Wolfden Resources Corporation

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2018 and 2017

WOLFDEN RESOURCES CORPORATION

NOTICE TO SHAREHOLDERS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of Wolfden Resources Corporation were prepared by management in accordance with International Financial Reporting Standards ('IFRS"). Only changes in accounting policies have been disclosed in these unaudited condensed consolidated interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited condensed consolidated interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)
(Unaudited)

As at	**September 30 2018 $**	December 31 2017 $
ASSETS		
Current assets		
Cash and cash equivalents	**1,423,597**	2,981,692
Accounts receivable	**61,697**	149,611
Prepaids	**15,493**	23,349
Investments [note 5]	**951,427**	938,363
Total current assets	**2,452,214**	4,093,015
Non-current assets		
Equipment and leaseholds [note 6]	**4,531**	5,267
Total assets	**2,456,745**	4,098,282
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**435,200**	419,048
EQUITY		
Share capital [note 8]	**29,208,583**	28,033,631
Equity settled employee benefits [note 8]	**1,413,971**	1,062,794
Other comprehensive loss	**(66,155)**	-
Deficit	**(28,534,854)**	(25,417,191)
Total equity	**2,021,545**	3,679,234
Total liabilities and equity	**2,456,745**	4,098,282

Going concern [note 1]
Commitments [note 11]
Subsequent events [note 14]
See accompanying notes to the consolidated interim financial statements

These consolidated interim financial statements are authorized for issue by the Board of Directors on November 27, 2018.

They are signed on the Corporation's behalf by:

"Ron Little" Director

"John Seaman" Director

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)
(Unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2018	2017	**2018**	2017
	$	$	**$**	$
EXPENSES				
Depreciation *[note 6]*	**384**	(494)	**736**	10,258
Exchange gain	**(32,888)**	-	**(32,888)**	-
Exploration and evaluation expenses *[note 7]*	**779,387**	746,802	**2,822,578**	1,517,403
Flow through interest penalty	**18,453**	450	**31,703**	1,710
General and administrative expenses *[note 10]*	**191,783**	85,035	**590,426**	306,406
Professional fees	**92,933**	16,353	**127,869**	31,583
Share-based payments *[note 8]*	**539,240**	147,420	**605,090**	147,420
	1,589,292	995,566	**4,145,514**	2,014,780
Loss before the following	**(1,589,292)**	(995,566)	**(4,145,514)**	(2,014,780)
Investment income	**2,353**	1,092	**6,809**	6,036
Other income	**21,042**	-	**21,042**	-
Gain on sale of mineral properties *[note 7]*	**1,000,000**	750,000	**1,000,000**	750,000
Loss for the period	**(565,897)**	(244,474)	**(3,117,663)**	(1,258,744)
Exchange differences on translation of foreign operations	**100,980**	-	**66,155**	-
Comprehensive loss for period	**(666,877)**	(244,474)	**(3,183,818)**	(1,258,744)
Basic and diluted loss per share *[note 9]*	**(0.01)**	(0.01)	**(0.03)**	(0.02)

See accompanying notes to the consolidated interim financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Stated in Canadian Dollars)
(Unaudited)

For the nine months ended September 30	2018 $	2017 $
OPERATING ACTIVITIES		
Loss for the period	**(3,117,663)**	(1,258,744)
Add charges to earnings not involving a current payment of cash		
Depreciation	**736**	10,258
Exchange loss	**(32,888)**	-
Share based payments	**605,090**	147,420
Shares issued for mineral properties	**25,000**	15,000
Non-cash general and administrative expense	**-**	1,250
	(2,519,725)	(1,084,816)
Changes in non-cash working capital balances related to operations		
Accounts receivable	**87,914**	(46,535)
Prepaids	**7,856**	(11,493)
Accounts payable and accrued liabilities	**16,152**	(44,622)
Cash used in operating activities	**(2,407,803)**	(1,187,466)
INVESTMENT ACTIVITIES		
Redemption (purchase) of investments, net	**(13,064)**	1,100,012
Cash provided by (used in) investment activities	**(13,064)**	1,100,012
FINANCING ACTIVITIES		
Proceeds from private placement	**217,500**	1,172,500
Proceeds from the exercise of warrants	**344,176**	76,193
Proceeds from the exercise of stock options	**334,363**	-
Share issue costs	**-**	(82,342)
Cash provided by financing activities	**896,039**	1,166,351
Increase (decrease) in cash and cash equivalents during the period	**(1,524,828)**	1,078,897
Cash and cash equivalents, beginning of the period	**2,981,692**	459,402
Effect of foreign exchange on cash and cash equivalents	**(33,267)**	-
Cash and cash equivalents, end of the period	**1,423,597**	1,538,299

