



WOLF DEN

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

Form 51-102F1

For the three and six months ended June 30, 2018

(Stated in Canadian Dollars)

(Unaudited)



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL
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Date of Report: August 15, 2018

General

The following Management's Discussion and Analysis ("MD&A") of Wolfden Resources Corporation (the "Corporation" or "Wolfden") should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended June 30, 2018 with a comparative period for the year ended December 31, 2017, and the notes thereto. The Corporation's unaudited condensed interim 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 August 15, 2018, 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.

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.



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Operational Highlights Q2 2018

Wolfden Resources Corporation is engaged in the exploration and development of mineral properties in North America. Its principal focus is on advancing its wholly owned high grade (Zn, Pb, Cu, Ag) VMS Pickett Mountain Project in Maine, USA. Located close to excellent infrastructure, the Corporation plans to complete sufficient exploration, definition drilling and various technical studies in order to demonstrate the economic potential for an underground mining scenario on the Project.

Pickett Mountain Project, Maine, U.S.A.:

In November 2017, Wolfden completed the acquisition of the Pickett Mountain Property, located in Penobscot County, northern Maine, U.S.A (the "Property") for a cash purchase price of US\$8.5 million (the "Acquisition"). The 6,871 acre Property that hosts the high grade base metal deposit (previously known as Mount Chase) includes all of the timberland, minerals, mining, subsurface and surface rights.

The Pickett Mountain Zn-Pb-Cu-Ag deposit is known to be one of the highest-grade undeveloped volcanogenic massive sulphide deposits (VMS) in North America. The deposit was discovered by Getty Mines Ltd. in 1979, using a combination of soil surveys, ground geophysical surveys and diamond drilling and has not been explored since 1989. Very little exploration has occurred in the State of Maine since that time as compared to the similar geological terrain across the border in the Province of New Brunswick. This was mostly the result of less favorable mining exploration and operating permitting conditions in the State of Maine.

The ongoing +10,000 metre drill program is intended to infill and confirm historical results from the 1980's that included approximately 90 drill holes. The program will also test the potential to expand the previously defined massive sulphide mineralization that consists of two lenses approximately 400 m in length, 4 to 10 m in width and up to 800 m in depth.

The Corporation is in the process of modeling the historical and recent drill results in order to generate an updated mineral resource estimate before the end of the year and one that can be further expanded as drilling continues. Independent geological experts familiar with base-metal mineralization in the Bathurst Mining Camp in New Brunswick and the Buchans District in Newfoundland have visited the property and concluded that the results to date suggest that Pickett Mountain has the potential to host a large and multilens volcanogenic massive sulphide system. The host rocks of Pickett Mountain are similar to the prolific mining camps of Bathurst and Buchans and characterized by clusters of massive sulphide deposits and/or lenses that exhibit similar high grades.

To date, Wolfden has completed 6,760 metres of drilling comprising 23 holes. Quarterly results include two deep intersected into the West Lens at a depths of 530 and 580 metres and are tabulated below.

Hole No.	From (m)	To (m)	Length (m)	Zn+Pb+Cu (%)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
PM18022	662.2	666.9	4.7	34.9	24.0	10.0	0.9	267.0	1.6
PM18023	638.2	643.5	5.3	5.4	3.2	1.2	1.0	36.5	0.5
	661.2	667.1	5.9	12.0	7.5	3.2	1.3	64.8	0.7
	722.0	724.5	2.5	25.5	20.3	3.8	1.4	77.7	1.0

These recent holes are the deepest drilling completed by the Company to date and clearly demonstrate the potential to expand resources below a depth of 400 metres, where there was little historical drilling. The program will continue to infill and expand the West and East lens mineralization and in addition has begun to test several new high-priority exploration targets identified proximal to the main deposit that have been outlined by ground and airborne geophysical surveys completed during the quarter. Most importantly, the geophysical surveys indicate the potential for expansion of the system in several directions. A second drill rig is expected to commence on the deep infill drilling during Q3.



