



JANET T. MILLS  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY  
LAND USE PLANNING COMMISSION  
18 ELKINS LANE, 22 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0022

AMANDA E. BEAL  
COMMISSIONER

STACIE R. BEYER  
EXECUTIVE DIRECTOR

**Sixth Procedural Order**

**In the Matter of**

**Zoning Petition ZP 779A**

**Wolfden Mt. Chase, LLC.**

**Application for Zone Change, Picket Mountain Mine**

**T6 R6 WELS, Penobscot County, Maine**

Commissioner Everett Worcester, Chair and Presiding Officer

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This Sixth Procedural Order responds to an objection by Wolfden Mt. Chase, LLC (Wolfden or Applicant) to certain exhibits presented by the Tribes and Nonprofits Intervenor group (Intervenor 2) in re-cross examination during the October 18, 2023 technical session of the public hearing on Wolfden's Application for Zone Change (Application), ZP779A.

**I. BACKGROUND**

- A.** On February 24, 2023, the Maine Land Use Planning Commission (Commission or LUPC) accepted as complete for processing Wolfden's application to rezone 374 acres in T6 R6 WELS from a General Management to a Planned Development (D-PD) subdistrict. The proposed D-PD subdistrict would allow for the development and operation of the Pickett Mountain metallic mineral mine.
- B.** The application is subject to and will be reviewed under the Commission's Chapter 12 rules (Mining and Level C Mineral Exploration Activities). 06-672 C.M.R. Chapter 12, effective May 27, 2013. Chapter 12 requires a public hearing to be held by the Commission prior to a final decision on the application. The public hearing was held on October 16, 17, and 18 in Millinocket and October 23 in Bangor.
- C. October 18, 2023, Technical Session of the Public Hearing.** During the re-cross examination of the Applicant's witnesses by Intervenor 2, the Applicant objected to new evidence presented by Intervenor 2 [Intervenor 2's exhibits 35, 34, and 14 (in order of

presentation)]. The Presiding Officer did not rule on the objection at the time and allowed the parties five days to submit in writing objections to these exhibits and responses to those objections.

The Applicant provided the following reasons for its objection: Intervenor 2 did not provide a foundation for any of the exhibits; exhibits 34 and 35 lack relevance as they apply to activities outside the scope of the application by Kinross Gold Corporation, which is not the Applicant; Intervenor 2 did not provide witnesses with copies of the exhibits nor ask witnesses specific questions about the exhibits; and Intervenor 2 should have introduced them during cross-examination of the Applicant's witnesses earlier in the Hearing.

Intervenor 2 argued that information about Kinross Gold Corporation (exhibits 34 and 35) is relevant because Kinross is one of the Applicant's largest shareholders whose current investment is presented as evidence of the financial viability of the Pickett Mountain Mine proposal. Intervenor 2 also argued that the Applicant presented Kinross as an example of a large mining company with significant financial capacity that could take the project over in the future. Intervenor 2 maintained that the "Management's Discussion & Analysis" document (exhibit 14) is relevant because it illustrates the Applicant's changing statements regarding the number of jobs the mine would provide.

Intervenor 2 also stated that both Kinross and the number of jobs provided by the mine were raised by the Applicant on re-direct examination or subsequently in response to questions from the Commission, that the Applicant also introduced new evidence in re-direct (new photos; examples of mines not previously entered into the record), and that all three exhibits meet the LUPC's criteria for admissible evidence (Section 5.07(A) of the Commission's rules; see below).

**D. Criteria and Standards.** Chapter 5, Section 5.02(D) of the Commission's rules provides the Presiding Officer with the authority to regulate the course of the hearing, rule on issues of procedure, and rule on the admissibility of evidence. Section 5.07(A) states that evidence will be admissible "if it is relevant and material to the subject matter of the hearing and is of a type customarily relied upon by reasonable persons in the conduct of serious affairs." Section 5.07(C) provides procedures for the introduction of documentary evidence and requires, among other things, that documents offered as exhibits must "be numbered or otherwise identified," and "be clearly labeled indicating date and source, and indicating whether the evidence is in the existing record or is proposed supplemental evidence." Chapter 5, § 5.07(C)(1), (4)(b).

## II. HEARING EXHIBITS

As directed by the Fourth Procedural Order, Intervenor 2 provided electronic copies of the exhibits that are the subject of these objections to the parties and Commission on October 12, 2023. Fourth Procedural Order, § IV. The exhibits were appropriately labeled and identified in compliance with Section 5.07(C).

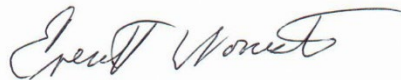
Having considered the Applicant's objection to Intervenor 2's exhibits 35, 34, and 14 and Intervenor 2's response, the Presiding Officer has determined that the exhibits meet the standard for admissible evidence in Section 5.07(A) and has decided to admit the exhibits

into the record for that reason and in the interest of fairness as the Applicant introduced new evidence during the re-direct examination session which immediately preceded Intervenor 2's cross-examination. The exhibits introduced by Intervenor 2 which are the subject of the Applicant's objections were responsive to the testimony and evidence produced during the Applicant's re-direct, and subsequent Commission questions, as the Applicant's witnesses referred to Kinross as a potential example of a mining operation that could become involved later in the mine development process and provided testimony related to job estimates. The exhibits additionally complied with the requirements for the production of documentary evidence contained in Section 5.07(C).

#### **IV. AUTHORITY AND RESERVATIONS**

This Procedural Order is issued by the Presiding Officer pursuant to the Commission's Chapter 5, *Rules for the Conduct of Public Hearings*. All objections to matters contained herein should be timely filed in writing with the Commission according to the service list but are not to be further argued except by leave of the Presiding Officer. All rulings and objections will be noted in the record. The Presiding Officer may amend this Order at any time.

DONE AND DATED AT AUGUSTA, MAINE THIS 7<sup>th</sup> DAY OF November 2023



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Everett Worcester, Chair and Presiding Officer

STATE OF MAINE  
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY  
LAND USE PLANNING COMMISSION

IN THE MATTER OF ZONING	)	
PETITION ZP 779A	)	
WOLFDEN MT. CHASE, LLC	)	APPLICANT’S OBJECTION TO
APPLICATION FOR ZONE CHANGE,	)	INTERVENOR 2 EXHIBITS
PICKET MOUNTAIN MINE	)	
T6 R6 WELS,	)	
PENOBSCOT COUNTY, MAINE	)	

Wolfden Mt. Chase, LLC (“Wolfden”) provides the following objection to Exhibits 35, 34 and 14, that were presented by Intervenor Two in its re-cross of several witnesses who provided redirect testimony on the last day of the technical session of the public hearing.

As it did throughout the hearing, counsel for Intervenor Two rapidly flashed documents on the monitor or played short clips of video or audio files, and then assumed such documents were made part of the record. The witness often had no opportunity to review the document or even respond to a question on the document, video or audio file. (Often times the witness could not read the document and a hard copy was not typically presented to the witness for review.) Counsel did not move the documents into evidence nor did the Presiding Officer rule that they had been accepted as evidence, although subsequent filings indicate that Intervenor Two believes all such material is now part of the record.

At the end of the public hearing, there was a dispute over Exhibits 35, 34 and 14, which were identified by counsel for Intervenor Two during re-cross. Exhibit 35 is a press release on a cleanup at the Bonita Peak Mining District Superfund site; Exhibit 34 is a Law 360 article on a settlement between Kinross Gold and the SEC; and Exhibit 14 is a Wolfden Resources Corporation Management’s Discussion & Analysis of Financial Conditions and Results of

Operations for the years ended December 31, 2020 and 2019. Wolfden objects to all three documents.