See accompanying notes to the consolidated interim financial statements

WOLFDEN
(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)
(Unaudited)

	Share Capital		Reserves			
Issued and outstanding:	**Number of Shares**	**Share Capital**	**Equity Settled Employee Benefits**	**Foreign currency translation**	**Deficit**	**Total Equity**
Balance as at December 31, 2016	77,601,589	20,898,258	912,826	-	(20,137,821)	1,673,263
Private placement #1 [note 8]	3,500,000	472,500	-	-	-	472,500
Private placement #2 [note 8]	4,375,000	700,000	-	-	-	700,000
Share-based payments	-	-	148,670	-	-	148,670
Share issue costs	-	(82,342)	-	-	-	(82,342)
Shares issued for general and administrative expenses	100,000	15,000	-	-	-	15,000
Loss for the period	-	-	-	-	(1,258,744)	(1,258,744)
Exercise of warrants	471,591	76,193	-	-	-	76,193
Balance as at September 30, 2017	86,048,180	22,079,609	1,061,496	-	(21,396,565)	1,744,540
Private placement #3 [note 8]	1,500,000	675,000	-	-	-	675,000
Private placement #4 [note 8]	20,200,000	5,050,000	-	-	-	5,050,000
Exercise of warrants	1,937,500	380,625	-	-	-	380,625
Exercise of stock options	321,250	101,115	(42,602)	-	-	58,513
Share-based payments	-	-	42,650	-	-	42,650
Share-based payments expensed through exploration	-	-	1,250	-	-	1,250
Flow-through share premium	-	(96,250)	-	-	-	(96,250)
Share issue costs	-	(156,468)	-	-	-	(156,468)
Loss for the period	-	-	-	-	(4,020,626)	(4,020,626)
Balance as at December 31, 2017	110,006,930	28,033,631	1,062,794	-	(25,417,191)	3,679,234
Exercise of warrants *[note 8]*	1,690,908	344,176	-	-	-	344,176
Exercise of stock options *[note 8]*	1,558,750	588,276	(253,913)	-	-	334,363
Private placement *[note 8]*	750,000	217,500	-	-	-	217,500
Shares issued for mineral properties	100,000	25,000	-	-	-	25,000
Share-based payments *[note 8]*	-	-	605,090	-	-	605,090
Loss for the period	-	-	-	(66,155)	(3,117,663)	(3,183,818)
Balance as at September 30, 2018	**114,106,588**	**29,208,583**	**1,413,971**	**(66,155)**	**(28,534,854)**	**2,021,545**

See accompanying notes to the consolidated interim financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2018
(with comparative figures for the year ended December 31, 2017)

1. NATURE OF BUSINESS

Wolfden Resources Corporation (the "Corporation" or "Wolfden") was incorporated under the laws of the Province of Ontario on August 12, 2009. The principal business activity of the Corporation is the acquisition, exploration and development of mineral properties that it believes contain mineralization that will be economically recoverable in the future.

Going concern

The Corporation, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economic and metal price volatility and there is no assurance management will be successful in its endeavours. At September 30, 2018, the Corporation has no source of operating cash flows. The Corporation incurred a net loss of $3,117,663 for the period ended September 30, 2018 (September 30, 2017 - $1,258,744) and has accumulated a deficit of $28,534,854 (September 30, 2017 - $21,396,565) since the inception of the Corporation. As at September 30, 2018, the Corporation had working capital of $2,017,014 (December 31, 2017 – $2,981,692) and the Corporation's ability to continue as a going concern is dependent upon its ability to raise additional capital to continue the development of its mineral properties. During the year ended December 31, 2017, the Corporation raised gross proceeds of $7,412,831 through private placements of shares and warrants and the granting of direct interests in its mineral properties.

These material uncertainties cast significant doubt on the Corporation's ability to continue as a going concern. The Corporation's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable level of operation. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of loss and comprehensive loss classification that would be necessary should the Corporation be unable to continue as a going concern. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed interim financial statements for the three and nine months ended September 30, 2018 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Corporation's annual financial statements as at December 31, 2017.