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Preliminary sampling and monitoring of groundwater will be completed in drill holes and surface drainages to establish background levels of a suite of elements; this will form the basis of discussion with Maine Department of Environment for the formulation of any baseline environmental studies.

Results of Operations

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

	Year ended December 31, 2017 \$	Year ended December 30, 2016 \$	Year ended December 31, 2015 \$
Operations			
Total revenue	7,316	31,954	33,057
Comprehensive loss for the year	(449,140)	(2,549,964)	(2,498,987)
Basic and diluted loss per share	(0.01)	(0.04)	(0.06)
Balance Sheet			
Working capital	1,657,938	1,241,447	3,518,533
Total assets	1,792,908	1,431,985	4,116,944
Total liabilities	(119,445)	(153,985)	(540,553)

Summary of Quarterly Results

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

Quarter	2018 Second	2018 First	2017 Fourth	2017 Third	2017 Second	2017 First	2016 Fourth	2016 Third
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	(2,194)	2,262	6,036	1,092	2,082	2,862	2,874	2,185
Operating expenses	1,624,888	932,703	(2,014,778)	995,566	147,919	871,293	246,622	428,831
Loss from operating activities	(1,537,412)	(930,441)	2,008,742	(994,474)	(145,837)	(868,431)	(243,748)	(426,646)
Comprehensive loss	(1,553,044)	(930,441)	1,258,742	(244,474)	(145,837)	(868,431)	(535,091)	323,354
Basic and diluted net loss per share	(0.01)	(0.01)	(0.04)	(0.01)	-	(0.01)	(0.01)	-

Overall Performance

The comprehensive loss for the three and six months ended June 30, 2018 was \$1,553,044, which was \$1,407,207 higher when compared to the comprehensive loss of \$145,837 in the same period of the previous year. During the second quarter, the balance of the expenditure categories have increased relative to the same period of the previous year. Exploration expenses increased from \$25,946 to \$1,312,001, general and administrative expenses increased from \$105,987 to \$223,313, professional



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fees increased from \$9,350 to \$14,395. Overall operating expenses increased from \$147,919 to \$1,624,888, which is primarily attributed to increased exploration activity, primarily on the Pickett Mountain project in Maine, U.S.A..

The major components of general and administrative costs for the three months ended June 30, 2018 include corporate accounting fees of \$22,050, rent expense of \$6,057, executive salaries and wages not charged to exploration of \$20,027, investor relations of \$8,066, advertisement and promotion of \$15,342, consulting fees of \$26,000, travel expense of \$17,081, and business and director insurance of \$3,415 and \$2,558, respectively.

Over the eight previous quarters, the Corporation has seen the loss and comprehensive 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. On a go forward basis the Corporation will continue to monitor expenditures closely as the Corporation continues its work on the current property portfolio, as well as exploring other potential opportunities as they arise.

The Corporation recorded \$4,456 in investment revenue during the six month period ended June 30, 2018 compared to \$4,944 in the same period of the previous year.

At June 30, 2018 the Corporation had cash and cash equivalents of \$1,119,909, and guaranteed investment certificates of \$949,073, for a total of \$2,068,982. In the period subsequent to June 30, 2018 and as of the date of this report, the Corporation received a \$1,000,000 option payment related to the Clarence Stream Agreement, as well as \$230,000 related to the exercise of stock options.



