Wolfden Resources Corporation

Consolidated Financial Statements
(Stated in Canadian Dollars)

For the years ended December 31, 2024 and 2023

Doane Grant Thornton

Independent auditor's report

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To the Shareholders of Wolfden Resources Corporation

Opinion

We have audited the consolidated financial statements of Wolfden Resources Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of operating cash flows, has not yet achieved profitable production, and has accumulated losses of $44,650,000 as at December 31, 2024. This condition, along with the matters set forth in Note 1, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Maters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michal Semczuk**.**

Doane Grant Thornton LLP

Toronto, Canada
April 22, 2025

Chartered Professional Accountants
Licensed Public Accountants

WOLFDEN

(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)

As at	December 31, 2024 $	December 31, 2023 $
ASSETS		
Current assets		
Cash and cash equivalents	**335,389**	1,096,300
Amounts receivable *[note 5]*	**102,431**	88,548
Prepaid expenses	**7,797**	15,794
Total current assets	**445,617**	1,200,642
Non-current assets		
Equipment *[note 6]*	**328**	406
Total assets	**445,945**	1,201,048
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *[note 10]*	**504,847**	499,869
Short-term Debt *[note 10]*	**250,000**	-
Total current liabilities	**754,847**	499,869
EQUITY (DEFICIT)		
Share capital *[note 8]*	**41,865,575**	41,865,575
Equity settled employee benefits *[note 8]*	**2,689,021**	2,689,021
Other comprehensive loss	**(213,498)**	(212,695)
Deficit	**(44,650,000)**	(43,640,722)
Total Equity (Deficit)	**(308,902)**	701,179
Total liabilities and equity	**445,945**	1,201,048

Going concern [note 1]
Subsequent events [note 16]
See accompanying notes to the consolidated financial statements

These consolidated financial statements are authorized for issue by the Board of Directors on April 22, 2025 and they are signed on the Corporation's behalf by:

"Ron Little"
Director

"John Seaman"
Director

WOLFDEN

(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)

	For the year ended December 31	
	2024 **$**	**2023** $
EXPENSES		
Depreciation *[note 6]*	**78**	144
Exchange loss/(gain)	**(5,273)**	70,525
Exploration and evaluation expenses *[note 7]*	**194,423**	1,266,008
General and administrative expenses	**773,325**	1,003,043
Professional fees	**80,317**	177,073
Share-based payments *[note 8]*	**-**	338,428
Loss before the following	**(1,042,870)**	(2,855,221)
INCOME		
Investment income *[note 13]*	**33,592**	34,017
Other income *[note 13]*	**-**	15,000
Loss before income taxes	**(1,009,278)**	(2,806,204)
Income tax expense *[note 12]*	**-**	-
Loss for the year	**(1,009,278)**	(2,806,204)
Exchange differences related to foreign operations	**(803)**	74,521
Total comprehensive loss for year	**(1,010,081)**	(2,731,683)
Basic and diluted loss per share *[note 9]*	**(0.01)**	(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 year ended December 31	
	2024 **$**	**2023** **$**
OPERATING ACTIVITIES		
Loss for the year	**(1,009,278)**	(2,806,204)
Depreciation	**78**	144
Share based payments	**-**	338,428
Changes in non-cash working capital related to operations		
Accounts receivable	**(7,753)**	43,852
Prepaid expenses	**7,996**	1,704
Accounts payable and accrued liabilities	**(10,287)**	(61,792)
Cash used in operating activities	**(1,019,244)**	(2,483,869)
FINANCING ACTIVITIES		
Proceeds from Related Party Loan	**250,000**	-
Cash provided by financing activities	**250,000**	-
Decrease in cash and cash equivalents during year	**(769,244)**	(2,483,869)
Cash and cash equivalents, beginning of year	**1,096,300**	3,511,011
Effect of foreign exchange on cash and cash equivalents	**8,333**	69,158
Cash and cash equivalents, end of year	**335,389**	1,096,300

