Wolfden Resources Corporation

Consolidated Financial Statements
(Stated in Canadian Dollars)

For the three months ended March 31,2022 and 2021

WOLFDEN RESOURCES CORPORATION

WOLFDEN

NOTICE TO SHAREHOLDERS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
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)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)

As at	**March 31, 2022** **$**	December 31, 2021 $
ASSETS		
Current assets		
Cash and cash equivalents	**3,283,597**	3,229,005
Amounts receivable *[note 5]*	**136,793**	60,552
Prepaid expenses	**2,463**	12,579
Total current assets	**3,422,854**	3,302,135
Non-current assets		
Equipment *[note 6]*	**690**	745
Total assets	**3,423,545**	3,302,880
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**751,145**	232,843
Total current liabilities	**751,145**	232,843
EQUITY		
Share capital *[note 8]*	**39,331,498**	39,331,498
Equity settled employee benefits *[note 8]*	**2,091,339**	2,082,236
Other comprehensive loss	**(167,429)**	(196,519)
Deficit	**(38,583,008)**	(38,147,178)
Total equity	**2,672,400**	3,070,037
Total liabilities and equity	**3,423,545**	3,302,880

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

These consolidated financial statements are authorized for issue by the Board of Directors on May 27, 2022 and they are signed on the Corporation's behalf by:

"Ron Little"
Director

"John Seaman"
Director

WOLFDEN
(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

	For the three months ended March 31,	
	2022	2021
	$	$
EXPENSES		
Depreciation *[note 6]*	**55**	74
Exchange loss/(gain)	**68,944**	(2,280)
Exploration and evaluation expenses *[note 7]*	**1,442,669**	515,931
Flow through interest penalty	**-**	492
General and administrative expenses	**251,849**	329,440
Professional fees	**19,428**	14,725
Share-based payments *[note 8]*	**9,103**	455,591
Profit/ (Loss) before the following	**(1,792,048)**	(1,313,973)
INCOME		
Investment income	**1,910**	197
Other income *[note 12]*	**1,285,430**	-
Loss before income taxes	**(1,287,340)**	(1,313,776)
Income tax expense (recovery)	**(68,877)**	-
Loss for the year	**(435,831)**	(1,313,776)
Exchange differences related to foreign operations	**29,090**	(6,518)
Total comprehensive loss for year	**(406,741)**	(1,320,294)
Basic and diluted profit/ (loss) per share *[note 9]*	**(0.00)**	(0.01)

See accompanying notes to the consolidated financial statements

WOLFDEN
(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

	For the three months ended March 31,	
	2022	2021
	$	$
OPERATING ACTIVITIES		
Loss for the year	**(435,831)**	(1,313,776)
Depreciation	**55**	74
Share based payments	**9,103**	455,591
Income tax recovery	**(68,877)**	-
Changes in non-cash working capital related to operations		
Accounts receivable	**(7,240)**	(24,809)
Prepaid expenses	**10,115**	7,802
Accounts payable and accrued liabilities	**518,177**	101,235
Cash used in operating activities	**25,502**	(773,883)
INVESTMENT ACTIVITIES		
Redemption (purchase) of investments, net	**-**	-
Cash provided by investment activities	**-**	-
FINANCING ACTIVITIES		
Proceeds from shares issued in private placements	**-**	6,552,500
Cash provided by financing activities	**-**	6,552,500
Increase (Decrease) in cash and cash equivalents during year	**25,502**	5,778,617
Cash and cash equivalents, beginning of year	**3,229,005**	972,401
Effect of foreign exchange on cash and cash equivalents	**29,090**	(6,518)
Cash and cash equivalents, end of year	**3,283,597**	6,744,500

See accompanying notes to the consolidated financial statements

WOLFDEN

(Incorporated under the laws of Ontario)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)