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Exploration and evaluation assets

	Rice Island	Pickett Mountain	Teta gouche	Orvan Brook	Other	2018	2017	Total inception to date
Analysis	-	31,840	743	1,950	-	34,533	8,800	526,940
Geological	-	112,539	750	43,932	37,779	195,000	107,005	1,303,926
Geophysical	2,719	804,305	-	-	-	807,024	152,240	1,634,441
Geochemical	-	-	2,135	-	-	2,135	10,607	177,629
Travel / Accom.	-	67,149	-	1,257	1,693	70,099	26,611	415,330
Drilling	-	800,110	-	-	-	800,110	497,460	3,524,884
Property Work	-	15,815	-	21,735	-	37,550	4,497	524,466
Ops Support	-	45,050	1,080	2,030	-	48,160	37,168	206,704
Administration	40,515	-	55	18,977	400	59,947	64,166	563,457
Total Exploration	43,234	1,876,808	4,763	89,881	39,872	2,054,558	908,554	8,877,467
Other Costs*	91	-	5,470	(18,520)	1,592	(11,367)	(137,954)	20,612,991
Total	43,325	1,876,808	10,233	71,361	41,464	2,043,191	770,600	29,490,458

*Included in other costs is government assistance received.

The Corporation incurred exploration and evaluation expenditures of \$770,600 during the six months ended June 30, 2017, the breakdown of exploration and evaluation for the period was as follows:

	Rice Island	Nickel Island	Teta gouche	Other	2017	2016	Total inception to date
Analysis	8,800	-	-	-	8,800	16,561	481,582
Geological	71,311	500	16,092	19,102	107,005	120,498	925,589
Geophysical	147,300	-	2,470	2,470	152,240	61,130	742,678
Geochemical	10,607	-	-	-	10,607	-	161,642
Travel / Accom.	19,207	4,299	60	3,045	26,611	117,731	300,702
Drilling	445,291	-	-	52,169	497,460	68,453	2,249,666
Property Work	-	-	-	4,497	4,497	1,910	409,939
Ops Support	30,224	28	1,184	5,732	37,168	20,114	239,257
Administration	61,360	1,726	-	1,080	64,166	138,827	428,278
Total Exploration	794,100	6,553	19,806	88,095	908,554	545,224	5,769,952
Other Costs*	(137,046)	52	9,500	(10,460)	(137,954)	(50,742)	9,273,123
Total	657,054	6,605	29,306	77,635	770,600	494,482	15,212,456

*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 completed 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



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non-brokered private placement (the "Offering") of 20,200,000 subscription receipts ("Subscription Receipts") at a price of \$0.25 per Subscription Receipt for gross proceeds of \$5,050,000, with Altius subscribing for 14,200,000 Subscription Receipts. The subscription receipts were converted into 14,200,000 common shares of the Corporation.

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

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

Call Right

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



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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*.

New Brunswick, Canada

Tetagouche Property

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

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

Orvan Brook Property

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

Clarence Stream Property Agreements

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

In order to earn a 100% interest in the Property, the Optioner will make cash payments to Wolfden totaling \$3,250,000 over a 3year period (the "Option Period"). In addition, the Optioner will grant Wolfden



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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.

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"), \$750,000 on or before the first anniversary of the Effective Date, \$1,000,000 on or before the second anniversary of the Effective Date (received subsequent to period end) and \$750,000 on or before the third anniversary of the Effective Date. All payments have been received except the final payment that is due on or before August 2, 2019.

During the Option Period, the Optioner is solely responsible for carrying out and administering exploration, development and mining work on the Property and obtaining all regulatory and third party consents, approvals and authorizations to carry out such work. In the event that the Optioner fails to make any of the cash payments stipulated above, the Option Agreement shall terminate and Wolfden will continue to hold an undivided 100% interest in the Property.

