

# **Wolfden Resources Corporation**

Condensed Consolidated Interim Financial Statements  
(Stated in Canadian Dollars)



# **WOLF DEN**

For the three and nine months ended September 30, 2020 and 2019

**WOLFDEN RESOURCES CORPORATION**



**WOLFDEN**

**NOTICE TO SHAREHOLDERS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020  
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.



(Incorporated under the laws of Ontario)

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)

As at	September 30, 2020	December 31, 2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,154,475	312,646
Amounts receivable [note 5]	16,893	36,437
Prepays expenses	16,321	8,519
Investments [note 6]	-	716,017
<b>Total current assets</b>	<b>2,187,689</b>	<b>1,073,619</b>
<b>Non-current assets</b>		
Equipment [note 7]	1,089	1,368
<b>Total assets</b>	<b>2,188,778</b>	<b>1,074,987</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	557,054	268,151
Restricted share units [note 9]	15,351	15,351
<b>Total current liabilities</b>	<b>572,405</b>	<b>283,502</b>
<b>EQUITY</b>		
Share capital [note 9]	32,230,485	32,189,785
Equity settled employee benefits [note 9]	1,766,692	1,656,404
Other comprehensive income	124,644	(165,713)
Deficit	(32,505,448)	(32,888,991)
<b>Total equity</b>	<b>1,616,373</b>	<b>791,485</b>
<b>Total liabilities and equity</b>	<b>2,188,778</b>	<b>1,074,987</b>

*Going concern* [note 1]

*Subsequent events* [note 15]

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 16, 2020*

*and they are signed on the Corporation's behalf by:*

*"Ron Little"  
Director*

*"John Seaman"  
Director*



(Incorporated under the laws of Ontario)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF  
INCOME AND COMPREHENSIVE INCOME**  
(Stated in Canadian Dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>EXPENSES</b>				
Depreciation [note 7]	86	94	279	28
Exchange loss/ gain	9,354	(130)	7,969	33
Exploration and evaluation expenses [note 8]	1,013,237	989,211	1,831,521	1,684,949
Flow through interest penalty	-	-	8	-
General and administrative expenses [note 11]	261,509	141,492	698,283	502,699
Professional fees	11,150	13,098	56,973	57,913
Share-based payments [note 9]	17,243	81,394	115,625	286,463
<b>Profit/ (Loss) before the following</b>	<b>(1,312,579)</b>	<b>(1,225,159)</b>	<b>(2,710,658)</b>	<b>(2,532,644)</b>
<b>INCOME</b>				
Investment income	879	8,127	19,642	14,936
Other income	-	182,891	2,841,752	385,047
Gain on sale of mineral property	-	750,000	-	750,000
Write down of Equipment [note 8]	-	-	-	(2,239)
<b>Profit/ (Loss) before income taxes</b>	<b>(1,311,700)</b>	<b>(284,141)</b>	<b>150,736</b>	<b>(1,384,900)</b>
Income tax expense	(232,806)	(1,016)	(232,806)	88,789
<b>Profit/ (Loss) for the period</b>	<b>(1,078,894)</b>	<b>(283,125)</b>	<b>383,543</b>	<b>(1,473,689)</b>
Exchange differences related to foreign operations	(71,194)	(13,191)	290,357	38,769
<b>Total comprehensive profit/ (loss) for period</b>	<b>(1,150,088)</b>	<b>(269,934)</b>	<b>673,900</b>	<b>(1,512,458)</b>
<b>Basic and diluted profit/ (loss) per share [note 10]</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>0.00</b>	<b>(0.01)</b>

See accompanying notes to the consolidated financial statements



(Incorporated under the laws of Ontario)