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, 2022	164,817,648	41,865,575	2,350,593	(287,216)	(40,834,518)	3,094,434
Share based payments *[note 8]*	-	-	338,428	-	-	338,428
Exchange difference on translating foreign operations	-	-	-	74,521	-	74,521
Loss for the year	-	-	-	-	(2,806,204)	(2,806,204)
Balance as at December 31, 2023	**164,817,648**	**41,865,575**	**2,689,021**	**(212,695)**	**(43,640,722)**	**701,179**
Exchange difference on translating foreign operations	-	-	-	(803)	-	(803)
Loss for the year	-	-	-	-	(1,009,278)	(1,009,278)
Balance as at December 31, 2024	**164,817,648**	**41,865,575**	**2,689,021**	**(213,498)**	**(44,650,000)**	**(308,902)**

See accompanying notes to the consolidated financial statements

(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 100 King Street West, Suite 3400, Toronto, Ontario, M5X 1A4.

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 endeavors. At December 31, 2024, the Corporation has no ongoing source of operating cash flow. The Corporation incurred a net loss of $1,009,278 for the year ended December 31, 2024, (net loss of $2,806,204 for the year ended December 31, 2023) and has accumulated a deficit of $44,650,000 (December 31, 2023 - $43,640,722) since the inception of the Corporation. As at December 31, 2024, the Corporation had negative working capital of $309,230 (December 31, 2023 – $700,773). The Corporation's ability to continue as a going concern is largely dependent upon its ability to raise additional capital to continue the development of its mineral properties. Management attempts to raise additional capital whenever favorable market conditions exist.

Although the Corporation to date has been successful in raising sufficient funds with its strategic investors and the capital markets to advance its projects, the capital markets continue to be volatile and are largely out of the Corporation's control, and therefore, there remains material uncertainties that 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 consolidated 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. MATERIAL ACCOUNTING POLICIES

Basis of Presentation

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

The consolidated financial statements of the Corporation for the period ended December 31, 2024 were approved and authorized by the Board of Directors on April 22, 2025

Basis of consolidation

The Corporation's consolidated financial statements consolidate results 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
Wolfden Big Silver 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.

Foreign currency translation

The consolidated financial statements are presented in Canadian dollars (CAD), which is also the functional currency of the Corporation, as well as its subsidiary Wolfden Resources Canada Inc. The functional currency of the Corporation's subsidiaries, Wolfden USA Inc, Wolfden Mt. Chase LLC, and Wolfden Big Silver LLC is U.S. dollars (USD).

Foreign currency transactions are translated into the functional currency of the respective Corporation, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

In the Corporation's consolidated financial statements, all assets, liabilities and transactions of the Corporations' subsidiary are translated into CAD upon consolidation. On consolidation, assets and liabilities have been translated into CAD at the closing rate at the reporting date. Income and expenses have been translated into the Corporation's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Corporation becomes party to the contracts that gives rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate. The Corporation considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of loss and comprehensive loss. The election is available on an investment-by-investment basis. Investments in equity securities, where the Corporation cannot exert significant influence, are designated as financial assets at FVOCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash and cash equivalents, amounts receivable are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in net earnings.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

At each balance sheet date, on a forward-looking basis, the Corporation assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12- month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Corporation has transferred its rights to receive cash flows from the asset, the Corporation will assess whether it has relinquished control of the asset or not. If the Corporation does not control the asset, then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net earnings.

Exploration and evaluation

The Corporation is in the process of exploring its mineral properties and chooses to expense acquisition costs for property rights. Mineral property acquisition costs include the cash consideration given, direct legal costs incurred for the acquisition, and issuance of shares for mineral property interests. Where the Corporation has entered into an option agreement for the acquisition of an interest in a mineral property which provides for periodic payments, such amounts unpaid are not recorded as a liability since they are payable entirely at the Corporation's discretion.

