



# **WOLF DEN**

**Wolfden Resources Corporation**

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

**Form 51-102F1**

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



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the twelve months ended Dec 31, 2021 and 2020

**Date of Report: May 27, 2022**

## **General**

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The following Management's Discussion and Analysis ("MD&A") of Wolfden Resources Corporation should be read in conjunction with the consolidated financial statements for the three months ended March 31, 2022 with a comparative period for the three months ended March 31, 2021 and the notes thereto. The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of May 27, 2022 and all information is current as of such date. Readers are encouraged to read the Corporation's public information filings on SEDAR at [www.sedar.com](http://www.sedar.com).

This discussion provides management's analysis of Wolfden's historical financial and operating results and provides estimates of Wolfden's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, reliance should not be placed on forward-looking statements. Wolfden's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that Wolfden will derive there from. Wolfden disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

## **Corporate Overview**

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Wolfden Resources Corporation (the "Corporation" or "Wolfden") was incorporated under the laws of the Province of Ontario on August 12, 2009.

On October 18, 2012 the Corporation completed its initial public offering and received approval from the TSX Venture Exchange to list its common shares on the TSX-V as a Tier 1 Mining Issuer and began trading under the symbol WLF.

## **Quarterly Operational Highlights**

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



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**Exploration and Field Work**

Exploration work during the period included a drill program at Rice Island, the filing of the initial qualified mineral resource estimate for Nickel Island and the release of drill results for the Big Silver project in Maine and the silver projects in New Brunswick.

**Pickett Mountain – Maine**

Efforts during the quarter were mostly focused the preparation an alternative rezoning application to be filed with the Land Use and Planning Commission in Maine in 2022.

**Pickett Mt Mineral Resource Estimate**

NOVEMBER 17, 2021 - MINERAL RESOURCE STATEMENT								
Category	Tonnes	% Zn	% Pb	% Cu	g/t Ag	g/t Au	Density	% ZnEq
Indicated	2,724,000	8.91	3.83	1.22	97.2	0.8	3.84	17.72
Inferred	3,593,600	9.27	3.83	1.00	105.4	0.7	3.81	17.65

The updated mineral resource estimate has been prepared, supervised, and reviewed by an Independent qualified person (“QP”) Finley Bakker, P. Geo. of A-Z Mining Consultants and has an effective date of November 17, 2021. The estimate methodology, parameters and metal prices utilized remain largely unchanged from the [September 14, 2020](#) mineral resource statement and therefore the Corporation does not intend to file an updated technical report. The Mineral Resource estimate was classified into indicated and inferred categories in accordance with CIM Definition Standards on Mineral Resources and Reserves adopted by the CIM Council on May 10, 2014.

A number of potential cut-off grades for Zinc Equivalent were calculated for each resource category as represented in the sensitivity tables below. The tonnage and grade are robust over the intervals chosen. A 7% Zinc Equivalent cut-off was considered to be conservative until further technical studies have been completed.

SENSITIVITY TO CUT-OFF GRADES - INDICATED MINERAL RESOURCE - November 17, 2021								
% ZnEq Cut-off Grade	Tonnes	% Zn	% Pb	% Cu	g/t Ag	g/t Au	Density	% ZnEq
3 % ZnEq	5,539,000	5.25	2.22	0.92	64.0	0.6	3.85	11.12
4 % ZnEq	4,723,000	5.95	2.52	0.99	71.2	0.6	3.84	12.44
5 % ZnEq	3,752,000	7.10	3.02	1.09	81.5	0.7	3.83	14.50
7 % ZnEq	2,724,000	8.91	3.83	1.22	97.2	0.8	3.84	17.72
9 % ZnEq	2,393,000	9.69	4.17	1.28	103.9	0.9	3.84	19.08



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<b>SENSITIVITY TO CUT-OFF GRADES - INFERRED MINERAL RESOURCE – November 17, 2021</b>								
<b>% ZnEq Cut-off Grade</b>	<b>Tonnes</b>	<b>% Zn</b>	<b>% Pb</b>	<b>% Cu</b>	<b>g/t Ag</b>	<b>g/t Au</b>	<b>Density</b>	<b>% ZnEq</b>
3 % ZnEq	6,471,000	5.88	2.42	0.82	71.7	0.6	3.83	11.83
4 % ZnEq	5,426,000	6.79	2.79	0.87	81.9	0.6	3.81	13.44
5 % ZnEq	4,479,000	7.90	3.25	0.92	93.5	0.7	3.79	15.33
7 % ZnEq	3,593,000	9.27	3.83	1.00	105.4	0.7	3.81	17.65
9 % ZnEq	3,003,000	10.46	4.32	1.05	114.2	0.8	3.82	19.57