Prior to the 2016 Sale of Clarence Stream Property

(i) On March 7, 2012, the Corporation executed an agreement, which was amended March 29, 2012, and further amended September 6, 2012, to purchase a 30% interest in the Clarence Stream property located in New Brunswick from Rockport Mining Corp. ("RMC"). On the Closing Date, October 18, 2012, RMC sold, assigned and transferred to the Corporation the Subject Interest and the Exploration Data, and the Corporation purchased the Subject Interest and Exploration Data from RMC, for the following consideration:

- a non-refundable deposit of \$75,000 paid on signing of the agreement
- the sum of \$1,000,000, paid by the Corporation to RMC (or its designated Affiliate)
- the allotment and issuance by the Corporation to RMC (or its designated Affiliate, subject to compliance with Applicable Securities Laws), of that number of IPO Securities having a deemed aggregate value equal to \$560,000 (the "Transaction Units") at a price per Transaction Unit equal to the IPO price of the IPO Securities

(ii) On January 13, 2012, the Corporation executed an agreement to purchase a 70% interest in the Clarence Stream property located in New Brunswick from Cliffs Chromite Ontario Inc. ("Cliffs"). On the Effective Date, October 18, 2012, Cliffs sold, assigned and transferred to the Corporation the Subject Interest and the Exploration Data, and the Corporation purchased the Subject Interest and Exploration Data from Cliffs, for the following consideration:

- the sum of \$10, paid by the Corporation to Cliffs on the Effective Date
- the sum of \$2,000,000, paid by the Corporation to Cliffs (or its designated Affiliate)
- the allotment and issuance by the Corporation to Cliffs (or its designated Affiliate, subject to compliance with Applicable Securities Laws), of that number of Shares having a deemed aggregate value equal to \$1,600,000 (the "Transaction Shares") at a price per Share equal to the IPO price of the Shares
- the grant by, and agreement of, the Corporation to pay on behalf of itself and its successors and assigns, and the reservation by Cliffs on behalf of itself and its successors and assigns of, a 1% net smelter returns royalty on the Property (the "Net Smelter Returns Royalty") in perpetuity for each year with respect to all Minerals, all as more formally provided in the Royalty Agreement
- the assumption of certain liabilities by the Corporation

There is a 2% and 1 % Net Smelter Royalty ("NSR") on the property, and the Corporation is required to make \$15,000 advance royalty payments annually which are deductible against the 2% NSR.



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Brunswick No. 6 West Property

On April 29, 2015, the Corporation acquired, by claim staking, the Brunswick No. 6 West property (the "Property"). The wholly owned Property is located 20 kilometers 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 nickelcopper deposit situated on the Rice Island property (the "Property") through claim staking. The Property, consisting of 704 hectares, is located 10 kilometres southsoutheast of the Town of Snow Lake in westcentral Manitoba.

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

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 \$1,119,909 at June 30, 2018 compared to \$2,981,692 at December 31, 2017. The investments balance was \$949,073, compared to \$938,363 at December 31, 2017. Current assets at June 30, 2018 were \$2,123,011 compared to \$4,093,015 at December 31, 2017 and total assets at June 30, 2018 were \$2,127,926 compared to \$4,098,282 at December 31, 2017. The Corporation continues to use our cash resources to further our exploration projects and meet all required flow-through expenditures. We expect that it will be necessary, to complete an additional financing so that our resources are sufficient to carry out our operational and exploration plans in the near term.

In the period subsequent to June 30, 2018 the Corporation has received a \$1,000,000 option payment related to the Clarence Stream Agreement, as well as \$230,000 related to the exercise of stock options.



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Operating Activities

For the six months ended June 30, 2018, the Corporation used \$2,431,367 in cash related to operating activities. The most significant non-cash charges to earnings include depreciation of \$352 and share-based payments of \$65,850. For the six months ended June 30, 2018 the majority of the cash used in operating activities can be attributed to funding of day to day operations and furthering our understanding of our projects.

Investment Activities

For the six months ended June 30, 2018, the Corporation recorded cash provided by investments of \$10,710. During the same period of the previous year the Corporation used cash of \$445,204 on its investment activities. The amounts noted are the Corporation investing the excess funds on hand in liquid investments in order to maximize potential investment income. The Corporation does not believe it is exposed to any material liquidity risks in relation to its investment activities.

Financing Activities

For the six months ended June 30, 2018, the Corporation received net cash of \$615,119 from the private placements as compared to the comparative period that provided \$1,109,194 after share issue costs.

