

Condensed Interim Financial Statements of

**WALLBRIDGE MINING
COMPANY LIMITED**

Three months ended March 31, 2019

(Unaudited)

WALLBRIDGE MINING COMPANY LIMITED

Condensed Interim Statements of Financial Position
(expressed in Canadian Dollars)

(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,922,339	\$ 5,744,775
Restricted cash (note 7(b))	14,634	71,073
Amounts receivable (note 5)	1,303,423	1,556,086
Deposits and prepaid expenses	38,584	103,140
	<u>6,278,980</u>	<u>7,475,074</u>
Restricted cash (note 14)	1,441,105	1,441,105
Investment in Carube Copper Corp. (note 6)	961,795	769,436
Exploration and evaluation assets (note 7)	36,299,534	43,805,131
Property and equipment (note 8)	2,079,548	1,180,102
	<u>\$ 47,060,962</u>	<u>\$ 54,670,848</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 6,395,560	\$ 9,179,787
Flow-through premium liability (note 13)	370,730	593,095
Deposit from partner (note 7(b))	14,634	71,073
Derivative financial liability (note 10)	-	294,800
Current portion of provision for closure plan (note 14)	124,843	155,223
Current portion of lease liability (note 3 and 12)	649,409	288,387
Loan payable (note 11)	-	9,472,086
	<u>7,555,176</u>	<u>20,054,451</u>
Lease liability (note 3 and 12)	727,872	375,325
Provision for closure plan (note 14)	1,262,751	1,273,740
Deferred tax liability	929,000	795,000
	<u>10,474,799</u>	<u>22,498,516</u>
Equity (note 16):		
Share capital	79,235,727	73,925,994
Warrants	719,125	1,682,497
Contributed surplus	8,510,723	8,296,974
Deficit	(51,687,053)	(51,348,415)
Accumulated Other Comprehensive Loss	(192,359)	(384,718)
Total Equity	<u>36,586,163</u>	<u>32,172,332</u>
Nature of operations and going concern (note 1)		
Commitments and contingencies (note 17)		
Subsequent events (note 16 and 18)		
	<u>\$ 47,060,962</u>	<u>\$ 54,670,848</u>

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Condensed Interim Statements of Loss and Comprehensive Loss
(expressed in Canadian Dollars)

(Unaudited)

	Three months ended March 31,	
	2019	2018
Other expenses and (income):		
General and administrative expenses	\$ 744,853	\$ 390,963
Project evaluation costs	6,974	4,781
Amortization of property and equipment	31,042	7,694
Interest income	(6,493)	(8,072)
Other income relating to flow-through share premium (note 13)	(222,365)	(16,900)
Gains on derivative contract (note 10)	(114,915)	(7,673)
Foreign exchange gain on bridge loan (note 11)	(252,600)	-
Interest on lease liability	18,142	-
Unrealized loss (gain) on sale of marketable securities	-	(118)
Share of comprehensive loss in Carube Copper Corp	-	45,056
Gain on dilution of equity interest in Carube Copper	-	(308,784)
Impairment of exploration and evaluation assets (note 7)	-	44,078
Loss before income taxes	204,638	151,025
Deferred tax expense	134,000	10,000
Net loss and comprehensive loss for the year	\$ 338,638	\$ 161,025
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Investment in Carube Copper - net change in fair value (note 6)	(192,359)	-
Total comprehensive loss for the year	\$ 146,279	161,025
Weighted average number of common shares - basic and diluted	400,369,751	329,985,214
Net loss per share - basic and diluted	\$ 0.00	0.00