#### Mineral Resource Estimate Parameters and Assumptions

- Indicated Resources were estimated using a maximum distance of 25 metres from a drill hole and meeting a single hole minimum.
- Inferred Resources were estimated utilizing a no hole minimum and using a minimum of 25 metres and maximum of 200 metres from a drill hole in the East and West Lenses and 50 metres in the Footwall Lens. Limited drilling has occurred in the Footwall lens and due to the narrow high-grade nature of the mineralization, a smaller area of influence was utilized.
- The MRE encompasses 3 mineralized massive sulphide lenses.
- The database is comprised of 204 drill holes including 7,030 samples; of these approximately 1,417 samples were utilized in the estimate.
- Grade capping was not utilized as it was noted that the general uniformity of grade was fairly consistent with no significant outliers in the assay results.
- The specific gravities used in the MRE were based on a total of 549 physically measured specific gravities within the mineralized lenses.

#### Future Work

Wolfden plans to continue to work with the regulatory authorities of Maine to secure the required approvals to develop the project as an underground mining operation. In order to upgrade the inferred resource, a limited infill drill program with a 25 m by 25 m pattern is required in each lens to confirm if the current 50 by 50 metre drill pattern is sufficient.

#### *Pickett Mountain Preliminary Economic Assessment*

On November 2, 2020, the Corporation filed on SEDAR 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. Highlights of the economic study were previously announced by the Corporation in a news release dated September 14, 2020. Much of the work in this PEA was previously used and further refined from the rezoning petition that was filed in January 2020. **Metal prices and the mineral resources have increased from those used in the 2020 PEA and could have positive and material impact on the already positive economics of the project.**

#### **Highlights of the 2020 PEA Base Case Financial Model are as follows:**

- 37% After-tax IRR
- US\$ 198 million After-tax NPV8% to Wolfden
- US\$ 147 million initial capital expenditure including a 20% contingency and closure costs
- 2.4 year Payback
- 0.38 \$/lb Zinc AISC



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**Note: The PEA financial model used 2020 consensus metal prices assumptions of \$1.15/lb Zinc, \$1.00/lb Lead, \$3.00/lb Copper, \$18.00/oz Silver and \$1,500/oz Gold.**

Mineral Resources used in the PEA Mine Plan

The mineral resource used in the PEA includes indicated and inferred resources and is a restatement of the January 7, 2019 mineral resource statement using a 7% cutoff grade (or an NSR value of \$139/t) rather than the previous 9% cutoff grade (\$178/t NSR). The same methodology used in the 2019 estimate was applied to the updated estimate where the metal prices were not updated (to those used in the PEA financial model) and no additional information was either included or excluded. Infill drill results since the 2019 resource estimate are expected to upgrade the mineral resource and could potentially lead to an increase.

**Pickett Mt. Mineral Resource Statement as of September 14, 2020**

	Tonnes	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Density	ZnEq %
Indicated Resource	2,177,000	9.25	3.68	1.32	96.4	0.9	3.98	18.23
Inferred Resource	2,294,000	9.79	3.88	1.15	101.1	0.9	3.99	18.62

The mineral resources were estimated using the metal prices of US\$1.20/lb Zn, \$2.50/lb Cu, \$1.00/lb Pb, \$16.00/oz Ag, and \$1,200/oz/Au, using a 7% cutoff grade that equates to an NSR cut-off of \$139/tonne at the same metal prices. An average recovery of 75% for all metals was assumed. A 10% mining dilution at zero grade was only added to the financial model which also used different metal prices.

**Big Silver – Maine**

Drill results from the 8 hole, 1,750 metre Fall 2021 drill program were released during the quarter.

Highlights of the drill results include:

- 173.3 g/t AgEq over 50.1 metres from 67.9 metres in hole PB21-02
- 217.1 g/t AgEq over 42.9 metres from 116.2 metres in hole PB21-03
- 123.6 g/t AgEq over 36.7 metres from 67.2 metres in hole PB21-05

Notes: 1) True widths are estimated at 70% of hole length shown. 2) Silver Equivalent grades (AgEq) was calculated using metal prices of \$20/oz silver, \$1.25/lb zinc and \$1.00/lb lead.  $AgEq = Ag\ g/t + (Zn\% \times 42.8) + (Pb\% \times 34.2)$ . No assumed metallurgical recoveries were included in the AgEq calculation as no metallurgical testing has been completed to date.