The Corporation has adopted the policy of expensing exploration costs and periodic maintenance costs incurred prior to the determination that a property has economically recoverable reserves.

Equipment and leaseholds

Equipment and leaseholds are stated at historical cost less accumulated depreciation and any provision for impairment in value. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in equipment and leaseholds if it is probable that future economic benefits associated with the expenditure will flow to the Corporation.

Depreciation on equipment is recognized on a declining balance basis to write down the cost or valuation less estimated residual value of equipment. Depreciation on leaseholds is recognized on the straight-line basis over the term of the lease, which is 5 years. The rates generally applicable are:

Computer equipment	30%
Vehicles	30%
Leaseholds	Straight line over term

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the equipment and are recognized in profit or loss within 'other income' or 'other expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the assets belong.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Share capital represents the fair value of consideration received. Equity instruments are contracts that give a residual interest in the net assets of the Corporation. Financial instruments issued by the Corporation are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Corporation's common shares, reserves, share options and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, options or warrants are shown in equity as a deduction, net of tax, from the proceeds.

The Corporation periodically issues units to investors consisting of common shares and warrants in non-brokered private placements. Each whole warrant issued entitles the holder to acquire a common share of the Corporation, at a fixed Canadian dollar price over a specified term. These warrants are not transferable from the original investor to a new investor. The Corporation's investor warrants are equity instruments and not financial liabilities or financial obligations. Accordingly, gross investor proceeds received from the issuance of units are accounted for as an increase in share capital. No separate valuation (i.e. "bifurcation") of investor warrants is made for accounting purposes at the time of issuance or at any time thereafter.

When investor or other warrants are exercised, the proceeds received are added to share capital. When investor or other warrants expire unexercised, no accounting entry is recorded.

Share-based payment transactions

The Corporation has two share-based compensation plans: The Share Option Plan and Restricted Share Unit plan, as noted below, and as further discussed in Note 8 of these consolidated financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is determined at the grant date.

<u>Share Option Plan</u>

Stock options are equity-settled share-based compensation awards. The fair value of stock options at the grant date is estimated using the Black-Scholes option pricing model. Compensation expense is recognized over the stock option vesting period based on the number of units estimated to vest. Vesting periods range from immediate to five years. This expense is recognized as share-based compensation expense with a corresponding increase in contributed surplus. When options are exercised, the proceeds received by the Corporation, together with the amount in contributed surplus, are credited to common shares.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options ultimately exercised are less than that estimated on vesting.

<u>Restricted Share Unit Plan</u>

Restricted share units ("RSU") are granted to eligible members of the Board of Directors, eligible employees and eligible contractors. The RSUs are settled in cash or equity at the option of the Corporation. The RSUs vest subject to an RSU award letter but no later than December 31, of the third calendar year following the service year determined based on date of grant. The RSUs granted are accounted for under the equity method as they are expected to be settled in equity.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax expense is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Corporation and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilised against future taxable income. To the extent that the Corporation does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Contingent liabilities are not recognized in the consolidated financial statements, if not estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes if their recovery is deemed probable.

Environmental rehabilitation provision

Provisions for environmental rehabilitation are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over future production from the mining property to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates and operating lives. Changes to estimated future costs are recognized in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the carrying value, that portion of the increase is charged directly to expenses. For closed sites, changes to estimated costs are recognized immediately in the profit and loss.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Interest

Interest income and expenses are reported on an accrual basis using the effective interest method.

Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

Segment reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Corporation's operating segments are its separately identifiable exploration and evaluation properties.

Significant accounting judgements and estimates

In the application of the Corporation's accounting policies, which are described in these consolidated financial statements for the year ending December 31, 2024, 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 consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated 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 based payments in these consolidated statements of loss and comprehensive loss;

ii. the provision for income taxes which is included in these consolidated statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the consolidated 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 consolidated statement of financial position and the related depreciation included in these consolidated statements of loss and comprehensive loss.

