



WOLF DEN

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

For the three and six months ended June 30, 2019

(Stated in Canadian Dollars)

(Unaudited)



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL
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For the three and six months ended June 30, 2019

Date of Report: August 19, 2019

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, 2019 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 19, 2019, 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 2019

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 northeastern 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:

The Pickett Mountain Zn-Pb-Cu-Ag-Au deposit is one of the highest-grade undeveloped volcanogenic massive sulphide deposits (VMS) in North America. The deposit was discovered in 1979, using a combination of soil surveys, ground geophysical surveys and diamond drilling and has not been explored since 1989. Minimal exploration has occurred in the State of Maine since that time as compared to the adjacent Province of New Brunswick which hosts similar geological terrain and one of the worlds most prolific base metal mining camps. Maine has recently changed its mining laws (2017) that includes a more definitive mine permitting process and no permit requirement for basic grass-roots exploration techniques such as line cutting, geophysical and geochemical surveys, trenching and drilling.

Since acquiring the Property in November 2017, Wolfden has completed an airborne geophysical survey (VTEM™), ground Time-Domain (TDEM) electromagnetic surveys, bore-hole electromagnetic surveys, ground induced polarization surveys (IP), geological mapping as well as diamond drilling.

On January 7, 2019 the Company completed a National Instrument 43-101 compliant Mineral Resource estimate for the Pickett Mountain deposit that is based on a 9.0% ZnEq (Zinc Equivalent) cut-off as tabulated below.

MINERAL RESOURCE STATEMENT – JANUARY 7, 2019								
Category	Tonnes	% Zn	% Pb	% Cu	g/t Ag	g/t Au	Density	% ZnEq
Indicated	2,050,000	9.88	3.93	1.38	101.58	0.92	3.99	19.32
Inferred	2,030,000	10.98	4.35	1.20	111.45	0.92	4.00	20.61

Preliminary metallurgical test-work commenced during Q2 2019 by RDI Minerals using drill core sample rejects from the 2018 drill program in an effort to confirm and potentially improve upon the previously positive base metal recoveries from work completed in the 1980's. Test-work includes further investigation of the various mechanical properties of the ore that could be identified and further optimized with respect to grind size, floatation, backfilling, and tailings disposal designs. Much of this work will also be utilized to establish preliminary environmental baseline work that is planned for 2019 and collectively, is expected to supplement the next technical study for the project. This first phase of metallurgical test-work is expected to be completed during the current quarter..

2019 Pickett Mountain Exploration Program

The 2019 exploration program at Pickett Mountain commenced late in the second quarter. It is largely focused on expansion drilling of the Footwall zone, the East and West Lenses and further characterization and subsequent drill testing of high-priority regional targets, once further ground truthing has been completed. All efforts are focused on expanding the total mineral inventory of the project.

Among the highlights of the 2018 drill program, was the discovery of the Footwall zone in drill hole PM-18-031, featuring **4.1 metres at 38.2% ZnEq**. Given that the new discovery has the potential to comprise a completely separate and parallel lens apart from the known deposit, initial efforts in 2019 have been directed at determining the configuration and limits of mineralization of the Footwall zone.



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During the second quarter, 3 drill holes were completed for a total footage of 1,376 metres. Two of the holes were drilled from surface, PM-136 & PM-137. Hole 136 intersected 2 exhalative horizons in the footwall to the main zone, but did not intersect the main zone. The exhalative horizons contain locally appreciable disseminated and stringer sphalerite. Drill hole PM-137 intersected the East Lens at a down-hole depth of 558.2 to 565.1 metres over 6.9 metres. The intercept largely comprises semi-massive pyrite with minor base-metal mineralization. An exhalative horizon further in the footwall was also cut in hole PM-137, over an intersected width of 25.5 metres. The exhalite contains banded pyrite and lesser amounts of disseminated and stringer sphalerite. Assays are currently pending for hole PM-137.

The third hole, PM-18-031A, was a wedge hole drilled from the discovery hole PM-18-031 and intersected 4.2 m of sulphide mineralization grading 15.3% ZnEq that includes 2.9 m of 19.9% ZnEq. This second intersection of polymetallic mineralization occurs 25 metres above the discovery hole that intersected 4.1 m grading 38.2 % ZnEq and confirms the potential for this new lens to add to the Pickett Mountain mineral resource. Details of the intercept are tabulated below where true width is estimated to be 55% of the core length.