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Stated in Canadian Dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Profit/Loss for the period	(1,078,894)	(283,125)	383,543	(1,473,689)
Charges to earnings not involving a current payment of cash	-	-	-	-
Depreciation	86	94	279	282
Share based payments	17,243	70,466	115,625	286,463
Shares issued for mineral properties	-	13,000	-	13,000
Write-down of equipment	-	-	-	2,239
	<b>(1,061,565)</b>	<b>(199,565)</b>	<b>499,447</b>	<b>(1,171,705)</b>
Changes in non-cash working capital related to operations	-	-	-	-
Accounts receivable	1,669	(104,916)	19,545	56,899
Prepaid and deferred transaction costs	2,309	(6,708)	(7,803)	(3,683)
Accounts payable and accrued liabilities	313,330	207,764	288,903	(137,622)
Taxes payable	-	-	-	(323,981)
<b>Cash used in operating activities</b>	<b>(744,257)</b>	<b>(103,425)</b>	<b>800,092</b>	<b>(1,580,092)</b>
<b>INVESTMENT ACTIVITIES</b>				
Redemption (purchase) of investments, net	-	-	716,017	-
<b>Cash (used in) provided by investment activities</b>	<b>-</b>	<b>-</b>	<b>716,017</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from shares issued in private placements	-	-	-	2,500,000
Proceeds from the exercise of warrants	-	-	-	262,500
Proceeds from the exercise of stock options	6,864	-	6,864	-
Shares issued for mineral properties	28,500	-	28,500	-
Share issue costs	-	-	-	236
<b>Cash provided by financing activities</b>	<b>35,364</b>	<b>-</b>	<b>35,364</b>	<b>2,762,736</b>
Increase (Decrease) in cash and cash equivalents during period	<b>(708,893)</b>	<b>(103,425)</b>	<b>1,551,472</b>	<b>1,182,644</b>
Cash and cash equivalents, beginning of period	<b>2,934,562</b>	<b>2,308,187</b>	<b>312,646</b>	<b>1,031,141</b>
Effect of foreign exchange on cash and cash equivalents	<b>(71,194)</b>	<b>(96,589)</b>	<b>290,357</b>	<b>(105,612)</b>
<b>Cash and cash equivalents, end of period</b>	<b>2,154,475</b>	<b>2,108,173</b>	<b>2,154,475</b>	<b>2,108,173</b>

See accompanying notes to the consolidated interim financial statements

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Stated in Canadian Dollars)

Issued and outstanding:	Share Capital		Reserves			Total Equity
	Number of Shares	Share Capital	Equity Settled Employee Benefits	Foreign exchange differences	Deficit	
<b>Balance as at December 31, 2018</b>	<b>115,181,588</b>	<b>29,351,833</b>	<b>1,413,971</b>	<b>(78,027)</b>	<b>(30,569,110)</b>	<b>118,667</b>
Exercise of warrants [note 9]	1,750,000	262,500	-	-	-	262,500
Private placement [note 9]	12,500,000	2,500,000	-	-	-	2,500,000
Shares issued for mineral properties	100,000	13,000	-	-	-	13,000
Share issue costs [note 9]	-	236	-	-	-	236
Share-based payments [note 9]	-	-	220,072	-	-	220,072
Loss and comprehensive loss for the period	-	-	-	(38,769)	(1,473,689)	(1,512,458)
<b>Balance as at September 30, 2019</b>	<b>129,531,588</b>	<b>32,127,569</b>	<b>1,634,043</b>	<b>(116,796)</b>	<b>(32,042,799)</b>	<b>1,602,017</b>
Share-based payments [note 9]	402,917	62,216	22,361	-	-	84,577
Shares issued for mineral property [note 9]	-	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	(48,917)	(846,192)	(895,109)
<b>Balance as at December 31, 2019</b>	<b>129,934,505</b>	<b>32,189,785</b>	<b>1,656,404</b>	<b>(165,713)</b>	<b>(32,888,991)</b>	<b>791,485</b>
Share based payments [note 9]	-	-	110,289	-	-	110,289
Exercise of stock options [note 9]	50,000	12,200	-	-	-	12,200
Shares issued for mineral property [note 9]	100,000	28,500	-	-	-	28,500
Other Comprehensive Income	-	-	-	290,357	-	383,543
Profit and comprehensive profit for the period	-	-	-	-	383,543	290,357
<b>Balance as at September 30, 2020</b>	<b>130,084,505</b>	<b>32,230,485</b>	<b>1,766,693</b>	<b>124,644</b>	<b>(32,505,448)</b>	<b>1,616,373</b>

See accompanying notes to the consolidated financial statements



(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

### 1. NATURE OF BUSINESS

Wolfden Resources Corporation (the "Corporation" or "Wolfden") was incorporated under the laws of the Province of Ontario on August 12, 2009. The principal business activity of the Corporation is the acquisition, exploration and development of mineral properties that it believes contain mineralization that will be economically recoverable in the future. The office address of the Corporation is 1100 Russell Street, Unit 5 Thunder Bay, Ontario, P7B 5N2.