Outstanding share data

Common Shares

The Corporation's authorized share capital consists of an unlimited number of common shares without par value. As at August 15, 2018, 113,686,588 common shares were issued and outstanding.

Warrants

The following table reflects the share purchase warrants outstanding as at August 15, 2018:

Expiry Date	Exercise Price	Warrants Outstanding
	\$	#
December 15, 2018	0.15	1,075,000
December 29, 2018	0.60	375,000
January 18, 2019	0.15	1,750,000
November 15, 2022	0.35	10,100,000
		13,300,000



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Stock Options

The following table reflects stock options outstanding and that have vested as at August 15, 2018:

Expiry Date	Exercise Price \$	Options Granted #	Options Vested #
March 09, 2022	0.75	1,465,000	1,465,000
February 05, 2019	0.25	100,000	100,000
August 29, 2019	0.15	955,000	955,000
August 18, 2021	0.13	1,215,000	1,215,000
March 09, 2022	0.14	50,000	50,000
July 20, 2022	0.14	1,200,000	1,200,000
December 29, 2022	0.53	600,000	250,000
July 10, 2023	0.30	2,440,000	2,440,000
		8,025,000	7,675,000

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$Nil was recorded as compensation for the December 29, 2022 options that vested during the period (2017 - \$5,900 was recorded as compensation for the March 9, 2022 options that vested during the year, \$147,420 was recorded as compensation for the July 20, 2022 options that vested during the year, \$38,000 was recorded as compensation for the December 29, 2022 options that vested during the year, totaling \$191,320 was recorded as compensation for the year end December 31, 2017). As of June 30, 2018 there were 500,000 unvested stock options (December 31, 2017 - 500,000 unvested stock options).

* The weighted average share price at date of exercise of the options in 2018 was \$0.53 (December 31, 2017 - \$0.50).

** The weighted average remaining life of the outstanding stock options is 3.23 years (December 31, 2017 - 3.48 years).

The corporation currently estimates the forfeiture rate to be nil.

Related Party Transactions

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

	Nature of transactions
The Alyris Group	Accounting and management services
2401794 Ontario Inc	Facilities
DRAX Services Limited	Corporate secretarial and filing services

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

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

- (a) Included in general and administrative expenses are amounts totaling \$63,211 (2017 - \$54,575), for accounting and management services provided by 1752466 Ontario Inc., O/A The Alyris Group, a company related to the Corporation through Ewan Downie, Director of Wolfden and Dan Mechis, Director of Wolfden.
- (b) Included in general and administrative expenses are amounts totaling \$10,012 (2017 - \$Nil) for rent paid to 2401794 Ontario Inc., a wholly-owned subsidiary of Premier Gold Mines Ltd., a company



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related to the Corporation through Ewan Downie, John Seaman and Ron Little, who are all Directors of Wolfden and Premier.

- (c) Included in general and administrative expenses are amounts totaling \$6,031 (2017 - \$6,471) for corporate secretarial services provided by DRAX Services Limited., related to the Corporation through Shaun Drake, Corporate Secretary of Wolfden.
- (d) Included in general and administrative expenses are amounts totaling \$84,000 (2017 - \$Nil) for marketing and project development consulting services provided by two companies related to the Corporation through Ron Little, Director of Wolfden, prior to him becoming an employee and CEO effective July 1, 2018.

Key management personnel remuneration includes the following amounts:

	2018	2017
	\$	\$
Salary and wages	96,385	96,385
Share-based payments	65,850	-
Other compensation	3,979	3,956
	166,214	100,341

Commitments

The Corporation has commitments relating to an office lease, which includes rent, common cost, and co-op cost, expiring June 2017.