WALLBRIDGE MINING COMPANY LIMITED

Statements of Changes in Equity
(expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive	Total
Balance, December 31, 2017	294,394,851	\$ 63,794,074	1,519,987	8,512,970	(48,639,136)	-	\$ 25,187,895
Restricted share units vested and shares issued	1,149,870	109,401	-	(109,401)	-	-	-
Share based compensation	-	-	-	35,200	-	-	35,200
Deferred share units	-	-	-	28,750	-	-	28,750
Net loss	-	-	-	-	(161,025)	-	(161,025)
Balance, March 31, 2018	295,544,721	\$ 63,903,475	1,519,987	8,467,519	(48,800,161)	-	\$ 25,090,820
Balance, December 31, 2018	390,366,736	\$ 73,925,994	1,682,497	8,296,974	(51,348,415)	(384,718)	\$ 32,172,332
Exercise of warrants	24,655,471	5,171,732	(963,372)	-	-	-	4,208,360
Exercise of stock options	1,165,000	138,001	-	(48,226)	-	-	89,775
Share based compensation	-	-	-	230,100	-	-	230,100
Deferred share units granted	-	-	-	31,875	-	-	31,875
Investment in Carube Copper - net change in fair value	-	-	-	-	-	192,359	192,359
Net loss	-	-	-	-	(338,638)	-	(338,638)
Balance, March 31, 2019	416,187,207	79,235,727	719,125	8,510,723	(51,687,053)	(192,359)	36,586,163

WALLBRIDGE MINING COMPANY LIMITED

Condensed Interim Statements of Cash Flows
(expressed in Canadian Dollars)

(Unaudited)

	Three months ended March 31,	
	2019	2018
Cash flows from (used in) operating activities:		
Net loss for the period	\$ (338,638)	\$ (161,025)
Adjustments for:		
Deferred tax expense	134,000	10,000
Amortization of property and equipment	31,042	7,694
Impairment of exploration and evaluation assets	-	44,078
Interest on note receivable	-	(5,571)
Gain on dilution of equity interest in Carube Copper	-	(308,784)
Other income relating to flow-through share premium	(222,365)	(16,900)
Share of comprehensive loss in Carube Copper Corp	-	45,056
Unrealized gain on marketable securities	-	(118)
Share based compensation	176,500	35,200
Gains on derivative contract (note 10)	(114,915)	(7,673)
Foreign exchange gain on bridge loan	(252,600)	-
Interest on lease liability	18,142	-
Closure plan obligations	(41,369)	(28,290)
Changes in non-cash working capital:		
Amounts receivable	459,662	(124,909)
Deposits and prepaid expenses	45,156	(38,804)
Accounts payable and accrued liabilities	(252,683)	60,255
	(358,068)	(489,791)
Cash flows from (used in) financing activities:		
Exercise of stock options	89,775	-
Exercise of warrants	4,208,360	-
Payment of bridge loan	(9,293,300)	-
Transaction costs relating to bridge loan	(34,125)	-
Lease payments	(174,999)	-
	(5,204,289)	-
Cash flows from (used in) investing activities:		
Exploration and evaluation assets expenditures	(11,897,386)	(549,104)
Recoveries from Fenelon Gold bulk sample	16,654,770	-
Acquisition of equipment	(46,587)	-
Cash received on derivative contracts	13,975	-
Exploration and evaluation assets option payments received	15,149	4,000
Deposit for exploration and evaluation asset activities	-	(453,740)
Restricted cash	-	(1,054,860)
	4,739,921	(2,053,704)
Net decrease in cash and cash equivalents	(822,436)	(2,543,495)
Cash and cash equivalents, beginning of the period	5,744,775	4,358,706
Cash and cash equivalents, end of the period	\$ 4,922,339	\$ 1,815,211
Summary of non-cash transactions:		
Exploration expenditures - change in accounts payable and accrued liabilities	\$ (2,559,763)	\$ 1,375,413
Exploration expenditures - capitalized amortization of equipment	80,744	-
Exploration expenditures - other non-cash items	140,614	-
Exploration recoveries included in amounts receivable	207,000	-
Exploration recoveries - loss on forward contracts	193,860	-
Property and Equipment purchases in accounts payable	94,220	-
Property and Equipment purchased under lease agreements	870,425	-
Settlement of accounts payable with deferred stock units	31,875	28,750
Settlement of promissory note and interest with Carube Copper Corp. shares	-	293,204

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

1. Nature of operations and going concern:

Wallbridge Mining Company Limited (“Wallbridge” or the “Company”) is incorporated under the laws of Ontario and is engaged in the acquisition, discovery, development and production of metals focusing on gold, copper, nickel and platinum group metals. The Company completed operations at its first polymetallic mine, producing copper, platinum, palladium, and gold from the Broken Hammer open pit mine in Sudbury, Ontario in October 2015. In October 2016 the Company completed the purchase of the Fenelon Gold Property (“Fenelon Gold”). The Company’s head office is located at 129 Fielding Road in Lively, Ontario, Canada.