The core of the Big Silver Project is a 1,500 m by 2,000 m area of historic silver, zinc, lead, copper and gold mineralization with historic drill intercepts including 530.2 g/t AgEq over 15.2 metres and 14.63 g/t Au and 1.07% Cu over 7.0 metres. The high precious-metal polymetallic mineralization is hosted by sediments, mafic volcanics/intrusions and hydrothermal breccias. WolfDen's objective was to confirm and expand on the historic results utilizing several techniques including drilling, soil sampling, an induced polarization and ground magnetic geophysical surveys. WolfDen's work has defined and expanded the footprint of the mineralized zones with the new data providing context and prioritized target areas for future drill programs

The grade and size implications of this silver rich mineralization system is encouraging and its coincidence with recently defined soil and geophysics anomalies. The goal has been to discover and delineate an underground resource of 20 million tonnes or more, which appears achievable with this type of mineralized system. The hydrothermal system appears to very strong, well-endowed and both structurally and stratigraphy controlled. Further testing would focus on two principle emerging trends that have not been well explored and include a series of new buried geophysical targets.



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**Silver Projects – New Brunswick**

Planning for a 2022 summer program continued on the California Lake, Bear Creek and Restigouche silver prospects including trenching over at least 6, km-long, north to northwest-trending soil anomalies, soil sampling, potential induced polarization (IP) surveys and any follow-up drilling.

**Rice Island – Manitoba**

The Rice Island Ni-Cu-Co-PGE sulphide deposit is comprised of a U-shaped 'keel' and 'feeder' dyke of higher-grade mineralization where an initial NI43-101 compliant mineral resources estimate was released on December 13, 2021.

**Rice Island Mineral Resource Estimate Summary:**

DECEMBER 13, 2021 - UNDERGROUND MINERAL RESOURCE ESTIMATE									
Classification	Tonnage	Ni	Cu	Au	Pt	Pd	Co	NiEq	NiEq
	tonnes	%	%	g/t	g/t	g/t	%	%	tonnes
Indicated	4,293,000	0.74	0.49	0.06	0.02	0.03	0.03	1.11	47,700
Inferred	3,395,000	0.55	0.37	0.09	0.02	0.04	0.04	0.89	30,300

- NiEq was calculated using metal prices of US\$7.50/lb nickel, US\$3.50/lb copper, US\$24 per pound cobalt, US\$1,700/oz gold, US\$1,000/oz platinum and US\$2,100/oz palladium.  $NiEq\% = Ni\% + (Cu\% \times 0.467) + (Co\% \times 3.200) + (Au\ g/t \times 0.331) + (Pt\ g/t \times 0.194) + (Pd\ g/t \times 0.408)$ . An assumed metallurgical recovery of 85% was used in the Mineral Resource Estimate and is therefore incorporated into the NiEq% value calculation.*
- Underground Mineral Resources were calculated using a 0.5% NiEq cut-off after an estimated process recovery of 85% using a nickel price of US\$7.50/lb, an exchange rate US\$:C\$ of 0.78, mining cost of C\$65/t, processing cost of C\$20/t and G&A cost of C\$5/t.*
- The Mineral Resource Estimate was prepared, supervised, and reviewed by Independent Qualified Persons ("QPs") Yungang Wu, P.Geo., Eugene Puritch, P.Eng. and David Barga, P.Geo. of P&E Mining Consultants Inc. with an effective date of December 13, 2021.*

The Corporation completed ground geophysical surveys during the fourth quarter over two other Rice Island like, gabbro-hosted nickel bearing targets in advance of the Q1 2022 drill program. A moderate strength conductive anomaly was adjacent to the Eureka nickel occurrence, located 5.3 km south of the Rice Island Deposit. No conductive zones were identified over the Fly Lake nickel occurrence, possibly due to the effect of a power line that passes over or close to the occurrence. The Fly Lake nickel occurrence is located 7.3 km northeast of the Rice Island Deposit.

The 2022 drill program was designed to test for further expansion of the Keel and Feeder Zones down plunge and the Eureka nickel occurrence. A total of eight holes were completed totalling 2,654 metres including two holes totalling 245 metres completed over the Eureka occurrence. Assay results are pending.