First, Intervenor Two did not lay a foundation for or demonstrate the relevance of either of the two news articles. While they relate to Kinross, there has been no showing that the described activities have any relevance to this proceeding. Kinross is not the applicant and the activities described have absolutely nothing to do with the subject matter of this application. Intervenor Two did not provide the witness with a copy of the exhibits, did not ask the witness whether they were familiar with the articles, or even ask specific questions based on the articles. Thus, both should be excluded due to lack of foundation and relevance.

The third exhibit is a twenty-one-page public filing related to Wolfden for the years ending 2020 and 2019. While it would have been possible to lay a foundation for the document, Intervenor Two did not attempt to do so. The witness was not asked any specific question about the document or directed to any particular page or item in the document. If Intervenor Two believed something in the document was relevant, it should have asked about it and allowed the witness to answer specific questions on the exhibit. It is not appropriate to simply dump exhibits into the record during the public hearing without laying a foundation for the exhibit and demonstrating its relevance through questioning of a particular witness.

Finally, to the extent that Intervenor Two believes the exhibits are relevant, they could and should have sought to introduce them during their cross-examination of the relevant

Wolfden panel on Day 1 or Day 2 of the public hearing.

Dated: October 23, 2023

A handwritten signature in blue ink, appearing to read "Juliet B.", is written over a horizontal line. The signature is fluid and cursive.

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**STATE OF MAINE  
LAND USE PLANNING COMMISSION**

IN RE: PICKETT MOUNTAIN MINE REZONING APPLICATION

Applicant: Wolfden Mt. Chase LLC

Location: T6R6 WELS

Commission Application Number: ZP 779A

**ARGUMENT IN SUPPORT OF ADMISSION OF EXHIBITS USED ON RECROSS**

Submitted by

**HOULTON BAND OF MALISEET INDIANS, PENOBSCOT NATION, NATURAL  
RESOURCES COUNCIL OF MAINE, AND CONSERVATION LAW FOUNDATION**

As requested by the Chair, the Penobscot Nation, Houlton Band of Maliseet Indians, Natural Resources Council of Maine, and Conservation Law Foundation (collectively “Intervenor 2”), submit this argument in support of admitting into the hearing record the three documents referenced during Intervenor 2’s recross examination, which were referenced as Hearing Exhibits 35, 34, and 14 (in order of usage during recross). These exhibits were submitted to the LUPC and all parties on October 12, 2023, prior to the hearing, as part of Intervenor 2’s “new materials” submission, pursuant to the Fourth Procedural Order. The hearing numbers correspond to the file names used in Intervenor 2’s “new materials” submissions (the filenames included the notation HX35, HX34, and HX14 respectively). Hard copies of these exhibits, with these exhibit numbers on a cover sheet, were provided to the parties and LUPC staff at the hearing. These exhibits are also attached to this submission.

**The Exhibits at Issue**

The documents labeled Hearing Exhibits 34 and 35 both relate to the practices of the Kinross Gold Corporation. Exhibit 34 is a March 27, 2018 Law360.com article titled “Kinross Gold Settles With SEC Over Foreign Bribery Claims.” According to the article, Kinross “settled claims of Foreign Corrupt Practices Act violations stemming from the company's alleged failure

to account for awarded contracts and spending related to two of its African subsidiaries.” The article describes Securities and Exchange Commission (“SEC”) charges that Kinross awarded a \$50 million contract to a company with ties to a high-level Mauritanian governmental official who had expressed politically motivated displeasure over Kinross’s prior intention to award the contract to a different company. According to the article, Kinross settled the charges “[w]ithout admitting or denying the findings,” agreed to pay \$950,000, and “committed to reporting on the company’s efforts to improve its anti-corruption controls for a period of one year.”

Exhibit 35 is a January 21, 2022, press release from the United States Department of Justice, titled “Federal Government and State of Colorado Settlement with Mining Companies Paves Way for Additional Cleanup at Bonita Peak Mining District Superfund Site.” The press release describes a settlement agreement between state and federal government agencies, on the one hand, and Kinross Gold and a subsidiary on the other, in which Kinross and its subsidiary agreed to contribute \$45 million towards the cleanup of a Superfund site where they had engaged in past mining operations.

Exhibit 14 is a Wolfden Canadian securities filing, dated April 27, 2021 and titled, “Management's Discussion & Analysis of Financial Condition and Results of Operations - Form 51-102F1 - For the years ended December 31, 2020 and 2019.” Questioning about this document during recross focused on the statement on page 5 that Wolfden’s prior Pickett Mountain rezoning petition envisioned “a work force of >60 persons.”

### **Reasons for Admission**

Under the LUPC’s rules, “[e]vidence will be admissible if it is relevant and material to the subject matter of the hearing and is of a type customarily relied upon by reasonable persons



in the conduct of serious affairs.” Chapter 5 § 5.07(A); *see also* 5 M.R.S. § 9057(2). The exhibits at issue meet this standard and Wolfden’s objections do not warrant excluding these exhibits.

Exhibits 34 and 35, which relate to Kinross, are relevant to this proceeding because Kinross is one of Wolfden’s largest shareholders and Wolfden has touted Kinross’s investment as evidence of the financial viability of the Pickett Mountain project. *See* Rezoning Application at pdf page 503 (internal page 14.2) (“Wolfden’s two largest shareholders (Kinross and Altius) are larger mining companies with the excess financial capacity to finance the construction of the Project.”); *see also* Oct. 18, 2023 Hearing Video at 2:15:10 (“Behind us is a major company, Kinross”).<sup>1</sup> In addition, Wolfden CEO Ron Little explained during LUPC questioning after redirect examination that a large mining company, such as Kinross, might take over the project after permitting, and that this might give the LUPC and others more comfort with the project. *See* October 18, 2023 Hearing Video at 2:12:00. When asked on recross whether Kinross, which Wolfden had described as one of its “strategic partners,” shared Wolfden’s values and promises, Little stated “My simple thought on Kinross is that they are the same as we are.” October 18, 2023 Hearing Video at 2:50:00. In light of Kinross’s existing and potential future involvement with this project, information regarding environmental liabilities and Foreign Corrupt Practices Act charges arising out of Kinross mining operations is relevant to the Commission’s consideration of this rezoning application and was properly raised on recross. Moreover, these documents consist of or quote from federal government reports and press releases and are thus the type of material that a reasonable person would rely upon.

The “Management Discussion” document—Exhibit 14—is relevant because it illustrates Wolfden’s shifting statements over time regarding the number of workers the mine would

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<sup>1</sup> This citation is to the hearing video because the transcript is not yet available.

employ. Wolfden discussed local jobs potentially created by the proposed mine during redirect examination and during LUPC questioning after redirect, making this a proper subject for recross examination. Moreover, Exhibit 14 is a public financial filing by Wolfden. Such a filing is a document that a reasonable person would rely upon.

At the hearing, Wolfden objected to the admission of these documents because they were referenced briefly during the recross examination without an opportunity for the witness to review the document and without extended questioning. But Intervenor 2 had little choice but to reference these articles only briefly in light of the short time frame (10 minutes) that Intervenor 2 had available for recross of the four Wolfden witnesses who provided redirect testimony. Moreover, Mr. Little stated that he was not familiar with the subject matter of Exhibits 34 and 35, thus providing little basis to spend more of Intervenor 2's limited time on those documents. Mr. Little stated that he was familiar with Exhibit 14 and provided his explanation of the portion of that document upon which he was questioned.