<u>Significant judgement</u>

Functional currency

Management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and 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.

Flow through shares

Under Canadian income tax legislation, a company is permitted to issue flow through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Corporation allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed though other income in the statement. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Government grants

Government grants are recorded as other income when there is reasonable assurance that the Corporation has complied with and will continue to comply with, all necessary conditions to obtain the grants. These grants are used to reduce the related exploration expenditures.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New standards and interpretations

The following new amendment to IAS 1 Presentation of Consolidated Financial Statements has been adopted since the release of the Company's financial statements for the year ended December 31, 2023.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period."
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application was permitted. The adoption of this amendment did not have any impact on the Company's consolidated financial statements.

Standard issued but not yet effective

The following is a new standard issued by the IASB which is applicable to the Company's consolidated financial statements:

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in consolidated Financial Statements, which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. It will affect all companies using IFRS Accounting Standards. IFRS 18 introduces new sets of requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies through:

- Improved comparability in the statement of profit or loss or income statement
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the consolidated financial statements.

IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. The Company will assess the impact of adoption of IFRS 18 on its consolidated financial statements.

4. SEGMENTED INFORMATION

The Corporation's significant segments are represented by its separately identifiable exploration and evaluation properties (see note 7 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 and an office in Ottawa. The U.S. operations are managed from an office in Maine.

(Stated in Canadian Dollars)

For the year ended December 31, 2024

	Canada $	USA $	Total $
Segmented Assets	364,687	81,258	**445,945**
Segmented Liabilities	717,306	37,541	**754,847**
Operating activities			
Depreciation	78	-	**78**
Exchange loss	142,914	(148,187)	**(5,273)**
Exploration and evaluation expenses	81,151	113,272	**194,423**
General and administrative	548,808	224,517	**773,325**
Professional fees	78,756	1,561	**80,317**
Share-based payments	-	-	**-**
Total	**851,707**	**191,163**	**1,042,870**
Other items	33,579	13	**33,592**
Loss for the year	**(818,128)**	**(191,150)**	**(1,009,278)**

For the year ended December 31, 2023

	Canada $	USA $	Total $
Segmented Assets	1,093,108	107,940	**1,201,048**
Segmented Liabilities	178,620	321,249	**499,869**
Operating activities			
Depreciation	144	-	**144**
Exchange loss	31,759	38,766	**70,525**
Exploration and evaluation expenses	341,544	924,464	**1,266,008**
General and administrative	636,432	366,611	**1,003,043**
Professional fees	96,212	80,861	**177,073**
Share-based payments	303,028	35,400	**338,428**
Total	**1,409,119**	**1,446,102**	2,855,221
Other items	48,729	288	**49,017**
Loss for the year	**(1,360,390)**	**(1,445,814)**	**(2,806,204)**

5. AMOUNTS RECEIVABLE

For the years ended December 31, 2024 and 2023

	2024 **$**	2023 $
Recoverable taxes (i)	**93,097**	**88,548**
Other Receivables	**9,334**	**-**
Total	**102,431**	**88,548**

(i) Recoverable taxes include Canadian harmonized sales tax receivable and a balance of income tax overpayment.

(Stated in Canadian Dollars)

6. EQUIPMENT

	Computer Equipment $
Cost	
Balance, December 31, 2023	13,120
Balance, December 31, 2024	**13,120**
Accumulated depreciation	
Balance, January 1, 2023	12,570
Depreciation for the year	144
Balance, December 31, 2023	**12,714**
Depreciation for the year	78
Balance, December 31, 2024	**12,792**
Carrying amounts	
December 31, 2023	406
December 31, 2024	**328**