Hole No.	From (m)	To (m)	Length (m)	ZnEq (%)	Zinc (%)	Lead (%)	Copper (%)	Silver (g/t)	Gold (g/t)
PM-18-031A	712.3	716.5	4.2	15.3	7.4	3.7	1.0	104.5	0.6
<i>including</i>	713.6	716.5	2.9	19.9	9.5	4.8	1.3	133.0	0.8

These results are very positive and indicate that the FWZ is a steeply dipping lens and with an estimated true width of at least 2.0 metres at a vertical depth of 625 m below surface. The two intercepts exhibit similar textural and lithological characteristics and the assay results correspond directly to the amount of semimassive to massive sulphide that occur in the respective drill cores.

As part of the ongoing drilling program, downhole EM surveys will be completed on new and historic holes in the vicinity of the Footwall zone and the East and West Lenses, in an effort to identify potential extension of the massive sulphide mineralization. Any conductive plates defined by the BHEM surveys will be drill tested as part of the 2019 program if this technique proves to be a positive resource expansion tool.

A comprehensive study of all of the geophysical data (ground and airborne) was completed to assist in defining drill targets in the Pickett Mountain deposit locale, as well as the surrounding volcanic belt. Numerous prospective targets were generated by this comprehensive data review. Soil sampling, prospecting and geological mapping are currently in progress in the locale of these targets in efforts to advance them to drilling targets by late fall 2019.

Exploration Opportunities

During the second quarter, the geological team continued with assessing and updating other inhouse projects in New Brunswick and Manitoba, as well as performing some review of other potential exploration and development opportunities in North America, including others in Maine.



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Results of Operations

The following table includes 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, 2018 \$	Year ended December 31, 2017 \$	Year ended December 30, 2016 \$
Operations			
Other income	1,378,770	8,517,870	752,767
Loss for the year	(5,151,919)	(5,279,570)	(449,140)
Comprehensive loss for the year	(5,229,946)	(5,279,570)	(449,140)
Basic and diluted loss per share	(0.05)	(0.01)	(0.04)
Balance Sheet			
Working capital	114,520	3,679,234	1,673,463
Total assets	1,242,516	4,098,282	1,792,908
Total liabilities	(1,123,849)	(419,048)	(119,445)

Summary of Quarterly Results

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

Quarter	2019 Second	2019 First	2018 Fourth	2018 Third	2018 Second	2018 First	2017 Fourth	2017 Third	2017 Second
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Investment income	6,377	1,149	3,033	2,353	2,194	2,262	6,036	1,092	2,082
Operating expenses	925,624	392,789	2,059,825	1,589,292	1,624,888	932,703	2,014,778	995,566	147,919
Operating loss	(1,004,732)	(224,545)	(2,056,792)	(1,586,939)	(1,537,412)	(930,441)	2,008,742	(994,474)	(145,837)
Compreh-ensive loss	(987,597)	(280,554)	(666,877)	(1,553,044)	(1,553,044)	(930,441)	1,258,742	(244,474)	(145,837)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)	-



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Overall Performance

The loss for the three and six months ended June 30, 2019 was \$1,004,732 and \$1,200,055 respectively, which was \$583,137 lower for the three months ended June 30, 2019 and \$1,318,255 lower for the six months ended June 30, 2019 when compared to the loss of \$1,587,869 and \$2,518,310 for the same periods of the previous year. The balance of the expenditure categories for the three and six months ended June 30, 2019 have decreased relative to the same periods of the previous year. Exploration and evaluation expenses decreased from \$1,312,001 to \$572,366 and \$2,043,191 to \$695,738, general and administrative expenses decreased from \$223,313 to \$157,626 and \$398,643 to \$361,207, professional fees increased from \$14,395 to \$34,645 and \$34,936 to \$44,815. Overall operating expenses decreased from \$1,624,888 to \$925,624 and \$2,557,591 to \$1,318,413, which can be attributed to the decreased exploration activity on the Pickett Mountain project.