The financial statements of the Corporation for the period ended September 30, 2018 were approved and authorized by the Board of Directors on November 27, 2018.

(Stated in Canadian Dollars)

Basis of consolidation

The Corporation's condensed consolidated interim financial statements consolidate those of its subsidiaries. The Corporation's subsidiaries are:

	Percentage of ownership	Jurisdiction	Principal activity
Wolfden Resources Canada Inc.	100%	Canada	Mineral exploration
Wolfden USA Inc.	100%	United States	Mineral exploration
Wolfden Mt. Chase LLC	100%	United States	Mineral exploration

All transactions and balances between the Corporation and its subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between the companies.

Change in functional currency

Prior to January 1, 2018, the functional currency of Wolfden USA Inc. and Wolfden Mt. Chase LLC, the U.S. subsidiaries, was the Canadian Dollar ("CAD"). Per IAS 21 - *The effects of Changes in Foreign Exchange Rates ("IAS 21")*, an entity's functional currency should reflect the underlying transactions, events and conditions that are relevant to the entity. Management considered primary and secondary indicators including the currency used operationally for purchases, labour and other costs, as well as receipts of other income.

Based on these factors, management concluded that effective January 1, 2018, the U.S. subsidiaries functional currency should be the United States dollars ("USD").

As the Corporation's Canadian operations primarily operate in CAD and are financed in CAD, management has determined that their functional currency remains CAD.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements have been prepared on the basis of all IFRS and interpretations effective as at September 30, 2018.

Accounting standards issued and effective January 1, 2018, 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 15, Revenue from Contracts with Customers establishes an single model in accounting for revenue arising from contracts with customers. This supercedes current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations; and

- IFRS 9, Financial Instruments introduces new requirements for the classification and measurement of financial assets and liabilities.

Accounting standards issued and effective January 1, 2019

The Corporation is currently assessing the impact that the following changes to accounting standards will have on the financial statements:

- IFRS 16, Leases introduces new requirements for the classification and measurement of leases.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2018
(with comparative figures for the year ended December 31, 2017)

4. SEGMENTED INFORMATION

The Corporation's significant segments are represented by its separately identifiable exploration and evaluation properties (see *note 7* for disclosure by property). The Corporation also operates in two distinct geographic areas. The Canadian operations are managed from the Corporation's head office in Thunder Bay. The U.S. operations are managed from an office in Maine.

For the nine months ended September 30, 2018

	Canada $	USA $	Total $
Segmented Assets	2,187,309	269,437	**2,456,746**
Segmented Liabilities	(648,861)	(213,661)	**(435,200)**
Operating activities			
Depreciation	736	-	**736**
Exchange gain	(32,888)	-	**(32,888)**
Exploration and evaluation expenses	302,730	2,519,848	**2,822,578**
Flow-through interest penalty	31,703	-	**31,703**
General and administrative	553,850	36,576	**590,426**
Professional fees	105,030	22,839	**127,869**
Share-based payments	605,090	-	**605,090**
Total	**1,566,251**	**2,579,263**	**4,145,514**
Loss	**538,400**	**2,579,263**	**3,117,663**

For the three months ended September 30, 2018

	Canada $	USA $	Total $
Operating activities			
Depreciation	384	-	**384**
Exchange gain	(32,888)	-	**(32,888)**
Exploration and evaluation expenses	136,347	643,040	**779,387**
Flow-through interest penalty	18,453	-	**18,453**
General and administrative	190,327	1,456	**191,783**
Professional fees	92,933	-	**92,933**
Share-based payments	539,240	-	**539,240**
Total	**1,210,393**	**644,496**	**1,589,292**
Loss/(gain)	**(78,599)**	**644,496**	**565,897**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2018
(with comparative figures for the year ended December 31, 2017)

For the nine months ended September 30, 2017

	Canada $	USA $	Total $
Operating activities			
Depreciation	10,258	-	10,258
Exchange gain	-	-	-
Exploration and evaluation expenses	1,517,403	-	1,517,403
Flow-through interest penalty	1,710	-	1,710
General and administrative	306,406	-	306,406
Professional fees	31,583	-	31,583
Share-based payments	147,420	-	147,420
Total	2,014,780	-	2,014,780
Loss	1,258,744	-	1,258,744