Moreover, there was no unfair surprise. Each of the exhibits used by Intervenor 2 during recross were submitted to Wolfden, Intervenor 1, and the LUPC in advance of the hearing, on October 12, as new materials for potential use in cross-examination (in accordance with the Fourth Procedural Order). Wolfden was aware that these materials could be used at the hearing, and a copy was also provided at the hearing. By contrast, on its redirect examination, Wolfden showed the Commission photos that it had not previously provided to the parties or to the LUPC and described mines that it had not previously discussed in any prior submission or testimony. While Intervenor 2 did not object to this at the hearing in an effort to be cooperative, nothing in the LUPC's Procedural Orders authorized such a submission.

Finally, introducing the exhibits would not prejudice Wolfden. Wolfden requested and was afforded an opportunity for an extended redirect examination and its witnesses were given the opportunity to respond to additional LUPC questions following that redirect examination. During that time Wolfden's witnesses attempted to assuage concerns over the potential for a corporate takeover by a company such as Kinross and provided testimony regarding mine jobs and the use of local employees, among other subjects. Intervenor 2 seeks to include Exhibits 14, 34, and 35 in the record so that the LUPC can review them alongside Wolfden's assertions and determine the appropriate weight to give them.

Dated: October 23, 2023

Respectfully Submitted,



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Resources Council of Maine*

# **Exhibit 14**

## **Intervenor 2 Proposed Supplemental Evidence**

**Source:** Wolfden Resources

**Date:** 4/27/2021



# **WOLF DEN**

**Wolfden Resources Corporation**

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

**Form 51-102F1**

For the years ended December 31, 2020 and 2019  
(Stated in Canadian Dollars)



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the years ended December 31, 2020 and 2019

**Date of Report: April 27, 2021**

## **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 audited consolidated financial statements for the year ended December 31, 2020 with a comparative period for the year ended December 31, 2019 and the notes thereto. The Corporation's audited 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 April 27, 2021, 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.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the years ended December 31, 2020 and 2019

*Exploration and Field Work*

Exploration work during the fourth quarter of 2020 was focused primarily on Pickett Mountain with the completion of a 5,711 metre diamond drill program that was designed to test new targets and to further define the geological model with the goal to discover additional resources proximal to the Pickett Mountain resource. During the quarter, 2,251 of metres were completed in seven new drill holes to test the potential extension of the FWZ mineralization below the West Lens and other targets to the north and northeast. See the Tables 1 to 3 for details of the drilling during the period. The results of the drill program are positive.

Table 1. 2020 Drill Program Information

HoleID	PlannedID	Section	Lens	Planned Depth	Actual Depth	Date Started	Date Finished	Days of Drilling	MS	# of Assays
PM20-01	PMP20-07	400E	-	170	193.6	08-Jul-20	13-Jul-20	6	N	3
PM20-02	PMP20-01	1300E	W	200	293.5	20-Jul-20	27-Jul-20	8	Y	218
PM20-03	PMP20-13	1575E	W	35	35.7	28-Jul-20	28-Jul-20	1	Y	13
PM20-04	PMP20-05	1625E	W	240	241.1	29-Jul-20	02-Aug-20	5	Y	30
PM20-05	PMP20-02	1950E	FWZ	300	306.5	02-Aug-20	06-Aug-20	5	N	26
PM20-06	PMP20-03	2150E	E	300	344.2	06-Aug-20	12-Aug-20	6	N	1
PM20-07	PMP20-06	1900E	E/FWZ	900	715.1	12-Aug-20	26-Aug-20	15	Y	20
PM20-06 Ext	PMP20-03	2150E	E	300	38.8	27-Aug-20	29-Aug-20	3	N	0
PM20-08	PMP20-04	1550E	W	500	197.4	30-Aug-20	03-Sep-20	5	N	23
PM20-09	PMP20-04	1550E	W	500	556.6	03-Sep-20	14-Sep-20	12	Y	150
G-40X	G-040 ext.	1750E	FWZ	150	167.7	14-Sep-20	20-Sep-20	7	N	54
G-56X	G-050 ext.	1850E	FWZ	150	192.6	20-Sep-20	25-Sep-20	6	Y	26
PM20-10	PMP20-09	-	-	300	315.8	25-Sep-20	30-Sep-20	5	N	76
PM20-11	PMP20-11	2400E	-	250	9.1	30-Sep-20	02-Oct-20	3	N	0
PM20-12	PMP20-11	2400E	-	250	120.9	02-Oct-20	04-Oct-20	2	N	5
PM20-13	PMP20-12	1350E	W/FWZ	800	866.1	05-Oct-20	01-Nov-20	28	Y	327
PM20-14	-	1400E	-	300	278.3	04-Nov-20	09-Nov-20	5	N	80
PM20-15	-	1400E	FWZ	820	220.9	09-Nov-20	13-Nov-20	4	Y	64
PM20-16	-	1400E	FWZ	230	297.5	13-Nov-20	17-Nov-20	5	Y	139
PM20-17	-	1400E	FWZ	300	320.0	17-Nov-20	21-Nov-20	5	Y	125

Table 2. 2020 Drill Program Summary of Results

HoleID	Target	Depth	Comments
PM20-01	Gravity	193.55	Combined gravity/EM anomaly. No Significant mineralization.
PM20-02	West Lens	293.46	Highest grade massive sulfide to date w Cu stringer zone
PM20-03	West Lens	35.66	Test fold in lens as seen in OC. Narrow Zones of MS.
PM20-04	West Lens	241.1	Deeper hole to test fold in lens. Two zones of MS intercepted.
PM20-05	FWZ	306.48	Target potential fold hinge and FWZ time horizon. Weak stringer zone in folded felsics.
PM20-06	East Lens	344.18	Testing IP at depth below east part of East Lens. No MS
PM20-07	East Lens	715.06	Target East Lens 120 m step-put of FWZ. Narrow MS in FWZ.
PM20-06 Ext	East Lens	38.82	Testing IP at depth below east part of East Lens. No MS
PM20-08	East Lens	197.36	Hole stopped early due to excessive deviation. Hole 9 started on same target.
PM20-09	East Lens	556.63	Test fold repeated MS. Two MS bands intercepted.
G-40X	FWZ	167.66	Extend Historic Hole into FWZ. No MS.
G-56X	FWZ	192.6	Extend Historic Hole into FWZ. Narrow MS plus new MS 45 m deeper.
PM20-10	PX-001	315.83	Follow-up PX-001. Stringer base metals in felsic volcanics.
PM20-11	PX-001	9.14	Follow-up PX-001. Lost hole in fault at 9.14 m
PM20-12	PX-001	120.85	Follow-up PX-001. No MS.
PM20-13	West Lens	866.1	Deep hole to test West Lens, MS intercept.
PM20-14	PX-001	278.3	Follow-up PX-001. Stringer base metals in felsic volcanics.
PM20-15	FWZ	220.89	Testing FWZ mineralization. Strong stringer base metal intercepts.
PM20-16	FWZ	297.48	Testing FWZ mineralization. Strong stringer base metal intercepts.
PM20-17	FWZ	320.04	Testing FWZ mineralization. Strong stringer base metal intercepts.





MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the years ended December 31, 2020 and 2019

Table 3 2020 Drill Program Highlighted Assay Results

Hole #	Target	From	To	Len.	TRUE	ZnEq	Zn	Pb	Cu	Ag	Au
		(m)	(m)	(m)	Width (m)	(%)	(%)	(%)	(%)	(g/t)	(g/t)
G-40x	FWZ Stringer	504.95	506.85	1.9	1.8	9.82	3.5	1.97	0.61	162.44	0.17
G-40x	Stringer	519.6	523.6	3.19	3	0.91	0.47	0.26	0	7.03	0.06
G-40x	Stringer	539.1	541.8	2.19	2.07	4.04	0.48	0.25	0.08	150.33	0.19
G-56x	FWZ	532.15	532.45	0.3	0.24	172.4	23.6	13.5	3.61	6,360	4.36
G-56x	Stringer	579.9	583.57	3.67	2.9	6.26	2.01	1.05	0.21	109.11	0.56
PM20-01	Gravty	0	0	0	0	0	0	0	0	0	0
PM20-02*	West Lens	283.5	286.6	3.1	2.2	44.19	27.93	13.98	0.83	98.1	0.66
PM20-02	Stringer	62	72	10	?	2.33	1.64	0.68	0.02	3.39	0.01
PM20-02	Stringer	97.07	98.4	1.33	?	10.1	0.23	0.09	4.5	14.86	0.09
PM20-02	Stringer	129.2	135	5.8	?	0.96	0.41	0.17	0.15	3.01	0.04
PM20-02	Stringer	143	173	30	?	1.61	0.89	0.47	0.06	6.41	0.06
PM20-02	Stringer	271	280	9	?	3.04	0.04	0.02	1.32	8.2	0.06
PM20-03	West Lens	11.8	15.09	3.3	3.2	3.35	1.11	0.56	0.49	17.43	0.28
PM20-03	West Lens	21.6	23.9	2.3	1.6	4.29	1.21	0.99	0.53	39.39	0.26
PM20-04	West Lens	154.8	158.73	3.9	2.8	18.67	8.36	3.89	1.91	110.51	0.85
PM20-04	West Lens	214.7	218.1	3.4	2.8	22.03	11.98	6.7	1.3	164	0.79
PM20-05	Stringer	41	47.1	6.1	?	2.07	1.2	0.7	0.04	5.42	0.06
PM20-05	Stringer	57	58	1	?	2.24	1.76	0.44	0.01	2.7	0.03
PM20-07	FWZ	678.7	679.45	0.75	0.6	52.93	24.2	11.2	3.08	514	2.05
PM20-07	Stringer	689.7	696.05	6.34	?	1.67	0.7	0.28	0.1	23.03	0.05
PM20-08	Stringer	163.5	166	2.5	?	5.4	0.05	0.04	2.2	32.3	0.08
PM20-08	Stringer	194	196.7	2.7	?	2.33	0.03	0.01	1.05	1.96	0.04
PM20-09	Stringer	190.7	194.9	4.2	?	1.15	0.03	0.02	0.5	0.43	0.03
PM20-09	Stringer	223.5	226.35	2.85	?	0.69	0.05	0.01	0.29	0.53	0.01
PM20-09	Stringer	237.4	238.7	1.3	?	2.12	0.13	0.02	0.91	0.96	0.04
PM20-09	Stringer	253.05	253.65	0.6	?	0.85	0.02	0.01	0.38	0.48	0.02
PM20-09	Stringer	264.7	267.95	3.25	?	1.2	0.01	0	0.55	0.63	0.02
PM20-09	Stringer	340.1	343.15	3.05	?	2.94	2.24	0.45	0.05	5.04	0.09
PM20-09	Stringer	414.1	415.8	1.7	?	2.71	1.29	1.14	0.04	17.77	0.02
PM20-09	Stringer	478.8	481.63	2.83	?	0.99	0.31	0.13	0.19	5.77	0.06
PM20-09	West Lens	481.63	483.15	1.52	?	4.95	0.4	0.17	1.88	12.66	0.17
PM20-09	West Lens	510.65	515.1	4.45	?	5.62	2.02	0.62	0.93	28.82	0.4
PM20-09	Stringer	515.1	518.07	2.97	?	1.47	0.63	0.14	0.23	6.32	0.08
PM20-09	Stringer	523.3	523.65	0.35	?	2.4	0.55	0.1	0.7	8.9	0.09
PM20-10	Stringer	73.35	76.35	3	?	1.52	0.91	0.62	0	3.83	0.01
PM20-10	Stringer	216.25	219.35	3.1	?	2.83	1.99	0.41	0.2	3.31	0.02
PM20-10	Stringer	230.49	230.79	0.3	?	3.6	3.36	0.17	0.03	1	0.01
PM20-10	Stringer	252.59	254.28	1.69	?	1.15	0.85	0.26	0.02	1.27	0.02
PM20-13	FWZ stringer/SMS	138	157.2	19.2	15.5	7.4	2.7	1.45	0.36	126.86	0.18
Incl.	FWZ Stringer	138	148	10	8.1	6.21	3.12	1.64	0.36	40.34	0.14
Incl.	FWZ Stringer	148	156	8	6.5	2.43	1.28	0.68	0.03	22.26	0.05
Incl.	SMS	56	157.2	1.2	1		8.85	5.04	2.58	1545	1.35
PM20-13	Stringer	169.2	176.7	7.5	?	0.66	0.36	0.19	0.03	4.15	nsv
PM20-13	Stringer	232.95	237.6	4.65	?	1.58	0.69	0.33	0.21	7.76	0.024
PM20-13	Stringer	242.6	244	1.4	?	1.92	1.17	0.75	0.008	5.4	0.007
PM20-13	Stringer/MS	257	264.55	7.55	?	3.06	2.09	1.07	nsv	4.43	0.025
PM20-13	Stringer QP	296.1	296.4	0.3	?	2.81	2.1	0.82	nsv	1.5	nsv
PM20-13	Stringer QP	306.8	307.1	0.3	?	8.68	2.52	7.22	0.01	8.4	nsv
PM20-13	Stringer QP	372.5	373.35	0.85	?	4.04	2.34	1.94	0.018	4.4	nsv
PM20-13	Stringer QP	432.8	433.55	0.75	?	7.38	2.8	1.22	0.36	44.3	1.34
PM20-15	FWZ string/MS	92.6	104.7	12.2	9.89	4.2	1.2	0.7	0.2	93.2	0.08
PM20-16	FWZ string/MS	131	146.5	15.54	12.6	3.6	1.1	0.6	0.2	74.8	0.11
Incl.	FWZ string/MS	131	134.4	3.4	2.76	6.1	1.7	0.8	0.2	155.7	0.14
Incl.	FWZ Stringer	140.8	143.4	2.64	2.14	6.4	2.1	1.2	0.4	116.4	0.19
Incl.	FWZ Stringer	143.4	146.5	3.14	2.55	3	0.6	0.4	0.1	84.7	0.15
PM20-16	Stringer	228.8	233.5	4.72	?	4.72	2.82	1.58	0.19	8.29	nsv
PM20-16	Stringer	248.7	257.5	8.78	?	17.14	11.11	4.34	1.03	11.84	nsv
PM20-16	Stringer	267	278.5	11.51	?	6.3	4.07	2.14	0.17	3.32	nsv
PM20-17	FWZ Stringer	123.6	146.9	23.3	18.86	3.8	0.6	0.4	0.1	100.9	0.49
Incl.	FWZ Stringer	126.6	140.4	13.8	11.17	5	0.7	0.4	0.1	139.4	0.64
PM20-17	Stringer	250.4	256.7	6.3	?	3.64	2.52	1.09	0.06	3.13	nsv
PM20-17	Stringer	266.8	272.8	6	?	3.61	2.44	1.16	0.07	1.57	nsv
PM20-17	Stringer	280.7	292.5	11.84	?	3.29	2.06	1.22	0.06	3.08	nsv