The major components of general and administrative costs for the three and six months ended June 30, 2019 include corporate accounting fees of \$22,050 and \$44,100, rent expense of \$6,061 and \$12,117, executive salaries and wages not charged to exploration of \$53,055 and \$120,477, advertisement and promotion of \$Nil and \$35,200, consulting fees of \$1,500 and \$3,000, and business and director insurance of \$3,979 and \$2,558, respectively, and \$7,378 and \$5,088, respectively.

Over the eight previous quarters, the Corporation has seen losses vary depending primarily on the level of exploration expenditures that is influenced primarily by the funds available. Administration costs and personal levels are affected in the same manner. 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 consider other potential opportunities as they arise.

The Corporation recorded \$6,377 and \$7,526 in investment revenue for the three and six months ended June 30, 2019 compared to \$2,194 and \$4,456 in the same periods of the previous year.

At June 30, 2019 the Corporation had cash and cash equivalents of \$2,308,187, which includes cashable guaranteed investment certificates of \$158,663 maturing October 29, 2019, yielding 1.600% and cashable guaranteed investment certificates of \$1,505,753, maturing April 9, 2020, yielding 1.75% (December 31, 2018 - \$759,091 maturing October 29, 2019, yielding 1.60%).



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Exploration and Evaluation Assets

The Corporation incurred exploration and evaluation expenditures of \$695,738 during the six months ended June 30, 2019, the breakdown of exploration and evaluation for the period was as follows:

	<u>For the six months ended</u>					2019	Inception to date
	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other		
Analysis	-	41,727	-	-	-	41,727	617,041
Geological	-	165,316	28,125	20,246	3,045	216,732	1,885,143
Geophysical	-	47,866	9,058	-	-	56,924	2,035,562
Geochemical	-	80	-	5,322	-	5,402	195,531
Travel / Accom.	-	38,445	-	3,546	-	41,991	562,536
Drilling	-	181,360	-	-	-	181,360	5,176,969
Property Work	-	-	-	18,445	-	18,445	638,728
Ops Support	-	34,467	900	1,033	-	36,400	208,864
Administration	31,623	1,249	-	19,433	-	52,305	669,072
Total Exploration	31,623	510,510	38,083	68,025	3,045	651,286	11,989,446
Other Costs*	91	-	7,920	-	36,061	44,072	20,752,430
Total for period	31,714	510,510	46,003	68,025	39,106	695,358	32,741,876
Total	2,587,836	6,003,169	2,423,289	1,328,307			

	<u>For the three months ended</u>					2019	Inception to date
	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other		
Analysis	-	41,727	-	-	-	41,727	617,041
Geological	-	160,322	12,600	7,872	2,740	183,534	1,885,143
Geophysical	-	34,387	(1)	-	-	34,386	2,035,562
Geochemical	-	1	-	-	-	1	195,531
Travel / Accom	-	31,822	-	-	-	31,822	562,536
Drilling	-	181,360	-	-	-	181,360	5,176,969
Property Work	-	-	-	9,060	-	9,060	638,728
Ops Support	-	30,219	540	300	-	31,059	208,864
Administration	14,296	1,249	(811)	9,744	-	24,478	669,072
Total Exploration	14,296	481,087	12,328	26,976	2,740	537,427	11,989,446
Other Costs*	-	-	470	-	34,469	34,939	20,752,430
Total for period	14,296	481,087	12,798	26,976	37,209	572,366	32,741,876

*Included in other costs is government assistance received.



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Mineral Property Acquisitions and Agreements

Maine, U.S.A.

Pickett Mountain Property

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

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

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

During the third quarter of 2018, Wolfden Mt. Chase LLC entered into a Forest Management Agreement with Huber Resources Corp. to harvest select portions of the timber on the Property. As per the terms of the contract, Huber has developed a long term forest plan to harvest and sell select portions of the Property, in a sustainable manner, so as to protect the forest and maintain its timber value. A portion (20%) of the sales receipts are paid to Altius, on a regular basis, which is consistent with the terms of the Royalty Agreement. For the period of three months ended March 31 2019, the Corporation recorded net timber sales proceeds of \$Nil (US\$ 189,799), that are net of 20% allocated to Altius as per the agreement (2018 - \$Nil). These funds are not being placed in escrow and have been included in the working capital of the Corporation.

