) Included in general and administrative expenses are amounts totaling \$11,313 for 2020 (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. Rent agreement with 2401794 Ontario Inc was terminated as of June 30, 2020.

Key management personnel remuneration includes the following amounts:

For the nine months ended September 30	2021 \$	2020 \$
Salary and wages	190,812	371,399
Share-based payments	271,023	115,625
Other compensation	18,000	-
Directors fees	53,625	42,750
Total	533,640	529,774

For the three months ended September 30	2021 \$	2020 \$
Salary and wages	89,626	137,960
Share-based payments	9,305	17,243
Other compensation	4,793	-
Directors fees	25,126	14,250
Total	128,850	169,453

### Commitments

---

#### Flow-through renunciation

On February 24, 2021, the Corporation completed a flow-through financing to raise \$620,000. The Corporation renounces 100% of the flow-through raised at year end. The Corporation has until February 1, 2022 to incur expenditures before monthly interest charges begins to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. Of the \$620,000 in flow-through financing raised in 2021, the Corporation has incurred more than \$ 620,000 in exploration expenses, and thus no more funds remain to be spent by February 1, 2022.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three and nine months ended September 30, 2021 and 2020

### Critical Accounting Estimates and Judgements

---

In the application of the Corporation's accounting policies, which are described in Note 2, 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.

### Recent Accounting Pronouncements

---

The accounting policies adopted in the preparation of these consolidated financial statements have been prepared on the basis of all IFRS and interpretations effective as at September 30, 2021.

#### *New and Revised IFRSs, Narrow Scope Amendments to IFRSs and IFRS Interpretations not yet Effective:*

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2021. There are currently no such pronouncements that are expected to have a significant impact on the Company's consolidated financial statements upon adoption; however, the pronouncement below may have a significant impact in future periods.

#### *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16):*

These amendments clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit entities from deducting amounts received from selling items produced from the cost of property, plant and equipment while the Company is preparing the asset for its intended use. Instead, sales proceeds and the cost of producing these items will be recognized in the consolidated statements of operations. The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The amendments apply retrospectively, but only to assets brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments.



## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

Of the standards and interpretations that are issued, but not yet effective, none of them are expected to have any significant impact on the Corporation's financial statements in the near future.

### **Financial Instruments**

---

Financial instruments consist of cash and cash equivalents, amounts receivable, investments, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the short term to maturity, unless otherwise noted.

### **Risk Factors**

---

An investment in the Corporation involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating the Corporation and its business before making any investment decision in regard to the common shares of the Corporation. The Corporations' business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Corporation. Additional risks not presently known to us may also impair business operations.

#### *Exploration and Mining Risks*

The Corporation is engaged in mineral exploration and development activities. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors beyond our control.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on our financial position.

The Corporation relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

#### *Financing Risks*

The Corporation is limited in financial resources, and as a mineral exploration company has no source of operating cash flow. The Corporation has no assurance that additional funding will be available to us for further exploration and development of our projects or to fulfill our obligations under any applicable agreements. There can be no assurance that we will be able to obtain adequate financing in the future, or





## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

that the terms of such financing will be favourable. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of our projects with the possible loss of such properties.

### *Regulatory Requirements*

Even if our mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Corporation may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

### *Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

### *No Assurance of Titles*

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

### *Permits and Licenses*

The operations of the Corporation may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits as may be required to carry out exploration, development and mining operations at our projects will be granted.

### *Competition*

The mineral industry is intensely competitive in all its phases. We compete with many companies possessing greater financial resources and technical facilities than the Corporation for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Corporation may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital or losing our investment capital.

### *Environmental Regulations*

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in



## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020 governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

### *Stage of Development*

The Corporation is in the business of exploring for, with the ultimate goal of producing, mineral resources from our mineral exploration properties. None of our properties have commenced commercial production and we have no history of earnings or cash flow from our operations. As a result of the foregoing, there can be no assurance that we will be able to develop any of our properties profitably or that our activities will generate positive cash flow. We are unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. A prospective investor in the Corporation must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

### *Markets for Securities*

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Corporation. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

### *Reliance on Key Individuals*

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

### *Geopolitical Risks*

The Corporation may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Corporation cannot be predicted. Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of the Corporation and may adversely affect its business. The possibility that future governments may adopt substantially different policies, which might extend to the expropriation of assets, cannot be ruled out.