#### Going concern

The Corporation, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economics, health concerns and metal price volatility and there is no assurance management will be successful in its endeavors. At December 31, 2019, the Corporation has no ongoing source of operating cash flows but has earned approximately \$3,927,000 from timber sales in the USA over the last two years. The Corporation incurred a net profit of \$383,543 for the period ended September 30, 2020, (net loss of \$1,473,689 for the period ended September 30, 2019) and has accumulated a deficit of \$32,505,448 (September 30, 2019 - \$32,042,799) since the inception of the Corporation. As at September 30, 2020, the Corporation had working capital of \$ 1,615,284 (December 31, 2019 – \$790,117) 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.

These material uncertainties cast significant doubt on the Corporation's ability to continue as a going concern. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable levels of operation. These 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

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

The condensed consolidated interim financial statements of the Corporation for the period ended September 30, 2020 were approved and authorized by the Board of Directors on November 16, 2020.

#### Basis of consolidation

The Corporation's consolidated 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



(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

### 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. Management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events, or conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. Management also assesses the degree of autonomy the foreign operation has with respect to operating activities.

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.

### 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, 2019, 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 income and comprehensive income;
- ii. the provision for income taxes which is included in the statements of income and comprehensive income 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 income and comprehensive income.

### 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, 2020.





(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

### Accounting standard issued and effective January 1, 2019:

- IFRS 16, Leases introduces new requirements for the classification and measurement of leases. The standard was 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 applied IFRS 16 with a date of initial application of January 1, 2019 using the modified retrospective approach, resulting in no restatement of prior year comparatives. The Corporation 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 periods beginning on or after January 1, 2019. The Corporation has adopted the Interpretation in its financial statements for the annual period beginning on January 1, 2019 and has determined that there is no material impact or disclosures required.

### 4. SEGMENTED INFORMATION

The Corporation's significant segments are represented by its separately identifiable exploration and evaluation properties (see note 8 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 ending September 30, 2020

	Canada \$	USA \$	Total \$
<b>Segmented Assets</b>	379,266	1,809,512	<b>2,188,778</b>
<b>Segmented Liabilities</b>	99,818	472,587	<b>572,405</b>
<b>Operating activities</b>			
Depreciation	279	-	279
Flow-through interest penalty	8	-	8
Exchange loss	3,923	4,045	7,969
Exploration and evaluation expenses	189,330	1,642,191	1,831,521
General and administrative	560,865	137,418	698,283
Professional fees	55,806	1,167	56,973
Share-based payments	111,781	3,844	115,625
Income Tax Expense	-	(232,806)	(232,806)
<b>Total</b>	<b>921,992</b>	<b>1,555,860</b>	<b>2,477,852</b>
Other items	17,672	2,843,722	2,861,395
<b>Profit/ (Loss) for the year</b>	<b>(904,320)</b>	<b>1,287,863</b>	<b>383,543</b>



(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

### For the three months ending September 30, 2020

	Canada \$	USA \$	Total \$
<b>Operating activities</b>			
Depreciation	86	-	86
Flow-through interest penalty	-	-	-
Exchange loss	4,286	5,067	9,354
Exploration and evaluation expenses	118,008	895,229	1,013,237
General and administrative	145,651	115,858	261,509
Professional fees	11,150	-	11,150
Share-based payments	13,399	3,844	17,243
Income Tax Expense	-	(232,806)	(232,806)
<b>Total</b>	<b>292,581</b>	<b>787,192</b>	<b>1,079,772</b>
Other items	-	879	879
<b>Profit/ (Loss) for the year</b>	<b>(292,581)</b>	<b>(786,313)</b>	<b>(1,078,894)</b>

### For the nine months ending September 30, 2019

	Canada \$	USA \$	Total \$
<b>Segmented Assets</b>	1,879,958	383,851	<b>2,263,809</b>
<b>Segmented Liabilities</b>	(474,584)	(187,210)	<b>(661,794)</b>
<b>Operating activities</b>			
Depreciation	282	-	282
Exchange loss	338	-	338
Exploration and evaluation expenses	1,139,591	545,358	1,684,949
General and administrative	484,834	17,865	502,699
Professional fees	40,199	17,714	57,913
Share-based payments	286,463	-	286,463
<b>Total</b>	<b>1,951,707</b>	<b>580,937</b>	<b>2,532,644</b>
<b>Profit/ (Loss) for the year</b>	<b>892,752</b>	<b>580,937</b>	<b>1,473,689</b>



