Financial Statements of

WALLBRIDGE MINING COMPANY LIMITED

Years ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS ' REPORT

To the Shareholders of Wallbridge Mining Company Limited

Opinion

We have audited the financial statements of Wallbridge Mining Company Limited (the Entity), which comprise:

- the statements of financial position as at December 31, 2018 and December 31, 2017
- the statements of loss and comprehensive loss for the years then ended
- the statements of changes in equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 and December 31, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***“Auditors’ Responsibilities for the Audit of the Financial Statements”*** section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Related to Going Concern

We draw attention to Note 1 in the financial statements which indicates that Wallbridge Mining Company Limited has prepared the financial statements on a going concern basis. The Company has had recurring losses, and its continuation as a going concern is dependent on the Company's ability to successfully fund its operations by obtaining additional financing and/or by generating sufficient cash flow from operations. These conditions, along with other matters as set forth in Note 1 in the financial statements, indicate the existence of material uncertainties that cast significant doubt about Wallbridge Mining Company Limited's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Sarah deGuzman.

Toronto, Canada
March 21, 2019

WALLBRIDGE MINING COMPANY LIMITED

Statements of Financial Position
(expressed in Canadian Dollars)

December 31, 2018 and December 31, 2017

		2018	2017
Assets			
Current assets:			
Cash and cash equivalents	$	5,744,775	4,358,706
Restricted cash (note 11 (c) (i))		71,073	18,234
Amounts receivable (note 7)		1,556,086	113,323
Deposits and prepaid expenses (note 8)		103,140	330,590
		7,475,074	4,820,853
Restricted cash (note 19)		1,441,105	386,245
Promissory note receivable (note 9)		-	287,633
Investment in Carube Copper Corp. (note 10)		769,436	741,586
Exploration and evaluation assets (note 11)		43,805,131	22,589,270
Property, plant and equipment (note 12)		1,180,102	281,294
	$	54,670,848	29,106,881
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities (note 13)	$	9,179,787	623,038
Flow-through premium liability (note 18)		593,095	235,600
Deposit from partner (note 11 (c) (i))		71,073	18,234
Derivative financial liability (note 14)		294,800	-
Current portion of provision for closure plan (note 19)		155,223	95,680
Current portion of lease payable (note 17)		288,387	-
Loan payable (note 16)		9,472,086	2,440,426
		20,054,451	3,412,978
Lease payable (note 17)		375,325	-
Provision for closure plan (note 19)		1,273,740	216,008
Deferred tax liability (note 20)		795,000	290,000
		22,498,516	3,918,986
Equity (note 21):			
Share capital		73,925,994	63,794,074
Warrants		1,682,497	1,519,987
Contributed surplus		8,296,974	8,512,970
Deficit		(51,348,415)	(48,639,136)
Accumulated Other Comprehensive Income		(384,718)	-
Total Equity		32,172,332	25,187,895
Nature of operations and going concern (note 1)			
Commitments and contingencies (notes 11 (d), 18, and 22)			
Subsequent events (notes 10, 11(b), (c) and (d), 14 and 23)			
	$	54,670,848	29,106,881

See accompanying notes to financial statements.

Approved by the Board:

"Alar Soever"
_________________________________ Director

"Marz Kord"
_________________________________ Director

WALLBRIDGE MINING COMPANY LIMITED

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

Years ended December 31, 2018 and December 31, 2017

		2018	2017
Other expenses and (income):			
General and administrative expenses	$	1,656,159	1,541,748
Project evaluation costs		13,819	107,273
Amortization of property and equipment		31,488	40,014
Interest income		(24,961)	(47,447)
Unrealized loss on marketable securities		118	18,503
Loss (gain) on disposition of property and equipment		(1,872)	14,411
Foreign exchange on bridge loan (note 16 (b))		529,170	-
Loss on the discontinuance of significant influence of investment in Carube Copper Corp (note 10)		25,926	-
Share of comprehensive loss in Carube Copper Corp (note 9)		162,362	199,788
Recovery impairment of promissory note and amounts receivable (note 8 and 15)		-	(557,099)
Provision for closure plan costs (note 19)		285,293	60,213
Other income relating to flow-through share premium (note 18)		(270,860)	(417,767)
Gain on dilution of equity interest in Carube Copper (note 9)		(307,652)	(249,153)
Impairment of exploration and evaluation assets (note 11 (c) (i))		709,192	228,766
Realized gains on derivative contracts (note 14)		(898,703)	-
Unrealized losses on derivative contracts (note 14)		294,800	-
Loss before income taxes		2,204,279	939,250
Deferred tax expense (note 20)		505,000	290,000
Net loss for the year		2,709,279	1,229,250
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Investment in Carube Copper - net change in fair value (note 10)		384,718	-
Total comprehensive loss for the year	$	3,093,997	1,229,250
Weighted average number of common shares - basic and diluted		329,985,214	244,803,715
Net loss per share - basic and diluted	$	0.01	0.01

See accompanying notes to financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Statements of Changes in Equity
(expressed in Canadian Dollars)

December 31, 2018 and December 31, 2017

	Number of Shares		Share Capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss		Total
Balance, December 31, 2016	**221,739,013**	**$**	**58,268,292**	**973,506**	**8,312,356**	**(47,409,886)**	**-**	**$**	**20,144,268**
Share issuances, net of share issuance costs	63,079,993		5,307,686	556,790	-	-	-		5,864,476
Agent warrants	-		-	77,500	-	-	-		77,500
Flow-through share premiums	-		(626,438)	-	-	-	-		(626,438)
Exercise of warrants	6,696,576		626,064	(87,809)	-	-	-		538,255
Share issuance, deposit on milling contract	416,667		50,000	-	-	-	-		50,000
Restricted share units vested and shares issued	652,537		60,302	-	(60,302)	-	-		-
Deferred share units exercised	1,365,065		77,072	-	(77,072)	-	-		-
Exercise of stock options	445,000		31,096	-	(7,797)	-	-		23,299
Share based compensation	-		-	-	192,011	-	-		192,011
Deferred share units granted	-		-	-	153,774	-	-		153,774
Net loss	-		-	-		(1,229,250)	-		(1,229,250)
Balance, December 31, 2017	**294,394,851**	**$**	**63,794,074**	**1,519,987**	**8,512,970**	**(48,639,136)**	**-**	**$**	**25,187,895**
Share issuances, net of share issuance costs	70,060,657		7,454,643	637,230	-	-	-		8,091,873
Flow-through share premiums	-		(628,355)	-	-	-	-		(628,355)
Shares issued under option agreement	500,000		132,500	-	-	-	-		132,500
Exercise of warrants	14,824,518		2,175,597	(474,720)	-	-	-		1,700,877
Restricted share units vested and shares issued	2,304,870		250,956	-	(250,956)	-	-		-
Deferred share units converted to shares	1,264,340		101,147	-	(101,147)	-	-		-
Exercise of stock options	7,017,500		645,432	-	(189,069)	-	-		456,363
Share based compensation	-		-	-	215,534	-	-		215,534
Deferred share units granted	-		-	-	109,642	-	-		109,642
Investment in Carube Copper - net change in fair value	-		-	-	-	-	(384,718)		(384,718)
Net loss	-		-	-	-	(2,709,279)	-		(2,709,279)
Balance, December 31, 2018	**390,366,736**	**$**	**73,925,994**	**1,682,497**	**8,296,974**	**(51,348,415)**	**(384,718)**	**$**	**32,172,332**

See accompanying notes to financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Statements of Cash Flows
(expressed in Canadian Dollars)