These financial statements have been prepared on the going concern basis, which contemplates that the Company will be able to realize its assets and discharge liabilities in the normal course of business. There can be no assurance that the Company will either achieve or maintain profitability in the future.

During the three months ended March 31, 2019, the Company had a net loss of \$338,638, negative cash flow from operations of \$358,068 and has a working capital deficiency of \$1,276,196. At March 31, 2019, the Company has insufficient cash to fund its planned operations for the next twelve months. On February 20, 2019, the Company announced a non-brokered private placement financing of up to \$7,000,000 to Eric Sprott (“Sprott”), through an affiliated company of Sprott requiring shareholder approval. The financing received approval from the Company’s shareholders at the annual general and special meeting of shareholders held on May 8, 2019 (note 18).

The Company is currently reviewing additional financing options.

The continuation of the Company as a going concern is dependent on the Company’s ability to successfully fund its cash obligations through financing. Although the Company has been successful in obtaining the necessary financing to date, there can be no assurance that adequate or sufficient financing will be available in the future, or available under terms acceptable to the Company, or the Company will be able to generate sufficient positive cash flow from operations. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Company be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Company’s assets could be subject to material adjustments and other adjustments may be necessary to these financial statements should such adverse events impair the Company’s ability to continue as a going concern.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

2. Basis of presentation:

(a) Statement of compliance:

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

(b) Judgments and estimates:

Preparing the interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim financial statements, significant judgments made by Management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2018.

(c) Functional and presentation currency:

These unaudited condensed interim financial statements are presented in Canadian dollars which is the Company's functional currency.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

3. Significant accounting policies:

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended December 31, 2018 with the exception of the following changes in accounting policies resulting from the adoption of new accounting standards.

New Accounting Standards adopted during the period:

IFRS 16, Leases ("IFRS 16")

The Company has adopted IFRS 16 with the date of initial application of January 1, 2019 using the modified retrospective approach. Comparative information has not been restated and continues to be reported under IAS 17 —Leases ("IAS 17"), the accounting standard in effect for those periods.

The Company assesses whether a contract is, or contains, a lease at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- the contract involves the use of an explicitly or implicitly identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract term;
- the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and the exercise price of a purchase option reasonably certain to be exercised by the Company.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

3. Significant accounting policies (continued):

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company presents right-of-use assets in the property, plant and equipment line item on the condensed interim balance sheets and lease liabilities in the lease payable line item on the condensed interim balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and do not contain a purchase option or for leases related to low value assets. Lease payments on short-term leases and leases of low value assets are recognized as an expense in the condensed interim statements of loss.

Impact of IFRS 16 at January 1, 2019:

On adoption of IFRS 16, the Company recognized right-of-use assets and lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid lease payments previously recognized. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019.

The Company used the following practical expedients when applying IFRS 16:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining at January 1, 2019;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at January 1, 2019 was determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

3. Significant accounting policies (continued):

Upon transition to IFRS 16, the Company recognized an additional \$349,166 of right-of-use assets and \$339,371 of lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 4.7%.

The lease liabilities at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

Operating lease commitments at December 31, 2018	\$69,551
Operating lease with renewal option reasonably certain to be exercised	300,965
	<hr/>
	370,516
Discounting using the January 1, 2019 incremental borrowing rates	(31,145)
	<hr/>
Discounted operating lease commitments, January 1, 2019	339,371
Add commitments relating to leases previously classified as finance leases	663,712
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Lease liabilities recognized at January 1, 2019	<u>\$1,003,083</u>
Current lease liability, January 1, 2019	\$374,391
Non-current lease liability, January 1, 2019	628,692
	<hr/>
Lease liabilities recognized at January 1, 2019	<u>\$1,003,083</u>

The Company excluded commitments relating to short-term leases of \$41,465 and leases of low-value assets of \$4,804.