	Share Capital		Reserves			
Issued and outstanding:	Number of Shares	Share Capital	Equity Settled Employee Benefits	Foreign exchange differences	Surplus/(Deficit)	Total Equity
Balance as at December 31, 2020	**130,844,086**	**32,377,150**	**1,850,244**	**(169,062)**	**(33,513,176)**	**545,156**
Share based payments *[note 8]*	-	-	455,591	-	-	455,591
Private Placement 1	6,250,000	2,000,000	-	-	-	2,000,000
Private Placement 2	1,550,000	480,500	-	-	-	480,500
Private Placement 3	12,725,000	4,072,000	-	-	-	4,072,000
Loss and comprehensive loss for the period	-	-	-	(6,518)	(1,313,776)	(1,320,294)
Balance as at March 31, 2021	**151,369,086**	**38,929,650**	**2,305,835**	**(175,880)**	**(34,826,952)**	**6,232,953**
Share based payments *[note 8]*	-	-	88,431	-	-	88,431
Restricted stock units	759,584	231,673	(231,673)	-	-	-
Shares issued for mineral property *[note 8]*	690,000	170,175	(80,475)	-	-	89,700
Exchange difference on translating foreign operations	-	-	118	(20,939)	(19)	(20,840)
Loss and comprehensive loss for the period	-	-	-	-	(3,320,207)	(3,320,207)
Balance as at December 31, 2021	**152,818,670**	**39,331,498**	**2,082,236**	**(196,519)**	**(38,147,178)**	**3,070,037**
Share-based payments *[note 8]*	-	-	9,103	-	-	9,103
Exchange difference on translating foreign operations	-	-	-	29,090	1	29,091
Loss and comprehensive loss for the period	-	-	-	-	(435,831)	(435,831)
Balance as at March 31, 2022	**152,818,670**	**39,331,498**	**2,091,339**	**(167,429)**	**(38,583,008)**	**2,672,400**

See accompanying notes to the consolidated financial statements

WOLFDEN
(Incorporated under the laws of Ontario)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021
(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 March 31, 2022, the Corporation has no ongoing source of operating cash flows but has raised $6,552,500 through private placement of shares in the previous fiscal year. The Corporation incurred a net loss of $435,831 for the three months ended March 31, 2022, (net loss of $1,313,776 for the three months ended March 31, 2021) and has accumulated a deficit of $38,583,008 (December 31, 2021 - $38,147,178) since the inception of the Corporation. As at March 31, 2022, the Corporation had working capital of $2,671,709 (December 31, 2021 – $3,069,295). The Corporation's ability to continue as a going concern is largely dependent upon its ability to raise additional capital to continue the development of its mineral properties. Management attempts to raise additional capital whenever favorable market conditions exist.

Although the Corporation to date has been successful in securing sufficient funds, there remains material uncertainties that cast significant doubt on the Corporation's ability to continue as a going concern. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable levels of operation. These 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 consolidated financial statements of the Corporation for the three months ended March 31, 2022 were approved and authorized by the Board of Directors on May 27, 2022.

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
Wolfden Big Silver LLC	100%	United States	Mineral exploration

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

Foreign currency translation

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

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

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

Functional currency

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

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, 2021, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

<u>Significant estimates</u>

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

i. the inputs used in accounting for share purchase option expense in the statement of loss and comprehensive loss;

ii. the provision for income taxes which is included in the statements of 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 loss and comprehensive loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021
(Stated in Canadian Dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies adopted in the preparation of these consolidated financial statements have been prepared on the basis of all IFRS and interpretations effective as at March 31, 2022.

- IAS 1 - Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective January 1, 2023 with early adoption permitted. The amendments are required to be adopted retrospectively. The Company does not anticipate any significant impact from these amendments on the financial statements as a result of initial application.

- Amendments to IAS 12 and IFRS 1 – Deferred taxes related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12 - Income Taxes, which requires companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company does not expect a material impact from this amendment on the financial statements as a result of the initial application.