Years ended December 31, 2018 and December 31, 2017

		2018	2017
Cash flows from (used in) operating activities:			
Net loss for the year	$	(2,709,279)	(1,229,250)
Adjustments for:			
Deferred tax expense		505,000	290,000
Amortization and depletion of property and equipment		31,488	40,014
Impairment of exploration and evaluation assets		709,192	228,766
Interest on note receivable		(5,571)	(44,610)
Gain on dilution of equity interest in Carube Copper		(307,652)	(249,153)
Loss (gain) on the disposition of property and equipment		(1,872)	14,411
Other income relating to flow-through share premium		(270,860)	(417,767)
Loss on the discontinuance of significant influence of investment in Carube Copper Corp.		25,926	-
Share of comprehensive loss in Carube Copper Corp.		162,362	199,788
Recovery of impairment of promissory note and amounts receivable		-	(557,099)
Unrealized loss on marketable securities		118	18,503
Share based compensation		215,534	192,011
Deferred stock units		80,892	105,774
Provision for closure plan costs		285,293	60,213
Loss on derivative contracts		504,447	-
Realized gains on derivative contracts		(898,703)	-
Foreign exchange loss on bridge loan		529,170	-
Cash received for interest on promissory note receivable		-	55,223
Closure plan obligations		(257,878)	(94,385)
Changes in non-cash working capital:			
Amounts receivable		(1,275,124)	(24,319)
Prepaid expenses		(26,095)	136,981
Accounts payable and accrued liabilities		1,114,266	(122,290)
		(1,589,346)	(1,397,189)
Cash flows from (used in) financing activities:			
Issuance of share capital		8,371,381	6,282,737
Share issuance costs		(279,508)	(340,761)
Proceeds from sale of marketable securities		-	41,529
Exercise of stock options		456,363	23,299
Exercise of warrants		1,700,877	538,255
Proceeds from bridge loan advances		10,313,280	-
Payment of bridge loan		(1,296,550)	-
Transaction costs relating to bridge loan		(198,446)	-
Lease payments		(53,223)	-
Payment of loan payable		(2,500,000)	-
		16,514,174	6,545,059
Cash flows from (used in) investing activities:			
Exploration and evaluation assets expenditures		(23,820,155)	(2,596,409)
Recoveries from Fenelon Gold bulk sample		10,235,774	-
Cash received on derivative contracts		898,703	-
Exploration and evaluation assets option payments received		339,420	231,522
Deposit for exploration and evaluation asset activities		119,161	(131,250)
Purchase of shares of Carube Copper Corp		-	(64,000)
Acquisition of equipment, net of proceeds		(256,802)	(6,146)
Restricted cash		(1,054,860)	-
		(13,538,759)	(2,566,283)
Net increase in cash and cash equivalents		1,386,069	2,581,587
Cash and cash equivalents, beginning of year		4,358,706	1,777,119
Cash and cash equivalents, end of year	$	5,744,775	4,358,706
Summary of non-cash transactions:			
Exploration expenditures included in accounts payable and accrued liabilities	$	7,539,110	102,267
Exploration recoveries incldued in amounts receivable		167,492	-
Closure plan provision for the Fenelon Gold bulk sample and exploration program		1,089,860	-
Property, Plant and Equipment purchased under lease agreements		716,935	-
Shares issued under exploration purchase option agreement		132,500	-
Settlement of promissory note and interest with Carube Copper Corp. shares		293,204	250,000
Settlement of accounts payable with deferred stock units		28,750	48,000
Share issuance re deposit on milling contract		-	50,000

See accompanying notes to financial statements.

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 year ended December 31, 2018, the Company had a net loss of $2,709,279, negative cash flow from operations of $1,589,346 and has a working capital deficiency of $12,579,377. At December 31, 2018, 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. Also, Sprott exercised warrants for proceeds of $3,250,000. The completion of the financing requires the approval from the Company's shareholders at the next annual and special meeting of shareholders to be held on May 8, 2019 (note 23 (a)). Also, the Company repaid the bridge loan owing to Auramet International LLC ("Auramet") in February 2019 (notes 16 (b) and 23 (b)). 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 casts 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.

On March 21, 2019, the Company's Board of Directors approved the financial statements for the years ended December 31, 2018 and 2017 and authorized them for issue.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

(b) Associates:

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Associates are accounted for using the equity method and are recognized initially at cost. The Company's investment includes goodwill and other purchase price adjustments identified on acquisition based on the fair value of the assets acquired, and the investment is net of any accumulated impairment losses. The financial statements include the Company's share of the income and expenses and equity movements of the associate, after adjustments to align the accounting policies with those of the Company and other adjustments arising from the elimination of intercompany transactions, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

2. Significant accounting policies (continued):

(c) Financial instruments:

On January 1, 2018, the Company adopted IFRS 9 which replaced IAS 39 - Financial Instruments: Recognition and measurement ("IAS 39") replacing the current classification and measurement criteria for financial assets. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities or impact the carrying amounts of any of the Company's financial assets on the transition date. The following is the Company's new accounting policy under IFRS 9:

(i) Classification:

The Company classifies its financial instruments in the following categories: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity investments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election to designate the asset as FVTOCI at initial recognition. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (a derivative or financial liability that is held for trading) or the Company has opted to measure them at FVTPL. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Classification under IAS 39	Classification under IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Restricted cash	FVTPL	FVTPL
Amounts receivable	Amortized cost	Amortized cost
Investment	Available for sale	FVTOCI
Derivative Asset and Liability	FVTPL	FVTPL
Accounts payable	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost

2. Significant accounting policies (continued):

(ii) Measurement:

Financial assets and liabilities at amortized cost - Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, less any impairment.

Financial assets and liabilities at FVTPL - Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of net loss and comprehensive loss. Realized and unrealized gains and losses arising from the change in fair value are included in the statement of net loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI – Equity instruments that have been irrevocably elected at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from the changes in fair value recognized in other comprehensive loss.

(ii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime of the expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2. Significant accounting policies (continued):

(d) Exploration and evaluation assets:

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition, surveying, geological, geochemical, geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability. Interest cost on borrowing for the acquisition of exploration and evaluation assets are capitalized. These expenditures are capitalized until the technical feasibility and commercial viability of the extraction of mineral reserves in a project is demonstrated.

The Company assesses whether there is any indication of impairment. Indicators of impairment include, but are not limited to:

i) The right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

ii) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

iii) Exploration for and evaluation of mineral resources in the specific area have not led to the commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. The estimated recoverable amount is the greater of fair value less costs of disposal, and value in use (which is discounted expected future cash flows). If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

2. Significant accounting policies (continued):

(e) Property and equipment:

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided using the following methods and annual rates:

Asset	Basis	Rate
Buildings and bridges	Declining-balance	5%
Vehicles and equipment	Declining-balance	20% - 30%
Leasehold	Declining-balance	20%

Management reviews the estimated lives, residual values and depreciation methods of the Company's property and equipment at the end of each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Once a mining project has been established as commercially viable, technically feasible, and a development decision has been made, costs are no longer capitalized to exploration and evaluation assets, an impairment test is completed on the asset, and the unimpaired costs are transferred from Exploration and Evaluation assets to property and equipment. Costs associated with development of the project are capitalized to property and equipment.

At each reporting date, the Company reviews the carrying amounts of its property and equipment to determine whether there is any indication of impairment. If any such impairment exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. An impairment is recognized, if the carrying amount of an asset or CGU exceeds its recoverable amount, in the statement of loss and comprehensive loss.

2. Significant accounting policies (continued):

(f) Cash and cash equivalents and restricted cash:

Cash and cash equivalents consists of cash on hand and deposits in banks which may be settled on demand or have a maturity no longer than a 90 day period from the date of purchase.

Restricted cash, classified as current, consists of deposits in banks to be used in exploration joint ventures.

Restricted cash, classified as long-term, consists of cash balances assigned to support one-year letters of credit in support of various agreements.

(i) Share based payments:

The fair value of the stock options, restricted share units, and deferred share units granted to employees, officers and directors is recognized as an expense over the graded vesting period with a corresponding increase to contributed surplus. The fair values for stock options are determined at the grant date by applying the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price, expected volatility, weighted average expected life, expected dividends, expected forfeiture rate and the risk free interest rate. Under graded vesting the fair value of each tranche is recognized over its respective vesting period.

Restricted share units and deferred share units are measured at the fair value of the shares at the grant date and are equity settled. Other share based payments are measured at the fair value of goods or services received. In situations where equity instruments are issued and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the share based payment.

(h) Provision for restoration, rehabilitation and environmental obligations:

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises.

Discount rates to reflect the time value of money are specific to the liability. These costs are charged against profit or loss over the economic life of the related asset, through amortization using a unit-of-production methodology. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate and amount or timing of the underlying cash flows needed to settle the obligation. The unwinding of the discount is recognized as a finance cost.

2. Significant accounting policies (continued):

(i) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Earnings (loss) per share:

Basic earnings (loss) per share are computed by dividing earnings (loss) by the weighted average number of shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options and warrants.

2. Significant accounting policies (continued):

(k) Flow-through common shares:

The Company finances a portion of its exploration activities through the issue of flow-through shares. Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the trading price of the shares and is recorded as a deferred liability. The Company recognizes a pro rata amount of the premium through the statement of loss and comprehensive loss as other income relating to flow-through share premium with a corresponding reduction to the deferred liability as the flow-through expenditures are incurred.

(l) Leases

Leased assets from which the Company receives substantially all of the risks and rewards of ownership of the asset are capitalized as finance leases at the lower of the fair value of the asset or the estimated present value of the minimum lease payments. The corresponding lease obligation is recorded within debt on the balance sheet.

Assets under operating leases are not capitalized, and rental payments are expensed based on the terms of the lease.

(m) Significant accounting judgments and estimates:

The preparation of financial statements in accordance with IFRS requires management to make judgments, 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. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

<u>Significant Judgments in Applying Accounting Policies</u>:

The areas which require management to make significant judgments in applying the Company's accounting policies in determining carrying values include, but are not limited to:

Amortization of property and equipment:

Significant judgment is involved in the determination of useful life and residual values for the computation of amortization of property and equipment and no assurance can be given that actual useful lives and residual values will not differ from current assumptions.

Determination of development phase:

The Company applies significant judgment when determining and assessing its criteria used to determine technical feasibility and commercial viability is demonstrable.

