Condensed Consolidated Interim Financial Statements

(Stated in Canadian Dollars)

(Unaudited)

WOLFDEN

Resources Corporation

For the three and nine months ended September 30, 2016

NOTICE TO SHAREHOLDERS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

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.

In accordance with National Instrument 51-102 released by the Canadian Securities Administration, the Corporation discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended September 30, 2016.

WOLFDEN
Resources Corporation
(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)
(Unaudited)

As at	September 30 2016 $	December 31 2015 $
ASSETS		
Current assets		
Cash and cash equivalents	**286,944**	762,642
Accounts receivable	**19,718**	82,163
Prepaids	**19,462**	22,371
Investments [note 4]	**1,283,748**	528,256
Total current assets	**1,609,872**	1,395,432
Non-current assets		
Equipment and leaseholds [note 5]	**20,016**	36,144
Total assets	**1,629,888**	1,431,576
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**55,668**	153,985
EQUITY		
Share capital [note 7]	**20,215,658**	19,871,884
Share purchase warrants [note 7]	**336,141**	336,141
Share subscription payable [note 7] [note 13]	**13,000**	-
Equity settled employee benefits [note 7]	**897,951**	758,047
Deficit	**(19,888,530)**	(19,688,481)
Total equity	**1,574,220**	1,277,591
Total liabilities and equity	**1,629,888**	1,431,576

Commitments [note 10]
Subsequent events [note 13]

See accompanying notes to the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 16, 2016.

They are signed on the Corporation's behalf by:

"Don Hoy"
Director

"Dan Mechis"
Director

WOLFDEN Resources Corporation

(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Stated in Canadian Dollars)
(Unaudited)

	For the three months ended September 30		For the six months ended September 30	
	2016	2015	**2016**	2015
	$	$	**$**	$
REVENUE				
Investment income	**2,185**	7,462	**4,442**	27,970
EXPENSES				
Depreciation *[note 5]*	**5,376**	5,385	**16,128**	16,401
Exchange gain	**-**	(77)	**-**	(151)
Exploration Expenses *[note 6]*	**165,386**	565,674	**355,416**	1,151,536
Flow through interest penalty	**-**	3,195	**-**	11,174
General and administrative expenses *[note 9]*	**79,572**	135,378	**348,512**	406,397
Professional fees	**38,593**	3,719	**95,325**	105,880
Share-based payments *[note 7]*	**139,904**	-	**139,904**	-
	428,831	713,274	**955,285**	1,691,237
Loss for the period	**(426,646)**	(705,812)	**(950,843)**	(1,663,267)
Option payments received *[note 6]*	**750,000**	-	**750,000**	-
Earnings (loss) before income taxes	**323,354**	(705,812)	**(200,843)**	(1,663,267)
Income taxes (recovered)				
Current	**-**	-	**(794)**	-
Deferred tax recovery	**-**	(103,141)	**-**	(205,387)
	-	(103,141)	**(794)**	(205,387)
Earnings (loss) for the period	**323,354**	(602,671)	**(200,049)**	(1,457,880)
Exchange differences on translation of foreign operations	**-**	(184)	**-**	(370)
Earnings (loss) and comprehensive earnings (loss) for period	**323,354**	(602,487)	**(200,049)**	(1,457,510)
Basic and diluted loss per share *[note 8]*	**-**	-	**-**	(0.02)

See accompanying notes to the condensed consolidated interim financial statements

WOLFDEN
Resources Corporation
(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Stated in Canadian Dollars)
(Unaudited)

For the nine months ended September 30	2016 $	2015 $
OPERATING ACTIVITIES		
Loss for the period	**(200,049)**	(1,457,880)
Add charges (deduct credits) to earnings not involving a current payment of cash		
Depreciation	**16,128**	16,401
Share based payments	**139,904**	-
Deferred tax recovery	**-**	(205,387)
Non-cash acquisition costs	**26,000**	-
	(18,017)	(1,646,866)
Changes in non-cash working capital balances related to operations		
Accounts receivable	**62,445**	27,660
Prepaids	**2,909**	7,287
Accounts payable and accrued liabilities	**(98,317)**	59,078
Cash used in operating activities	**(50,980)**	(1,552,841)
INVESTMENT ACTIVITIES		
Redemption (purchase) of investments, net	**(755,492)**	1,325,942
Cash provided by (used in) investment activities	**(755,492)**	1,325,942
FINANCING ACTIVITIES		
Proceeds from shares subscription	**357,500**	-
Share issue costs	**(26,726)**	-
Cash provided by financing activities	**330,774**	-
Decrease in cash and cash equivalents during the period	**(475,698)**	(226,899)
Cash and cash equivalents, beginning of the period	**762,642**	699,767
Effect of foreign exchange on cash and cash equivalents	**-**	370
Cash and cash equivalents, end of the period	**286,944**	473,238