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.

WOLFDEN
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021
(Stated in Canadian Dollars)

For the three months ended March 31, 2022

	Canada $	**USA $**	**Total $**
Segmented Assets	2,517,434	906,110	**3,423,545**
Segmented Liabilities	635,083	116,062	**751,145**
Operating activities			**-**
Depreciation	55	-	55
Exchange loss	(49,332)	(19,612)	(68,944)
Exploration and evaluation expenses	1,091,009	351,660	1,442,669
General and administrative	167,333	84,516	251,849
Professional fees	19,428	-	19,428
Share-based payments	9,103	-	9,103
Income tax expense	-	68,877	68,877
Total	**1,237,596**	**485,440**	**1,723,036**
Other items	1,287,022	184	1,287,206
Loss for the year	**(49,426)**	**(485,256)**	**(435,831)**

For the three months ended March 31, 2021

	Canada $	**USA $**	**Total $**
Segmented Assets	5,292,770	1,497,255	**6,790,025**
Segmented Liabilities	425,072	132,000	**557,072**
Operating activities			-
Depreciation	74	-	74
Flow-through interest penalty	-	492	492
Exchange loss	(9,720)	7,440	(2,280)
Exploration and evaluation expenses	373,079	142,852	515,931
General and administrative	189,659	139,781	329,440
Professional fees	14,725	-	14,725
Share-based payments	427,694	27,897	455,591
Total	**(995,511)**	**(318,462)**	**(1,313,973)**
Other items	-	197	197
Profit/(Loss) for the period	**(995,511)**	**(318,265)**	**(1,313,776)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021
(Stated in Canadian Dollars)

5. AMOUNTS RECEIVABLE

For the three months ended March 31,2022 and 2021 (Stated in Canadian Dollars)

	2022 **$**	**2021** **$**
Recoverable taxes (i)	**136,793**	36,466
Trade receivables	**-**	2,265
Total	**136,793**	38,731

(i) Recoverable taxes include Canadian harmonized sales tax receivable and also includes $68,877 ($54,414 USD), which is recoverable as a result of overpayment of taxes in the fiscal year 2020 for Wolfden USA Inc. resulting from a change in US tax policy related to COVID 19.

6. EQUIPMENT AND LEASEHOLDS

	Computer Equipment **$**	**Total** **$**
Cost		
Balance, January 01, 2021	13,120	13,120
Balance, December 31, 2021	13,120	13,120
Balance, March 31, 2022	**13,120**	**13,120**
Accumulated depreciation		
Balance, January 01, 2021	12,110	12,110
Depreciation for the period	265	265
Balance, December 31, 2021	12,375	12,375
Depreciation for the period	55	55
Balance, March 31, 2022	**12,430**	**12,430**
Carrying amounts		
December 31, 2021	745	745
March 31, 2022	**690**	**690**

WOLFDEN

(Incorporated under the laws of Ontario)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021
(Stated in Canadian Dollars)

6. EXPLORATION AND EVALUATION

For the three months ended 31st March, 2022

	Manitoba Nickel	**Pickett Mountain**	**Teta-Gouche**	**Maine Other**	**Total for Period**	**Total inception to date**
Analysis	-	-	8,151	-	8,151	**838,677**
Geological	42,463	16,274	4,695	18,704	82,135	**3,167,685**
Geophysical	15,000	-	36,129	107,437	158,566	**2,826,475**
Geochemical	240	-	4,764	57,189	62,192	**345,901**
Travel	16,058	7,236	-	10,280	33,574	**688,345**
Drilling	920,922	-	103	-	921,025	**7,385,893**
Property Work	-	858	33,555	-	34,413	**754,792**
Ops Support	5,000	5,452	600	25,457	36,509	**398,768**
Administration	1,500-	-	1,830-	-	3,330-	**754,906**
Development	-	102,774	-	-	102,774	**102,774**
Total Exploration	1,001,182	132,594	89,827	219,066	1,442,669	**17,264,246**
Other costs	-	-	-	-	-	**21,133,497**
Total	1,001,182	132,594	89,827	219,066	1,442,669	**38,397,743**