2. Significant accounting policies (continued):

(m) Significant accounting judgments and estimates (continued):

Commercial production:

The determination of the date on which a mine enters the commercial production stage is a significant judgment since capitalization of certain costs ceases and the recording of revenues and expenses commences upon entering commercial production. As a mine is constructed, certain costs incurred are capitalized and proceeds from sales are offset against the capitalized costs. This continues until the mine is available for use in the manner intended by management, which requires significant judgment.

Significant Accounting Estimates and Assumptions*:*

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of exploration and evaluation properties:

While assessing whether any indications of impairment exist for exploration and evaluation properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties. Internal sources of information include the manner in which exploration and evaluation properties are being used or are expected to be used and indications of expected economic performance of the assets.

Income taxes and recoverability of potential deferred tax assets:

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

2. Significant accounting policies (continued):

(m) Significant accounting judgments and estimates (continued):

Investment in Carube Copper Corp. ("Carube Copper")

Significant judgment was involved in the determination of the carrying amount of the investment in Carube Copper while the Company had significant influence and whether impairment has occurred or whether an impairment loss recognized in prior periods may no longer exist or have decreased.

Stock-based compensation and warrants:

Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Reserves and Resources:

Significant estimates and assumptions relate to recoverability of mining operations. Certain assumptions are based upon reserves, which represent the estimated amount of ore that can be economically and legally extracted from the Company's property. Changes in reserves may affect the Company's financial results and financial position as follows:

(i) Asset carrying values;
(ii) Amortization charged in the statement of operations that are determined by the units of production basis or over the estimated life of the mine; and
(iii) Site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities;

2. Significant accounting policies (continued):

(m) Significant accounting judgments and estimates (continued):

Provisions:

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.

3. Recent accounting pronouncements:

Change in accounting policies – Revenue recognition:

On January 1, 2018, the Company adopted IFRS 15. IFRS 15 was issued to clarify the principles for recognizing revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Company currently does not have operating revenue and therefore, there is no impact on its financial statements.

New accounting Standards not yet adopted:

(a) *IFRS 16, Leases ("IFRS 16")* was issued in January 2016. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15, has been applied, or is applied at the same date as IFRS 16.

The Company will adopt this standard effective January 1, 2019. Under this standard, the present value of lease commitments will be shown as a liability on the balance sheet together with an asset representing the right of use, including those leases classified as operating leases under the current standard IAS 17. This implies higher amounts of depreciation expense on the right of use assets and interest expense on lease liabilities will be recorded in the Company's statement of net loss and comprehensive loss in 2019 and future years. Additionally, a corresponding reduction in general and administrative costs and exploration expenditures is expected from the elimination of lease expense.

The Company is in the process of completing its review and analysis of IFRS 16 and will apply IFRS 16 from the adoption date of January 1, 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets and lease liabilities will be measured at the amount of the lease liability on adoption.

The Company will provide the quantitative impact of adopting IFRS 16 in its first quarter of 2019 unaudited condensed interim financial statements.

3. Recent accounting pronouncements (continued):

(b) *Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)* On June 20, 2016, the IASB issued amendments to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. Retrospective, or early, application is permitted if information is available without the use of hindsight. The amendments provide requirements on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Company has assessed and there is no impact on its financial statements.

4. Capital management:

The Company considers its capital structure to be total equity of $32,172,332 at December 31, 2018 (2017 - $25,187,895).

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration and mining activities and to maintain corporate and administrative functions necessary to support operational activities.

Funds are primarily secured through equity capital raised by way of private placements and debt through short term financing. There can be no assurances that the Company will be able to continue raising equity capital or obtaining debt financing in this manner.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, and all are held in a major Canadian chartered bank.

5. Financial risk factors:

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

(a) Credit risk:

Credit risk refers to cash and cash equivalents, amounts receivable and derivative contracts arises from the possibility that any party to the contracts fail to meet its contractual obligations.

The Company monitors the credit worthiness of its customers and joint venture partners.

The Company's cash and cash equivalents are held in a major Canadian chartered bank.

The Company's exposure to credit risk at December 31, 2018 was the carrying value of the cash and cash equivalents and amounts receivable. Most of the amounts receivable are from the federal and Quebec government for sales tax and have low credit risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2018, the Company has cash, current restricted cash, and receivables of $7,371,934 to settle accounts payable and accrued liabilities, deposits from partner, and current portion of the provision for closure plan and current portion of debt and lease payables of $19,166,556 and flow-through shares commitment of $2,336,180 (note 18). The continuation of the Company as a going concern is dependent on the Company's ability to successfully fund its cash obligations through future operations or financing.

The Company has 55,365,504 outstanding warrants at December 31, 2018 with an average exercise price of $0.14 which if fully exercised would result in a cash receipts of $7,918,162.

Subsequent to December 31, 2018, the Company received $3,250,000 from warrant exercises at an average price of $0.195 from a reporting insider and upon shareholder approval will receive up to $7,000,000 in a private placement financing (note 23 (a)). The Company has repaid its Bridge Loan owing to Auramet in January and February 2019 (note 23 (b)).

5. Financial risk factors (continued):

(c) Market risk:

Commodity price risk – Commodity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in commodity prices. The Company is exposed to changes in commodity prices from its sale of gold from its Fenelon Gold bulk sample. To mitigate some of its risk and as required by the Bridge Loan (note 16(b)), the Company held derivative financial instruments in 2018 to minimize its market price exposures.

The gold forward sales contracts are being recognized on a mark-to-market basis as a gain or loss in the statement of loss and comprehensive loss. The fair value of these contracts is $(294,800) at December 31, 2018 (note 14).

Foreign currency risk – Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At December 31, 2018, the Company owes $9,545,900 (US$7,000,000) to Auramet (note 16 (b)). Assuming all other variables remained the same, a 1% change in the Canadian dollar against the US dollar, would have a $95,459 effect in the statement of loss for the year. In January and February 2019, the Company repaid Auramet US$7,000,000 being the equivalent to $9,293,300.

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 Company had $5,744,775 in cash and cash equivalents at December 31, 2018. The Company invests cash in an interest bearing account held in a major Canadian chartered bank. The Company periodically assesses the quality of its investments with the bank and is satisfied with the credit rating of the bank.

The Company's cash is held primarily in interest bearing accounts, the rates of which are not fixed. A 100 basis point change in the interest rate at December 31, 2018 would affect the Company by an annualized amount of interest equal to approximately $57,449.

6. 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, accounts payable and accrued liabilities, and bridge loan approximate fair value due to their short term maturities.

At December 31, 2018, the investment in Carube Copper is classified as level 2 at $769,436. The shares in Carube Copper trade on the TSX Venture Exchange and the fair value is estimated by using the closing share price at December 31, 2018.

The Company's lease payable is classified as level 2. The fair values of lease payable using discounted cash flows based on the cost of borrowing.

The Company's derivative liability is classified as level 2 at $294,800. The fair value is estimated by discounting the difference between the contractual forward price and the mark-to-market price at December 31, 2018.

(expressed in Canadian Dollars)

7. Amounts receivable:

	2018	2017
Harmonized Sales Tax and Quebec Sales Tax	$ 1,215,579	56,756
Quebec tax credits	141,092	-
Other receivables	199,415	56,567
	$ 1,556,086	$ 113,323

8. Deposits and prepaid expenses:

	2018	2017
Deposits on contracts	$ 37,939	$ 181,250
Prepaid interest	-	110,234
Prepaid expenses	65,201	39,106
	$ 103,140	$ 330,590

The Company has paid $37,939 to suppliers for work to be performed in 2018 (2017 - $181,250).

In October 2017, the Company paid $187,500 for interest in advance relating to a loan with William Day Holdings Limited ("William Day") (note 16(a)). At December 31, 2017, $110,234 was recorded as prepaid interest.

(expressed in Canadian Dollars)

9. Promissory Note Receivable from Carube Copper:

	Total Receivable	Impairment
Balance, December 31, 2016	$ 548,246	$ (548,246)
Accrued interest at 12% in 2017	44,610	-
Cash received for interest, March 8, 2017	(55,223)	-
Reversal of impairment	-	548,246
Settlement of promissory note with shares, June 13, 2017	(250,000)	-
Balance, December 31, 2017	$287,633	$ -
Accrued interest at 12%, January 1 to March 8, 2018	5,571	-
Settlement of promissory note with shares, March 21, 2018	(293,204)	-
Balance, December 31, 2018	$ -	$ -

On March 14, 2017, the Company amended the promissory note with Carube Copper to extend the repayment date from December 31, 2017 to December 31, 2019. In consideration for the extension of the repayment date, the Company was granted a pre-emptive right with respect to any future financings of Carube Copper in order to maintain at all times a 15.5% equity interest in Carube Copper. The Company was given the right to convert any of the Carube Copper indebtedness at any time into common shares of Carube Copper at a price equal to the 4-day volume weighted average price. The Company maintains the 1.75% Net Smelter Return ("NSR") on Carube Copper's Mackenzie and Salal properties. The buyback terms for the purchase of the NSR royalty, now that the promissory note was repaid in full, is as follows: (i) for $350,000 at any time on or before December 31, 2019 (the maturity date); (ii) for $750,000 during the first year after the maturity date; or (iii) for $1.75 million at any time thereafter. The Company reversed the impairment upon signing of the amended promissory note as the promissory note can be converted at any time into common shares of Carube Copper.