See accompanying notes to the condensed consolidated interim financial statements

WOLFDEN
Resources Corporation
(Incorporated under the laws of Ontario)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)
(Unaudited)

	Share Capital				Reserves			
Issued and outstanding:	**Number of Shares**	**Share Capital**	**Shares subscribed**	**Warrants**	**Equity Settled Employee Benefits**	**Foreign currency translation**	**Deficit**	**Total Equity**
Balance as at December 31, 2014	67,051,589	19,523,071	-	336,141	758,047	(97,344)	(16,943,524)	3,576,391
Comprehensive loss for the period	-	-	-	-	-	370	(1,457,880)	(1,457,510)
Balance as at September 30, 2015	67,051,589	19,523,071	-	336,141	758,047	(96,974)	(18,401,404)	2,118,881
Private placement	3,600,000	360,000	-	-	-	-	-	360,000
Share issue costs	-	(11,187)	-	-	-	-	-	(11,187)
Comprehensive loss for the period	-	-	-	-	-	(675)	(1,287,077)	(1,287,752)
Exchange translation differences	-	-	-	-	-	97,649	-	97,649
Balance as at December 31, 2015	70,651,589	19,871,884	-	336,141	758,047	-	(19,688,481)	1,277,591
Private placement	3,250,000	357,500	-	-	-	-	-	357,500
Share-based payments	-	-	-	-	139,904	-	-	139,904
Shares issued for mineral properties	100,000	13,000	13,000	-	-	-	-	26,000
Share issue costs	-	(26,726)	-	-	-	-	-	(26,726)
Comprehensive loss for the period	-	-	-	-	-	-	(200,049)	(200,049)
Balance as at September 30, 2016	**74,001,589**	**20,215,658**	**13,000**	**336,141**	**897,951**	**-**	**(19,888,530)**	**1,574,220**

See accompanying notes to the condensed consolidated interim financial statements

(Incorporated under the laws of Ontario)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2016
(with comparative figures for the year ended December 31, 2015)

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.

On April 23, 2010, the Corporation acquired all of the outstanding and issued shares in the capital of MPC Sub Corporation ("MPC Subco") from Mineral Processing Corporation ("MPC"). On October 28, 2015 the Corporation received certification of the dissolution of MPC Subco from the Michigan Department of Licensing and Regulatory Affairs.

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 as well as global economic and commodity price volatility. At September 30, 2016 the Corporation has not yet achieved profitable production and has accumulated losses of $19,888,530, which may cast substantial doubt on the Corporation's ability to fulfil planned activities for the next fiscal year. The Corporation's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable level of operation. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of 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 unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2015.

The accounting policies applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Corporation's consolidated financial statements for the year ended December 31, 2015, with the exception of certain amendments to accounting standards issued by the IASB, which were effective January 1, 2016. These amendments did not have a significant impact on the Corporation's unaudited condensed consolidated interim financial statements.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Corporation's assets and liabilities are accounted for prospectively. The critical judgements and estimates applied in the preparation of the Corporation's unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in note 2 to the Corporation's consolidated financial statements for the year ended December 31, 2015.

(Stated in Canadian Dollars)

The unaudited condensed consolidated interim financial statements of the Corporation for the period ended September 30, 2016 were approved and authorized by the Board of Directors on November 16, 2016.

Statement of Compliance

These consolidated 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").

Basis of Consolidation

The Corporation's financial statements consolidate those of the parent Corporation and its subsidiary undertakings drawn up to September 30, 2016. Subsidiaries are all entities over which the Corporation has the power to control the financial and operating policies. The Corporation obtains and exercises control through more than half of the voting rights. The Corporation's only subsidiary has a reporting date of December 31. Up until October 28, 2015, the Corporation's subsidiary was:

	Percentage of ownership	Jurisdiction	Principal activity
MPC Sub Corporation	100%	United States	Mineral exploration

On October 28, 2015 the Corporation received certification of the dissolution of MPC Subco from the Michigan Department of Licensing and Regulatory Affairs.