Follow-up summer work will include mapping, prospecting and soil sampling over the Fly Lake and Eureka nickel occurrences.

**Nickel Island – Manitoba**

Similar to Rice Island, modeling and independent consultant work was completed in advance of an initial NI43-101 compliant resource estimate for Nickel Island of 8.5 million tonnes @ 0.86% NiEq, that was released on January 10, 2022. NiEq was calculated using metal prices of US\$7.50/lb nickel and US\$3.50/lb copper.  $NiEq\% = Ni\% + (Cu\% \times 0.467)$ . An assumed metallurgical recovery of 85% was used in the Mineral Resource Estimate and is therefore incorporated into the NiEq% value calculation. Underground Mineral Resources were calculated using a 0.5% NiEq cut-off after an estimated process recovery of 85% using a nickel price of US\$7.50/lb, an exchange rate US\$:C\$ of 0.78, mining cost of C\$65/t, processing cost of



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C\$20/t and G&A cost of C\$5/t. The Nickel Island Mineral Resource Estimate was prepared, supervised, and reviewed by Independent Qualified Persons of P&E Mining Consultants Inc. with an effective date of January 3, 2022.

The Company had applied for a grant from the Manitoba Government Mineral Development Fund to advance the Nickel Island as well, which was returned with a favorable response. The program, had to be deferred until to 2022, for logistical reasons and plans to reapply for a similar grant in 2022 or request those funds be redirected toward another drill program at Rice Island in the 2022/23 winter season. The next program at Nickel Island includes a ground geophysical survey to be followed-up with a diamond drill program pending the positive outcome of a demonstration drill program to the neighboring First Nations community. Planning and dialogue for these programs remains ongoing.

In Q1, 2022, WolfDen acquired most of the reduced (~ 10 cm of core retained for every 3 metres of core) core for the Nickel Island Project. A few holes, with pieces of reduced core, were assayed as part of the resource estimate. The results exhibited better than expected values of palladium and platinum that averaged 0.72 g/t and 0.21 g/t, respectively in 11 samples, that averaged 2.32% Ni and with highs of 0.15 g/t Au, 2.72 g/t Pd, 0.67 g/t Pt and 0.08% Co in a sample that returned 7.43% Ni and 0.49% Cu. The addition of these un-assayed metals could represent some significant upside to the potential economic importance of the deposit and any extensions. The next drill program will include analysis for these metals.

The reduced core will be re-logged and re-sampled in order to better document the geology and grades of the mineralized zones.

## Results of Operations

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

	Year ended December 31, 2021 \$	Year ended December 31, 2020 \$	Year ended December 31, 2019 \$
<b>Operations</b>			
Other Income	233,316	3,140,880	1,183,436
Loss for the year	(4,633,983)	(624,185)	(2,319,881)
Comprehensive loss for the year	(4,661,341)	(627,534)	(2,407,567)
Basic and diluted loss per share	(0.03)	(0.00)	(0.02)
<b>Balance Sheet</b>			
Working capital	3,070,037	544,146	790,117
Total assets	3,302,880	1,000,993	1,074,987
Total liabilities	(232,843)	(455,837)	(283,502)



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### Summary of Quarterly Results

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

Quarter	2022 First (\$)	2021 Fourth (\$)	2021 Third (\$)	2021 Second (\$)	2021 First (\$)	2020 Fourth (\$)	2020 Third (\$)	2020 Second (\$)
Investment income	1,910	2,854	3,544	1,574	197	472	879	1,285
Operating expenses	1,723,048	1,730,827	3,276,622	2,176,529	1,313,845	1,307,330	1,312,579	716,941
Operating profit/(loss)	(435,831)	(1,568,473)	(3,273,078)	(763,292)	(1,313,648)	(1,007,730)	(1,311,700)	(715,656)
Comprehensive income/(loss)	(406,741)	(1,567,050)	(3,089,480)	(2,098,807)	(1,320,148)	(1,301,434)	(1,150,088)	(821,065)
Profit/(loss) per share	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Quarter on quarter, the Corporation has seen the loss vary depending primarily on the amount of exploration expenditures, as well as financing available, while managing to keep a control on the administrative expenses, with slight variances due to personnel levels.