Notes: Metal prices for ZnEq% calculation US\$: Zn - \$1.20/lb, Pb - \$1.00/lb, Cu - \$ 2.50/lb, Ag - \$16.00/oz, Au - \$1,200/oz



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#### Potential of the Footwall Lens (FWZ)

The FWZ appears to be hosted or associated with a polymictic debris flow/carbonate-enriched interval that occurs some 150 to 200 metres below the West and East massive sulphide lenses. Alteration varies from weak to intense chlorite and sericite and also includes variable amounts of sulphide stringer mineralization. The footwall lens remains largely untested as most of the drilling to date was not deep enough. To date 22 of 24 holes have intersected stringer to massive sulphide mineralization within a 1,000 by 700 metre initial target area. This suggests that the FWZ lens could potentially add significant resources to the overall project if expansion drilling for this zone continues to yield positive results.

Assay results related to the fourth quarter FWZ drill holes (received in 2021) continued to improve continuity and character, delivered better than expected silver values and overall exceptional grades. Significant silver-enriched FWZ drill results included 172% ZnEq over 0.3 m in hole G-056ext (MS), 52.9% ZnEq over 0.75 m in hole PM20-07 (MS), 7.4% ZnEq over 19.2 m in hole PM20-13 (stringer SMS), 9.8% ZnEq over 1.9 m in hole G-040X (stringer), 4.2% ZnEq over 12.2 m in hole PM20-15, 6.1% ZnEq and 6.4% ZnEq over 3.4 m and 2.6 m, respectively, in hole PM20-16 and 5.0% ZnEq over 13.8 m in hole PM20-17.

#### New Stringer Zone Discovery

In addition to the FWZ sulphide zone, stringer-type mineralization was intersected in holes situated 150-200 metres north of the West Lens, and south of the FWZ with intercepts including 17.14% ZnEq over 8.8 m (true width unknown). This type of zinc-rich, quartz-porphry-hosted massive sulphide stringer zone mineralization was discovered in the final two drill holes of the fall program. The zone remains open and will be a top priority, along with the FWZ, in the next drill program that is already underway.

#### *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.

Highlights of the 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

The PEA financial model used 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. Full details of the Preliminary Economic Assessment in the form of a technical report for the purposes of NI 43-101 will be filed on SEDAR within the next 45 days. All financial figures are in US dollars.

#### 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<sup>th</sup>, 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.



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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.

*Pickett Mountain Re-zoning Application*

Work continued on the re-zoning petition with the Maine Land Use Planning Commission (LUPC) in order to re-zone a 528-acre parcel on its wholly owned 6,800 acre Pickett Mountain land holding in Northern Maine, from a General Management (M-GN) designation to Planned Development (P-DP). The area is located approximately 10 miles northeast of Patten, Maine, just North of State Highway 11 in an unpopulated area.

The Corporation and its consultants have been working diligently and transparently with both the LUPC and the Department of Environmental Protection (DEP), in developing a well-planned conceptual underground mining operation for Pickett Mountain. The resulting preliminary designs, in the re-zoning petition, addresses all of the legislative requirements and pending approvals for re-zoning, the Corporation will complete additional required detailed technical studies, including environmental baseline studies, analysis and engineered designs for each area of the project. In preparation, study designs for these baseline studies have been initiated and will be reviewed and modified as required by the State regulators.

Based on the January 7, 2019 mineral resource and the potential to discover additional resources, the petition envisioned an 8 to 15 year mine life and a work force of >60 persons, pending continued successful exploration and the discovery of additional resources on the property. Estimated economic benefits to the surrounding communities, counties and State of Maine were \$164.5 M USD, \$230.6 M USD, and \$413.3M USD respectively over the estimated life of project. A link to the petition submission is located on the Corporations website. Timing and potential approval of the petition will be dependent on many factors including a public meeting to be called by the LUPC Commission that is expected early Q1 2021. The effect of COVID-19 on the timing of this process has caused some delay in this process and may continue to do so.

*Non-Dilutive Funding Agreement*

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 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. Altius receives 20% of all timber sales as per the Royalty Agreement with Altius (US\$0.6 million transferred in January 2020). The timber company has the right to harvest US\$5 million of timber from the property over 5 years. In addition, the timber company also granted Wolfden an option to earn a 100% interest (less an NSR) in the mineral rights of the property that adjoins Pickett Mountain, as well as long-term road access rights for the current forest road used to reach the Pickett Mountain deposit from the state highway #11.



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### Results of Operations

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, 2020 \$	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
<b>Operations</b>			
Other Income	3,140,880	1,183,436	1,378,770
Loss for the year	(624,185)	(2,319,881)	(5,151,919)
Comprehensive loss for the year	(627,534)	(2,407,567)	(5,229,946)
Basic and diluted loss per share	(0.00)	(0.02)	(0.05)
<b>Balance Sheet</b>			
Working capital	544,146	790,117	114,520
Total assets	1,000,993	1,074,987	1,242,516
Total liabilities	(455,837)	(283,502)	(1,123,849)

### Summary of Quarterly Results

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

Quarter	2020	2020	2020	2020	2019	2019	2019	2019
	Fourth	Third	Second	First	Fourth	Third	Second	First
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Investment income	472	879	1,285	17,479	4,248	8,127	6,377	1,149
Operating expenses	1,307,330	1,312,579	716,941	681,138	871,410	1,225,159	925,324	392,789
Operating profit/(loss)	(1,007,730)	(1,311,700)	(715,656)	2,178,093	(807,479)	(283,125)	(1,004,732)	(224,545)
Comprehensive income/(loss)	(1,301,434)	(1,150,088)	(821,065)	2,645,051	(869,482)	(269,934)	(987,597)	(280,554)
Profit/(loss) per share	(0.0)	(0.01)	(0.01)	0.02	-	-	(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

The comprehensive loss for the three months ended December 31, 2020 was \$1,301,434 which was an increase of \$431,952 over the comprehensive loss for three months ended December 31, 2019, of \$869,482 due mainly to no recorded timber sales and an increase in drilling expenditures during the period as compared to 2019. Furthermore, a loss of \$624,185 has been recorded for the year ended December 31, 2020, as compared to the loss of \$2,319,881 for the previous year as a result of the increased timber sale



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proceeds of \$3,140,880 (US\$2,400,000) that offsets some of the loss. Exploration and evaluation expenses increased slightly from \$2,347,314 to \$2,525,741 and general and administrative expenses increased from \$668,378 to \$1,061,004 for the year ended December 31, 2020 when compared with 2019 year largely as a result of the rezoning petition in progress for Pickett Mt. Salaries and wages are comparable to the previous year with \$303,746 in 2020 and \$318,000 in 2019, whereas the share based payments have increased to \$312,386 as compared to \$142,244 in 2019 as a result of a new hire and increased efforts without additional cash compensation.