(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

### For the three months ending September 30, 2019

	Canada \$	USA \$	Total \$
<b>Operating activities</b>			
Depreciation	94	-	94
Exchange loss	(130)	-	(130)
Exploration and evaluation expenses	473,657	515,554	989,211
General and administrative	124,382	17,110	141,492
Professional fees	(4,597)	17,695	13,098
Share-based payments	81,394	-	81,394
<b>Total</b>	<b>674,800</b>	<b>550,359</b>	<b>1,225,159</b>
<b>Profit/ (Loss) for the year</b>	<b>(267,234)</b>	<b>550,359</b>	<b>283,125</b>

### As at December 31, 2019

	Canada \$	USA \$	Total \$
<b>Segmented Assets</b>	947,066	127,923	<b>1,074,989</b>
<b>Segmented Liabilities</b>	(197,385)	(86,117)	<b>(283,502)</b>

#### 5. AMOUNTS RECEIVABLE

	2020 \$	2019 \$
Recoverable taxes (i)	14,627	34,518
Trade receivables	2,265	105,559
	<b>16,893</b>	<b>140,077</b>

(i) Recoverable taxes include Canadian harmonized sales tax receivable.

(ii) Trade receivables relate to the proceeds receivable on the sale of timber from the Pickett Mountain property, net of the 20% payable to Altius and 8% timber management fee.

#### 6. INVESTMENTS

At September 30, 2020, the Corporation holds no other financial investments.

**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

**7. EQUIPMENT AND LEASEHOLDS**

	<b>Computer Equipment</b>	<b>Vehicles</b>	<b>Total</b>
	\$	\$	\$
<b>Cost</b>			
<b>Balance, January 1, 2019</b>	13,120	27,068	40,188
Write-down of assets		(27,068)	(27,068)
<b>Balance, December 31, 2019</b>	13,120	-	13,120
<b>Balance, September 30, 2020</b>	<b>13,120</b>	-	<b>13,120</b>
<b>Accumulated depreciation</b>			
<b>Balance, January 1, 2019</b>	11,382	24,659	36,041
Depreciation for the period	370	170	540
Write-down of assets	-	(24,829)	(24,829)
<b>Balance, December 31, 2019</b>	11,752	-	11,752
Depreciation for the period	279	-	279
<b>Balance, September 30, 2020</b>	<b>12,031</b>	-	<b>12,031</b>
<b>Carrying amounts</b>			
December 31, 2019	1,368	-	1,368
<b>September 30, 2020</b>	<b>1,089</b>	-	1,089



(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

### 8. EXPLORATION AND EVALUATION

For the nine months ended September 30, 2020

	Rice Island	Pickett Mountain	Teta- gouche	Orvan Brook	Other	For the period in 2020	Total inception to date
Analysis	-	-	-	-	-	-	809,118
Geological	3,338	891,247	-	-	165,147	1,059,732	3,365,220
Geophysical	7,789	178,911	-	-	13,021	199,721	2,495,144
Geochemical	-	42,901	-	-	2,235	45,136	265,857
Travel	-	56,539	-	-	5,540	62,079	694,640
Drilling	-	3,727	-	-	-	3,727	5,795,985
Property Work	-	48,221	-	-	29,913	78,134	825,445
Ops Support	2,700	117,421	-	720	20,788	141,629	400,585
Administration	91	3,967	-	-	11,054	15,112	759,498
<b>Total Exploration</b>	<b>13,918</b>	<b>1,342,933</b>	<b>-</b>	<b>720</b>	<b>247,699</b>	<b>1,605,269</b>	<b>15,411,493</b>
Other costs*	-	-	-	-	226,252	226,252	21,239,026
<b>Total</b>	<b>13,918</b>	<b>1,342,933</b>	<b>-</b>	<b>720</b>	<b>473,951</b>	<b>1,831,521</b>	<b>36,650,519</b>