During previous years all transactions and balances between the Corporation and its subsidiary were eliminated on consolidation, including unrealized gains and losses on transactions between the companies. Where unrealized losses on intra-group asset sales were reversed on consolidation, the underlying asset was also tested for impairment from a group perspective. Amounts reported in the financial statements of its subsidiary were adjusted where necessary to ensure consistency with the accounting policies adopted by the Corporation.

Profit or loss and other comprehensive income or loss of subsidiary acquired or disposed of during the year was recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

3. RECENT ACCOUNTING PRONOUNCEMENTS

These unaudited condensed consolidated interim financial statements have been prepared on the basis of all IFRS and interpretations effective as at January 1, 2016.

Recent accounting pronouncements for changes in accounting standards effective in 2016, 2017, 2018 and 2019 are disclosed in the Corporation's audited consolidated financial statements for the year ended December 31, 2015. The Corporation has adopted the new and revised accounting pronouncements that were effective as of January 1, 2016 and have determined that there is no significant impact of the changes on these unaudited condensed consolidated interim financial statements.

The Corporation has not applied the following revised or new IFRS that have been issued but were not yet effective at September 30, 2016.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2016
(with comparative figures for the year ended December 31, 2015)

Accounting Standards issued and effective January 1, 2017

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

- IFRS 15, Revenue from Contracts with Customers establishes an single model in accounting for revenue arising from contracts with customers. This will supercede current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations

Accounting standards issued and effective January 1, 2018

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

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

Accounting standards issued and effective January 1, 2019

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

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

(Stated in Canadian Dollars)

4. INVESTMENTS

At September 30, 2016, the Corporation holds $1,283,748 in guaranteed investment certificates maturing May 18, 2017 and August 8, 2017, yielding 0.90%. [December 31, 2015 - $528,256, maturing April 11, 2016, yielding 1.15%].

5. EQUIPMENT AND LEASEHOLDS

	Computer Equipment	Vehicles	Leaseholds	Total
	$	**$**	**$**	**$**
Cost				
Balance, September 30, 2015	13,120	27,068	88,148	128,336
Balance, December 31, 2015	13,120	27,068	88,148	128,336
Balance, September 30, 2016	**13,120**	**27,068**	**88,148**	**128,336**
Accumulated depreciation				
Balance, September 30, 2015	7,971	20,146	58,762	86,879
Depreciation for the period	387	519	4,407	5,313
Balance, December 31, 2015	8,358	20,665	63,169	92,192
Depreciation for the period	1,440	1,467	13,221	16,128
Balance, September 30, 2016	**9,798**	**22,132**	**76,390**	**108,320**
Carrying amounts				
December 31, 2015				36,144
September 30, 2016				**20,016**

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2016
(with comparative figures for the year ended December 31, 2015)

6. EXPLORATION AND EVALUATION

	Rice Island	Nickel-Island	Teta-gouche	Clarence Stream	Other	Total for current period	2015	Total inception to date
Analytical / Sampling	16,561	-	-	-	-	**16,561**	59,538	**532,320**
Geological	49,083	8,338	18,398	14,701	1,883	**92,403**	286,448	**1,076,937**
Geophysical	2,375	-	3,740	-	-	**6,115**	358,184	**893,607**
Geochemical	-	-	-	-	-	**-**	14,949	**165,984**
Transportation/ Accommodation	91,698	5,081	515	2,159	-	**99,453**	109,316	**365,129**
Exploratory Drilling	63,755	4,698	-	-	-	**68,453**	1,126,037	**2,878,243**
Property Work	5	-	776	1,129	-	**1,910**	47,003	**452,445**
Operations Support	11,402	116	3,303	4,329	-	**19,150**	145,541	**280,837**
Administration	71,511	18,855	37	16,625	525	**107,553**	194,209	**527,047**
Total Exploration	306,390	37,088	26,769	38,943	2,408	**411,598**	2,341,225	**7,143,046**
Acquisition / Development	(84,542)	-	11,820	15,000	1,540	**(56,182)**	90,601	**9,496,238**
Total	221,848	37,088	38,589	53,943	3,948	**355,416**	2,431,826	**16,639,284**

Mineral property acquisitions and agreements

Manitoba

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, consisting of 704 hectares, is located 10 kilometres south-southeast of the Town of Snow Lake in west-central Manitoba.