Impact of IFRS 16 for the three months ended March 31, 2019:

The Company recorded amortization expense on right-of use assets of \$23,632, interest expense of \$3,901 during the three months ended March 31, 2019 for leases that were previously classified as operating leases.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

4. Fair value of financial instruments:

Financial assets and liabilities are grouped into three levels based on significant inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Carrying values for cash and cash equivalents, restricted cash, amounts receivable, deposit from partner, and accounts payable and accrued liabilities approximate fair value due to their short term maturities. Further, the fair value disclosure of lease liability is not required.

At March 31, 2019, the investment in Carube Copper Corp. ("Carube Copper") is classified as level 2 at \$961,795. The shares in Carube Copper trade on the TSX Venture Exchange and the fair value is estimated by using the closing share price at March 31, 2019.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

5. Amounts receivable:

	March 31, 2019	December 31, 2018
Harmonized Sales Tax and Quebec Sales Tax	\$ 783,269	\$ 1,215,579
Quebec tax credits	348,092	141,092
Other receivables	172,062	199,415
	<u>\$ 1,303,423</u>	<u>\$ 1,556,086</u>

6. Investment in Carube Copper:

	March 31, 2019	December 31, 2018
Investment in Carube Copper	<u>\$ 961,795</u>	<u>\$ 769,436</u>

At March 31, 2019, the Company held 19,235,911 (December 31, 2018 – 19,235,911) common shares of Carube Copper representing an approximate 11.3% (December 31, 2018 – 11.3%) interest of Carube Copper.

Effective August 2018 the Company no longer has significant influence over the investment in Carube Copper. The changes in fair value of the investment are recognized in other comprehensive income or loss for each period. At March 31, 2019, the Company recorded an increase of \$192,359 (December 31, 2018 - decrease of \$384,718) in the fair value of its investment.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

7. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2018	Expenditures	Disposition/ Recovery	Balance, March 31, 2019
Fenelon Gold Property (a)	\$ 28,144,756	9,517,359	(17,055,630)	\$ 20,606,485
Beschefer	364,351	24,830	-	389,181
Other Sudbury Projects (b)	7,761,898	3,528	-	7,765,426
North Range and Wisner Properties (b)	3,581,621	14,665	(15,149)	3,581,137
Parkin Properties (c)	3,952,505	4,800	-	3,957,305
	\$43,805,131	9,565,182	(17,070,779)	\$36,299,534

	Balance December 31, 2017	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2018
Fenelon Gold Property (a)	\$ 6,526,526	32,231,142	-	(10,612,912)	\$ 28,144,756
Beschefer	-	364,351	-	-	364,351
Other Sudbury Projects (b)	8,444,116	44,074	(709,192)	(17,100)	7,761,898
North Range and Wisner Properties (b)	3,666,123	38,818	-	(123,320)	3,581,621
Parkin Properties (b) (c)	3,952,505	199,000	-	(199,000)	3,952,505
	\$22,589,270	32,877,385	(709,192)	(10,952,332)	\$43,805,131

(a) Fenelon Gold Property:

On January 16, 2018, the Company announced that the Board approved to proceed with the 35,000 tonne bulk sample at Fenelon Gold upon receipt of all the required permits. Included in the 2019 expenditures of \$9,517,359 are \$8,278,739 relating to the underground exploration and bulk sample, capitalized interest and transaction costs of \$258,150 relating to the Auramet loan (note 10), amortization of capital assets of \$80,744, and surface exploration costs of \$899,726. Recovery of \$16,848,630 is from the sale of gold ounces from the bulk sample and Quebec tax credits of \$207,000 for a total recovery of \$17,055,630.

Included in the 2018 expenditures of \$32,231,142 are \$27,586,901 relating to the underground exploration and bulk sample, closure plan costs of \$1,089,860 (note 13), capitalized interest and transaction costs of \$1,693,600 relating to the Auramet loan (note 11), and surface exploration costs of \$1,860,781. Recovery of \$10,471,820 is from the sale of gold ounces from the bulk sample and Quebec tax credits of \$141,092 for a total recovery of \$10,612,912.

The property is subject to two separate 1% royalties on any future commercial production.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

7. Exploration and evaluation assets (continued):

- (b) At March 31, 2019, the Company has \$14,634 (December 31, 2018 - \$71,073) of restricted cash from the North Range Joint Venture partner, Lonmin Plc ("Lonmin").