For the three months ended September 30, 2020

	Rice Island	Pickett Mountain	Teta- gouche	Orvan Brook	Other	For the period in 2020	Total inception to date
Analysis	-	-	-	-	-	-	809,118
Geological	-	663,371	-	-	82,374	745,746	3,365,220
Geophysical	6,689	65,829	-	-	2,396	74,914	2,495,144
Geochemical	-	36,567	-	-	-	36,567	265,857
Travel	-	21,366	-	-	1,620	22,985	694,640
Drilling	-	-	-	-	-	-	5,795,985
Property Work	-	21,027	-	-	1,020	22,047	825,445
Ops Support	-	51,533	-	100	3,358	54,991	400,585
Administration	-	337	-	-	2,150	2,487	759,498
<b>Total Exploration</b>	<b>6,689</b>	<b>860,030</b>	<b>-</b>	<b>100</b>	<b>92,918</b>	<b>959,737</b>	<b>15,411,493</b>
Other costs*	-	-	-	-	53,500	53,500	21,239,026
<b>Total</b>	<b>6,689</b>	<b>860,030</b>	<b>-</b>	<b>100</b>	<b>146,418</b>	<b>1,013,237</b>	<b>36,650,519</b>

\*Included in acquisition / development costs is government assistance received



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### For the nine months ended September 30, 2019

	Rice Island	Pickett Mountain	Teta- gouche	Orvan Brook	Other	For the period in 2019	Total inception to date
Analysis	-	96,123	3,149	-	-	99,272	674,586
Geological	1,370	291,891	35,925	33,676	5,545	368,407	2,036,818
Geophysical	-	215,914	33,568	-	-	249,482	2,228,120
Geochemical	-	16,624	1,206	5,322	-	23,152	213,281
Travel	2,142	75,642	-	3,546	-	81,330	601,875
Drilling	-	545,414	-	-	-	545,414	5,541,023
Property Work	27	17,940	1,235	28,124	-	47,326	667,609
Ops Support	13	75,081	1,260	1,333	-	77,687	209,224
Administration	49,933	2,773	-	28,840	-	81,546	698,313
<b>Total Exploration</b>	<b>53,485</b>	<b>1,337,402</b>	<b>76,343</b>	<b>100,841</b>	<b>5,545</b>	<b>1,573,616</b>	<b>12,870,849</b>
Other Costs*	58,091	14,511	14,650	(11,980)	36,061	111,333	20,819,691
<b>Total</b>	<b>111,576</b>	<b>1,351,913</b>	<b>90,993</b>	<b>88,861</b>	<b>41,606</b>	<b>1,684,949</b>	<b>33,690,540</b>

### For the three months ended September 30, 2019

	Rice Island	Pickett Mountain	Teta- gouche	Orvan Brook	Other	For the period in 2019	Total inception to date
Analysis	-	54,396	-	-	-	54,396	674,586
Geological	1,370	123,734	7,800	13,430	2,500	148,834	2,036,818
Geophysical	-	176,768	24,510	-	-	201,278	2,228,120
Geochemical	-	16,544	1,206	-	-	17,750	213,281
Travel	2,142	37,198	-	-	-	39,340	601,875
Drilling	-	326,005	-	-	-	326,005	5,541,023
Property Work	27	17,940	1,235	9,679	-	28,881	667,609
Ops Support	13	40,613	360	300	-	41,286	209,224
Administration	18,310	1,524	-	9,407	-	29,241	698,313
<b>Total Exploration</b>	<b>21,862</b>	<b>794,722</b>	<b>35,111</b>	<b>32,816</b>	<b>2,500</b>	<b>887,011</b>	<b>12,870,849</b>
Other Costs*	58,000	14,511	7,200	(11,980)	34,469	102,200	20,819,691
<b>Total</b>	<b>79,862</b>	<b>809,233</b>	<b>42,311</b>	<b>20,836</b>	<b>36,969</b>	<b>989,211</b>	<b>33,690,540</b>

\*Included in acquisition / development 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).