For the three months ended March 31, 2021

	Rice Island	**Pickett Mountain**	**Teta-gouche**	**Orvan Brook**	**Other**	**Total for Period**	**Total inception to date**
Analysis	-	38,336	-	-	-	38,336	**868,861**
Geological	73,434	22,663	17,445	21,437	10,311	145,290	**3,230,840**
Geophysical	80	1,006	-	-	3,386	4,472	**2,672,380**
Geochemical	-	-	-	-	-	-	**283,709**
Travel	-	6,158	-	-	-	6,158	**660,930**
Drilling	276,123	-	-	-	-	276,123	**6,740,991**
Property Work	-	-	-	-	-	-	**720,379**
Ops Support	1,546	43,047	-	600	-	45,193	**407,452**
Administration	-	359	-	-	-	359	**751,965**
Total Exploration	351,183	111,569	17,445	22,037	13,697	515,931	**16,337,507**
Other costs*	-	-	-	-	-	-	**21,133,497**
Total	351,183	111,569	17,445	22,037	13,697	515,931	**37,471,004**

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 sell or transfer the timber from the project for gross proceeds of US$5,000,000 or such other amount as agreed to by Wolfden and Altius, acting reasonably (the "Timber Proceeds"). Wolfden is required to pay Altius 20% of the Timber Proceeds. These terms as shown were amended from the original agreement on October 7, 2020.

On January 22, 2020, the Corporation secured up to US$4.5 million in non-dilutive funding by selling-forward $5 million worth of timber from its Pickett Mountain Property. Under the terms of the agreement the Corporation received US$3 million and is entitled to receive an additional US$1.5 million between the 4th and 5th anniversary of the agreement. The timber company has the right to harvest US$5 million of timber from the property over 5 years. For the year ended December 31, 2020, the Corporation recorded net timber sales proceeds of $3,140,880 (US$ 2,400,000), that are net of 20% (US$600,000) that was passed onto to Altius as per the Royalty Agreement (2019 - $252,326). The entire amount of the proceeds was recognized as no further performance obligation is required by the Corporation. 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 conversion right and exchange right. The Call Right, which related to Altius’s call option on the Timber Rights, was eliminated in the October 7, 2020 amendment of the Royalty Agreement as a direct result of the Corporations January 22, 2020 $4.5 million timber sale agreement which by effect, eliminated the possibility for any potential call option on those Timber Rights. Each or the other two rights are valid and are summarized below.

Conversion Right

At any time after November 14, 2023, 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 timber Proceeds received by Altius, minus (iii) all other payments received by Altius in respect of the Pickett Mountain Royalty. The Common Share conversion price is the greater of: (i) $0.05 per Common Share; and (ii) the volume weighted average trading price of the Common Shares on the TSXV (or any other principal exchange on which the Common Shares are trading) for the twenty consecutive trading days immediately preceding the date of the exercise of the Conversion Right. Upon the exercise of the Conversion Right and satisfaction of the payment thereof by Wolfden, any remaining Escrowed Proceeds will be released to Wolfden.

Exchange Right

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

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 7,100,000 Wolfden common share purchase warrants priced at $0.35 per share with a termination date of November 15, 2022.