On March 13, 2019, Lonmin agreed that the unused funds of \$91,104 at December 31, 2018 in the Sudbury Camp Joint Venture and the North Range Joint Venture will be given to the Company for working capital purposes which will allow Lonmin to defer the decision on the 2019 scope of work and budgets and maintain its options under the joint venture agreements until March 31, 2019. In April 2019, the Company and Lonmin agreed to further extend the decision until May 31, 2019.

- (c) On March 15, 2019, the Company and Impala Platinum Holdings Limited ("Impala") agreed to extend the option payment to purchase the 49.6% interest on its Parkin Properties of \$1,500,000 to June 30, 2020 by the Company making a \$150,000 payment to Impala by June 30, 2019.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
(expressed in Canadian Dollars)

Three months ended March 31, 2019
(Unaudited)

8. Property and equipment:

Cost:

	Broken Hammer	Buildings, leaseholds and bridges	Equipment and Vehicles	Total
Balance, December 31, 2017	\$ 6,021,190	\$ 347,682	\$ 772,527	\$ 7,141,399
Additions	-	-	981,739	981,739
Disposals	-	-	(66,247)	(66,247)
Balance, December 31, 2018	6,021,190	347,682	1,688,019	8,056,891
Additions	-	-	1,011,232	1,011,232
Balance, March 31, 2019	\$ 6,021,190	\$ 347,682	\$2,699,251	\$9,068,123

Accumulated amortization:

	Broken Hammer	Buildings, leaseholds and bridges	Equipment and Vehicles	Total
Balance, December 31, 2017	\$ 6,021,190	\$153,754	\$ 685,161	\$ 6,860,105
Additions	-	9,157	67,646	76,803
Disposals	-	-	(60,119)	(60,119)
Balance, December 31, 2018	\$ 6,021,190	\$ 162,911	\$ 692,688	\$ 6,876,789
Additions	-	2,175	109,611	111,786
Balance, March 31, 2019	\$ 6,021,190	\$165,086	\$802,299	\$6,988,575

Carrying amounts:

	Broken Hammer	Buildings, leaseholds and bridges	Equipment and Vehicles	Total
At December 31, 2018	\$ -	\$ 184,771	\$ 995,331	\$ 1,180,102
At March 31, 2019	\$ -	\$182,596	\$1,887,776	\$2,079,548

During the three months ended March 31, assets of \$880,219 are right-of-use assets (notes 3 and 12).

The Company recorded amortization for the three months ended March 31, 2019 of \$111,786 (three months ended March 31, 2018 - \$7,694) of which \$80,744 (three months ended March 31, 2018 - \$nil) was capitalized to Fenelon Gold (note 7).

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
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Three months ended March 31, 2019
(Unaudited)

9. Accounts payable and accrued liabilities:

	March 31, 2019	December 31, 2018
Accounts payable	\$5,527,274	\$ 8,335,638
Accrued liabilities	309,754	555,359
Payroll related liabilities	558,532	288,790
	<u>\$6,395,560</u>	<u>\$9,179,787</u>

Included in accounts payable and accrued liabilities at March 31, 2019 are amounts relating to Fenelon Gold of \$5,673,985 (December 31, 2018 - \$8,584,543).

10. Derivative financial instruments:

	March 31, 2019	December 31, 2018
Fair value of the forward sales contracts	\$ -	\$ 54,800
Fair value of the call options	-	240,000
Derivative liability	<u>\$ -</u>	<u>\$ 294,800</u>

There are no contracts outstanding at March 31, 2019.

The Company recognized realized gains of \$13,975 on 2,150 ounces at a price of \$1,720 settled in January 2019. Call options for 2,000 ounces at an average price of \$1,627.50 per ounce strike price were settled in January 2019 and the Company realized a loss of \$193,860.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements
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(Unaudited)

11. Loan payable:

	Effective Interest Rate	Due Date	March 31, 2019	December 31, 2018
Auramet International LLC ("Auramet") – Bridge Loan	20.75%	February 28, 2019	\$ -	\$9,472,086

The total repayments in January and February 2019 of US\$7,000,000 was an equivalent of \$9,293,300, and the Company recorded a gain on foreign exchange of \$252,600 in 2019. The Company paid interest of \$184,336 (2018 - 1,174,535). Interest paid was capitalized to Fenelon Gold.