On January 22, 2020, the Corporation secured up to US\$4.5 million in non-dilutive funding by selling-forward \$5 million worth of timber from its Pickett Mountain Property. Under the terms of the agreement the Corporation received US\$3 Million and is entitled to receive an additional US\$1.5 million between the 4th and 5th anniversary of the agreement. The timber company has the right to harvest US\$5 million of timber from the property over 5 years. For the period of six months ended June 30, 2020, the Corporation recorded net timber sales proceeds of \$2,841,752 (US\$ 2,363,591), that are net of 20% allocated to Altius as per the Royalty Agreement (2019 - \$252,326). 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.

#### *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



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

### ***Other properties, Maine USA***

On April 6, 2019, the Corporation's U.S. subsidiary entered into a mineral rights earn-in agreement on a property located in Maine, U.S.A. The agreement called first and second year lease payments of \$25,000 USD, both of which have been paid.

### **New Brunswick, Canada**

#### ***Tetagouche Property***

On January 6, 2014, the Corporation closed a definitive purchase agreement (the "Agreement") to acquire a large strategic land package (the "Property") situated in the Bathurst Mining Camp and surrounding area in northeastern New Brunswick. Wolfden acquired the Property from 8100896 Canada Inc., a wholly owned subsidiary of GeoVenCap Inc. (the "Vendor"). Pursuant to the terms of the Agreement, the Corporation purchased all of the





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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. The Optioner has made all payments as of August 2019 in order to earn a 100% interest in the Property less the 1% NSR held by Wolfden.

Under the terms of the Option Agreement, the Optioner will make scheduled cash payments to Wolfden comprising \$750,000 on signing of the Option Agreement (the "Effective Date") (payment received), \$750,000 on or before the first anniversary of the Effective Date (payment received and included in "'Gain on disposal of mineral properties'" in 2017), \$1,000,000 on or before the second anniversary of the Effective Date (payment received and included in "'Gain on disposal of mineral properties'" in 2018) and \$750,000 on or before the third anniversary of the Effective Date. On July 9, 2019, the Corporation received \$750,000 from Galway Metals Inc. as the final payment in relation to their Earn-in Option for completing a 100% interest in the Clarence Stream property. Wolfden retains a 1% NSR subject to buy back conditions held by Galway.

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.

### ***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.

### **Manitoba, Canada**

#### ***Rice Island Property***

On September 15, 2015, the Corporation acquired a 100% interest in the Rice Island nickel-copper deposit situated on the Rice Island property (the "'Property'") through claim staking. The Property is located in west-central Manitoba at Wekusko Lake, just east of the Snow Lake concentrator complex owned by Hudbay Minerals Inc.

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



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Mining Recorder. This matter was brought to a resolution in conjunction with the signing of the Rice Island Tie-On Property ("RITOP") agreement described below.

On September 21, 2016, the Corporation entered into an option agreement to expand the Rice Island property by earning a 100% interest in the Rice Island Tie-On Property, located adjacent to Wolfden's existing Rice Island property. Under terms of the option agreement with the Vendor, to earn a 100% interest in the RITOP, the Corporation must make cash payments totaling \$250,000 and issue 500,000 common shares of Wolfden annually over a five year period, on or before the anniversary date of the signing of the agreement. A \$25,000 cash payment and the issuance of 100,000 common shares was completed on signing. In addition, the Corporation must incur \$1,000,000 in exploration expenditures over the same five year period including \$100,000 in the first year. As at December 31, 2019, the exploration commitments have been completed.

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

### **9. SHARE CAPITAL AND RESERVES**

#### **i. Authorized**

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

#### **ii. Details of share issuances**

##### **2019**

##### **Private Placement**

On March 29, 2019, the Corporation completed a non-brokered (no agent) private placement with Kinross Gold Corporation ("Kinross") of 12,500,000 shares of the Corporation ("Common Shares") at a price of \$0.20 per Common Share for gross proceeds of \$2,500,000. The shares issued under the Offering were subject to a four-month hold period that expired July 30, 2019.

##### **Shares Issued for Mineral Property**

##### **Rice Island**

In respect of the option agreement related to the Rice Island Tie-On Property, on August 30, 2019 (see Note 8 - Exploration and Evaluation), the Corporation issued 100,000 common shares to the vendor. These were valued at \$0.13 per common share, totaling \$13,000. On August 17, 2020, the Corporation further issued 100,000 shares to the vendor valued at \$0.28 per common share, totalling \$28,500.