7. EXPLORATION AND EVALUATION

For the year ended December 31, 2024

	Manitoba Nickel	Teta-gouche	Pickett Mountain	Big Silver	Other	Total for 2024	Total inception to date
Analysis	-	4,989	-	-	-	**4,989**	**1,007,874**
Geological	3,438	8,180	3,330	283	59,097	**74,328**	**4,095,659**
Geophysical	-	-	-	-	-	**-**	**3,276,490**
Geochemical	-	-	-	-	-	**-**	**475,159**
Travel	-	-	17,960	-	2,742	**20,702**	**980,425**
Drilling	-	-	-	-	-	**-**	**8,788,131**
Property Work	-	14,595	-	-	1,427	**16,022**	**1,059,393**
Ops Support	4,000	-	14,636	3,363	-	**21,999**	**661,381**
Administration	-	-	-	-	-	**-**	**767,729**
General Expense	-	8,200	14,844	-	-	**23,044**	**117,102**
Site Acquisition Costs	50,000	-	-	-	-	**50,000**	**278,695**
Mine Permitting expense	-	-	(16,661)	-	-	**(16,661)**	**1,966,399**
Total Exploration	57,438	35,963	34,109	3,646	63,267	**194,423**	**23,474,437**
Other costs	-	-	-	-	-	**-**	**21,133,497**
Total	57,438	35,963	34,109	3,646	63,267	**94,423**	**44,607,934**

(Stated in Canadian Dollars)

For the year ended December 31, 2023

	Manitoba Nickel	Teta-gouche	Pickett Mountain	Big Silver	Other	Total for 2023	Total inception to date
Analysis	-	4,101	-	-	-	**4,101**	**1,002,885**
Geological	36,027	115,463	66,148	1,131	2,125	**220,894**	**4,021,331**
Geophysical	9,631	28,968	-	-	-	**38,599**	**3,276,490**
Geochemical	-	21,154	-	-	-	**21,154**	**475,159**
Travel	5,205	1,413	71,824	348	-	**78,790**	**959,723**
Drilling	-	1,212	-	-	-	**1,212**	**8,788,131**
Property Work	-	13,372	16,171	-	-	**29,543**	**1,043,371**
Ops Support	-	2,437	21,633	9,727	-	**33,797**	**639,382**
Administration	-	-	-	-	-	**-**	**767,729**
General Expense	154	26,353	-	-	7,351	**33,858**	**94,058**
Site Acquisition Costs	50,000	-	-	-	10,858	**60,858**	**228,695**
Mine Permitting expense	-	-	736,415	-	6,787	**743,202**	**1,983,060**
Total Exploration	101,017	214,473	912,191	11,206	27,121	**1,266,008**	**23,280,014**
Other costs	-	-	-	-	-	**-**	**21,133,497**
Total	51,017	214,473	912,192	11,206	27,121	**1,266,008**	**44,413,511**

Mineral property acquisitions and agreements

Projects in the USA

Rockland Gold Project - Nevada

An option to earn up to a 75% interest in the 1,054 hectare Rockland Property in the Walker Lane Trend of Nevada USA was executed on October 28, 2024. Located just south of south of Yerington (Figure 1). Drill permits were already in place and the Corporation plans to drill test below the previously drilled well mineralized gold zones to test for the potential of a larger hydrothermal higher-grade vein stockwork system.

As per the terms of the earn-in agreement with Evergold Corp. (EVER.V) and the underlying claim owner (“Owner”), who are both at arm’s length, Wolfden must complete US$1.175 million in exploration expenditures, including a minimum of 5,000 feet (~1,500 m) of drilling in 2025, and make cash payments of up to US$600,000 over a period of three years to earn a 51% interest in the property by March 2028. The first cash payment of US$100,000 is due on March 1, 2025, unless otherwise approved by the Owner. Upon completion of these terms, Evergold will have earned a 100% interest in the property from Owner less a 3% NSR (net smelter return) of which 2% can be repurchased for US$3 million and the property title will transfer from Owner to Wolfden. At such time, Wolfden may elect to 1) earn a 75% joint venture interest in the Project by funding the completion a Pre-feasibility Study within 5 to 8 years or 2) elect to continue as the operator of a joint venture with Evergold starting at 51:49 interests. In either scenario, if Evergold is ever diluted to a 20% interest or less, it will convert its interest to a 2% NSR where Wolfden can repurchase 1.5% from Evergold for C$2.25 million. Under either election, all NSR buyback rights and first rights of refusal to purchase all interests and NSR’s shall apply and be held by Wolfden and or the joint venture. Wolfden may assume those obligations of Evergold to the Owner while Wolfden is earning a 51% interest and thereafter by the joint venture or Wolfden. The US$100,000 cash payment due March 1, 2025 has been paid and a US$92,500 Letter of Credit has been established a part of the performance bond for the approved drilling work permit with the Federal regulators.