For the three months ended September 30, 2017

	Canada $	USA $	Total $
Operating activities			
Depreciation	(494)	-	(494)
Exchange gain	-	-	-
Exploration and evaluation expenses	746,802	-	746,802
Flow-through interest penalty	450	-	450
General and administrative	85,035	-	85,035
Professional fees	16,353	-	16,353
Share-based payments	147,420	-	147,420
Total	995,566	-	995,566
Loss	244,474	-	244,474

December 31, 2017

	Canada **$**	**USA** **$**	**Total** **$**
Segmented Assets	4,098,282	-	4,098,282
Segmented Liabilities	(419,048)	-	(419,048)

5. INVESTMENTS

At September 30, 2018, the Corporation holds guaranteed investment certificates of $756,946 maturing October 25, 2018, yielding 1.000% and guaranteed investment certificates of $194,481, maturing June 20, 2019, yielding 1.00% (December 31, 2017 - $187,027, maturing May 22, 2018, yielding 0.900% and guaranteed investment certificates of $751,336, maturing October 25, 2018, yielding 1.000%).

(Stated in Canadian Dollars)

6. EQUIPMENT AND LEASEHOLDS

	Computer Equipment	Vehicles	Leaseholds	Total
	$	$	$	$
Cost				
Balance, January 1, 2017	13,120	27,068	88,148	128,336
Write-down of assets*	-	-	(88,148)	(88,148)
Balance, December 31, 2017	13,120	27,068	-	40,188
Balance, September 30, 2018	**13,120**	**27,068**	**-**	**40,188**
Accumulated depreciation				
Balance, January 1, 2017	9,634	22,380	80,797	112,811
Depreciation for the period	1,440	1,467	7,351	10,258
Write-down of assets*	-	-	(88,148)	(88,148)
Balance, December 31, 2017	11,074	23,847	-	34,921
Depreciation for the period	231	505	-	736
Balance, September 30, 2018	**11,305**	**24,352**	**-**	**35,657**
Carrying amounts				
December 31, 2017				5,267
September 30, 2018				**4,531**

* Leaseholds have been written down to $nil as the during the previous year, the Corporation's lease ended and was not renewed.

(Stated in Canadian Dollars)

7. EXPLORATION AND EVALUATION

For the nine months ended

	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other	Total for current period	2017	Total inception to date
Analysis	-	37,098	743	1,950	-	**39,791**	15,947	**532,198**
Geological	-	180,100	2,750	70,890	33,834	**287,574**	424,375	**1,406,500**
Geophysical	2,719	834,493	11,880	-	-	**849,092**	211,314	**1,676,509**
Geochemical	-	1,480	2,135	-	-	**3,615**	11,987	**179,409**
Travel / Accom	-	108,369	-	1,257	2,410	**112,036**	43,663	**457,267**
Drilling	-	1,191,290	-	-	-	**1,191,290**	719,936	**3,916,064**
Property Work	-	48,796	3,025	30,789	-	**82,610**	32,552	**569,526**
Ops Support	-	89,266	1,620	2,230	-	**93,116**	42,180	**207,244**
Administration	57,734	630	106	28,626	400	**87,496**	100,033	**591,006**
Total Exploration	60,453	2,491,522	22,259	135,742	36,644	**2,746,620**	1,601,987	**9,535,723**
Other Costs*	65,091	13,985	13,810	(18,520)	1,592	**75,958**	(84,584)	**20,700,316**
Total	125,544	2,505,507	36,069	117,222	38,236	**2,822,578**	1,517,403	**30,236,039**

For the three months ended

	Rice Island	Pickett Mountain	Teta-gouche	Orvan Brook	Other	Total for current period	2017	Total inception to date
Analysis	-	5,258	-	-	-	**5,258**	7,147	**497,665**
Geological	-	67,561	2,000	26,958	(3,945)	**92,574**	317,370	**1,211,500**
Geophysical	-	30,188	11,880	-	-	**42,068**	59,074	**869,485**
Geochemical	-	1,480	-	-	-	**1,480**	1,380	**177,274**
Travel / Accom	-	41,220	-	-	717	**41,937**	17,052	**387,168**
Drilling	-	391,180	-	-	-	**391,180**	222,476	**3,115,954**
Property Work	-	32,981	3,025	9,054	-	**45,060**	28,055	**531,976**
Ops Support	-	44,216	540	200	-	**44,956**	5,012	**206,164**
Administration	17,219	630	51	9,649	-	**27,549**	35,867	**531,059**
Total Exploration	17,219	614,714	17,496	45,861	(3,228)	**692,062**	693,433	**7,528,245**
Other Costs*	65,000	13,985	8,340	-	-	**87,325**	53,369	**20,711,683**
Total	82,219	628,699	25,836	45,861	(3,228)	**779,387**	746,802	**28,239,928**

*Included in other costs is government assistance received.