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### iii. Warrants

The following table reflects the continuity of warrants as at September 30, 2020:

Expiry Date	Exercise Price \$	2020	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2020
		Opening Balance #				Closing Balance #
November 15, 2022	0.35	10,100,000				10,100,000
January 15, 2023	0.61	375,000				375,000
Total		10,475,000				10,475,000
Weighted average exercise price		0.36				0.36

The following table reflects the continuity of warrants as at December 31, 2019:

Expiry Date	Exercise Price \$	2019	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2019
		Opening Balance #				Closing Balance #
January 18, 2020	0.15	1,750,000		(1,750,000)		-
November 15, 2022	0.35	10,100,000				10,100,000
January 15, 2023	0.61	375,000				375,000
Total		12,225,000		(1,750,000)		10,475,000
Weighted average exercise price		0.33		0.15		0.36

### iv. Restricted Share Units

During the period, additional 1,070,000 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation. The RSUs vest equally over a three year period, vesting on August 31 2020, April 29, 2021 and April 29, 2022. Each RSU has the same value as one Wolfden Resources Corporation common share. Last fiscal year, 1,208,750 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation. 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 \$41,812 as at September 30, 2020 (\$15,351 for December 31, 2019) based on the vesting conditions. A share based payment expense of \$21,576 was recorded during the three months ending September 30, 2020, and \$41,812 was recorded during the nine month period ending September 30, 2020. At September 30, 2020 there were 1,16,250,000 RSUs outstanding (December 31, 2019 - 805,833).

### v. 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 including RSU's) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Corporation at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Board of Directors which cannot exceed ten years.



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The following table reflects the stock options outstanding as at September 30, 2020:

Expiry Date	Exercise Price	2020 Opening Balance	Granted	Exercised	Expired/Cancelled	2020 Closing Balance
	\$	#	#	#	#	#
March 09, 2022	0.75	1,260,000	-	-	(180,000)	1,080,000
August 18, 2021	0.13	950,000	-	(25,000)	(215,000)	710,000
March 09, 2022	0.14	50,000	-	-	(50,000)	-
July 20, 2022	0.14	945,000	-	(25,000)	(210,000)	710,000
December 29, 2022	0.53	600,000	-	-	-	600,000
July 10, 2023	0.30	2,440,000	-	-	(50,000)	2,390,000
February 12, 2024	0.30	300,000	-	-	(300,000)	-
April 29, 2024	0.30	600,000	-	-	-	600,000
June 26, 2024	0.20	200,000	-	-	-	200,000
September 1, 2024	0.20	200,000	-	-	-	200,000
July 13, 2025	0.20	-	200,000	-	-	200,000
Total		7,545,000	200,000	(50,000)*	(1,005,000)	6,690,000
Weighted Average exercise price		0.35	0.20	0.14	0.30	0.35

The following table reflects the stock options outstanding as at December 31, 2019:

Expiry Date	Exercise Price	2020 Opening Balance	Granted	Exercised	Expired/Cancelled	2020 Closing Balance
	\$	#	#	#	#	#
March 09, 2022	0.75	1,465,000	-	-	(205,000)	1,260,000
February 05, 2019	0.25	100,000	-	-	(100,000)	-
August 29, 2019	0.15	855,000	-	-	(855,000)	-
August 18, 2021	0.13	1,100,000	-	-	(150,000)	950,000
March 09, 2022	0.14	50,000	-	-	-	50,000
July 20, 2022	0.14	1,095,000	-	-	(150,000)	945,000
December 29, 2022	0.53	600,000	-	-	-	600,000
July 10, 2023	0.30	2,440,000	-	-	-	2,440,000
February 12, 2024	0.30	-	300,000	-	-	300,000
April 29, 2024	0.20	-	600,000	-	-	600,000
June 26, 2024	0.20	-	200,000	-	-	200,000
September 01, 2024	0.20	-	200,000	-	-	200,000
Total		7,705,000	1,300,000	-	(1,460,000)	7,545,000
Weighted Average exercise price		0.34	0.22	-	0.24	0.34



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Share-based payments consists of the following amounts:

	<b>For the nine months ended September 30</b>	
	<b>2020</b>	2019
Share purchase options	<b>73,812</b>	220,071
Restricted share units	<b>41,812</b>	66,392
Total	<b>115,624</b>	286,463

  