The major components of general and administrative costs for the year ended December 31, 2020 include contractors' filing services fees of \$ 23,318, transfer agent fees \$26,791, legal fees of \$75,221, director fees of \$57,000, audit fees \$32,500 and investor relation expenses of \$ 150,904 which are generally in line with the previous year with the exception of an increase in investor relations costs.

The Corporation recorded \$20,115 in investment revenue for the twelve months ended December 31, 2020 as compared to \$19,901 in the previous year.

### Exploration and Evaluation Expenditures

The Corporation incurred exploration and evaluation expenditures of \$ 2,525,741 for the year ended December 31, 2020, the breakdown of exploration and evaluation for the period is as follows:

#### For the year ended December 31, 2020

	Rice Island	Pickett Mountain	Teta- gouche	Orvan Brook	Other	Total for 2020	Total inception to date
Analysis	-	21,408	-	-	-	21,408	830,526
Geological	3,338	631,634	-	-	218,227	853,199	3,085,550
Geophysical	8,089	341,802	-	-	42,807	392,698	2,667,909
Geochemical	-	66,126	-	-	2,434	68,560	283,709
Travel	-	32,401	-	-	5,815	38,216	654,772
Drilling	-	676,336	-	-	-	676,336	6,464,868
Property Work	-	100	-	-	1,962	2,062	720,379
Ops Support	2,700	127,391	-	720	21,864	152,675	362,258
Administration	91	3,967	-	-	11,054	15,112	751,606
Total Exploration	14,218	1,901,165	-	720	304,163	2,220,266	15,821,577
Other costs	53,500	195,125	-	-	56,850	305,475	21,133,497
<b>Total</b>	<b>67,718</b>	<b>2,096,290</b>	<b>-</b>	<b>720</b>	<b>361,013</b>	<b>2,525,741</b>	<b>36,955,074</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



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

Pursuant to the Royalty Agreement, Altius has the option to purchase an additional 0.50% gross sales royalty at any time before the first anniversary of commercial production for US\$7,500,000. In addition, the Corporation granted Altius certain rights to convert the Pickett Mountain Royalty to equity under certain terms, or to exchange the royalty for a similar royalty on the Corporation's Orvan Brook property. Furthermore, the Corporation agreed to use its best efforts to sell or transfer the timber from the project for gross proceeds of US\$5,000,000 or such other amount as agreed to by Wolfden and Altius, acting reasonably (the "Timber Proceeds"). Wolfden is required to pay Altius 20% of the Timber Proceeds. These terms as shown were amended from the original agreement on October 7, 2020.

On January 22, 2020, the Corporation secured up to US\$4.5 million in non-dilutive funding by selling-forward \$5 million worth of timber from its Pickett Mountain Property. Under the terms of the agreement the Corporation received US\$3 million and is entitled to receive an additional US\$1.5 million between the 4th and 5th anniversary of the agreement. The timber company has the right to harvest US\$5 million of timber from the property over 5 years. For the year ended December 31, 2020, the Corporation recorded net timber sales proceeds of \$3,140,880 (US\$ 2,400,000), that are net of 20% (US\$600,000) that was passed onto to Altius as per the Royalty Agreement (2019 - \$252,326). The entire amount of the proceeds was recognized as no further performance obligation is required by the Corporation. These funds are not being placed in escrow and have been included in the working capital of the Corporation.

Pursuant to the Royalty Agreement, Altius has a conversion right and exchange right. The Call Right, which related to Altius's call option on the Timber Rights, was eliminated in the October 7, 2020 amendment of the Royalty Agreement as a direct result of the Corporations January 22, 2020 \$4.5 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



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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 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.

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

***Orvan Brook Property***

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

***Clarence Stream Property Agreements***

On August 2, 2016, the Corporation entered into a definitive option agreement (the "Option Agreement") with 2520885 Ontario Inc. and Galway Metals Inc. (collectively the "Optioner"), whereby Optioner 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



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the NSR from Wolfden at any time for the sum of \$2,000,000. The Optioner has made all payments as of August 2019 in order to earn a 100% interest in the Property less the 1% NSR held by Wolfden.

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

During the Option Period, the Optioner 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.





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## Liquidity and Capital Resources

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The Corporation's cash and cash equivalents balance was \$972,401 as at December 31, 2020 compared to \$312,646 as at December 31, 2019. Current assets as at December 31, 2020 were \$ 999,983 compared to \$1,073,619 as at December 31, 2019 and total assets as at December 31, 2020 were \$1,000,993 compared to \$1,074,987 at December 31, 2019.

### *Operating Activities*

For the year ended December 31, 2020, the Corporation used \$59,659 in cash related to operating activities. The non-cash charges to earnings included depreciation of \$358 and share-based payments of \$340,505. For the year ended December 31, 2020, the Corporation also received net proceeds of \$3,140,880 from the sale of timber on the Pickett Mountain property. During the year, the majority of the cash used in operating activities can be attributed to the funding of day to day operations.

### *Investment Activities*

For the year ended December 31, 2020, the Corporation redeemed cash of \$ 716,017 on its investment activities. The Corporation does not believe it is exposed to any material liquidity risks in relation to its investment 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 December 31, 2020, 130,844,086 common shares were issued and outstanding and 151,369,086 as of April 27, 2021.

### *2019 Private Placement*

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

### *Shares Issued for Mineral Property (Rice Island)*

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

### *Warrants*

The following table reflects the share purchase warrants outstanding as at December 31, 2020:

Warrant Expiry Date	Exercise Price	Warrants Outstanding
	\$	#
November 15, 2022	0.35	10,100,000
January 15, 2023	0.61	375,000
		10,475,000



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*Stock Options*

The following table reflects the stock options outstanding as at December 31, 2020:

Expiry Date	Exercise Price	2020 Opening Balance	Granted	Exercised	Expired/Cancelled	2020 Closing Balance
	\$	#	#	#	#	#
March 09, 2022	0.75	1,260,000	-	-	(180,000)	1,080,000
August 18, 2021	0.13	950,000	-	(25,000)	(215,000)	710,000
March 09, 2022	0.14	50,000	-	-	(50,000)	-
July 20, 2022	0.14	945,000	-	(25,000)	(210,000)	710,000
December 29, 2022	0.53	600,000	-	-	-	600,000
July 10, 2023	0.30	2,440,000	-	-	(50,000)	2,390,000
February 12, 2024	0.30	300,000	-	-	(300,000)	-
April 29, 2024	0.30	600,000	-	-	-	600,000
June 26, 2024	0.20	200,000	-	-	-	200,000
September 1, 2024	0.20	200,000	-	-	-	200,000
July 13, 2025	0.20	-	200,000	-	-	200,000
<b>Total</b>		<b>7,545,000</b>	<b>200,000</b>	<b>(50,000)*</b>	<b>(1,005,000)</b>	<b>6,690,000</b>
Weighted Average exercise price		0.29	0.20	0.14	0.30	0.34

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$65,850 was recorded as compensation for the December 29, 2022 options that vested during the period, \$8,035 for the April 29, 2024 options that vested during the period and \$18,221 for the July 17, 2025 options that vested during the period (2019- 87,800 for the December 29, 2022 options that vested during the year, \$39,568 was recorded as compensation for the February 12, 2024 options that vested during the year, \$72,966 was recorded as compensation for the April 29, 2024 options that vested during the year, and \$42,100 was recorded as compensation for the September 1, 2024 options that vested during the year, totaling \$242,433 for the year ended December 31, 2019). As of December 31, 2020, there were 100,000 unvested stock options (December 31, 2019 - 400,000 unvested stock options).