Mineral property acquisitions and agreements

Maine, U.S.A.

Pickett Mountain Property

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

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

Pursuant to the Royalty Agreement, Altius has the option to purchase an additional 0.50% gross sales royalty at any time before the first anniversary of commercial production for US$7,500,000. In addition, the Corporation granted Altius certain rights to convert the Pickett Mountain Royalty to equity under certain terms, or to exchange the royalty for a similar royalty on the Corporation's Orvan Brook property. Furthermore, the Corporation agreed to use its best efforts to 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 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 final sales receipts will be deposited into an escrow account in favour of Altius, which is consistent with the terms of the Royalty Agreement (see Timber Rights).

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

Call Right

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

Conversion Right

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

Exchange Right

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

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 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.

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), $1,000,000 on or before the second anniversary of the Effective Date (payment received) and $750,000 on or before the third anniversary of the Effective Date.

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); 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 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 southeast 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 Tie-On 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 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.

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

8. SHARE CAPITAL AND RESERVES

i. Authorized

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

ii. Details of share issuances

2018

Private Placement

On January 6, 2018, the Corporation completed a non-brokered private placement (the "Offering") of 750,000 common shares of the Corporation at a price of $0.29 per Share for gross proceeds of $217,500 with a Director of the Corporation. The shares issued under the Offering are subject to a four-month hold period that expired May 6, 2018.

Shares Issued for Mineral Property

Rice Island

In respect of the option agreement related to the Rice Island Tie-On Property, on September 12, 2018 (see Note 7 - Exploration and Evaluation), the Corporation issued 100,000 common shares to the vendor. These were valued at $0.25 per common share, totaling $25,000.

2017

Private Placement #1

On January 18, 2017, the Corporation completed a non-brokered private placement (the "Offering") of 3,500,000 flow-through units (the "Flow-through Units") at a price of $0.135 per Flow-through Unit for gross proceeds of $472,500. Each Flow-through Unit consists of one common share of the Corporation that is a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of one non-transferable common share purchase warrant (each whole warrant a "Warrant"). Each such Warrant entitles the holder to the purchase of one common share of the Corporation at a price of $0.15 per common share until January 18, 2019. The Flow-Through Unit Shares and Warrants issued under the Offering are subject to a four-month hold period that expired May 18, 2017.

Private Placement #2

On June 19, 2017, the Corporation completed a non-brokered private placement (the "Offering") of 4,375,000 common shares of the Corporation that are flow-through common shares within the meaning of the Income Tax Act (Canada) (the "Flow-through Shares") at a price of $0.16 per Flow-through Share for gross proceeds of $700,000. The Flow-Through Shares issued under the Offering are subject to a four-month hold period that expired October 16, 2017. In connection with the offering the Corporation paid $14,400 in cash finder's fees.

Private Placement #3

On December 29, 2017, the Corporation completed a non-brokered private placement (the "Offering") of 1,500,000 flow-through units (the "Flow-through Units") at a price of $0.45 per Flow-through Unit for gross proceeds of $675,000. Each Flow-through Unit consists of one common share of the Corporation that is a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-quarter of one non-transferable common share purchase warrant (each whole warrant a "Warrant"). Each such Warrant entitles the holder to the purchase of one common share of the Corporation at a price of $0.60 per common share until December 29, 2019. The Flow-Through Unit Shares and Warrants issued under the Offering are subject to a four-month hold period that expired April 30, 2018.

Private placement #4

In conjunction with the acquisition of the Pickett Mountain property (see Note 7 - Exploration and Evaluation) (the "Acquisition"), the Corporation 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. Immediately prior to the Acquisition, each holder received, without payment of additional consideration or further action on the part of the holder, one unit of the Corporation (each a "Unit"). Each Unit comprised of one common share of the Corporation (a "Common Share") and one half (1/2) of one common share purchase warrant of the Corporation (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of $0.35 for a period of 60 months from the closing date of the Offering. All securities were subject to a four month hold that expired March 15, 2018. In connection with the Offering, the Corporation paid $327,275 in cash for finders fees.