### Overall Performance

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The comprehensive loss for the three months ended March 31, 2022 was \$406,741 which was a decrease of \$913,353 over the comprehensive loss for three months ended March 31, 2021, of \$1,320,294. Furthermore, a loss of \$435,831 has been recorded for the three months ended March 31, 2022, as compared to the loss of \$1,313,776 for the previous year. The difference is mainly due to timber sales in the three-month period ended March 31, 2022. Exploration and evaluation expenses increased from \$515,931 to \$1,442,669 as a result of the exploration program that occurred on Manitoba Nickel in, the general and administrative expenses decreased from \$329,440 to \$251,849 for the three months ended March 31, 2022 when compared with 2021. The share based payments have decreased from \$455,591 to \$9,103 in 2022 due to the fact that the no new annual compensation bonuses were award during the period.

The major components of general and administrative costs for the three months ended March 31, 2022 include contractors' filing services fees of \$ 15,128, transfer agent fees \$3,257, legal fees of \$9,634, director fees of \$17,875 and investor relation expenses of \$ 18,744.

The Corporation recorded \$1,910 in investment revenue for the three months ended March 31, 2022 as compared to \$197 in the previous year.





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### Exploration and Evaluation Expenditures

The Corporation incurred exploration and evaluation expenditures of \$ 1,442,669 for the three months ended March 31, 2022, the breakdown of exploration and evaluation for the period is as follows:

	Manitobal Nickel	Teta Gouche	Picket Mountain	Big Silver	Total for Period	Total inception to date
Analysis	-	8,151	-	-	8,151	<b>838,677</b>
Geological	42,463	4,695	16,274	18,704	82,135	<b>3,167,685</b>
Geophysical	15,000	36,129	-	107,437	158,566	<b>2,826,475</b>
Geochemical	240	4,764	-	57,189	62,192	<b>345,901</b>
Travel	16,058	-	7,236	10,280	33,574	<b>688,345</b>
Drilling	920,922	103	-	-	921,025	<b>7,385,893</b>
Property Work	-	33,555	858	-	34,413	<b>754,792</b>
Ops Support	5,000	600	5,452	25,457	36,509	<b>398,768</b>
Administration	-	-	-	-	-	<b>751,606</b>
General Expense	1500	1,830	-	-	3,330	<b>3,330</b>
Mine Permitting expense	-	-	102,774	-	102,774	<b>102,774</b>
Total Exploration	1,001,182	89,827	132,594	219,066	1,442,669	<b>17,264,246</b>
Other costs*	-	-	-	-	-	<b>21,133,497</b>
<b>Total</b>	<b>1,001,182</b>	<b>89,827</b>	<b>132,594</b>	<b>219,066</b>	<b>1,442,669</b>	<b>38,397,743</b>

\*Included in other costs is government assistance received.

### Mineral Property Acquisitions and Agreements

#### Maine, U.S.A.

##### ***Pickett Mountain Property***

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

To fund the acquisition of the Property, the Corporation entered into a Royalty Agreement that granted a 1.35% gross sales royalty on the Property to Altius Resources Inc. ("Altius"), a wholly owned subsidiary of

Altius Minerals Corporation, for cash consideration of \$7,663,800 (US\$6,000,000) and completed a non-brokered private placement (the "Offering") of 20,200,000 subscription receipts ("Subscription Receipts") at a price of \$0.25 per Subscription Receipt for gross proceeds of \$5,050,000, with Altius subscribing for 14,200,000 Subscription Receipts. The subscription receipts were converted into 14,200,000 common shares of the Corporation.

Pursuant to the Royalty Agreement, Altius has the option to purchase an additional 0.50% gross sales royalty at any time before the first anniversary of commercial production for US\$7,500,000. In addition, the Corporation granted Altius certain rights to convert the Pickett Mountain Royalty to equity under certain terms, or to exchange the royalty for a similar royalty on the Corporation's Orvan Brook property. Furthermore, the Corporation agreed to use its best efforts to 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.