The minimum payments are as follows:

	\$
2018	11,290
2019	22,580
2020	10,349
	44,219

Flow-through renunciation

On January 18, 2017, the Corporation completed a flow-through financing to raise \$472,500. The Corporation renounced 100% of the flow-through raised in 2017 to investors as at December 31, 2017. The Corporation has until February 1, 2018 to incur expenditures before monthly interest charges begin 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 \$472,500 in flow-through financing raised in 2017, the Corporation has incurred \$472,500 in exploration expenses, and thus fulfilling its obligation in relation to these renounced expenditures.

On June 19, 2017, the Corporation completed a flow-through financing to raise \$700,000. The Corporation renounced 100% of the flow-through raised in 2017 to investors as at December 31, 2017. The Corporation has until February 1, 2018 to incur expenditures before monthly interest charges begin 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 \$700,000 in flow-through financing raised in this financing in 2017, the Corporation has incurred \$700,000 in exploration expenses, and thus fulfilling its obligation in relation to these renounced expenditures.



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On December 29, 2017, the Corporation completed a flow-through financing to raise \$675,000. The Corporation renounced 100% of the flow-through raised in 2017 to investors as at December 31, 2017. The Corporation had until February 1, 2018 to incur expenditures before monthly interest charges begin 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 \$675,000 in flow-through financing raised in this financing in 2017, the Corporation has incurred \$250,342 in exploration expenses, and thus has \$424,658 remaining to be spent by December 31, 2018.

Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts 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 regards 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 involves 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.



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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 fulfil our obligations under any applicable agreements. There can be no assurance that we will be able to obtain adequate financing in the future, or 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.



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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 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



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assets, cannot be ruled out.

Financial instruments and related risks

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

Credit risk

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

- i) **Trade credit risk**
The Corporation is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Corporation is not exposed to significant credit risk and overall the Corporation's credit risk has not changed significantly from the prior year.
- ii) **Cash and cash equivalents**
In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of six months or less and are cashable at any time. Limits are also established based on the type of investment, the counterparty and the credit rate.
- iii) **Derivative financial instruments**
As at June 30, 2018, the Corporation has no derivative financial instruments. It may in the future enter into derivative financial instruments in order to manage credit risk, it will only enter into derivative financial instruments with highly rate investment grade counterparties.

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.



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

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investments	-	949,073	-	949,073

Management of Capital Risk

The Corporation manages its common shares, stock options and warrants as capital. 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.

The Corporation expects its current capital resources after the private placement expected to be completed subsequent to year-end will be sufficient to carry out its exploration plans and operations through 2016.

Subsequent events

Option payment received

On July 10, 2018 the Corporation received a \$1,000,000 option payment related to the Clarence Stream property agreement.

Stock option grant

On July 11, 2018 the Corporation granted a total of 2,440,000 options to purchase common share of the Corporation to certain directors, employees and consultants pursuant to the Corporation's Share Incentive Plan. Such options have an exercise price of \$0.30 per common share and expire on July 11, 2023.

Exercise of options

Subsequent to period end, a total of 920,000 options were exercised for proceeds of \$230,000. The options were set to expire July 22, 2018.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.



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

No changes occurred in the current period of the Corporation's ICFR that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR.

Controls and Procedures

In accordance with the requirements of National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, the Corporation's management, including Chief Executive Officer (CEO) and Chief Financial Officer (CFO), have evaluated the operating effectiveness of the Corporation's internal control over financial reporting. Management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under, the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management assessed the effectiveness of the Corporation's internal control over financial reporting as of June 30, 2018. Based on this assessment, management believes that, as of June 30, 2018, the Corporation's internal control over financial reporting is designed effectively.

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding annual and interim financial statement disclosure. Management believes these disclosure controls and procedures have been effective during the period ending June 30, 2018.

Additional Information

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

Mr. Ron Little, President, CEO and Mr. Don Hoy, Senior VP Exploration of Wolfden Resources Corporation are the Qualified Persons for the information contained in this MD&A and are Qualified Persons defined by National Instrument 43-101.

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

Thunder Bay, Canada
August 15, 2018