At December 31, 2018, the balance owing was \$9,472,086 consisting of \$9,545,900 (US\$7,000,000) payable less \$73,814 unamortized transaction costs. In 2019, the amortization of loan transaction costs of \$73,814 were capitalized to Fenelon Gold.

12. Lease liability:

	March 31, 2019	December 31, 2018
Less than one year	\$702,145	\$314,596
Year two	598,550	377,146
Years three to five	151,442	6,866
	\$1,452,137	\$698,608
Effect of discounting	(74,856)	(34,896)
Present value of minimum lease payments	\$1,377,281	\$663,712
Less current portion	(649,409)	(288,387)
Long-term lease liabilities	\$727,872	\$375,325

The present value of lease liabilities and their expected timing of payment are as follows:

	March 31, 2019	December 31, 2018
Less than one year	\$649,409	\$288,387
Year two	581,626	368,459
Years three to five	146,246	6,866
	\$1,377,281	\$663,712

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13. Flow-through premium liability and commitment for qualifying flow-through expenditures:

Balance, December 31, 2017	\$ 235,600
Other income recorded as flow-through expenditures incurred relating to 2017 premium	(235,600)
Premium recorded through flow-through proceeds in 2018	628,355
Other income recorded as flow-through expenditures incurred relating to 2017 premium	(35,260)
Balance, December 31, 2018	\$ 593,095
Other income recorded as flow-through expenditures incurred relating to 2018 premium	(222,365)
Balance, March 31, 2019	\$ 370,730

The Company is committed to spending prior to December 31, 2019, and renounced effective December 31, 2018, qualifying Canadian Exploration Expenses (“CEE”) of \$2,475,075. At March 31, 2019, the Company has spent approximately \$1,010,300 of the commitment and has \$1,464,775 remaining to be spent by December 31, 2019.

In addition, the Company has provided an indemnification to subscribers of flow-through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying CEE as required under the subscription agreement.

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14. Provision for Closure Plans:

Provision for closure plan, December 31, 2017	\$ 311,688
Provision for closure plan expenditures on Broken Hammer	285,293
Provision for closure plan expenditures on Fenelon Gold underground exploration and bulk sample program	1,089,860
Closure plan expenditures relating to Broken Hammer during the year	(257,878)
Total Provision payable for closure plans	\$1,428,963
Closure plan expenditures relating to Broken Hammer during the three months ended March 31, 2019	(41,369)
	\$1,387,594
Current portion relating to Broken Hammer	(124,843)
Provision for closure plan, long term	\$ \$1,262,751

The Company's estimates are based on independent studies or agreements with the respective government body for each project using current restoration standards and techniques. The key assumptions applied for determination of the obligation were an inflation rate of 2% and a discount rate of 1.85% to 2% (December 31, 2018 - an inflation rate of 2% and a discount rate of 1.85 % to 2%). The long term balance of \$172,891 for the Broken Hammer Project is expected to be incurred between 2020 and 2022 and the \$1,089,860 on the Fenelon Gold property is expected to be incurred between 2021 and 2030.

At March 31, 2019 and December 31, 2018, the Company has one-year renewable letters of credit, secured by cash and cash equivalents, of \$1,441,105 supporting the closure plan for the underground exploration and bulk sampling program at Fenelon Gold of \$1,089,860, the closure plan for the Broken Hammer Project of \$361,245. At March 31, 2019, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project is \$297,734 (December 31, 2018 - \$339,103) and the Fenelon Gold project is \$1,089,860 (December 31, 2018 - \$1,089,860).

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15. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended March 31,	
	2019	2018
Carube Copper Corp. (a)		
Interest income on promissory note	\$ -	\$ (5,571)
Reversal of impairment of promissory note	-	-
Reversal of impairment of amounts receivable	-	-
William Day Holdings Limited ("William Day") (b)		
Interest payment capitalized to Fenelon Gold	-	92,467
Exploration and evaluation costs	-	617,235
Legal fees	-	29,917
Accounts payable and accrued liabilities	-	724,042

- (a) These transactions were in the normal course of operations and were measured at the exchange amount of consideration established and agreed to by the related parties. In August 2018, the Company no longer has significant influence over the investment in Carube Copper (note 6) and Carube Copper is no longer considered a related party.
- (b) In August 2017, a director of William Day became a director of the Company. The Company entered into a loan agreement with William Day in 2016, prior to the director becoming a director of Wallbridge. The loan was repaid in April 2018. Interest on the loan was capitalized to Fenelon Gold. These transactions were in the normal course of operations and measured at the exchange amount of consideration established and agreed to by the related parties.

