

Wolfden Resources Corporation completes initial public offering and acquisition of 100% interest in Clarence Stream Property

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THUNDER BAY, ON, Oct. 19, 2012 /CNW/ - [Wolfden Resources Corporation](#) (the "Company") is pleased to announce that it has completed its initial public offering (the "Offering") for total gross proceeds of \$9,956,020 through a syndicate of agents led by Canaccord Genuity Corp. and including RBC Dominion Securities Inc. and Jones, Gable & Company Limited (the "Agents"). The Company has received conditional approval from the TSX Venture Exchange (the "TSXV") to list its common shares on the TSXV as a Tier 1 Mining Issuer. The Company anticipates that the common shares will commence trading on the TSXV under the symbol "WLF" upon the opening of business on October 22, 2012.

In addition, the Company is pleased to announce that, concurrent with completion of the Offering, the Company has completed the acquisition of a 100% interest in the Clarence Stream Property, subject to an aggregate 3% net smelter returns royalty.

Donald Hoy, President and CEO, stated, "I would like to thank our Board of Directors, management team, counsel, our agents Canaccord Genuity Corp., RBC Dominion Securities Inc. and Jones, Gable & Company Limited for all of their support and hard work for completing this initial public offering under very challenging market conditions. I would like to welcome all new shareholders and look forward to developing lasting relationships as we move the company forward."

Clarence Stream Property Highlights

The Clarence Stream Property is the Company's flagship property. The Clarence Stream Property is an advanced stage gold exploration property that consists of 793 claims totalling 17,446 hectares located approximately 70 kilometres south of Fredericton, New Brunswick and 25 kilometres northwest of the town of

St. George in Charlotte County, southern New Brunswick. The Clarence Stream Property highlights are as follows:

- Hosts a National Instrument 43-101 compliant Indicated Mineral Resource of 822,000 tonnes grading 6.90 g/t Au containing 182,000 ounces of gold (grading 9.11 g/t Au containing 241,000 ounces uncut) and an Inferred Mineral Resource of 1,226,000 tonnes grading 6.34 g/t Au containing 250,000 ounces of gold (grading 7.95 g/t Au containing 313,000 ounces uncut);
- Indicated antimony resources are estimated to be 114,000 tonnes grading 2.9% Sb containing 7,300,000 pounds of antimony;
- Hosts excellent resource expansion potential; most gold zones are open along strike and at depth; to date, the mineral resource is localized within a 1.8km strike-length of a defined 12 km-long structure;
- Numerous untested gold-in-soil anomalies and surface showings containing visible gold located separate and away from the known mineral resource, offer potential for further discoveries and the eventual adding to the gold resource; and
- Based upon total consideration of \$5,235,000 that the Company paid for the Clarence Stream Property (\$3,075,000 cash and \$2,160,000 in securities) and an uncut inferred mineral resource of 313,000 ounces of gold and an uncut indicated mineral resource of 241,000 ounces of gold, the acquisition cost of the Clarence Stream Property equates to \$7.27 per ounce of inferred mineral resources of gold and \$12.29 per ounce of indicated mineral resources of gold on a proportional basis.

References to the acquisition cost per ounce of inferred and indicated mineral resources of the Clarence Stream Property provided herein are solely for comparative purposes when comparing the acquisition cost of the Clarence Stream Property against the acquisition cost of similar properties hosting a mineral resource in

the Company's peer group. Such calculations in no way establish value of any kind and readers are reminded that mineral resources are not mineral reserves and mineral resources do not have any demonstrated economic viability.

The Company intends to undertake a major mineral resource expansion diamond drilling program for the late fall of 2012 and the duration of 2013 on the Clarence Stream Property.

The technical information in this news release has been reviewed and approved by Donald Hoy, P.Geo., the Chief Executive Officer, President and a director of the Company. Donald Hoy is a Qualified Person under National Instrument 43-101.

Offering

Pursuant to the Offering, the Company issued 16,440,000 units of the Company (each, a "**Unit**") at a price of \$0.50 per Unit (the "**Unit Offering Price**") and 3,156,400 flow-through common shares of the Company (each, a "**FT Share**") and the Units and the FT Shares collectively, the "**Offered Securities**") that qualify as "flow-through shares" as defined in subsection 66(15) of the *Income Tax Act* (Canada) at a price of \$0.55 per FT Share for total gross proceeds of \$9,956,020. Each Unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to purchase one common share (each, a "**Warrant Share**") at an exercise price of \$0.75 per Warrant Share until October 18, 2014. The Company has the right to require the holders of the Warrants to exercise the Warrants in the event that the average trading price of the common shares on a recognized stock exchange in North America on which the common shares are listed is equal to or greater than \$1.50 for a period of 20 consecutive trading days.

On the Closing Date, the Company paid the Agents a cash commission of \$580,199 and issued 1,339,208 agents' warrants (each, an "**Agents' Warrant**") to the Agents and certain members of the Agents' selling group. Each Agents' Warrant entitles the holder to acquire one common share (each, an "**Agents' Warrant Share**") at an exercise price of \$0.55 per Agents' Warrant Share until October 18, 2014.