### *Health Epidemics and Outbreaks of Communicable Diseases*

Wolfden's business could be adversely impacted by the effects of the novel coronavirus or other health epidemics and/or outbreaks of communicable diseases, which could significantly disrupt the Corporation's exploration and development activities and may have a material adverse effect on Corporation's business and financial condition. The World Health Organization declared a global pandemic on March 2020 related to COVID-19. Global travel and workplace restrictions have been implemented as a result. The extent to which COVID-19 impacts the Corporation's business, including the Corporation's operations and the market for the Corporation's securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, including the duration, severity and scope of the coronavirus outbreak and the actions taken to contain or treat the outbreak. In particular, the continued or perceived spread of the coronavirus globally could materially and adversely impact the Corporation's business including, without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the



## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

availability of industry experts and personnel, stoppage or suspension of its operations in Maine and Canada including restrictions to its drilling, development and exploration programs and/or the timing to process drill and other metallurgical testing and other factors that will depend on future developments beyond the Corporation's control, which may have a material adverse effect on the Corporation's business, financial condition and results of operations. Moreover, the actual and threatened spread of COVID-19 globally could also have a material adverse effect on the regional economies in which the Corporation operates, could continue to negatively impact stock markets, including the trading price of the Wolfden Common Shares, could adversely impact the Corporation's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive, could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for base and precious metals and Wolfden's future prospects and could result in any operations affected by COVID-19 becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Corporation's business and results of operations. There can also be no assurance that the Wolfden's personnel will not be impacted by these pandemic diseases and ultimately see all or a portion of its operations suspended, workforce productivity reduced or incur increased medical costs and/or insurance premiums as a result of these health risks.

### **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



## MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

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.

### **Management of Capital Risk**

---

The Corporation manages its common shares, stock options and warrants as capital, that as at September 30, 2021 totaled \$ 41,402,032 (2020 - \$33,997,177). 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 assets.

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.

### **COVID 19**

---

The Corporation has been monitoring the COVID-19 outbreak since March 2020 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. Field work programs and the field work personnel were adjusted in order to minimize the potential impact at all of its operations. This includes measures it has put in place to ensure the wellness of all of its employees and surrounding communities where the Corporation works while continuing to operate. Fieldwork programs continued with an emphasis on using local labor and management while all corporate personnel travel has been restricted to absolute minimum requirements and employees have been encouraged to work remotely. With respect to our operations we have implemented the typical control measures for dealing with the pandemic. These include testing and 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 continue to rely on voluntary information, compliance and testing for the virus, of those working directly or indirectly for the Corporation. We expect that procedures and protocols will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as the vaccine rolls out and the variants of the virus are assessed in each region of our operations. See also "*Risk Factors*".

### **Subsequent Events**

---

The Company filed an updated rezoning application on September 1, 2021, only to withdraw the application on October 9, 2021 at a meeting with the Maine LUPC. The LUPC stated that the Company could re-apply in the future. Since filing the application, the document has grown from 200 pages to over 1000 pages, with the addition of a considerable amount of technical information that supports the technical and financial merits of the project. Independent consultants hired by the LUPC, to review this technical and financial information, concluded in 2020, that 1) the development was technically feasible and the assumptions supporting the project's financial practicability were reasonable and; 2). overall the documents were fairly well detailed for the expected level of project development and there were not any major category gaps in the documents, and; 3) the water treatment aspects of the project, appears to be feasible for the purpose of rezoning. The Company intends to reapply once it is confident in a document form and substance that should gain the approval of the Commission.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2021 and 2020

On November 17, 2021 the Company announced an updated mineral resources estimate for the Pickett Mt. Project. The update used the same methodology, parameters, and metal prices of US\$1.20/lb Zn, \$2.50/lb Cu, \$1.00/lb Pb, \$16.00/oz Ag, and \$1,200/oz/Au, using a 7% base case cutoff grade that equates to an

approximate NSR cut-off of \$139/tonne at the same metal prices. An average recovery of 75% for all metals was assumed based on preliminary metallurgical testing.

- Indicated Mineral Resource of 2.72 million tonnes at 8.91% zinc, 3.83% lead, 1.22% copper, 97.2 g/t silver & 0.8 g/t gold (17.72% ZnEq).
- Inferred Mineral Resource of 3.59 million tonnes at 9.27% zinc, 3.83% lead, 1.00% copper, 105.4 g/t silver & 0.7 g/t gold (17.65% ZnEq).

The updated resource estimate utilized 179 intersections and includes a third lens referred to as the Footwall Lens (FWZ) that is situated approximately 150 to 200 metres to the north and parallel to the East and West Lenses. The deposit remains open at depth and into the footwall (north) where continued expansion and infill diamond drilling has the potential to further upgrade and expand the mineral resource.

### **Off-Balance Sheet Arrangements**

---

There are no off-balance sheet arrangements.

### **Changes in Internal Control over Financial Reporting ("ICFR")**

---

No changes occurred in the third quarter of 2021 of the Corporation's ICFR that have materially affected or are reasonably likely to materially affect the Corporation's ICFR.

### **Additional Information**

---

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Mr. Ron Little, President and CEO, Mr. Jeremy Ouellette VP Project Development and Mr. Don Dudek, VP Exploration of Wolfden Resources Corporation are the Qualified Persons for the information contained in this MD&A and are each a Qualified Person defined by National Instrument 43-101.

(Signed) Lance Dyll, CPA, CA  
Chief Financial Officer

Thunder Bay, Canada  
November 25, 2021