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16. Shareholders' equity:

(a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2018	390,366,736	\$73,925,994
Shares issued upon exercise of warrants (i)	24,655,471	5,171,732
Shares issued upon exercise of stock options (ii)	1,165,000	138,001
Balance, March 31, 2019	416,187,207	\$79,235,727

- (i) During the three months ended March 31, 2019, 24,655,471 common shares were issued upon exercise of warrants at an average exercise price of \$0.17 for total proceeds of \$4,208,360. Value of the warrants exercised of \$963,372 are included in share capital
- (ii) During the three months ended March 31, 2019, 1,165,000 common shares were issued upon exercise of stock options at an average exercise price of \$0.08 for total proceeds of \$89,775. Value of the stock options exercised of \$48,226 are included in share capital.

(b) Share Based Compensation Plan:

The Company has an omnibus share based compensation plan comprised of restricted share units ("RSUs"), deferred share units ("DSUs") and stock options.

For the three months ended March 31, 2019, \$nil (three months ended March 31, 2018 - \$18,200) was recorded in share based compensation expense relating to RSUs. The Company does not have any RSUs outstanding at March 31, 2019 and December 31, 2018.

In January 2019, a total of 205,646 DSUs were granted to the directors of the Company in settlement of 2018 directors' fees of \$31,875.

At March 31, 2019, 7,992,371 DSUs are outstanding (December 31, 2018 – 7,786,725).

On April 1, 2019, a total of 61,883 DSUs were granted to the directors of the Company in settlement of directors' fees of \$19,307 which were earned for the period of January 1 to March 31, 2019.

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16. Shareholders' equity (continued):

(b) Share Based Compensation Plan (continued):

A summary of the Company's stock options are as follows:

Stock Options	March 31, 2019		December 31, 2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	8,067,500	\$0.08	14,560,000	\$0.08
Granted	3,500,000	\$0.155	4,845,000	\$0.08
Cancelled	-	-	(640,000)	\$0.07
Exercised	(1,165,000)	\$0.08	(7,017,500)	\$0.065
Expired unexercised	-	-	(3,680,000)	\$0.095
Outstanding, end of period	10,402,500	\$0.11	8,067,500	\$0.08

On January 3, 2019, 3,300,000 stock options were granted at an exercise price of \$0.155 which will expire on January 3, 2024 of which 1,650,000 options vested immediately and 1,650,000 options will vest January 3, 2020. On January 28, 2019, 200,000 stock options were granted at an exercise price of \$0.175 which will expire on January 28, 2024 of which 100,000 options vested immediately and 100,000 options will vest January 28, 2020.

At March 31, 2019, 6,238,334 stock options were exercisable (December 31, 2018 – 5,603,334). The weighted average exercise price of options exercisable at March 31, 2019 is \$0.10 per share (December 31, 2018 - \$0.078).

The weighted average remaining contractual life of stock options outstanding is 3.9 years (December 31, 2018 – 3.6 years).

For the three months ended March 31, 2019, \$176,500 (three months ended March 31, 2018 - \$17,000) of expense relating to stock options was recorded in share based compensation, and \$53,600 (three months ended March 31, 2018 - \$nil) was capitalized to exploration and evaluation assets.

The fair value of stock options granted during the three months ended March 31, 2019 has been estimated using the Black-Scholes pricing model to be \$335,400 (three months ended March 31, 2018 - \$9,600) or \$0.096 per common share for the three months ended March 31, 2019 (three months ended March 31, 2018 - \$0.048 per common share).