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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 M 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, and, if the Timber Rights have not been transferred prior to November 14, 2018, at any time after November 14, 2018, Altius will have the right to convert the Pickett Mountain Royalty, in accordance with the terms of the Royalty Agreement, to cash or Common Shares, or a combination thereof (the "Conversion Right"). Upon the exercise of the Conversion Right, the Common Share consideration to be received by Altius will be equal to the lesser of: (a) the number of Common Shares

that is equal in Royalty Value; and (b) the number of Common Shares that does not exceed 19.99% of all outstanding Common Shares on a partially diluted basis. The remaining balance of the Royalty Value is to be paid to Altius in cash. Under the Royalty Agreement, "Royalty Value" means an amount equal to the aggregate of: (i) all amounts paid by Altius to Wolfden (including the purchase price consideration paid by Altius) in respect of the Pickett Mountain Royalty, minus (ii) all Escrowed Proceeds received by Altius, minus (iii) all other payments received by Altius in respect of the Pickett Mountain Royalty. The Common Share

conversion price is the greater of: (i) \$0.05 per Common Share; and (ii) the volume weighted average trading price of the Common Shares on the TSXV (or any other principal exchange on which the Common Shares are trading) for the twenty consecutive trading days immediately preceding the date of the exercise of the Conversion Right. Upon the exercise of the Conversion Right and satisfaction of the payment thereof by Wolfden, any remaining Escrowed Proceeds will be released to Wolfden.

#### *Exchange Right*

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

During the period ending June 30, 2019, Altius and Wolfden agreed to an amendment to their Offering and Subscription Agreements, dated November 14, 2017 whereby during any period when the common shares of Wolfden are trading on the Toronto Stock Exchange Venture Exchange at a 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.

#### *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



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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, Altius is entitled to 20% of the gross timber sales and therefore only 80% of the timber proceeds are reported as revenues by the Corporation.

**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 for a first- and second-year payment 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.

Wolfdén 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 Optioner agreed to acquire a 100% undivided interest in Wolfdén'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 Wolfdén totaling \$3,250,000 over a 3 year period (the "Option Period"). In addition, the Optioner will grant Wolfdén a 1% Net Smelter Return Royalty (the "NSR") from any minerals produced on the Property; the Optioner can purchase

the NSR from Wolfdén 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 Wolfdén.

Under the terms of the Option Agreement, the Optioner will make scheduled cash payments to Wolfdén 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). Wolfdén retains a 1% NSR subject to buy back conditions held by Galway.



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During the Option Period, the Optioner was 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.

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

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

**Liquidity and Capital Resources**

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The Corporation's cash and cash equivalents balance was \$3,283,597 as at March 31, 2022 compared to \$6,744,500 as at March 31, 2021. Current assets as at March 31, 2022 were \$3,422,854 and total assets as at March 31, 2022 were \$3,423,545

***Operating Activities***

For the three months ended March 31, 2022, the Corporation used \$25,502 in cash related to operating activities. The non-cash charges to earnings included depreciation of \$55, share-based payments of \$9,103

and income tax receivable of \$68,877. During the year, the majority of the cash used in operating activities can be attributed to the funding of day to day operations.



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*Financing Activities*

For the three months ended March 31, 2022, there are no financing activities.

**Outstanding share data**

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*Common Shares*

The Corporation's authorized share capital consists of an unlimited number of common shares without par value. As at March 31, 2021, 152,818,670 common shares were issued.

**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.

**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 (a "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.

*Warrants*

The following table reflects the share purchase warrants outstanding as at March 31, 2022:

<b>Warrant Expiry Date</b>	<b>Exercise Price</b>	<b>Warrants Outstanding</b>
	\$	#
November 15, 2022	0.35	<b>10,100,000</b>
January 15, 2023	0.61	<b>375,000</b>
March 30, 2023	0.45	<b>6,362,500</b>
Total	-	<b>16,837,500</b>



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*Stock Options*

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 March 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

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 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.

*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 ended March 31, 2021. As at March 31, 2021, 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.



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## Related Party Transactions

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

## Commitments

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Flow-through renunciation 2021

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 has until February 1, 2022 to incur expenditures before monthly interest charges begins to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. The Corporation incurred more than \$620,000 in flow-through eligible exploration expenses prior to December 31, 2021.

## Critical Accounting Estimates and Judgements

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

### *Significant estimates*

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

Significant estimates include:

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



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

### Recent Accounting Pronouncements

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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 December 31, 2021.

- IAS 16- Property, Plant and Equipment- Proceeds before Intended Use

In May 2020, the International Accounting Standards Board ("IASB") issued an amendment to IAS 16, Property, Plant and Equipment- Proceeds before Intended Use.