Pickett Mountain Property - Maine

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 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.

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 million timber sale agreement which by effect, eliminated the possibility for any potential call option on those Timber Rights. Each of the other two rights are valid and are summarized below.

Conversion Right

Altius had 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"). The Conversion Right under the Royalty Agreement expired on November 15, 2023. 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 timber 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.

In 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 7,100,000 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 may receive an additional US$1.5 million between the 4th and 5th anniversary of the agreement if the timber company wishes to continue harvesting. Although, the timber company has the right to harvest US$5 million of timber from the property over 5 years, it elected not to continue harvesting after the first $3 million. 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 and on February 8, 2022, Altius and the Corporation executed an amendment to their Pickett Mountain Royalty Agreement where Altius increased its royalty for the payment of US$1 million to the Corporation on signing. As per the terms of the agreement, Altius will receive the next US$1.2 million in net timber revenues and thereafter increases its future timber royalties from 20% to 30%. The 30% royalty will also apply to any revenue generated from the sale of any timber related carbon credits from the Property.

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 first and second year lease payments of $25,000 USD, both of which have been paid. The agreement has been amended such that the annual payments have been reduced to $5,000.

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 and the Optionee has agreed to place the project and the option agreement on hold until such time the Pickett Project can proceed.

<u>Projects in New Brunswick, Canada</u>

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. Orvan Brook is included under the Tetagouche Properties.

Clarence Stream Property Agreements

On August 2, 2016, the Corporation entered into a definitive option agreement with 2520885 Ontario Inc. and Galway Metals Inc., whereby Galway could earn a 100% interest in the property, located in southwestern New Brunswick.

As per the terms of the agreement, and as of July 9, 2019, Galway successfully completed exploration expenditures and made cash payments to Wolfden totaling $3,250,000 to earn a 100% interest in the property less a 1% Net Smelter Return Royalty held by Wolfden that can purchased at any time for the sum of $2,000,000.

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.

<u>Projects in Manitoba , Canada</u>

Rice Island Nickel 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.

(Stated in Canadian Dollars)

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 and, in 2021 the cash annual cash payments to earn into the project were completed. Starting in September 2022, a cash payment of $50,000 as an advance royalty payment, shall be paid to a maximum of $250,000. Under amendments to the original agreement, the first and second payments were deferred to January 2023 and January 2024 and paid. The third payment due September 2024 remains outstanding.

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.

8. SHARE CAPITAL AND RESERVES

i. Authorized

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

ii. Share purchase option compensation plan

Share-based payments consist of the following amounts:

	For the year ended	
Share Based Payments	**2024** **$**	2023 $
Share purchase Options	**-**	338,428

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 including RSU's) 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.