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16. Shareholders' equity (continued):

(b) Share Based Compensation Plan (continued):

The assumptions used in the pricing model are as follows:

	March 31, 2019	December 31, 2018
Estimated risk free interest rate	3.4%	1.9% to 2.1%
Expected life	3.7 years	3.9 years
Expected volatility *	87%	80.1% to 103.8%
Expected dividends	\$Nil	\$Nil
Forfeiture rate *	3.4%	3.2% to 3.5%

* The expected volatility used was based on the historical volatility of the Company's share price over a period equivalent to the expected life of the options prior to their grant date. The forfeiture rate is based on historical rate of forfeitures at the time of stock option grant.

The following table summarizes the stock options outstanding at March 31, 2019:

Exercise Price	Number	Exercisable	Expiry Date
\$0.10	200,000	200,000	May 5, 2019
\$0.05	300,000	300,000	January 8, 2020
\$0.05	425,000	425,000	December 30, 2020
\$0.08	1,050,000	1,050,000	November 7, 2021
\$0.085	1,270,000	1,270,000	June 5, 2022
\$0.075	100,000	100,000	November 9, 2022
\$0.065	650,000	-	June 25, 2023
\$0.075	2,307,500	910,000	July 5, 2023
\$0.075	200,000	100,000	July 23, 2023
\$0.165	400,000	133,334	December 7, 2023
\$0.155	3,300,000	1,650,000	January 3, 2024
\$0.175	200,000	100,000	January 28, 2024
Outstanding options	10,402,500	6,238,334	

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16. Shareholders' equity (continued):

(c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At March 31, 2019, the Company has reserved shares for issuance as follows:

Warrants	March 31, 2019		December 31, 2018	
	Number	Average Price	Number	Average Price
Outstanding, beginning of period	55,365,504	\$0.14	55,190,022	\$0.12
Issued	-	-	15,000,000	\$0.20
Exercised	(24,655,471)	\$0.17	(14,824,518)	\$0.115
Outstanding, end of period	30,710,033	\$0.12	55,365,504	\$0.14

There were no warrants issued during the three months ended March 31, 2019. The fair value of the warrants and agent warrants issued was estimated using the Black-Scholes pricing model to be \$674,000 in 2018, \$0.041 per warrant using the following assumptions:

	December 31, 2018
Estimated risk free interest rate	2.1%
Expected life	2 years
Expected volatility*	79.2%
Expected dividends	\$nil

* The expected volatility used was based on the historical volatility of the Company's share price over a period equivalent to the expected life of the warrants prior to their grant date.

The following table summarizes the warrants outstanding and exercisable at March 31, 2019:

Number	Exercise Price	Expiry Date
2,383,020	\$0.15	June 21, 2019
194,400	\$0.08	August 19, 2019
10,912,500	\$ 0.10	August 19, 2019
142,438	\$0.08	October 4, 2019
10,572,000	\$0.12	October 4, 2019
592,159	\$0.15	November 1, 2019
206,784	\$0.10	November 17, 2019
4,192,832	\$0.15	November 17, 2019
1,513,900	\$0.15	November 29, 2019
30,710,033		

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17. Commitments and contingencies:

- (a) The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

- (b) From time to time the Company may be subject to legal claims, with and without merit. These claims may commence informally and reach a commercial settlement or may progress to a more formal dispute resolution process. The causes of potential future claims cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. Defense and settlement costs may be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Company's future cash flows, results of operations or financial condition.

Management determines when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and is probable that a future outflow of resources will be required to settle the obligation, provided that a reasonable estimate of the amount of the obligation can be made. Provisions for legal claims, onerous contracts and commitments are recognized at the best estimates of the expenditures required to settle the Company's liability. Provisions are measured at the present value of the expenditures required to settle the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

- (c) The Company has a commitment of incurring qualifying flow-through share expenditures of \$1,464,775 in 2019 (note13).

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18. Subsequent Events:

- (a) The non-brokered private placement financing of up to \$7,000,000 to Sprott, previously announced on February 20, 2019, received approval from the Company's shareholders at the annual general and special meeting of shareholders held on May 8, 2019.
- (b) Subsequent to March 31, 2019, 20,262,120 warrants with an average exercise price of \$0.12 were exercised for total proceeds of \$2,380,489.
- (c) On April 1, 2019, 61,833 DSUs were granted to directors in lieu of cash payment of directors' fees earned in the first quarter of 2019.