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



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Call Right

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

Conversion Right

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

Exchange Right

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

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



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Other Properties, Maine USA

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

New Brunswick, Canada

Tetagouche Property

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

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

Orvan Brook Property

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

Clarence Stream Property Agreements

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

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

Under the terms of the Option Agreement, the Optioner will make scheduled cash payments to Wolfden comprising \$750,000 on signing of the Option Agreement (the "Effective Date") (payment received), \$750,000 on or before the first anniversary of the Effective Date (payment received and included in "Gain on disposal of mineral properties" in 2017), \$1,000,000 on or before the second anniversary of the Effective Date (payment received and included in "Gain on disposal of mineral properties" in 2018) and \$750,000 on or before the third anniversary of the Effective Date (payment received subsequent to period end).

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.



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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); and
- 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; and
- 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.

Brunswick No. 6 West Property

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



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Manitoba, Canada

Rice Island Property

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

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

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

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



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Liquidity and Capital Resources

The Corporation's cash and cash equivalents balance was \$2,308,187 at June 30, 2019 compared to \$1,031,141 at December 31, 2018. The cash and cash equivalents balance includes guaranteed investment certificates of \$158,663 maturing October 29, 2019, yielding 1.600% and guaranteed investment certificates of \$1,505,753, maturing April 9, 2020, yielding 1.75% (December 31, 2018 - \$759,091 maturing October 29, 2019, yielding 1.60%). Current assets at June 30, 2019 were \$2,350,575 compared to \$1,238,369 at December 31, 2018 and total assets at June 30, 2019 were \$2,352,295 compared to \$1,242,516 at December 31, 2018. The Corporation continues to use our cash resources to further our exploration projects. 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.

During the period ending June 30, 2019 the Corporation received gross proceeds of \$2,500,000 from a non-brokered (and no agent) private placement, as well as \$262,500 related to the exercise of warrants.

Operating Activities

For the six months ended June 30, 2019, the Corporation used \$1,434,198 in cash related to operating activities. The most significant non-cash charges to earnings include depreciation of \$188 and share-based payments of \$215,997. For the six months ended June 30, 2019 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, 2019, the Corporation recorded cash used in investments of \$Nil. During the same period of the previous year the Corporation used cash of \$10,710 on its investment activities. The Corporation invests 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, 2019, the Corporation received net cash of \$2,762,736 from the private placements and exercise of warrants as compared to the comparative period that provided \$615,119 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 19, 2019, 129,431,588 common shares were issued and outstanding.



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Warrants

The following table reflects the share purchase warrants outstanding as at August 19, 2019:

Expiry Date	Exercise Price \$	Warrants Outstanding #
November 15, 2022	0.35	10,100,000
January 15, 2023	0.61	375,000
		10,475,000

Stock Options

The following table reflects stock options outstanding and that have vested as at August 19, 2019:

Expiry Date	Exercise Price \$	Options Granted #	Options Vested #
March 09, 2022	0.75	1,135,000	1,135,000
August 29, 2019	0.15	855,000	855,000
August 18, 2021	0.13	950,000	950,000
March 09, 2022	0.14	50,000	50,000
July 20, 2022	0.14	945,000	945,000
December 29, 2022	0.53	600,000	250,000
July 10, 2023	0.30	2,440,000	2,440,000
February 12, 2024	0.30	300,000	75,000
April 29, 2024	0.20	600,000	400,000
June 26, 2024	0.20	200,000	200,000
		8,075,000	7,300,000

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$43,900 was recorded as compensation for the December 29, 2022 options that vested during the period, \$27,278 for the February 12, 2024 options that vested during the period, \$58,951 for the April 29, 2024 options that vested during the period, and \$23,400 for the June 26, 2024 options that vested during the period (2018 - \$nil was recorded as compensation for the December 29, 2022 options that vested during the period). As of June 30, 2019 there were 775,000 unvested stock options (December 31, 2018 - 350,000 unvested stock options).

* No options exercised during the period (The weighted average share price at date of exercise of the options for the year ending December 31, 2018 - \$0.23).

** The weighted average remaining life of the outstanding stock options is 3.53 years (December 31, 2018 - 3.78 years).

The Corporation currently estimates the forfeiture rate to be nil.