\* 50,000 options were exercised during the year. The weighted average share at the date of exercise was \$0.14. (The weighted average share price at date of exercise of the options for the year ending December 31, 2019 - \$0).

\*\* The weighted average remaining life of the outstanding stock options is 2.43 year (December 31, 2019 – 4.2 years).

The Corporation currently estimates the forfeiture rate to be nil.

*Restricted Share Units*

During the year, an additional 1,070,000 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation. The RSUs vest equally over a three year period, vesting on August 31 2020, April 29, 2021 and April 29, 2022. Each RSU has the same value as one Wolfden Resources Corporation common share. Last fiscal year, 1,208,750 Restricted Share Units ("RSUs") were issued under the restricted share unit plan of the Corporation. The RSUs vest equally over a three year period, vesting on June 26, 2019, April 29, 2020 and April 29, 2021 as the RSUs are expected to be settled in equity, they are accounted for as equity instruments.

A share based payment expense of \$248,399 (\$81,742 for December 31, 2019) was recorded for the year ended December 31, 2020. During the year ended December 31, 2020, there were 759,581 RSUs valued at \$136,725, (402,917 for December 2019, valued at \$62,452), that were converted to common shares of the Corporation at an average price of \$0.18 per share. As at December 31, 2020, there were 1,116,250 RSU's outstanding (December 31, 2019 - 805,833). 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 as described below.

	Nature of transactions
2401794 Ontario Inc.	Facilities
DRAX Services Limited	Corporate secretarial and filing services

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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 \$11,313 (2019 - \$22,627) for rent paid to 2401794 Ontario Inc., a wholly owned subsidiary of Premier Gold Mines Ltd., a company related to the Corporation through Ewan Downie, Ron Little, and John Seaman, who are all Directors of Wolfden and Premier. Rent agreement with 2401794 Ontario Inc was terminated as of June 30, 2020.
- (b) Included in general and administrative expenses are amounts totaling \$5,000 for 2019 for corporate secretarial services provided by DRAX Services Limited, related to the Corporation through Shaun Drake, Corporate Secretary of Wolfden. Drax Services Limited ceased to be a related party as of May 31, 2019.

Key management personnel remuneration includes the following amounts:

For the year ended December 31	2020	2019
	\$	\$
Salary and wages	303,746	318,000
Share-based payments	312,386	142,244
Other compensation	21,380	16,833
Directors fees	57,000	55,696
Total	694,512	532,773

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### Commitments

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The Corporation has no material commercial commitments.

### 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.



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*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;
- 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, 2020.

- IFRS 3

On October 22, 2018, the IASB issued amendments to IFRS 3, Business Combinations ("IFRS3"), that seek to clarify whether a transaction is to be accounted for as an asset acquisition or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

- IAS 1

The IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity

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



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## 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.

### *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.



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*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.

*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.



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*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, 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 to its drilling, development and exploration programs and/or the timing to process drill and other metallurgical testing 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



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also have a material adverse effect on the regional economies in which the Corporation operates, could continue to 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 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.

### **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.

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

#### *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.





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

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy as at September 30, 2020.

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

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

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

### Management of Capital Risk

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The Corporation manages its common shares, stock options and warrants as capital, that as at December 31, 2020 totaled \$ 34,227,394 (2019 - \$33,846,189). 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.

### COVID 19

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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 in order to minimize the potential impact at all of its operations. This includes measures it has put in place to ensure the wellness of all of its employees and surrounding communities where the Corporation works while continuing to operate. Fieldwork programs continued with an emphasis on using local labor and management while all corporate personnel travel has been restricted to absolute minimum requirements and employees have been encouraged to work remotely. With respect to our operations we have implemented the typical control measures for dealing with the pandemic. These include testing and self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions continue to rely on voluntary information, compliance and testing for the virus, of those working directly or indirectly for the Corporation. We expect that procedures and protocols will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as the vaccine rolls out and the variants of the virus are assessed in each region of our operations. See also "Risk Factors".



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## Subsequent Events

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On January 27, 2021 the Corporation announced that it has completed a non-brokered private placement of 6,250,000 common shares of the Corporation ("Common Shares") at a price of \$0.32 per Common Share with Altius Minerals Corporation ("Altius") and Kinross Gold Corporation ("Kinross") for gross proceeds of \$2 million. Altius now holds approximately 12.6% and Kinross holds approximately 11.4% of the issued and outstanding shares of the Corporation. The majority of the proceeds from this offering will be used to continue exploration at the Corporation's 100%-owned Pickett Mountain high-grade polymetallic deposit and also at its recently optioned Big Silver project, both located in Maine, USA. As part of the terms of the subscription agreement, the Corporation will continue to collaborate with and gain support from its strategic shareholders on technical programs related to the exploration and development of the projects.

On February 5, 2021, the Corporation announced that it has granted a total of 1,750,000 options to purchase common shares of the Corporation to certain directors, officers, employees and consultants pursuant to the Corporation's Share Incentive Plan. The options have an exercise price of \$0.32 per common share and expire on February 4, 2026. The grant related in part to the Corporation's annual review of compensation and noted that the last meaningful grant of options was in 2018.

On February 18, 2021, the Corporation announced that it has been awarded a \$230,000 grant from the Manitoba Mineral Development Fund to support a 2,300 metre diamond drill program designed to expand its wholly owned Rice Island strategic-metal nickel-copper-cobalt deposit. The deposit is well located near the town of Snow Lake and its existing infrastructure that includes power, an experienced mining work force and other operating mineral processing facilities.

On February 22, 2021, the Corporation announced additional positive drill results from its wholly owned Pickett Mountain Property in Northeastern Maine. Results include all assays for the final six holes that targeted the Footwall Zone (FWZ) that was discovered approximately 150-200 metres north of the Pickett Mt. deposit. This massive to semi massive sulphide to stringer sulphide lens continues to deliver better than expected silver values. The results to date exhibit continuity and exceptional grades that suggest the FWZ lens could potentially add significant resources to the overall project if the next round of drilling on the FWZ yields positive results.

On February 24, 2021, the Corporation announced the completion of a non-brokered 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) (the "Flow-Through Shares") at a price of \$0.40 per Flow-Through Share for gross proceeds of \$620,000. The securities issued under this offering are by way of private placement in the provinces of Ontario and British Columbia, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. In addition, the securities are subject to a four-month hold period which will expire on June 24, 2021. The gross proceeds from this offering will be used for exploration on the Corporation's nickel, copper, cobalt projects in Manitoba and its silver-rich polymetallic projects in New Brunswick, Canada.

On March 30, 2021, the Corporation announced the completion of a non-brokered private placement financing of 12,725,000 units at a price of \$0.32 per unit for gross proceeds of \$4.07 million. Each unit is comprised one common share of the Corporation ("Common Shares") and one half of a share purchase warrant. Each whole share 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.

## Off-Balance Sheet Arrangements

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There are no off-balance sheet arrangements.



MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
For the years ended December 31, 2020 and 2019

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

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No changes occurred in the fourth quarter of 2020 of the Corporation's ICFR that have materially affected or are reasonably likely to materially affect the Corporation's ICFR.

### **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  
April 27, 2021

# **Exhibit 34**

## Intervenor 2 Proposed Supplemental Evidence

**Source:** Reuters

**Date:** 3/26/2018

# Kinross Gold Settles With SEC Over Foreign Bribery Claims

By **Bonnie Eslinger**

Law360 (March 27, 2018, 3:40 PM EDT) -- Kinross Gold Corp. has settled claims of Foreign Corrupt Practices Act violations stemming from the company's alleged failure to account for awarded contracts and spending related to two of its African subsidiaries, the U.S. Securities and Exchange Commission announced Monday.