Shares Issued for Mineral Property

Rice Island

In respect of the option agreement related to the Rice Island Tie-On Property (see Note 7 - Exploration and Evaluation), the Corporation issued 100,000 common shares to the vendor. These were valued at $0.15 per common share, totaling $15,000.

Share issue costs of $NIL (2017 - $238,810)connection with the above private placements were recorded in Equity.

(Stated in Canadian Dollars)

iii. Warrants

The following table reflects the continuity of warrants as at September 30, 2018:

Expiry Date	Exercise Price $	2018 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2018 Closing Balance #
May 31, 2018	0.20	1,515,909	-	(1,515,909)	-	**-**
December 15, 2018	0.15	1,250,000	-	(175,000)	-	**1,075,000**
December 29, 2018	0.60	375,000	-	-	-	**375,000**
January 18, 2019	0.15	1,750,000	-	-	-	**1,750,000**
November 15, 2022	0.35	10,100,000	-	-	-	**10,100,000**
		14,990,909	-	(1,690,909)	-	**13,300,000**
Weighted average exercise price		0.30	-	0.19	-	**0.31**

The following table reflects the continuity of warrants as at December 31, 2017:

Expiry Date	Exercise Price $	2017 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2017 Closing Balance #
December 30, 2017	0.20	1,800,000	-	(1,800,000)	-	-
May 31, 2018	0.20	1,625,000	-	(109,091)	-	1,515,909
December 15, 2018	0.15	1,750,000	-	(500,000)	-	1,250,000
December 29, 2018	0.60	-	375,000	-	-	375,000
January 18, 2019	0.15	-	1,750,000	-	-	1,750,000
November 15, 2022	0.35	-	10,100,000	-	-	10,100,000
		5,175,000	12,225,000	(2,409,091)	-	14,990,909
Weighted average exercise price		0.18	0.33	0.19	-	0.30

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2018
(with comparative figures for the year ended December 31, 2017)

iv. Share purchase option compensation plan

The Corporation has a share incentive plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Corporation. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Corporation at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Board of Directors which cannot exceed ten years.

The following table reflects the stock options outstanding as at September 30, 2018:

Expiry Date	Exercise Price $	2018 Opening Balance #	Granted #	Exercised #	Expired/ Cancelled #	2018 Closing Balance #
March 09, 2022	0.75	1,510,000	-	-	(45,000)	**1,465,000**
July 22, 2018	0.25	1,480,000	-	(1,188,750)	(291,250)	**-**
February 05, 2019	0.25	100,000	-	-	-	**100,000**
August 29, 2019	0.15	1,000,000	-	(140,000)	(5,000)	**855,000**
August 18, 2021	0.13	1,215,000	-	(115,000)	-	**1,100,000**
March 09, 2022	0.14	50,000	-	-	-	**50,000**
July 20, 2022	0.14	1,210,000	-	(115,000)	-	**1,095,000**
December 29, 2022	0.53	600,000	-	-	-	**600,000**
July 10, 2023	0.30	-	2,440,000	-	-	**2,440,000**
		7,165,000	2,440,000	(1,558,750)*	(341,250)	**7,705,000** **
Weighted average exercise price		0.33	0.30	0.22	31.00	**0.34**

The following table reflects the stock options outstanding as at September 30, 2017:

Expiry Date	Exercise Price $	2017 Opening Balance #	Granted #	Exercised #	Expired/ Cancelled #	2017 Closing Balance #
March 09, 2022	0.75	1,510,000	-	-	-	**1,510,000**
July 22, 2018	0.25	1,601,250	-	-	(121,250)	**1,480,000**
December 04, 2018	0.25	250,000	-	-	(250,000)	**-**
February 05, 2019	0.25	100,000	-	-	-	**100,000**
August 29, 2019	0.15	1,185,000	-	(85,000)	(100,000)	**1,000,000**
August 18, 2021	0.13	1,280,000	-	(65,000)	-	**1,215,000**
March 09, 2022	0.14	-	50,000	-	-	**50,000**
July 20, 2022	0.14	-	1,260,000	(50,000)	-	**1,210,000**
December 29, 2022	0.53	-	600,000	-	-	**600,000**
		5,926,250	1,910,000	(200,000)*	(350,000)	**7,286,250** **
Weighted average exercise price		0.33	0.26	0.14	0.23	**0.33**

* The weighted average share price at date of exercise of the options in 2018 was $0.35 (December 31, 2017 - $0.50).