On June 13, 2017, the Company agreed to settle $250,000 of the promissory note by receiving 2,173,913 common shares of Carube Copper valued at $0.115 per share.

On March 21, 2018, the Company converted the promissory note receivable and accrued interest receivable of $293,204 into 5,367,266 common shares of Carube Copper at a price of $0.0546 per share, being the price equal to the 4-day volume weighted average price.

(expressed in Canadian Dollars)

10. Investment in Carube Copper:

At December 31, 2018, the Company owns 19,235,911 (2017 - 13,868,645) shares of Carube Copper representing approximately 11.3% (2017 – 12.7%) of the outstanding shares.

Wallbridge's investment in Carube Copper is as follows:

	Number of shares	Amount
Balance, December 31, 2016	10,894,732	$ 378,221
Purchase of 800,000 units of Carube Copper (i)	800,000	64,000
Gains on dilution of equity interest in Carube Copper (ii)		249,153
Promissory note settlement of $250,000 (iii)	2,173,913	250,000
Share of comprehensive losses of Carube Copper, December 1, 2016 to November 30, 2017 (iv)		(199,788)
Balance, December 31, 2017	13,868,645	$ 741,586
Gain on dilution of equity interest in Carube Copper (ii)		307,652
Promissory note settlement of balance of $293, 204 (iii)	5,367,266	293,204
Share of comprehensive losses of Carube Copper, December 1, 2017 to August 9, 2018 (iv)		(162,362)
Loss on the discontinuance of significant influence (v)		(25,926)
Decrease in fair value, December 31, 2018 (vi)		(384,718)
Balance, December 31, 2018	19,235,911	$ 769,436

(i) On March 1, 2017, the Company purchased 800,000 units at $0.08 per unit of Carube Copper as part of a private placement of 20,000,000 units. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitled the Company to purchase one common share for a period of twenty-four months from the closing date at a price of $0.15 per common share. The warrants expired unexercised on March 1, 2019.

(ii) During the period of January 1 to August 9, 2018, Carube Copper issued shares resulting in a dilution of the Company's equity interest and the Company recorded a gain on dilution of its interest totalling $307,652. During the year ended December 31, 2017, the Company recorded $249,153 gain on dilution of its interest.

(iii) On March 21, 2018, the Company received 5,367,266 shares for settlement of $293,204 being the balance owing of the promissory note and interest receivable (note 9). On June 13, 2017, the Company received 2,173,913 shares for settlement of $250,000 of the promissory note (note 9).

10. Investment in Carube Copper (continued):

(iv) The Company recorded its share of comprehensive loss of Carube Copper for the period of December 1, 2017 to August 9, 2018 of $162,362 which represented approximately 11.7% of the total comprehensive loss of $1,388,790 over the period. In 2017, the Company recorded its share of comprehensive loss of Carube Copper for the year ended November 30, 2017 of $199,788 which represented approximately 13% of the total comprehensive loss during the year of $1,535,267. The percentage ownership changed as Carube Copper issued shares during 2017 and 2018.

(v) On August 9, 2018, the Company determined that the Company no longer had significant influence. Upon the loss of significant influence, the investment was recorded at fair value, resulting in a loss of $25,926 reflecting the difference between the fair value and the carrying value at August 9, 2018.

(vi) The changes in fair value of the investment are recognized in other comprehensive income or loss for each period. At December 31, 2018, the Company recorded a decrease of $384,718 in fair value of its investment. Carube Copper shares are traded on the TSX Venture Exchange. At December 31, 2018, the closing price was $0.04.

(expressed in Canadian Dollars)

11. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	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 (b)	-	364,351	-	-	364,351
Other Sudbury Projects (c) (i) and (iv)	8,444,116	44,074	(709,192)	(17,100)	7,761,898
North Range and Wisner Properties (c) (ii) and (iv)	3,666,123	38,818	-	(123,320)	3,581,621
Parkin Properties (c) (iii) and (v)	3,952,505	199,000	-	(199,000)	3,952,505
	$22,589,270	32,877,385	(709,192)	(10,952,332)	$43,805,131

	Balance December 31, 2016	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2017
Fenelon Gold Property (a)	$ 4,130,275	2,396,251	-	-	$ 6,526,526
Other Sudbury Projects (c) (i) and (iv)	8,416,540	38,976	-	(11,400)	8,444,116
North Range and Wisner Properties (c) (ii) and (iv)	3,944,587	12,424	(228,766)	(62,122)	3,666,123
Parkin Properties (c) (iii) and (v)	3,952,505	158,000	-	(158,000)	3,952,505
	$20,443,907	2,605,651	(228,766)	(231,522)	$22,589,270

Included in 2018 expenditures are salaries and benefits of $1,506,954 (2017 - $459,126).

(expressed in Canadian Dollars)

11. Exploration and evaluation assets (continued):

(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 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 19), capitalized interest and transaction costs of $1,693,600 relating to the Auramet loan (note 16 (b)), 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.

Capitalized expenditures for 2017 on Fenelon Gold Property included exploration costs of $1,949,251, interest of $375,000, and amortized legal fees of $72,000 relating to the loan payable (note 16 (a)).

The property is subject to a 1% NSR on any future commercial production.

The Company secured the Auramet loan with a first mortgage, charge and hypothec registered against title to the Fenelon Gold Property. Upon repayment of the bridge loan on February 25, 2019, the security was released (note 23 (b)).

(b) Beschefer Project (“Beschefer”):

On October 16, 2018, the Company entered into an option agreement to acquire 100% of Beschefer from Lateegra Gold Corp., a wholly owned subsidiary of Excellon Resources Inc. Beschefer is an advanced gold exploration property located approximately 30 kilometres southwest of Fenelon Gold. The option may be exercised by the Company by incurring and funding aggregate expenditures on the property in the following amounts and issuing common shares in the capital of the Company as follows:

	Share issuance	Expenditure commitment
Upon execution of the agreement, October 16, 2018	500,000	$ -
October 16, 2019	1,000,000	500,000
October 16, 2020	2,000,000	2,000,000
October 16, 2021	3,500,000	2,000,000
Total	7,000,000	$ 4,500,000

The Company may accelerate expenditures and the option will be effectively exercised when the Company has $4,500,000 of expenditures and issued 7,000,000 common shares. The Company has spent $222,231 on its exploration commitment at December 31, 2018. The 500,000 shares issued on October 16, 2018 had a fair value of $132,500 based on the closing price of $0.265 per share on October 16, 2018. Included in the costs capitalized was the cost of issuing the shares of $9,620.

11. Exploration and evaluation assets (continued):

(c) Sudbury Projects:

(i) Other Sudbury Projects:

At December 31, 2018, the Company has interest in 39 exploration properties in the Sudbury, Ontario area of which 34 of the exploration properties are subject to joint venture arrangements with other parties. In order to retain its right to the properties, the Company must fulfill the commitments set out in note 11 (d) as well as incur exploration expenditures required for provincial assessment purposes.

The Company has spent $44,074 on exploration expenditures on Other Sudbury Projects in 2018 (2017 - $38,976) and received $17,100 in option payments (2017 - $11,400) (note 11 (c) (iv)).

In March 2018, the Company decided to abandon the Barry property (part of the Other Sudbury Projects) and did not make the final option payment of $15,000 which was due on April 1, 2018. The Company recorded an impairment of $44,078 bringing the balance to $nill on the Barry property.

At December 31, 2018, the Company recorded an impairment of $665,114 bringing the balance to $nil on the Graham property (part of the Other Sudbury Projects), as the Company has decided to discontinue exploration activity in the area.

Sudbury Camp Joint Venture ("SCJV")

At December 31, 2018, nine of the properties of the Other Sudbury Projects have been assigned to the SCJV, an exploration joint venture operated in conjunction with Lonmin. The Company retains a 100% interest in each property until there is an indicated resource on a particular property. Provided Lonmin has fulfilled its minimum expenditure commitment of US $1 million each year, it will earn, at that time, a 50% interest in the particular property. Lonmin's interest would be diluted to the extent the Company has contributed to work on a property. As a joint venture participant, the Company may elect to fund its pro-rata share of approved exploration budgets in order to increase its interest in the property. By funding a feasibility study and securing the Company's portion of financing through to commercial production, Lonmin can increase its interest in a property to 65%.

For the period of October 1, 2016 to September 30, 2017, Lonmin's minimum annual expenditure commitment was reduced to $250,000.

11. Exploration and evaluation assets (continued):

(c) Sudbury Projects (continued):

Lonmin Plc (“Lonmin”) Exploration Joint Ventures

The Company has exploration joint ventures with Lonmin on several properties in the Sudbury area: the SCJV and the North Range Joint Venture (“NRJV”) on the Parkin, North Range and Wisner Properties. At December 31, 2018, Wallbridge has $71,073 (2017 - $18,234) of restricted cash from Lonmin which is to be used in the NRJV on the Parkin, North Range and Wisner Properties.