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

On September 21, 2016 the Corporation entered into an option agreement to expand the Rice Island property by earning a 100% interest in the Rice Island Tie-On Property (the "RITOP"), located adjacent to Wolfden's existing Rice Island property. Under terms of the option agreement with the Vendor, to earn a 100% interest in the RITOP, the Corporation must make cash payments totalling $250,000 and issue 500,000 common shares of Wolfden over a five year period. ($25,000 and 100,000 common shares on signing). In addition, the Corporation must incur $1,000,000 in exploration expenditures over the same five year period ($100,000 in year one). 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.

Nickel Island property

On May 21, 2015, the Corporation acquired a 100% interest in a nickel-copper property by claim staking (the "Property"). The Property comprises 600 hectares and is located in east-central Manitoba.

New Brunswick

Tetagouche Property

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

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

Clarence Stream Agreements

(i) On March 7, 2012 the Corporation executed an agreement, which was amended March 29, 2012, and further amended September 6, 2012, to purchase a 30% interest in the Clarence Stream property located in New Brunswick from Rockport Mining Corp. ("RMC"). On the Closing Date, October 18, 2012, RMC sold, assigned and transferred to the Corporation the Subject Interest and the Exploration Data, and the Corporation purchased the Subject Interest and Exploration Data from RMC, for the following consideration:

(a) A non-refundable deposit of $75,000 paid on signing of the agreement;

(b) the sum of $1,000,000, paid by the Corporation to RMC (or its designated Affiliate); and

(c) the allotment and issuance by the Corporation to RMC (or its designated Affiliate, subject to compliance with Applicable Securities Laws), of that number of IPO Securities having a deemed aggregate value equal to $560,000 (the “Transaction Units”) at a price per Transaction Unit equal to the IPO price of the IPO Securities.

(ii) On January 13, 2012 the Corporation executed an agreement to purchase a 70% interest in the Clarence Stream property located in New Brunswick from Cliffs Chromite Ontario Inc. ("Cliffs"). On the Effective Date, October 18, 2012, Cliffs sold, assigned and transferred to the Corporation the Subject Interest and the Exploration Data, and the Corporation purchased the Subject Interest and Exploration Data from Cliffs, for the following consideration:

(a) the sum of $10, paid by the Corporation to Cliffs on the Effective Date;

(b) the sum of $2,000,000, paid by the Corporation to Cliffs (or its designated Affiliate);

(c) the allotment and issuance by the Corporation to Cliffs (or its designated Affiliate, subject to compliance with Applicable Securities Laws), of that number of Shares having a deemed aggregate value equal to $1,600,000 (the “Transaction Shares”) at a price per Share equal to the IPO price of the Shares;

(d) the grant by, and agreement of, the Corporation to pay on behalf of itself and its successors and assigns, and the reservation by Cliffs on behalf of itself and its successors and assigns of, a 1% net smelter returns royalty on the Property (the “Net Smelter Returns Royalty”) in perpetuity for each year with respect to all Minerals, all as more formally provided in the Royalty Agreement; and

(e) the assumption of certain liabilities by the Corporation.

There is a 2% and 1 % Net Smelter Royalty ("NSR") on the property, and the Corporation is required to make $15,000 advance royalty payments annually which are deductible against the 2% NSR.

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

In order to earn a 100% interest in the Property, the Optioner will make cash payments to Wolfden totaling $3,250,000 over a 3-year period (the “Option Period”). In addition, the Optioner will grant Wolfden a 1% Net Smelter Return Royalty (the “NSR”) from any minerals produced on the Property; the Optioner can purchase the NSR from Wolfden at any time for the sum of $2,000,000.

Under the terms of the Option Agreement, the Optioner will make scheduled cash payments to Wolfden comprising $750,000 on signing of the Option Agreement (the “Effective Date”), $750,000 on or before the first anniversary of the Effective Date, $1,000,000 on or before the second anniversary of the Effective Date and $750,000 on or before the third anniversary of the Effective Date.

During the Option Period, the Optioner is solely responsible for carrying out and administering exploration, development and mining work on the Property and obtaining all regulatory and third party consents, approvals and authorizations to carry out such work. In the event that the Optioner fails to make any of the cash payments stipulated above, the Option Agreement shall terminate and Wolfden will continue to hold an undivided 100% interest in the Property.

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 comprising 154 mineral claims totaling 3,367 hectares adjoins the formerly producing Brunswick No. 6 mine and is located proximal to infrastructure, 20 kilometers southwest of the City of Bathurst, in the heart of the Bathurst Mining Camp.