The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in the consolidated statements of income. The amendment will become effective on January 1, 2022. The Corporation is assessing the impact of the amendment and does not expect it to have a significant effect on the Corporation's financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)

The IASB has issued amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 12 Income Taxes which clarify that the initial recognition exemption set out in IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Of the standards and interpretations that are issued, but not effective none of them are expected to have any significant impact on the Corporation's financial statements in the near future.

### Financial Instruments

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Financial instruments consist of cash and cash equivalents, amounts receivable, investments, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the short term to maturity, unless otherwise noted.

### Risk Factors

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An investment in the Corporation involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating the Corporation and its business before making any investment decision in regard to the common shares of the Corporation. The Corporations' business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Corporation. Additional risks not presently known to us may also impair business operations.





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*Exploration and Mining Risks*

The Corporation is engaged in mineral exploration and development activities. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed

into producing mines. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors beyond our control.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on our financial position.

The Corporation relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in

sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

*Financing Risks*

The Corporation is limited in financial resources, and as a mineral exploration company has no source of operating cash flow. The Corporation has no assurance that additional funding will be available to us for further exploration and development of our projects or to fulfill our obligations under any applicable agreements. There can be no assurance that we will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of our projects with the possible loss of such properties.

*Regulatory Requirements*

Even if our mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Corporation may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

*Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.



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*No Assurance of Titles*

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

*Permits and Licenses*

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

*Competition*

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

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Corporation may affect the marketability of any substances discovered.

These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital or losing our investment capital.

*Environmental Regulations*

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

*Stage of Development*

The Corporation is in the business of exploring for, with the ultimate goal of producing, mineral resources from our mineral exploration properties. None of our properties have commenced commercial production and we have no history of earnings or cash flow from our operations. As a result of the foregoing, there can be no assurance that we will be able to develop any of our properties profitably or that our activities will generate positive cash flow. We are unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. A prospective investor in the Corporation must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

*Markets for Securities*

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



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particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

*Reliance on Key Individuals*

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

*Geopolitical Risks*

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

*Health Epidemics and Outbreaks of Communicable Diseases*

Wolfden's business could be adversely impacted by the effects of the novel coronavirus or other health epidemics and/or outbreaks of communicable diseases, which could significantly disrupt the Corporation's exploration and development activities and may have a material adverse effect on Corporation's business and financial condition.

The World Health Organization declared a global pandemic on March 2020 related to COVID-19. Global travel and workplace restrictions have been implemented as a result. The extent to which COVID-19 impacts the Corporation's business, including the Corporation's operations and the market for the Corporation's securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, including the duration, severity and scope of the coronavirus outbreak and the actions taken to contain or treat the outbreak. In particular, the continued or perceived spread of the coronavirus globally could materially and adversely impact the Corporation's business including, without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, stoppage or suspension of its operations in Maine and Canada including restrictions in board crossings, to development exploration and drill programs and/or the timing to process any related samples and other factors that will depend on future developments beyond the Corporation's control, which may have a material adverse effect on the Corporation's business, financial condition and results of operations.

Moreover, the actual and threatened spread of COVID-19 globally could also have a material adverse effect on the regional economies in which the Corporation operates, could negatively impact stock markets, including the trading price of the Wolfden Common Shares, could adversely impact the Corporation's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive, could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for base and precious metals and Wolfden's future prospects and could result in any operations affected by COVID-19 becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Corporation's business and results of operations. There can also be no assurance that the Wolfden's personnel and contractors will not be impacted by these pandemic diseases and ultimately see all or a portion of its operations suspended, workforce productivity reduced or incur increased medical costs and/or insurance premiums as a result of these health risks.



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## **Financial Instruments and Related Risks**

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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 Corporation 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 collectible 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.

## **Management of Capital Risk**

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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.



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

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-

bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.

### **COVID-19**

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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.

### **Subsequent Events**

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There are no subsequent events to disclose.

### **Off-Balance Sheet Arrangements**

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There are no off-balance sheet arrangements.

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

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No changes occurred in the first quarter of 2022 of the Corporation's ICFR that have materially affected or are reasonably likely to materially affect the Corporation's ICFR.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the three months ended March 31, 2022 and 2021

**Additional Information**

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Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Mr. Ron Little, President and CEO, Mr. Jeremy Ouellette VP Project Development and Mr. Don Dudek, VP Exploration of Wolfden Resources Corporation are the Qualified Persons for the information contained in this MD&A and are each a Qualified Person defined by National Instrument 43-101.

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

Thunder Bay, Canada  
May 27, 2022