Timber Agreements

On January 22, 2020, the Corporation secured up to US$4.5 million in non-dilutive funding for its exploration projects by selling-forward timber from its wholly owned Pickett Mountain Zn-Pb-Cu-Ag-Au Project in Maine, USA. Under the terms of a 5 year stumpage agreement with a privately owned Maine timber company, the Corporation received US$3 million upon closing and 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. In addition, the timber company also granted Wolfden an option to earn a 100% interest (less an NSR) in the mineral rights of the property that adjoins Pickett Mountain as well as long-term road access rights for the current forest road used to reach the Pickett Mountain deposit from the state highway #11. As part of the Altius Royalty agreement on Pickett Mt., dated November 2017 and as amended on October 7, 2020 and on February 8, 2022, Altius and the Corporation executed an amendment to their Pickett Mountain Royalty Agreement where Altius increased its royalty for the payment of US$1 million to the Corporation on signing. As per the terms of the agreement, Altius will receive the next US$1.2 million in net timber revenues and thereafter increases its future timber royalties from 20% to 30%. The 30% royalty will also apply to any revenue generated from the sale of any timber related carbon credits from the Property.

Other properties, Maine USA

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

On November 30, 2020, the Corporation’s U.S. subsidiary entered into a mineral rights earn-in agreement on a property in Maine referred to as the Big Silver Project. The agreement called for a first-year payment of $50,000 which has been paid. The Corporation is assessing the project and compiling the historical data so that it can be in a position to drill some confirmation holes in H2 2021.

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
Vendor's right, title and interest to and in the Property for cash consideration of $125,000 and 571,428 common shares of Corporation (the "Consideration Shares") having a value of $100,000. The Consideration Shares were subject to a four month hold period under applicable securities laws in Canada.

Orvan Brook Property

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

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 (payment received and included in "Gain on disposal of mineral properties" in 2019). 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 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. claims on the land prior to Wolfden's staking of the claim. Wolfden has responded to the Notice and is confident that it has clear and legal title to the subject claim as confirmed by the issuing of the recording certificate by the Manitoba Mining Recorder. This matter was brought to a resolution in conjunction with the signing of the Rice Island Tie-On Property ("RITOP") agreement described below. On September 21, 2016, the Corporation entered into an option agreement to expand the Rice Island property by earning a 100% interest in the Rice Island Tie-On Property, located adjacent to Wolfden's existing Rice Island property. Under terms of the option agreement with the Vendor, to earn a 100% interest in the RITOP, the Corporation must make cash payments totaling $250,000 and issue 500,000 common shares of Wolfden annually over a five-year period, on or before the anniversary date of the signing of the agreement. A $25,000 cash payment and the issuance of 100,000 common shares was completed on signing. In addition, the Corporation must incur $1,000,000 in exploration expenditures over the same five-year period including $100,000 in the first year. As at December 31, 2019, the exploration commitments have been completed and, in 2021 the cash annual cash payments to earn into the project were completed. Starting in September 2022, an annual cash payment of $50,000 as an advance royalty payment, shall be paid to a maximum of $250,000.

(Stated in Canadian Dollars)

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

2021

Private Placement # 1

On January 27, 2021, the Corporation completed a non-brokered (no agent) private placement of 6,250,000 common shares of the Corporation at a price of $0.32 per Common Share with Altius Mineral Corporation(“Altius”) and Kinross Gold Corporation(“Kinross”) for gross proceeds of $2,000,000(“the Offering”). Altius now holds approximately 12.6% and Kinross holds approximately 11.4% of the issued and outstanding shares of the Corporation.

Private Placement # 2

On February 24, 2021, the Corporation completed a non-brokered (no agent) private placement of 1,550,000 common shares of the Corporation that are “flow through shares” within the meaning in the Income Tax Act (Canada) at a price of $0.40 per Common Share for gross proceeds of $620,000. The proceeds from the financing ($620,000) were allocated between share capital ($480,500) and flow-through liability ($139,500) using residual method. All flow-through expenditures were completed during the year.