The company acquired the mining operations in Ghana and Mauritania in a \$7.1 billion transaction in 2010, with the understanding that the subsidiaries lacked anti-corruption compliance programs and internal accounting controls, according to the SEC. It took the company almost three years to put them in place, and even then Kinross Gold sidestepped its own internal measures to ensure that money wasn't being used to bribe government officials, the SEC said in its announcement.

"Companies should take particular care to remediate known accounting controls issues when making acquisitions to mitigate the risk that company funds will be misused for unauthorized purposes," Tracy L. Price, deputy chief of the SEC Enforcement Division's FCPA Unit, said.

For example, the SEC's investigation found that Kinross Gold awarded a \$50 million, three-year logistical support contract to a company preferred by Mauritanian government officials, despite an internal recommendation to use another shipper offering a better price, technical know-how and ability to do the job.

"Kinross was prepared to award the contract to the bidder that offered the lowest price and possessed the best ability to fulfill the technical requirements of the contract. Kinross personnel soon learned, however, that a very high-level Mauritanian government official was unhappy with Kinross' choice because the shipper's local affiliate was controlled by persons allegedly active with the political opposition," SEC documents related to the FCPA charges state. "Kinross also learned that the official preferred another international shipping company whose local affiliate recently was acquired by a prominent and influential Mauritanian businessman with ties to the official."

Kinross gave the \$50 million contract to the company preferred by the government official, the SEC said.

The Canadian mining company also paid \$715,000 to a politically connected consultant to facilitate contacts with high-level Mauritanian government officials between September 2014 and August 2015, without following the company's own background check protocols, the SEC alleged.

"In addition, the company paid vendors and consultants without ensuring the payments were consistent with policies prohibiting improper payments, the agency said.

According to the settlement order, the SEC found that Kinross Gold violated provisions of federal securities laws related to books and records and internal accounting controls.

Without admitting or denying the findings, Kinross agreed to pay \$950,000 to settle the civil charges and committed to reporting on the company's efforts to improve its anti-corruption controls for a period of one year.

A spokesman for Kinross told Law360 on Tuesday that due to the nature of the settlement with the SEC, the company couldn't comment on specific factual allegations in the order, but said Kinross is "dedicated to ensuring that all contracting is done in accordance with its supply chain policies and in compliance with all relevant anti-corruption laws. There were no findings of bribery in the order and Kinross has strengthened its internal processes."

In a statement released Monday, Kinross said it welcomed the end of the SEC regulatory investigation of its West African mining operations.

"The cease and desist order with the SEC makes no findings of bribery by the company but is instead premised on allegations of various deficiencies in Kinross' internal accounting controls and practices," the company said. "Kinross cooperated fully with the SEC throughout the investigation and has taken steps to improve and

strengthen its compliance program and internal accounting controls and practices."

A previously announced investigation by the U.S. Department of Justice related to allegations of improper payments made to government officials ended in November, with the law enforcement agency declining to pursue the matter further and noting the company's full cooperation during the inquiry, Kinross added.

"Kinross is fully committed to operating in accordance with the highest ethical standards, conducting business in an honest and transparent manner that is compliant with the law, and building on its long-standing culture of ethical conduct and accountability consistent with its Code of Business Conduct," the company said.

--Editing by Alyssa Miller.

# **Exhibit 35**

## Intervenor 2 Proposed Supplemental Evidence

**Source:** ENRD

**Date:** 1/21/2022



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**PRESS RELEASE**

# Federal Government and State of Colorado Settlement with Mining Companies Paves Way for Additional Cleanup at Bonita Peak Mining District Superfund Site

Friday, January 21, 2022

**For Immediate Release**

Office of Public Affairs



The Justice Department, the Environmental Protection Agency (EPA), the Department of Interior (DOI), the Department of Agriculture (USDA) and the State of Colorado announced a settlement with Sunnyside Gold Corporation and its Canadian parent company Kinross Gold Corporation resolving federal and state liability related to the Bonita Peak Mining District Superfund site, which includes the Gold King Mine and many other abandoned mines near Silverton, Colorado. If entered by the court, this agreement provides for the continued cleanup of mining-related contamination within the Upper Animas Watershed and will protect public health and the environment by improving water quality, stabilizing mine source areas, and minimizing unplanned releases.

Under the agreement, Sunnyside Gold Corporation and Kinross Gold Corporation will together pay \$45 million to the United States and State of Colorado, and the United States will dismiss its claims against Sunnyside Gold Corporation and Kinross Gold Corporation. The United States will also contribute \$45 million to the continuing cleanup at the Bonita Peak Mining District Superfund site and Sunnyside Gold Corporation and Kinross Gold Corporation will dismiss its claims against the United States.

“Today’s settlement holds these companies accountable for their past mining operations at the site,” said Assistant Attorney General Todd Kim of the Justice Department’s Environment and Natural Resources Division. “This settlement demonstrates the Justice Department’s and cleanup agencies’ continuing efforts, together with our state partners, to ensure that Superfund sites are investigated and remediated.”

“This settlement addresses the cleanup responsibility of the private mining companies and the federal government and ensures that site cleanup work will continue,” said Acting Assistant Administrator Larry Starfield of EPA’s Office of Enforcement and Compliance Assurance. “Working with our state and federal government partners, the cleanup will protect the environment and the health of the people who live, work, and enjoy recreational activities in the area.”

“This settlement will allow EPA to continue our important cleanup work at the site to protect human health and the environment,” said Director Betsy Smidinger of EPA Region 8’s Superfund and Emergency Management Division. “We look forward to working with our state and local partners to use these funds which will be utilized to improve the environment for the people who work, live, and recreate in the area.”

“The Gold King spill is a vivid reminder of the dangers associated with the thousands of abandoned and unclaimed hard rock mines across the United States, particularly in the West,” said Deputy Secretary of the Interior Tommy Beaudreau. “Mining companies should be held accountable for these sites that put communities and tribal lands at risk of disastrous pollution. I’m proud that the Department of the Interior was able to play a part in this important settlement.”

“We are committed to protecting where Coloradan’s live, work and play,” said Director Tracie White of the Colorado Department of Public Health and Environment’s Hazardous Material and Waste Management Division. “This settlement will allow continued cleanup of this Superfund site, in coordination with our federal and local partners, to ensure the protection of human health and the environment for generations to come,”

EPA leads cleanup activities at the Bonita Peak Mining District Superfund site, and DOI and USDA retain authority on publicly managed land. Recent interim cleanup work at the site, including efforts to stabilize mine waste and reduce contaminant releases to surface waters from source areas, have improved environmental conditions and will inform the development of future cleanup remedies for the entire site under an adaptive management framework. EPA has already spent over \$75 million on cleanup work at the site and expects to continue significant work at the site in the coming years.

More information about the site and this settlement can be found at [www.epa.gov/superfund/bonita-peak](http://www.epa.gov/superfund/bonita-peak).

*The consent decree, lodged in the U.S. District Court for the District of New Mexico, is subject to a 30-day public comment period and final court approval. The consent decree will be available for viewing [here](#).*

*Updated January 21, 2022*

## Topic

ENVIRONMENT

## Component

[Environment and Natural Resources Division](#)

Press Release Number: 22-51

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