7. SHARE CAPITAL AND RESERVES

i. Authorized

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

ii. Details of share issuances

2016

Private Placement

On May 31, 2016 the Corporation completed a non-brokered private placement (the "Offering") of 3,250,000 flow-through units (the "Flow-through Units") at a price of $0.11 per Flow-through Unit for gross proceeds of $357,500. Each Flow-through Unit consists of one common share of the Corporation that is a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of one non-transferable common share purchase warrant (each whole warrant a "Warrant"). Each such Warrant entitles the holder to the purchase of one common share of the Corporation at a price of $0.20 per common share until May 31, 2018. The Flow-Through Unit Shares and Warrants issued under the Offering are subject to a four-month hold period that expires October 1, 2016. In connection with the Offering, the Corporation paid an aggregate of $10,000 in finder's fees to certain arm's length parties.

Shares issued to Independent Contractor

On July 14, 2016, the Corporation entered into an independent contractor agreement (the "Agreement") with Mr. Wim Vanderklift (the "Contractor") pursuant to which the Contractor will provide exploration opportunity consulting services to the Corporation. As consideration for his services, the Contractor received, among other things, 100,000 common shares of the Corporation ("Common Shares") valued at $13,000. In addition, the Contractor is entitled to receive up to 200,000 options to purchase Common Shares ("Options") upon the satisfaction of certain conditions set out in the Agreement. The Options will be issued pursuant to and in accordance with the Corporation's stock option plan.

Share Subscription Payable

In respect of the option agreement related to the Rice Island Tie-On Property signed September 21, 2016 (see Note 6 - Exploration and Evaluation), the Corporation was to issue 100,000 common shares to the vendor upon signing. These common shares were issued subsequent to year end and were valued at $0.13 per common share, totalling $13,000 (see Note 13 - Subsequent Events).

2015

Private Placement

On December 30, 2015 the Corporation completed a non-brokered private placement (the "Offering") of 3,600,000 flow-through units (the "Flow-through Units") at a price of $0.10 per Flow-through Unit for gross proceeds of $360,000. Each Flow-through Unit consists of one common share of the Corporation that is a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of one non-transferable common share purchase warrant (each whole warrant a "Warrant"). Each such Warrant entitles the holder to the purchase of one common share of the Corporation at a price of $0.20 per common share until December 30, 2017. The Flow-Through Unit Shares and Warrants issued under the Offering are subject to a four-month hold period that expires May 1, 2016.

(Stated in Canadian Dollars)

iii. Warrants

The following table reflects the continuity of warrants as at September 30, 2016:

Expiry Date	Exercise Price $	2016 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2016 Closing Balance #
April 10, 2016	0.27	3,125,000	-	-	(3,125,000)	**-**
December 18, 2016	0.30	5,109,500	-	-	-	**5,109,500**
December 30, 2017	0.20	1,800,000	-	-	-	**1,800,000**
May 31, 2018	0.20	-	1,625,000	-	-	**1,625,000**
		10,034,500	1,625,000	-	(3,125,000)	**8,534,500**
Weighted average exercise price		0.27	0.20	-	0.27	**0.26**

The following table reflects the continuity of warrants as at December 31, 2015:

Expiry Date	Exercise Price $	2015 Opening Balance #	Warrants Issued #	Warrants Exercised #	Warrants Expired #	2015 Closing Balance #
April 10, 2016	0.27	3,125,000	-	-	-	3,125,000
December 18, 2016	0.30	5,109,500	-	-	-	5,109,500
December 30, 2017	0.20	-	1,800,000	-	-	1,800,000
		8,234,500	1,800,000	-	-	10,034,500
Weighted average exercise price		0.29	0.20	-	-	0.27

iv. Share purchase option compensation plan

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

(Stated in Canadian Dollars)

The following table reflects the stock options outstanding as at September 30, 2016:

Expiry Date	Exercise Price $	2016 Opening Balance #	Granted #	Exercised #	Expired/ Cancelled #	2016 Closing Balance #
March 09, 2022	0.75	1,510,000	-	-	-	**1,510,000**
July 22, 2018	0.25	1,601,250	-	-	-	**1,601,250**
December 04, 2018	0.25	250,000	-	-	-	**250,000**
February 05, 2019	0.25	100,000	-	-	-	**100,000**
August 29, 2019	0.15	1,185,000	-	-	-	**1,185,000**
August 18, 2021	0.13	-	1,280,000	-	-	**1,280,000**
		4,646,250	1,280,000	-	-	**5,926,250**
Weighted average exercise price		0.39	0.13	-	-	**0.33**

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $139,904 was recorded as compensation for the period (2015 - $Nil was recorded as compensation for the period). As of September 30, 2016 there were no unvested stock options (2015 - no unvested stock options).