** The weighted average remaining life of the outstanding stock options is 4.03 years (December 31, 2017 - 3.48 years).

(Stated in Canadian Dollars)

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $539,240 was recorded as compensation for the July 10, 2023 that vested during the three month period ending September 30, 2018, and $539,240 was recorded as compensation for the July 10, 2023 options and $65,850 for the December 29, 2022 options that vested during the nine month period ending September 30, 2018, totalling $605,090 (2017 - $147,420 was recorded as compensation for the July 20, 2022 options that vested during the three and nine month periods ending September 30, 2017). As of September 30, 2018 there were 350,000 unvested stock options (December 31, 2017 - 500,000 unvested stock options).

The Corporation currently estimates the forfieture rate to be nil.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	2018	2017
Risk-free interest rate	**1.63% - 2.07%**	1.07% - 1.63%
Annualized volatility	**110.06% - 119.96%**	119.96% - 124.89%
Expected dividend	**Nil**	NIL
Expected option life	**5 years**	5 years

9. LOSS PER SHARE

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Corporation as the numerator. No adjustments to loss were necessary in 2018 or 2017.

For the nine months endedSeptember 30

	2018	2017
Numerator:		
Loss for the period	**(3,117,663)**	(1,258,744)
Denominator:		
Weighted average number of common shares	**112,355,630**	81,019,407
Basic and diluted loss per share	**(0.03)**	(0.02)

For the three months ended September 30

	2018	2017
Numerator:		
Loss for the period	**(565,897)**	(244,474)
Denominator:		
Weighted average number of common shares	**112,355,630**	81,019,407
Basic and diluted loss per share	**(0.01)**	-

(Stated in Canadian Dollars)

10. RELATED PARTIES 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
Ronald N. Little	Marketing and project development

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 for the three and nine months ended September 30, 2018, respectively:

(a) Included in general and administrative expenses are amounts totaling $31,500 and $94,711 (2017 - $32,379 and $86,938), 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, Officer of Wolfden.

(b) Included in general and administrative expenses are amounts totaling $5,011 and $15,023 (2017 - $Nil and $Nil) 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, John Seaman and Ron Little, who are all Directors of Wolfden and Premier.

(c) Included in general and administrative expenses are amounts totaling $3,015 and $9,046 (2017 - $3,150 and $9,621) 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 $Nil and $84,000 (2017 - $Nil and $Nil) for marketing and project development consulting services provided by two companies related to the Corporation through Ron Little, President, CEO and Director of Wolfden, prior to him becoming an employee and CEO effective July 1, 2018.

Key management personnel remuneration includes the following amounts:

	For the nine months ended	
	2018	2017
	$	$
Salary and wages	**191,692**	137,692
Share-based payments	**364,200**	91,845
Other compensation	**7,919**	5,481
Director's fees	**9,750**	-
	979,406	303,822

(Stated in Canadian Dollars)

Key management personnel remuneration includes the following amounts:

	For the three months ended	
	2018	2017
	$	$
Salary and wages	**95,307**	41,307
Share-based payments	**298,350**	25,995
Other compensation	**2,438**	1,502
Director's fees	**9,750**	-
	979,406	303,822

11. 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:

	$
2018	5,665
2019	22,580
2020	10,349
	38,594

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.

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 $327,309 in exploration expenses, and thus has $347,691 remaining to be spent by December 31, 2018.

12. 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.

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 September 30, 2018, a 100 basis point decrease/increase in the U.S. Dollar would result in a foreign exchange gain/loss of approximately $127.

(Stated in Canadian Dollars)

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	-	951,427	-	**951,427**

13. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options and warrants as capital, that as at September 30, 2018 totaled $30,622,554 (2017 - $$29,096,425). The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares and, acquire or dispose of mineral properties.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations

14. SUBSEQUENT EVENTS

The Corporation has received net proceeds of $189,327 from the harvesting of timber at its Pickett Mountain Property, since the end of the quarter.

A total of $37,500 has been received since quarter end, from the exercise of 250,000 warrants priced at $0.15 that were due to expire on December 15, 2018. There remains outstanding 825,000 of the same warrants, as well as 1,750,000 warrants, also priced at $0.15 and due to expire on January 18, 2019.