Private Placement # 3

On March 30, 2021, the Corporation completed a non-brokered (no agent) private placement of 12,725,000 unit of the Corporation at a price of $0.32 per unit for gross proceeds of $4,072,000. Each unit is comprised of one common share of the Corporation (”Common Share”) and one half of a common share purchase warrant of the Corporation (each whole warrant, a “Warrant”). Each whole purchase warrant can be converted in one common share of the Corporation at a price of $0.45 for two years, subject to acceleration in certain circumstances. No purchase value was allocated to the warrants.

iii. Warrants

The following table reflects the continuity of warrants as at March 31, 2022

Expiry Date	Exercise Price	2022 Opening Balance	Warrants Issued	Warrants Exercised	Warrants Expired	2022 Closing Balance
	$	#	#	#	#	#
November 15, 2022	0.35	10,100,000	-	-	-	**10,100,000**
January 15, 2023	0.61	375,000	-	-	-	**375,000**
March 30,2023	0.45	6,362,500		-	-	**6,362,500**
Total		16,837,500	-	-	-	**16,837,500**
Weighted average exercise price		0.39	-	-	-	0.39

(Stated in Canadian Dollars)

The following table reflects the continuity of warrants as at December 31, 2021:

Expiry Date	Exercise Price	2021 Opening Balance	Warrants Issued	Warrants Exercised	Warrants Expired	2021 Closing Balance
	$	#	#	#	#	#
November 15, 2022	0.35	10,100,000	-	-	-	**10,100,000**
January 15, 2023	0.61	375,000	-	-	-	**375,000**
March 30,2023	0.45		6,262.500			**6,362,500**
Total		10,475,000	6,362,500	-	-	**16,837,500**
Weighted average exercise price		0.35	0.45	-	-	**0.39**

iv. Share purchase option compensation plan

Share-based payments consists of the following amounts:

	For the period ended March 31,	
Share Based Payments	**2022**	2021
	$	$
Share purchase Options	**-**	415,541
Restricted Share Units (RSU's)	**9,103**	40,050
Total	**9,103**	455,591

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.

The following table reflects the stock options outstanding as at March 31, 2022:

Expiry Date	Exercise Price	2022 Opening Balance	Granted	Exercised	Expired/ Cancelled	2022 Closing Balance
	$	#	#	#	#	#
March 9,2022	0.75	**1,000,000**	-	-	(1,000,000)	**-**
July 20, 2022	0.14	**690,000**	-	-	-	**690,000**
December 29, 2022	0.53	**600,000**	-	-	-	**600,000**
July 10, 2023	0.30	**2,390,000**	-	-	-	**2,390,000**
April 29, 2024	0.30	**530,000**	-	-	-	**530,000**
June 26, 2024	0.20	**200,000**	-	-	-	**200,000**
September 1, 2024	0.20	**200,000**	-	-	-	**200,000**
July 13, 2025	0.20	**200,000**	-	-	-	**200,000**
February 4,2026	0.32	**1,750,000**	-	-	-	**1,750,000**
April 27, 2026	0.32	**200,000**	-	-	-	**200,000**
Total		**7,760,000**	-	-	(1,000,000)	**6,760,000**
Weighted Average exercise price		0.35	-	-	0.75	**0.30**

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The following table reflects the stock options outstanding as at December 31, 2021:

Expiry Date	Exercise Price	2021 Opening Balance	Granted	Exercised	Expired/ Cancelled	2021 Closing Balance
	$	#	#	#	#	#
March 9,2022	0.75	1,080,000	-	-	(80,000)	**1,000,000**
August 18,2021	0.13	710,000	-	(690,000)	(20,000)	**-**
July 20, 2022	0.14	710,000	-	-	(20,000)	**690,000**
December 29, 2022	0.53	600,000	-	-	-	**600,000**
July 10, 2023	0.30	2,390,000	-	-	-	**2,390,000**
April 29, 2024	0.30	600,000	-	-	(70,000)	**530,000**
June 26, 2024	0.20	200,000	-	-	-	**200,000**
September 1, 2024	0.20	200,000	-	-	-	**200,000**
July 13, 2025	0.20	200,000	-	-	-	**200,000**
February 4,2026	0.32	-	1,750,000	-	-	**1,750,000**
April 27,2026	0.32	-	200,000	-	-	**200,000**
Total		6,690,000	1,950,000	*(690,000)	(190,000)	**7,760,000**
Weighted Average exercise price		0.34	0.32	0.13	0.45	**0.35**