Lonmin did not meet the minimum funding requirements to maintain their options under the SCJV and NRJV agreements and subsequent amendments, with a shortfall of approximately $1.2 million for the period ended September 30, 2017. The Company and Lonmin agreed that the shortfall in the 2017 would be added to the 2018 program. In return for deferral of the 2018 program, Wallbridge received the proceeds from the Junior Exploration Assistance Program (“JEAP”) of $189,935 and the initial Battery Minerals Resources Limited (“Battery Minerals Resources”) payment of $75,000 for general working capital purposes. It was agreed that these funds would be considered part of Lonmin’s 2018 funding requirement.

In 2018, Lonmin did not meet the minimum funding requirements to maintain their options under the SCJV and NRJV agreements and subsequent amendments, with a shortfall of approximately $5.4 million for the period ended September 30, 2018. Both parties have agreed that the 2018 exploration joint ventures program will be deferred to the 2019 program which runs from October 1, 2018 to September 30, 2019, and Lonmin will maintain its options under the joint venture agreements while deferring the decision on the 2019 scope of work and budgets by maintaining an $83,333 per month budget.

On March 13, 2019, Lonmin has agreed that the unused funds of $91,104 at December 31, 2018 in the SCJV and NRJV 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.

(ii) *NRJV Agreement re North Range Properties and Amendment re Wisner Properties:*

In 2012, Lonmin exercised its right to enter into an exploration joint venture on the North Range Properties. Twelve of the Other Sudbury Projects properties are assigned to the NRJV, an exploration joint venture operated in conjunction with Lonmin, relating to the North Range Properties. Lonmin can earn up to a 50% interest by spending twice the Company’s expenditures on each of the properties initially by June 30, 2016. An amending agreement was signed in September 2015 which extended the initial earn-in expiry date to September 30, 2019 and the total minimum commitment of $250,000 of exploration costs on the North Range and Wisner properties. Lonmin can then earn up to a 65% interest in each of the properties by making additional expenditures.

Lonmin has earned a 65% interest in the Iron Mask, Foy North and Ministic Properties.

11. Exploration and evaluation assets (continued):

(c) Sudbury Projects (continued):

In December 2013, the Company entered into an agreement with Lonmin to amend the NRJV agreement effective October 1, 2013 to add the Wisner Properties. Lonmin could earn a 50% interest in its Wisner package of five properties, which excluded the Broken Hammer project, by making option payments and funding exploration over three years as follows:

i. Lonmin will fund exploration costs on the Wisner Properties totaling $3.6 million over three years with minimum annual expenditures of $1.2 million;

ii. Lonmin will make cash option payments to the Company totaling two thirds of annual exploration costs; and

iii. The Company will fund 40% of the exploration costs on the Wisner Properties over three years, totaling $2.4 million.

An amending agreement was signed in September 2015 which extended the initial earn-in expiry date to September 30, 2019 and amended the total annual minimum commitment to $250,000 of exploration costs on the North Range and Wisner properties. Upon vesting, Lonmin will have the option to earn a 15% additional interest by committing to fund the Wisner properties through to a definitive feasibility study.

In 2018, the Company spent $38,818 on exploration expenditures on the North Range and Wisner Properties (2017 - $12,424) and received $43,460 in option payments from Lonmin (2017 - $8,882). Also, in 2018, option payments were received of $79,860 (2017 - $53,240) relating to the Battery Minerals option and sale agreement (note 11 (c) (iv)).

In 2017, the Company recorded an impairment of $228,766 on its Cascaden North property to its estimated recoverable value based on the value of property implied in the option and sale agreement. The property consists of one claim and is part of the option and sale agreement with Battery Minerals Resources (note 11 (c) (iv)).

(iii) <u>NRJV Amendment re Parkin Properties</u>

In September 2015, the Company entered into an agreement with Lonmin to amend the NRJV agreement, to provide for Lonmin to earn up to a 50% initial interest in the four Parkin properties by making payments and funding aggregate expenditures up to $11 million on or before September 30, 2019. The expenditures include the cash payments to purchase the Impala Platinum Holdings Limited (“Impala”) interest in the Parkin Properties in note 11(c) (vi).

11. Exploration and evaluation assets (continued):

(c) Sudbury Projects (continued):

(iv) Battery Minerals Resources option and sale agreement

Effective October 15, 2017, Battery Mineral Resources may acquire a 100% interest in 19 claims that are part of the Company's North Range and Sudbury Camp Joint Ventures with Lonmin, by making cash payments totalling $700,000 and annual work commitments of $50,000 over three years. Lonmin has an interest of approximately 35% in these claims. In 2018, $150,000 (2017 - $100,000) was received which $96,960 (2017 - $64,640) was recorded as a recovery and $53,040 pertained to Lonmin's interest in the claims (2017 - $35,360). The cash option payments remaining are $200,000 by October 15, 2019 and $250,000 by October 15, 2020. The Company, collectively with Lonmin on claims where Lonmin has earned a vested interest, shall retain 1% or 2% NSR Royalties which are subject to buy-backs, a production bonus royalty of $1,000,000 for each one million metric tonnes of ore produced from the properties at a mill head grade of 1% cobalt equivalent or better, and a 100% claw-back right on any nickel-copper-PGM deposits discovered.

(v) Impala Agreement

In 2008, the Company entered into an option and joint venture agreement with Impala on its Parkin Properties in Sudbury where Impala earned a 49.6% interest and Wallbridge had a 50.4% interest in the Properties at December 31, 2014. The Company entered into an option agreement with Impala, effective December 31, 2014, which provides the Company an option to purchase Impala's 49.6% interest by making cash payments over five years. The Company made an option payment of $199,000 (2017 - $158,000) and received option payments of $199,000 (2017 - $158,000) from Lonmin (11 (c) (iv)). Wallbridge is required to make the final payment of $1,500,000 by June 30, 2019 to purchase the 49.6% interest.

On March 15, 2019, the Company and Impala agreed to extend the option payment of $1,500,000 to June 30, 2020 by the Company making a $150,000 payment to Impala by June 30, 2019.

(expressed in Canadian Dollars)

11. Exploration and evaluation assets (continued):

(d) Future commitments:

A summary of future commitments not included in the above are set out in the following table:

Property	Commitment	Payable
Other Sudbury Properties:		
Graham **	1.5% NSR	on production
Blezard**	1.5% NSR	on production
Frost Lake **	1.5% NSR	on production at Glencore facilities
	or 5% NSR	on production at other facilities
Drill Lake	2% NSR	on production
	or $1,000,000 and 1% NSR	on production
Creighton South	$200,000 Advance Royalty	commencement of production on
	1% NSR	production
Foy	$1,000,000	commencement of production
Trill	2% NSR on certain claims	on production
	or 1% NSR plus $1,000,000; and	on production
	1% NSR on a portion of property	on production
	or $1,000,000	on production
North Range and Wisner Properties:		
CBA Hess	2.5% NSR on certain claims	on production
	or 1.25% NSR plus $1,000,000; and	on production
	3% NSR on certain claims	on production
	or 2% NSR plus $1,500,000	on production
	1.5% NSR or $1,500,000	on production
	Advance Royalty of $9,440 per annum	$4,720 semi-annually *
CBA Ermatinger	2% NSR on certain claims	on production
	or 1% NSR plus $1,000,000	on production
	Advance Royalty of $560 per annum	$280 semi-annually *
	And 2.5% on certain claims	on production
	or 1.25% NSR plus $1,500,000	on production
Ruza	2% NSR	on production
Foy North	2.5% NSR not to exceed $3,000,000	on production
	Certain claims 2% NSR plus 0.5% NSR which can be purchased for $500,000; 50% of the 2% NSR can be purchased for $1,000,000	on production
Cartier	Glencore retains a right to buy back a 60% interest at the feasibility stage in any deposit which contains in excess of US$750 million of contained metal by incurring 200% of the expenditures made after January 1, 2011	
Wisner**	1.5% NSR	on production at Glencore facilities
	or 5% NSR	on production at other facilities
Wisner East	1% NSR may be purchased for $2,000,000 with an adjustment for inflation, and a further 1% NSR under certain conditions	
Bowell	1% NSR may be purchased for $2,000,000 with an adjustment for inflation, and a further 1% NSR under certain conditions	

(expressed in Canadian Dollars)

11. Exploration and evaluation assets (continued):

(d) Future commitments (continued):

Property	Commitment	Payable
Parkin Properties:		
Parkin Milnet	1.5% NSR on a portion of property with a right of first refusal to Purchase the NSR; and	on production
	1.5% NSR on a portion of property or	on production
	$1,000,000	prior to production
Parkin	1.5% NSR	on production at Glencore facilities
	or 5% NSR	on production at other facilities
Parkin – Champion Bear	Advance Royalty $12,000 per annum	$6,000 semi-annually *
	2.5% NSR	
	60% of NSR may be purchased for $1,500,000; complete a definitive feasibility study and fund Champion Bear's portion of development expenditures as a loan against their proceeds of production to earn 75% interest	