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Restricted Share Unit Plan

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

The share based payment liability for RSUs is \$51,040 as at June 30, 2019 (\$nil for December 31, 2018) based on the vesting conditions. A share based payment expense of \$51,040 was recorded during the period. At June 30, 2019 there were 1,208,750,000 RSUs outstanding (December 31, 2018 - nil) and the fair value of the RSUs at June 30, 2019 was \$193,400 (\$nil at December 31, 2018).

Related Party Transactions

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

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

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

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

- (a) Included in general and administrative expenses are amounts totaling \$10,012 (2018 - \$10,012) for rent paid to 2401794 Ontario Inc., a wholly-owned subsidiary of Premier Gold Mines Ltd., a company related to the Corporation through Ewan Downie, Ron Little, and John Seaman, who are all Directors of Wolfden and Premier.
- (b) Included in general and administrative expenses are amounts totaling \$6,000 (2018 - \$6,031) for corporate secretarial services provided by DRAX Services Limited., related to the Corporation through Shaun Drake, Corporate Secretary of Wolfden.

Key management personnel remuneration includes the following amounts:

	For the six months ended	
	2019	2018
	\$	\$
Salary and wages	171,231	96,385
Share-based payments	94,940	65,850
Other compensation	8,416	3,979
Director's fees	28,846	-
	303,433	166,214



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Commitments

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

The minimum payments are as follows:

	\$
2019	5,631
2020	6,882
	<hr/> 12,513 <hr/>

Significant Accounting Judgements and Estimates

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

Significant Estimates

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

- i. the inputs used in accounting for share purchase option expense in the statement of loss and comprehensive loss;
- ii. the provision for income taxes which is included in the statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the statement of financial position which have not yet been confirmed by the taxation authorities, and
- iii. the estimated useful lives of equipment and leaseholds which are included in the statement of financial position and the related depreciation included in the statement of loss and comprehensive loss.



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Recent Account Pronouncements

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

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

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

- IFRS 16, Leases introduces new requirements for the classification and measurement of leases. The standard is effective for annual reporting periods beginning January 1, 2019 although early application is permitted for companies that also apply IFRS 15 – Revenue from Contracts with Customers. The Corporation will adopt it using the modified retrospective approach, resulting in no restatement of prior year comparatives and the cumulative impact of applying IFRS 16 will be recognized at January 1, 2019. The Corporation has completed the assessment of its equipment and building rentals, land leases and service agreements and determined there will be no significant impact on lease expense or depreciation expense. Upon adoption, the Corporation has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight line basis for short-term leases (lease term of 12 months or less) and low value assets (\$5,000 or less). There was close attention paid to all of the Corporation's drilling contracts to ensure that they did not contain embedded leases for property, plant and equipment. None of those contracts resulted in right of use of an asset.
- IFRIC 23, Uncertainty over Income Tax Treatments provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation is applicable for period beginning on or after January 1, 2019.

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



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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 mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Corporation is limited in financial resources, and as a mineral exploration company has no source of operating cash flow. The Corporation has no assurance that additional funding will be available to us for further exploration and development of our projects or to 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.



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Permits and Licenses

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

Competition

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

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

Environmental Regulations

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



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Markets for Securities

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

Reliance on Key Individuals

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

Geopolitical Risks

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

Financial Instruments and Related Risks

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

Credit Risk

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

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



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Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Corporation is the Canadian dollar, however it has operations located in the United States, and as such is subject to fluctuations in that currency. Changes in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Corporation's results of operations, financial position or cash flows. The Corporation has not hedged its exposure to currency fluctuations. At June 30, 2019, a 100 basis point decrease/increase in the U.S. Dollar would result in a foreign exchange gain/loss of approximately \$754.

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	-	1,664,416	-	1,664,416

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 completed subsequent to year-end will be sufficient to carry out its exploration plans and operations through 2018.



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Subsequent Events

On July 9, 2019, the Corporation received \$750,000 from Galway Metals Inc. as the final payment in relation to their Earn-in Option for completing a 100% interest in the Clarence Stream property. Wolfden retains a 1% NSR subject to buy back conditions held by Galway.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

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.

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 19, 2019