(Stated in Canadian Dollars)

The following table reflects the stock options outstanding as at December 31, 2024:

Expiry Date	Exercise Price	2024 Opening Balance	Granted	Exercised	Expired/ Cancelled	2024 Closing Balance
	$	#	#	#	#	#
April 29, 2024	0.30	600,000	-	-	(600,000)	**-**
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**
September 1, 2027	0.25	3,155,000	-	-	-	**3,155,000**
May 3, 2028	0.21	2,480,000	-	-	-	**2,480,000**
Total		8,785,000	**-**	**-**	(1,000,000)	**7,785,000**
Weighted Average exercise price		0.25	**-**	**-**	0.26	**0.25**

The following table reflects the stock options outstanding as at December 31, 2023:

Expiry Date	Exercise Price	2023 Opening Balance	Granted	Exercised	Expired/ Cancelled	2023 Closing Balance
	$	#	#	#	#	#
July 10, 2023	0.30	2,320,000	-	-	(2,320,000)	**-**
April 29, 2024	0.30	600,000	-	-	-	**600,000**
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**
September 1, 2027	0.25	3,155,000	-	-	-	**3,155,000**
May 3, 2028	0.21	-	2,480,000	-	-	**2,480,000**
Total		8,625,000	2,480,000	-	(2,320,000)	**8,785,000**
Weighted Average exercise price		0.28	0.21	-	0.30	**0.25**

The Corporation applies the fair value method of accounting for all stock-based compensation awards. During the year ending December 31, 2024, a compensation expense of $NIL was recorded (2023- $338,428 was recorded). As of December 31, 2024, there were no unvested stock options (December 2023- NIL unvested stock options).

** The weighted average remaining life of the outstanding stock options is 1.43 years (December 31, 2023 – 1.93 years).

(Stated in Canadian Dollars)

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:

	2024	2023
Risk-free interest rate	**-**	2.77%
Annualized volatility	**-**	87.47%
Expected dividend	**-**	Nil
Expected option life	**-**	5 years
Forfeiture rate	**-**	Nil

9. 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 2024 or 2023.

For the year ended December 31	**2024** **$**	2023 $
Numerator: Loss for the year	**(1,009,278)**	(2,806,204)
Denominator: Weighted average number of common shares	**164,817,648**	164,817,648
Basic and diluted loss per share	**(0.01)**	(0.02)

10. 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. In 2024, a short term loan of $250,000 was received from related party as described below. (There were no related party transactions in 2023)

Key management personnel remuneration includes the following amounts:

For the years ended December 31	**2024** **$**	2023 $
Salary and wages	**440,382**	452,646
Share-based payments	**-**	296,636
Other compensation	**15,865**	20,647
Directors’ fees	**60,314**	71,535
Total	**516,561**	841,464

Short-term loan includes the following amounts:

For the years ended December 31	**2024** **$**	2023 $
Loan from Directors & Officers	**250,000**	-

(Stated in Canadian Dollars)

On November 19 and 21, 2024, the Corporation entered into loan agreements with two related parties for amounts of C$150,000 and C$100,000, respectively. Interest was payable on the unpaid balance at 8 percent per annum, calculated quarterly. The loans were due for repayment in full by November 15, 2025, and November 21, 2025, respectively, but could be repaid in lump sum at any time without penalty. The loans were secured by any unencumbered assets of the Corporation, including proceeds from the sale of any timber lands in Maine. Both loans were repaid in full subsequent to year-end on February 11, 2025.

11. COMMITMENTS

Under the terms of the Option Earn-in Agreement with respect to the Rockland Project in Nevada, the Corporation is committed to the first option payment of US$100,000 due March 1, 2025. The payment was made.

12. INCOME TAX EXPENSE

(a) The Corporation's income tax expense differs from the amount computed by applying the combined federal and provincial income tax rates to loss before income taxes as a result of the following:

	2024 **$**	2023 $
Loss for the year	**(1,009,278)**	(2,806,204)
Statutory rates	**26.50%**	26.50%
Income tax recovery computed at statutory rates	**(267,459)**	(743,644)
Non-deductible items	**2,859**	89,835
Effect of change in tax rates	**5,293**	
Tax refund due to change in policy	**-**	-
Effect of temporary differences not recognized	**259,307**	653,809
Income tax expense	**-**	-

(b) Deferred tax assets not recognized

Management believes that it is not likely to be sufficient taxable profits in the next few years to allow the benefit of the following deferred tax assets to be utilized:

	2024 **$**	2023 $
Non - capital losses	**6,204,434**	5,720,710
Equipment and leaseholds	**33,922**	33,902
Exploration and evaluation	**4,863,929**	4,678,296
Deferred tax assets not recognized	**11,102,285**	10,432,908
Unused operating tax losses expiring 2030 to 2041	**15,666,465**	15,073,804
Unused operating tax losses with indefinite expiration	**8,638,001**	7,263,421
Deductible temporary differences	**19,850,635**	19,078,778
Total unused operating tax losses	**44,155,101**	41,416,003

13. INCOME

Investment Income

The Corporation invested in Guaranteed Investment Certificates during the year and earned $33,592 as interest income during the year ($34,017 was earned in 2023).

Other Income

There is no Other Income for 2024. Other income for the year ended December 31, 2023, included a grant received from the Government of New Brunswick for $15,000.

14. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Corporation's operations include the acquisition and exploration of mineral properties in Canada and the United States. 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 consolidated financial statements. The Corporation manages the credit risk of cash by maintaining bank accounts and term deposits with Schedule 1 Canadian Banks based in Canada and the United States.

Trade credit risk

The Corporation closely monitors its financial assets and does not have any significant concentration of trade credit risk. The historical level of defaults is negligible and, as a result, the credit risk associated with trade receivables is considered to be negligible. Accounts receivable is made up of recoverable taxes which is deemed collectable and minimal risk.

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.

Foreign currency exchange 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.

(Stated in Canadian Dollars)

The following table illustrates the sensitivity of expenses and equity in relation to fluctuations in the US dollar for the years ended December 31,2024 and 2023, with all other variables being constant.

Sensitivity analysis	Change	$ Impact
2024	+/-10%	(87,037)
2023	+/-10%	(104,000)

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

15. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options and warrants as capital, that as at December 31, 2024 totaled $44,554,596 (December 31,2023 - $44,554,596). 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. There has been no changes to how the Corporation manages capital in the current year compared to prior year.

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.

16. SUBSEQUENT EVENTS

On January 30, 2025 the Corporation closed the sale of a 3,770 acre parcel (the “Severed Land”) from its 6,862 acre timberland property in Maine for gross proceeds of $2.1 million (US$1.5 million). The Severed Land is situated north of its wholly owned Pickett Project where Wolfden has retained the remaining land (the “Retained Land”) that is host to the Pickett Project mineral deposit and all mineral resources The Severed Land sale transaction is arm’s length in nature and was settled in cash.

As per the terms of the property sale agreement dated January 16, 2025, in respect of the Severed Land, Wolfden retains exclusive rights to explore and buy-back the mineral rights of the Severed Land for a period of five years. In addition, Altius Royalty Corporation (“Altius”), who had purchased in 2022, an increase in its timber rights and carbon credits from 20% to 30%, along with the right to received the next US$1.5 million in timber proceeds from the 6,862 acre property in consideration for US$1.0 million, has amended its royalty agreement with the Company whereby Altius has forfeited its timber and carbon rights on the Severed Land for the following terms:

1) Altius will retain all of its timber rights and carbon credits on Wolfden’s Retained Land, and

2) Altius shall hold an option, that expires January 16, 2030 to convert US$1.0 million (less any future timber harvest proceeds paid to Altius since January 2025) into common shares of the Company at a conversion price that is the greater of C$0.30 per share or the 20-day VWAP of common shares of the Company at the time of conversion, subject to Altius not holding more than 19.9% of the issued and outstanding common shares of the Company or being issued more than 10% of the number of outstanding common shares of the Company, and

3) Should Wolfden sell the Retained Lands at arm’s length to a third party, Altius shall receive up to US$1.0 million from the sale proceeds (less any timber harvest proceeds plus any value converted into shares of the Company that Altius received since January 16, 2025).

Should either option 2) or 3) occur, Altius will have forfeited its timber rights and carbon credits to the Retained Land.