* payments were made in February and March 2019 by the joint venture partner

** NSR owing if the interest in the property by the joint venture partner is reduced to below 10%

(expressed in Canadian Dollars)

12. Property, plant and equipment:

Cost:

	Broken Hammer	Buildings, leaseholds and bridges	Plant, vehicles and equipment	Total
Balance, December 31, 2016	$ 6,021,190	$ 347,682	$ 1,185,444	$ 7,554,316
Additions	- -	- -	6,149	6,149
Disposals	- -	- -	(419,066)	(419,066)
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

Accumulated amortization:

	Broken Hammer	Buildings, leaseholds and bridges	Plant, vehicles and equipment	Total
Balance, December 31, 2016	$ 6,021,190	$ 153,754	$ 1,049,799	$ 7,224,743
Additions	-	-	40,014	40,014
Disposals	-	-	(404,652)	(404,652)
Balance, December 31, 2017	6,021,190	153,754	685,161	6,860,105
Additions	-	9,157	67,646	76,803 (i)
Disposals	-	-	(60,119)	(60,119)
Balance, December 31, 2018	$ 6,021,190	$ 162,911	$ 692,688	$ 6,876,789

Carrying amounts:

	Broken Hammer	Buildings, leaseholds and bridges	Plant, vehicles and equipment	Total
At December 31, 2017	$ -	$ 193,928	$ 87,366	$ 281,294
At December 31, 2018	$ -	$ 184,771	$ 995,331	$ 1,180,102

(a) The net carrying value of property, plant, and equipment held under finance leases (note 17) at December 31, 2018 is $690,956 (December 31, 2017 - $nil).

(b) Included in amortization is $45,315 relating to equipment used at the Fenelon Gold Property for the bulk sample. These costs have been capitalized to the property (note 11 (a)).

(expressed in Canadian Dollars)

13. Accounts payable and accrued liabilities:

	2018	2017
Accounts payable	$ 8,335,638	$ 235,345
Accrued liabilities	555,359	138,483
Payroll related liabilities	288,790	249,210
	$9,179,787	$ 623,038

Included in accounts payable and accrued liabilities at December 31, 2018 are amounts relating to Fenelon Gold of $8,584,543 (December 31, 2017 - $102,267).

14. Derivative financial instruments:

As a condition of the Bridge Loan (note 16 (b)) on March 26, 2018, the Company entered into forward sales contracts to sell a portion of the projected gold production from the Fenelon Gold bulk sample to protect against changes in the price of gold during the year. The timing of the settlement specified in the financial contracts matched the projected delivery of gold. The forward gold sales contracts and call options are being recognized at fair value with the gain or loss recognized in the statement of loss and comprehensive loss. The Company recognized realized gains of $1,106,303 on 8,720 ounces at a price of $1,720 settled in August, October, and November 2018. During November 2018, Auramet was granted call options on 6,000 ounces at strike prices between $1,625 and $1,630 with expiry dates between November 30, 2018 and January 31, 2019. The Company held put options for 4,500 ounces at $1,600 in December 2018 which expired unexercised in December 2018. The Company recognized a realized loss of $207,600 on call options on 2,000 ounces at a price of $1,625 in December 2018.

At December 31, 2018, the Company has forward sales contracts outstanding for 2,150 ounces of gold at a price of $1,720 per ounce for settlement on January 15, 2019. In addition, the Company has call options outstanding for 2,000 ounces at an average price of $1,627.50 per ounce strike price with expiry date of January 31, 2019. The value of the call options were calculated using the Black-Scholes method.

	2018	2017
Fair value of the forward sales contracts	$ 54,800	$ -
Fair value of the call options	240,000	-
Derivative liability	$ 294,800	$ -

In January 2019, the Company financially settled the forward contract and realized a gain of $13,975. The call options were settled in January 2019 and the Company realized a loss of $215,000.

(expressed in Canadian Dollars)

15. Related party transactions:

(a) The Company had the following transactions with related parties:

	2018	2017
Carube Copper Corp. (i)		
Interest income on promissory note (note 9)	$ (5,571)	(58,365)
Cost recoveries for expenses	-	(3,755)
Recovery of impairment of promissory note and receivable (note 9)	-	(557,099)
Amounts receivable	-	716
William Day (ii)		
Interest payment capitalized to Fenelon Gold (note 16 (a))	357,308	146,918
Exploration and evaluation costs – Fenelon Gold	631,865	-
Legal fees	29,917	-
Closure plan expenditures – Broken Hammer	58,794	-
Accounts payable and accrued liabilities	25,680	14,900

(i) The Company owns 11.3% of Carube Copper (note 10) (2017 – 12.7%). The Company had a promissory note receivable from Carube Copper (note 9) with principal and interest owing of $287,633 at December 31, 2017 which was settled with 5,367,266 common shares of Carube Copper in March 2018. The Company recorded an impairment recovery of $548,246 on the promissory note and $8,853 in the receivable during 2017. 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. On August 9, 2018, the Company no longer has significant influence over the investment in Carube Copper (note 10) and effective August 9, 2018, Carube Copper is no longer considered a related party.

(ii) On August 10, 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 (note 16 (a)). Interest on the loan was capitalized to the Fenelon Gold property. 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.

(expressed in Canadian Dollars)

15. Related party transactions (continued):

(b) Key management personnel compensation:

The remuneration of Directors, Executive Chairman, President and CEO, and CFO of Wallbridge was as follows:

	2018	2017
Salaries and benefits [1]	$783,724	$ 881,878
Stock-based compensation [2]	110,333	139,236
	$ 894,057	$ 1,021,114

[1] Includes salaries and benefits and directors' fees in general and administrative expenses on the statement of loss and comprehensive loss. Included in directors fees are deferred share units ("DSUs") granted for 2018 fees totalling $112,767 (2017 - $105,774).

[2] Share based compensation is included in general and administrative expenses on the statement of loss and comprehensive loss and consists of stock options and restricted share units.

(expressed in Canadian Dollars)

16. Loans payable:

	Effective Interest Rate	Due Date	2018	2017
William Day– Loan payable (a)	18%	October 18, 2018	$ -	$ 2,440,426
Auramet International LLC ("Auramet") – Bridge Loan (b)	20.75%	February 28, 2019	9,472,086	-
			$ 9,472,086	$ 2,440,426

(a) On September 27, 2016, the Company entered into a loan agreement with William Day for $2,500,000 to be repaid in 24 months from the advance date with an interest rate of 15% with interest payments to be paid in advance at 6-month intervals. On April 27, 2018, the Company paid the full amount owing on the loan of $2,500,000 plus $187,500 of the next scheduled payment of interest which was due and payable at the time of prepayment.

During the year ended December 31, 2018, legal fees of $59,574 (2017 - $86,300) related to the debt were amortized over the term of the loan and capitalized to Fenelon Gold. During the year ended December 31, 2018, the Company paid $187,500 in interest (2017- $375,000). Interest was capitalized to Fenelon Gold.

16. Loans payable (continued):

(b) On March 26, 2018, the Company obtained a bridge loan of US$8 million with Auramet to finance the 35,000-tonne bulk sample program at its 100%-owned Fenelon Gold property in Quebec ("Bridge Loan"). The Bridge Loan bears interest at an annual rate of 20.75% on the drawn amounts. The loan was to be repaid at any time before January 2019, with the balance to be paid before January 15, 2019. Effective October 31, 2018, the Bridge Loan required a monthly cash sweep of 50% of the Company's cash and cash equivalents plus accounts receivables, minus cash interest expense, minus accounts payable and accrued expenses. No early loan payments were required as a result of the monthly cash sweeps. The note is secured by a hypothec over the Fenelon Gold property, a general security agreement, and the assignment of the Fenelon Gold property leases. Transaction costs relating to the loan of $232,571 are amortized over the term of the loan and capitalized to the Fenelon Gold property. Proceeds of the Bridge Loan were used to repay the outstanding $2.5 million loan to William Day and to fund working capital.

As part of the Bridge Loan conditions, the Company entered into a mutually agreed price protection plan on the sale of gold at $1,720 for 10,870 ounces for settlement between August and December 2018 (note 14). Of these ounces, 2,150 ounces for settlement in December 2018 were settled in January 2019. In addition, Auramet was granted call options on 6,000 ounces of gold at $1,780 per ounce with expiry dates between August 31 and November 30, 2018. All of these call options expired unexercised. In November 2018, additional put options for 4,500 ounces at $1,600 for expiry in December and additional call options for 6,000 ounces with an average price of $1,630 with expiry dates between December 2018 and January 2019 were acquired (note 14). The put options expired unexercised and 2,000 call options with an expiry date of December 4, 2018 expired unexercised.

The Company also agreed to sell to Auramet the future bulk sample gold production and gold production from the first year of commercial production.

At December 31, 2018, the balance owing is $9,472,086 consisting of $9,545,900 (US$7,000,000) payable less $73,814 unamortized transaction costs. The Company paid interest of $1,174,535. Interest paid is capitalized to the Fenelon Gold property.