	<b>For the three months ended September 30</b>	
	<b>2020</b>	2019
Share purchase options	<b>726</b>	66,043
Restricted share units	<b>21,576</b>	15,351
Total	<b>22,302</b>	81,394

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$65,850 was recorded as compensation for the December 29, 2022 options that vested during the period, \$4,017 for the April 29, 2024 options that vested during the period and \$3,843 for the July 17, 2025 options that vested during the period (2019- 87,800 for the December 29, 2022 options that vested during the year, \$39,568 was recorded as compensation for the February 12, 2024 options that vested during the year, \$72,966 was recorded as compensation for the April 29, 2024 options that vested during the year, and \$42,100 was recorded as compensation for the September 1, 2024 options that vested during the year, totaling \$242,433 for the year ended December 31, 2019). As of September 30, 2020, there were 300,000 unvested stock options (December 31, 2019 - 400,000 unvested stock options).

\* 50,000 options were exercised during the period. The weighted average share at the date of exercise was \$0.13. (The weighted average share price at date of exercise of the options for the year ending December 31, 2019 - \$0.32).

\*\* The weighted average remaining life of the outstanding stock options is 3.8 years (December 31, 2019 – 4.2 years).

The corporation currently estimates the forfeiture 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:

	<b>2020</b>	2019
Risk-free interest rate	<b>0.34%</b>	1.19% - 1.82%
Annualized volatility	<b>103.87% - 108%</b>	102.28% - 104.87%
Expected dividend	<b>NIL</b>	NIL
Expected option life	<b>5 years</b>	5 years



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### 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 2020 or 2019.

#### For the nine months ended September 30

	2020	2019
Numerator:		
Profit/(Loss) for the period	383,543	(1,473,689)
Denominator:		
Weighted average number of common shares	130,084,505	125,315,654
Basic and diluted profit/ (loss) per share	0.00	(0.01)

#### For the three months ended September 30

	2020	2019
Numerator:		
Profit/(Loss) for the period	(1,078,894)	(283,125)
Denominator:		
Weighted average number of common shares	130,084,505	125,315,564
Basic and diluted loss per share	(0.01)	(0.00)

### 11. 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:

- Included in general and administrative expenses are amounts totaling \$11,313.36 (2019 - \$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. Rent agreement with 2401794 Ontario Inc was terminated as of June 30, 2020
- Included in general and administrative expenses are amounts totaling \$5,000 for 2019 for corporate secretarial services provided by DRAX Services Limited, related to the Corporation through Shaun Drake, Corporate Secretary of Wolfden. Drax Services Limited ceased to be a related party as of May 31, 2019.



# WOLF DEN

(Incorporated under the laws of Ontario)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2020 and 2019 (Stated in Canadian Dollars)

**Key management personnel remuneration includes the following amounts for three and nine month periods:**

<b>For the nine months ended September 30</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Salary and wages	<b>371,399</b>	256,846
Share-based payments	<b>115,625</b>	87,800
Other compensation	-	12,625
Directors fees	<b>42,750</b>	43,096
<b>Total</b>	<b>529,774</b>	400,367

<b>For the three months ended September 30</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Salary and wages	<b>137,960</b>	85,615
Share-based payments	<b>17,243</b>	43,900
Other compensation	-	4,208
Directors fees	<b>14,250</b>	14,250
<b>Total</b>	<b>169,453</b>	147,973

### 12. COMMITMENTS

The Corporation has no material long-term commercial commitments.

### 13. FINANCIAL INSTRUMENTS AND RELATED RISKS

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

#### *Credit risk*

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

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



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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.

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 as at September 30, 2020:**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Investments	-	-	-	-

**The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy as at December 31, 2019:**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Investments	-	716,017	-	<b>716,017</b>

## 14. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options and warrants as capital, that as at September 30, 2020 totaled \$ 33,997,178 (2019 - \$33,761,612). 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.





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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.

### 15. SUBSEQUENT EVENTS

On November 2, 2020 the Corporation announce that an independent technical report entitled "*National Instrument 43-101 Technical Report, Preliminary Economic Assessment Pickett Mountain Project, Penobscot County, Maine, USA*" with an effective date of September 14, 2020 was been filed on SEDAR. Highlights of the economic study were previously announced by the Corporation in a news release dated September 14, 2020.