The Corporation applies the fair value method of accounting for all stock-based compensation awards. However, there are no unvested stock options as of March 31,2022 and hence no compensation was recorded (2021-$10,077 was recorded as compensation for the July 17,2025 options that vested during the period, $409,459 for the February 4, 2026 options that vested during the period and $42,684 for the April 27,2026 options that vested during the period,). As of March 31, 2022, there were no unvested stock options (December 31, 2021 - no unvested stock options).

* No options were exercised during the period (December 31, 2021 - 690,000 options were exercised during the year with a weighted average share price of $0.13).

** The weighted average remaining life of the outstanding stock options is 2.25 year (December 31, 2021 – 2.03 years).

The Corporation currently estimates the forfeiture rate to be nil.

v. Restricted Share Units

1,070,000 Restricted Share Units ("RSUs") were issued in 2020 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. Additional, 1,208,750 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation in 2019. The RSUs vest equally over a three year period, vesting on June 26, 2019, April 29, 2020 and April 29, 2021.The RSUs are expected to be settled in equity and are therefore accounted for as equity instruments.

A share-based payment expense of $9,103 ($81,802 for December 31, 2021) was recorded for the period ending March 31,2022. As at March 31, 2022, there were 356,667 RSU's outstanding (December 31, 2021 – 356,667). The RSU's may be converted into common shares of the Corporation, at the option of the Corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 2022 or 2021.

For the three months ended March 31,

	2022	2021
Numerator: Loss for the year	**(435,831)**	(1,313,776)
Denominator: Weighted average number of common shares	**152,818,670**	151,369,086
Basic and diluted loss per share	**(0.00)**	(0.01)

10. RELATED PARTY TRANSACTIONS

The Corporation's related parties include key management personnel and entities over which they have control or significant influence as described below. There were no related party transactions.

Key management personnel remuneration includes the following amounts:

For the three months ended March 31,	**2022** **$**	2021 $
Salary and wages	**100,730**	51,157
Share-based payments	**9,103**	198,526
Other compensation	**8,514**	6,641
Directors fees	**17,875**	14,250
Total	**136,222**	270,574

11.COMMITMENTS

Flow-through renunciation

On February 24,2021, the Corporation completed a flow-through financing to raise $620,000. The Corporation renounces 100% of the flow-through raised at year end. The Corporation had until February 1,2022 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 charges to income in the period incurred. The Corporation incurred more than $620,000 in flow-through eligible exploration expenses prior to December 31, 2021.

12.OTHER INCOME

Other income for the three-month period ended March 31,2022 includes an $ 18,000 grant received from the Government of New Brunswick. Also included is $1,267,430 (USD $1,000,000) which is proceeds from the sale of an increase the timber royalty due to Altius related to the Pickett Mt. project in Maine. (March 31, 2021-$Nil).

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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.

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

Liquidity risk

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

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

Interest rate risk

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

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.

14. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options and warrants as capital, that as at March 31, 2022 totaled $ 41,422,837 (2021 - $41,235,485). 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 adjustment 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.

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15. COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada and the United States, businesses are being forced to cease or limit operations for long or indefinite periods of time. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Corporation has been monitoring the COVID-19 outbreak since March 2020 and the potential impact at all of its operations and has put measures in place to ensure the wellness of all of its employees and surrounding communities where the Corporation works while continuing to operate. Field work programs and the field work personnel were adjusted. Programs in Manitoba were deferred to due to localized outbreaks, and programs in Maine experienced some delays and cost increases due to cross border travel restrictions and requirements.

16. SUBSEQUENT EVENTS

There are no subsequent events to disclose.