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

	2016	2015
Risk-free interest rate	**0.60%**	-%
Annualized volatility	**126.89%**	-%
Expected dividend	**NIL**	NIL
Expected option life	**5 years**	0

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8. 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 profit were necessary in 2016 or 2015.

	2016	2015
Numerator:		
Earnings (loss) for the period	**323,354**	(602,671)
Denominator:		
Weighted average number of common shares	**72,125,677**	67,051,589
Basic and diluted loss per share	**-**	(0.01)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ended September 30, 2016
(with comparative figures for the year ended December 31, 2015)

9. RELATED PARTIES TRANSACTIONS

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

	Nature of transactions
The Alyris Group	Accounting, management and IT consulting
Alyris Leasing Inc.	Facilities rental
DRAX Services Limited	Corporate secretarial and filing services

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

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

(a) Included in general and administrative expenses are amounts totaling $100,376 (2015 - $69,093), for IT consulting, and accounting and management services provided by 1752466 Ontario Inc., O/A The Alyris Group, a company related to the Corporation through Ewan Downie, Director of Wolfden and Dan Mechis, Director of Wolfden.

(b) Included in general and administrative expenses are amounts totaling $49,073 (2015 - $34,034) for rent, common cost, and co-op cost paid by Alyris Leasing Inc., a company related to the Corporation through Ewan Downie, Director of Wolfden and Dan Mechis, Director of Wolfden.

(c) Included in general and administrative expenses are amounts totaling $9,581 (2015 - $6,529) for corporate secretarial services and filing service provided by DRAX Services Limited., a company related to the Corporation through Shaun Drake, Corporate Secretary of Wolfden.

Key management personnel remuneration includes the following amounts:

	2016 **$**	2015 $
Salary and wages	**209,923**	160,185
Share-based payments	**85,801**	-
Other compensation	**5,906**	5,976
	301,630	166,161

(Stated in Canadian Dollars)

10. COMMITMENTS

The Corporation has commitments relating to an office lease, which includes rent, common cost, and co-op cost, expiring June 2017.

The minimum payments are as follows:

	$
2016	17,104
2017	34,208
	51,311

Flow-through renunciation

As at December 31, 2015, the Corporation renounced 100% of its flow-through related resource expenditures to investors. The Corporation had until February 1, 2016 to incur the expenditures before monthly interest charges begin to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. Of the $359,340 in flow-through financing raised in 2015, the Corporation has incurred $359,340 in exploration expenses, and thus fulfilling its obligation in relation to these renounced expenditures.

On May 31, 2016, the Corporation completed a flow-through financing to raise a total of $357,500. The Corporation will renounce 100% of the flow-through raised in 2016 to investors as at December 31, 2016. The Corporation has until February 1, 2017 to incur the expenditures before monthly interest charges begin to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. Of the $357,500 in flow-through financing raised in 2016, the Corporation has incurred $104,929 in exploration expenses, and thus has $252,571 remaining to be spent by December 31, 2017.

11. 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.

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

i) Trade credit risk
The Corporation is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Corporation is not exposed to significant credit risk and overall the Corporation's credit risk has not changed significantly from the prior year.

ii) Cash and cash equivalents
In order to manage credit and liquidity risk the Corporation invests only in highly rated investment

grade instruments that have maturities of six months or less and are cashable at any time. Limits are also established based on the type of investment, the counterparty and the credit rate.

iii) Derivative financial instruments
As at September 30, 2016, the Corporation has no derivative financial instruments. It may in the future enter into derivative financial instruments in order to manage credit risk, it will only enter into derivative financial instruments with highly rate investment grade counterparties.

[b] 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.

[c] 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.

The Corporation does not invest in derivatives to mitigate these risks.

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investments	-	1,283,748	-	**1,283,748**

12. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

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

The Corporation expects its current capital resources will be sufficient to carry out its exploration plans and operations through 2016.

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13. SUBSEQUENT EVENTS

Common shares issued for mineral property

On October 4, 2016 the Corporation issued 100,000 common shares valued at $13,000 with respect to the Rice Island Tie-On Property. These were recorded as share subscription payable at the period end.