The Company has granted the Agents an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, at the sole discretion of the Agents at any time for a period of 30 days from the closing date of the Offering (the "**Closing Date**"), to purchase up to 2,937,960 Units at a price of \$0.50 per Unit solely to cover over-allotments, if any, and for market stabilization purposes. Of the 16,440,000 Units issued on the Closing Date, a total of 10,000 Units were issued pursuant to a partial exercise of the Over-Allotment Option. In respect of the Over-Allotment Option, the Company has agreed to pay to the Agents a fee equal to 6% of the gross proceeds realized through the issue of Offered Securities pursuant to the Over-Allotment Option and agreed to issue to the Agents Agents' Warrants equal to 7% of the number of Offered Securities sold pursuant to the Over-Allotment Option.

Following completion of the Offering and the acquisition of the Clarence Stream Property, Wolfden had 49,689,733 common shares issued and outstanding on a non-diluted basis.

Acquisition of the Clarence Stream Property

On the Closing Date, the Company paid \$2,000,000 from the net proceeds of the Offering to Cliffs Chromite Ontario Inc. ("**Cliffs Ontario**") and issued 3,200,000 common shares at the Unit Offering Price to Cliffs Québec Iron Mining Limited / Cliffs Québec Mine de Fer Limitée ("**Cliffs Québec**"), both affiliates of [Cliffs Natural Resources Inc.](#) (NYSE: CLF) (Paris: CLF), in order to fulfill the Company's remaining obligations required in connection with its prior acquisition of a 70% interest in the Clarence Stream Property from Cliffs Ontario on January 13, 2012 pursuant to the terms of the Clarence Stream Property Sale Agreement dated January 13, 2012, as amended (the "**Cliffs Agreement**"), between the Company and Cliffs Ontario. Cliffs Ontario continues to hold a 1% net smelter returns royalty with respect to the Clarence Stream Property.

On the Closing Date, the Company paid an additional \$1,000,000 from the net proceeds of the Offering and issued 1,120,000 Units to Rockport Mining Corp. ("**Rockport**") at the Unit Offering Price to acquire the remaining 30% interest in the Clarence Stream Property that it did not already hold pursuant to the terms of

the Clarence Stream Property Sale Agreement dated March 7, 2012, as amended (the "**Rockport Agreement**"), between the Company and Rockport.

Following the fulfillment of the Company's remaining obligations under the Cliffs Agreement and the closing of the Rockport Agreement, the Company holds a 100% interest in the Clarence Stream Property subject to an aggregate 3% net smelter returns royalty, 1% of which can be repurchased by the Company for payment of \$1,000,000. The securities issued to Cliffs Québec and Rockport on the Closing Date are subject to a hold period that expires on February 19, 2013.

Board of Directors and Management

The officers and directors of Wolfden Resources Corporation are Ewan Downie (Chairman of the Board and director), Donald Hoy (President, Chief Executive Officer and director), Thomas Quigley (director), David Brown (director), William McCrindle (director), Iain Downie (director), Daniel Mechis (director), Lance Dyll (Chief Financial Officer) and Shaun Drake (Corporate Secretary).

About Wolfden Resources Corporation

Wolfden Resources Corporation is engaged in the exploration and development of mineral properties in North America. The Company owns a 100% interest in the Clarence Stream Property, an advanced stage gold exploration property in New Brunswick, Canada, subject to an aggregate 3% net smelter return royalty, of which 1% can be repurchased for \$1,000,000. The Company also holds interests in two early stage exploration properties consisting of the Lawman Property located in Minnesota, United States, and the Armstrong Property located in New Brunswick, Canada.

This news release is intended for distribution in Canada only and is not intended for distribution to United States newswire services for dissemination in the United States. The securities being offered have not, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information includes statements based on current expectations involving a number of risks and uncertainties and such forward-looking statements are not guarantees of future performance of the Company, and include, without limitation, statements that: (i) the common shares will commence trading on the TSXV upon the opening of business on October 22, 2012; (ii) the Clarence Stream Property hosts excellent resource expansion potential and that most gold zones are open along strike and at depth; (iii) numerous untested gold-in-soil anomalies offer potential for further discoveries and the eventual adding to the gold resource; and (iv) the Company intends to undertake a major mineral resource expansion drilling program for the late fall of 2012 and the duration of 2013 on the Clarence Stream Property. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information in this news release, including without limitation, the following risks and uncertainties: (i) the inability to list on the TSXV for any reason; (ii) risks inherent in the mining industry; (iii) regulatory and environmental risks; (iv) results of exploration activities and development of mineral properties; (v) stock market volatility and capital market fluctuations; and (vi) general market and industry conditions. Actual results and future events could differ materially from those anticipated in such information. These forward-looking statements are based on estimates and opinions of management on the date hereof and are expressly qualified by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) has reviewed or accepts responsibility for the adequacy or the accuracy of this release.

SOURCE Wolfden Resources Corporation

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