During the year ended December 31, 2018, the Company recorded a foreign exchange loss of $529,170 on the Bridge Loan.

In order to align the final loan repayments with the updated bulk sample milling schedule, in December 2018, Auramet and the Company agreed to extend the maturity date from January 15, 2019 to February 28, 2019 based on a new repayment schedule of US$2 million on January 15, 2019, US$2 million on January 31, 2019, and US$3 million on February 28, 2019. Wallbridge agreed to pay Auramet a deferral fee of US$25,000. The loan payments were made on or before the scheduled payment dates in 2019 with the final payment on February 25, 2019. The total repayment 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.

(expressed in Canadian Dollars)

17. Leases payable:

At December 31, 2018, the carrying amount of assets under finance leases was $690,956 (December 31, 2017 - $nil). Minimum lease payments in respect of finance lease liabilities are as follows:

	2018	2017
Less than one year	$314,596	$-
Year two	377,146	
Years three to five	6,866	-
	698,608	-
Effect of discounting	(34,896)	-
Present value of minimum finance lease payments – total finance lease liabilities	663,712	-
Less current portion	(288,387)	-
Long-term finance lease liabilities	$375,325	$-

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

	2018	2017
Less than one year	$288,387	$-
Year two	368,459	-
Years three to five	6,866	-
	$663,712	$-

(expressed in Canadian Dollars)

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

	2018	2017
Balance, beginning of year	$ 235,600	$ 26,929
Premium recorded through flow-through proceeds	628,355	626,438
Other income recorded as flow-through expenditures incurred	(270,860)	(417,767)
Balance, end of year	$ 593,095	$ 235,600

The Company recorded a premium of $628,355 in connection with flow-through private placements in 2018 (2017 - $626,438). The Company estimates the proportion of the proceeds attributable to the flow-through premium as the excess of the subscription price over the market value of the shares and records this value as a liability at the time the shares are issued. As qualifying expenditures are incurred, the Company recognizes a pro-rata reduction of the flow-through premium liability as other income in the statements of loss and comprehensive loss. During the year ended December 31, 2018, a reduction in the flow-through liability of $270,860 was recorded in other income (2017 - $417,767).

The Company is committed to spending prior to December 31, 2019, and renounced effective December 31, 2018, qualifying CEE of $2,475,075. At December 31, 2018 the Company has spent approximately $138,900 of the commitment and has $2,336,180 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.

(expressed in Canadian Dollars)

19. Provision for Closure Plan

	2018	2017
Provision for closure plan, beginning of year	$ 311,688	345,860
Provision for closure plan expenditures on Broken Hammer	285,293	60,213
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)	(94,385)
Total Provision payable for closure plans	$1,428,963	311,688
Current portion relating to Broken Hammer	(155,223)	(95,680)
Provision for closure plan, long term	$ $1,273,740	216,008

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, 2017 - an inflation rate of 1.85% to 2% and a discount rate of 1.1 % to 1.7%). The long term balance of $183,888 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 2020 and 2029.

At December 31, 2018, the Company has one-year renewable letters of credit, secured by cash and cash equivalents, of $1,441,105 (2017 - $386,245) supporting the closure plan for the underground exploration and bulk sampling program at Fenelon Gold of $1,089,860 (December 31, 2017 - $nil), the closure plan for the Broken Hammer Project of $361,245 (December 31, 2017 - $361,245) and the Windy Lake Project of $25,000 (December 31, 2017 - $25,000). At December 31, 2018, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project is $339,103 (2017 - $311,688) and the Fenelon Gold project is $1,089,860 (December 31, 2017 - $nil).

(expressed in Canadian Dollars)

20. Income taxes:

(a) Tax provision:

Income taxes differ from the amount that would be computed by applying the combined Federal and Provincial statutory income tax rates of 25% (2017 - 25%). The reconciliation between the statutory and the effective tax rates is provided as follows:

	2018	2017
Loss before income taxes	$ 2,204,279	$ 939,250
Expected tax recovery at statutory rate of 25%	$ (551,000)	$ (235,000)
Increase (decrease) in provision resulting from:		
Renunciation of exploration expenditures	952,000	703,000
Other permanent differences	21,000	(100,000)
Change in unrecognized deferred tax assets	83,000	(78,000)
Deferred tax expense	$505,000	$290,000

(b) The components of deferred tax assets and liabilities are as follows:

	2018	2017
Exploration and evaluation assets	$ (8,646,000)	$ (2,799,000)
Property and equipment	321,000	373,000
Non-capital losses	7,131,000	1,888,000
Deferred financing and other costs	399,000	248,000
Deferred tax liability	$ (795,000)	(290,000)

The Company has non-capital losses of approximately $29,501,000 that will expire between 2031 and 2038 if not used.

(c) Unrecognized deferred tax assets:

Deferred tax assets have not been recognized in respect of the following deductible temporary differences, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2018	2017
Investment in Carube Copper	$7,947,795	$7,682,441
Capital losses	1,907,500	1,907,385
Non-capital losses	974,733	2,674,668
Provision for closure plan	1,428,963	-

(expressed in Canadian Dollars)

21. Shareholders' equity:

(a) Share capital transactions:

	Number of shares	Share capital
Balance, January 1, 2017	221,739,013	$58,268,292
Private placement – flow-through shares (a) (i)	5,300,000	450,500
Flow-through share premium (a) (i)	-	(53,000)
Private placement – flow-through shares (a) (ii)	7,500,000	1,050,000
Flow-through share premium (a) (ii)	-	(300,000)
Private placement – units (a) (ii)	4,766,040	476,604
Private placement – units (a) (iii)	24,576,453	2,211,881
Private placement – flow-through shares (a) (iii)	20,937,500	2,093,750
Flow-through share premium (a) (iii)	-	(273,438)
Exercise of warrants (a) (iv)	6,696,576	626,064
Vesting of RSUs (a) (v)	652,537	60,302
Conversion of DSUs (a) (vi)	1,365,065	77,072
Exercise of stock options (a) (vii)	445,000	31,096
Issued re custom milling contract (a) (viii)	416,667	50,000
Warrants ($596,500 less issuance costs)		(556,790)
Issuance costs allocated to warrants		(39,710)
Issuance costs allocated to shares		(378,549)
Balance, December 31, 2017	294,394,851	$63,794,074
Private placement – shares (a) (ix)	28,518,657	1,996,306
Private placement - units (a) (x)	30,000,000	3,900,000
Private placement - flow-through shares (a) (xi)	11,542,000	2,475,075
Flow-through share premium (a) (xi)	-	(628,355)
Shares issued upon vesting of Restricted Share Units (a) (xii)	2,304,870	250,956
Shares issued upon conversion of Deferred Share Units (a) (xiii)	1,264,340	101,147
Shares issued upon exercise of stock options (a) (xiv)	7,017,500	645,432
Shares issued upon exercise of warrants (a) (xv)	14,824,518	2,175,597
Shares issued for property option agreement (a) (xvi)	500,000	132,500
Warrants ($660,000 less issuance costs)	-	(637,230)
Issuance costs allocated to shares	-	(256,738)
Issuance costs allocated to warrants	-	(22,770)
Balance, December 31, 2018	390,366,736	73,925,994

21. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(i) On March 10 and 14, 2017, the Company completed a private placement totaling 5,300,000 flow-through shares at $0.085 per flow-through share for total gross proceeds of $450,500. Each flow-through share will be a common share in the capital of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and the regulations thereunder. The proceeds from the sale of the flow-through shares will be used to incur eligible CEE as defined by the Income Tax Act (Canada) in the province of Quebec on the Fenelon Gold Property. The Company also issued 306,000 broker's warrants in connection with the private placement. Each broker's warrant entitled the holder thereof to acquire one common share of the Company at a price of $0.085 per share until March 10, 2018. These warrants were exercised in November 2017.

On issuance, the Company recorded a flow-through share premium and a corresponding deferred liability of $53,000 (note 18).

Share issuance costs of $40,441 for the private placement were charged as a reduction of share capital.

An amount of $5,500 was assigned to the fair value of the broker's warrants (note 21 (c)) and was included in the share issuance costs.

(ii) On May 16, 2017, the Company completed a private placement totaling 7,500,000 flow-through shares at $0.14 per flow-through share for total gross proceeds of $1,050,000. Each flow-through share will be a common share in the capital of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and the regulations thereunder. The proceeds from the sale of the flow-through shares will be used to incur eligible CEE as defined by the Income Tax Act (Canada) in the province of Quebec on the Fenelon Gold Property. On June 21, 2017, the Company completed a private placement totaling 4,766,040 units issued at a price of $0.10 per unit for gross proceeds of $476,604. Each unit consists of one common share of the Company and a one-half common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share for a period of twenty-four months from the date of issuance at an exercise price of $0.15.

On issuance of the flow-through shares, the Company recorded a flow-through share premium and a corresponding deferred liability of $300,000 (note 18).

Share issuance costs of $85,420 for the private placement were charged as a reduction of share capital and warrants.

An amount of $36,500 was assigned to the fair value of the warrants (note 21 (c)).

21. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(iii) During November 2017, the Company completed private placements totaling 20,937,500 flow-through shares at $0.10 per flow-through share for total gross proceeds of $2,093,750 and 24,576,453 units at $0.09 per unit for total gross proceeds of $2,211,881. Each flow-through share will be a common share in the capital of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and the regulations thereunder. The proceeds from the sale of the flow-through shares will be used to incur eligible CEE as defined by the Income Tax Act (Canada). Each unit consists of one common share and one-half of a common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 per share for a period of two years from closing. The Company also issued 1,498,517 broker warrants in connection with the offering. Each broker warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.10 per share for a period of two years from closing.

The Company recorded a flow-through share premium and a corresponding deferred liability of $273,438 (note 18).

An amount of $560,000 was assigned to the fair value of the warrants (note 21 (c)).

Share issuance costs of $292,398 for the private placement were charged as a reduction of share capital and warrants.

An amount of $72,000 was assigned to the fair value of the broker's warrants (note 21 (c)) and was included in the share issuance costs.

(iv) On April 27, 2017, William Day announced that it acquired 5,000,000 common shares of the Company through the exercise of warrants at an exercise price of $0.08 per warrant for total consideration of $400,000. In addition to the exercise by William Day, all of the remaining 850,000 warrants issued in the April 29, 2016 private placement were exercised for $68,000. In November 2017, 846,576 warrants were exercised for total consideration of $70,256.

(v) On January 10, 2017, 652,537 common shares were issued upon vesting of restricted share units that were granted on January 7, 2015.

(vi) On July 4, 2017, upon his retirement and vesting of DSUs, a director was issued 1,365,065 common shares.

(vii) On September 22, 2017, 275,000 common shares were issued upon exercise of stock options. On December 6, 2017, 170,000 common shares were issued upon exercise of stock options (note 21 (b) (iii)).

(viii) On November 17, 2017, 416,667 shares, based on the 5-day volume weighted trading price and equal to $50,000, were issued upon signing a custom milling contract for the bulk sample at the Fenelon Gold property.

21. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(ix) As a condition to the Bridge Loan (note 16 (b)), the Company closed on May 2, 2018, a non-brokered private placement for 28,518,657 common shares at a price of $0.07 per share for gross proceeds of $1,996,306. As part of the private placement, William Day acquired 27,142,857 shares for total consideration of $1,900,000. Prior to this private placement, William Day owned 27,652,050 shares of the Company. In addition, William Day owns 11,722,050 share purchase warrants. Following this private placement, William Day owned 54,794,907 shares of the Company.

Share issuances costs of $9,774 for the private placement were charged as a reduction of share capital.

(x) On September 14, 2018, the Company completed a private placement totaling 30,000,000 units at $0.13 per unit for total gross proceeds of $3,900,000. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitled the holder to purchase one additional common share of the Company on or before September 14, 2020 at an exercise price of $0.20 per share.

Share issuance costs of $134,552 for the private placement were charged as a reduction of share capital and warrants.

An amount of $660,000 has been assigned to the fair value of the warrants (note 21 (c)).

(xi) On December 18, 2018, the Company completed a private placement of 6,667,000 common shares in the Company on a flow-through basis at a price of $0.225 per share for gross proceeds of $1,500,075. Each flow-through share will be a common share in the capital of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and the regulations thereunder. The proceeds from the sale of the flow-through shares will be used to incur eligible CEE as defined by the Income Tax Act (Canada) in the province of Quebec. Also, on December 18, 2018, the Company completed a private placement of 4,875,000 common shares in the capital of the Company on a flow-through basis at a price of $0.20 per share, for aggregate gross proceeds of $975,000. The proceeds from the sale of the flow-through shares will be used to incur eligible CEE as defined by the Income Tax Act (Canada).

The Company recorded a flow-through share premium and a corresponding deferred liability of $628,355 (note 18).

Share issuance costs of $135,182 for the private placements were charged as a reduction of share capital.

21. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(xii) During January 2018, 1,068,000 common shares were issued upon vesting of restricted share units on December 31, 2017 and 1,236,870 shares were issued upon vesting of restricted share units during the year.

(xiii) During June 2018, 632,170 common shares were issued upon settlement of deferred share units. During September 2018, 632,170 common shares were issued upon settlement of deferred share units.

(xiv) During 2018, 7,017,500 shares were issued upon exercise of stock options at an average price of $0.065 (note 21 (b)(iii))

(xv) During 2018, 14,824,518 shares were issued upon exercise of warrants at an average exercise price of $0.115 (note 21 (c)).

(xvi) In October 2018, 500,000 shares were issued upon execution of the option agreement to acquire 100% of the Beschefer Project (note 11 (b)).

(b) Share based compensation plan:

The Company has an omnibus share based compensation plan comprised of restricted share units, deferred share units and stock options. Awards under the plan may be granted to any non-employee director, officer, employee or consultant. Under the plan, no cash settlements will be made as settlement will be in common shares only. The number of common shares available for issuance may not exceed 15% of the issued and outstanding common shares. In addition, the number of common shares issued and issuable to insiders within one year period shall not exceed 10% of the issued and outstanding common shares and to any one insider within one year shall not exceed 5% of the issued and outstanding common shares. The number of common shares reserved for the purpose of the omnibus share compensation based plan was 4,576,778 at December 31, 2018.

(i) Restricted Share Units ("RSUs") may be granted to participants and are based on individual and corporate performance criteria. The Compensation Committee determines the vesting schedule at the time of grant. The RSUs will be paid out to the participant no later than three years from the year in which the RSUs were granted. A restricted share unit is automatically converted into one common share upon vesting for no additional consideration. RSUs are equity-settled and are fair valued based on the market value of the shares at the grant date. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted for actual forfeitures in the period. On settlement of RSUs, the shares are issued from treasury.

(expressed in Canadian Dollars)

21. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

On December 31, 2015, 1,068,000 RSUs were granted with vesting on December 31, 2017. On January 2, 2018, 1,068,000 shares were issued. For the year ended December 31, 2018, $nil was recorded in share based compensation expense (2017 - $16,020).

On January 11, 2016, 88,930 RSUs were granted with vesting on January 11, 2018. On December 31, 2017, 7,060 RSUs were cancelled upon an employee's resignation. On January 11, 2018, 81,870 shares were issued. For the year ended December 31, 2018, $nil was recorded in share based compensation expense (2017 - $1,122).

On November 7, 2016, 600,000 RSUs were granted with vesting on November 7, 2018. On December 31, 2017, 150,000 RSUs were cancelled upon an employee's resignation. For the year ended December 31, 2018, $10,300 was recorded in share based compensation expense (2017 - $11,701).

On June 5, 2017, 812,500 RSUs which vested on June 5, 2018 were granted. On December 31, 2017, 100,000 RSUs were cancelled upon an employee's resignation. For the year ended December 31, 2018, $25,234 was recorded in share based compensation expense (2017 - $64,171).

A summary of the outstanding RSUs are as follows:

	2018	2017
Outstanding at beginning of year	1,244,370	2,409,467
Granted	-	812,500
Cancelled	(7,500)	(257,060)
Vested	(1,236,870)	(1,720,537)
Outstanding at end of year	-	1,244,370

21. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

(ii) Deferred Share Units ("DSUs") may be used for partial payment of directors' fees to non-employee directors. A DSU is a notional share that has the same value as one common share. Directors may choose to take all or part of their fees in DSUs, with the consent of the Company. DSUs are paid out to the directors when they retire from the Board. DSUs are equity settled and are fair valued based on the market value of the shares at the grant date.

In July 2017, a director received 1,365,065 shares upon retirement and vesting of the DSUs. In June and September of 2018, a director received 1,264,340 shares upon retirement and vesting of the DSUs.

In 2018, 1,263,790 DSUs were granted to the directors of the Company in settlement of 2017 directors' fees owing of $28,750 and 2018 directors' fees owing of $80,892. In January 2019, a total of 205,643 DSUs were granted to the directors of the Company in settlement of 2018 directors' fees of $31,875.

At December 31, 2018, 7,786,725 DSUs are outstanding (2017 – 7,787,275).

(iii) Stock Options may be granted to participants of the plan. The Compensation Committee determines the exercise price, vesting period and exercise rights for each stock option granted. The exercise price of options granted in accordance with the plan must not be lower than the closing price for such shares as quoted on the Toronto Stock Exchange ("TSX ") on the last business day prior to the date of the grant. Alternatively, the exercise price must not be lower than the five day weighted average trading price of the shares for the last five days that the shares traded on the TSX prior to the date of the grant.

On February 15, 2018, 200,000 stock options were granted at an exercise price of $0.09 which will expire on February 15, 2023 of which 50,000 vest on May 15, 2018, August 15, 2018, November 15, 2018, and February 15, 2019. On June 25, 2018, 1,000,000 stock options were granted at an exercise price of $0.065 which will expire on June 25, 2023 of which 350,000 options vested on June 25, 2018, 350,000 options vest on June 25, 2019 and 300,000 options vest on June 25, 2020. On July 5, 2018, 3,045,000 stock options and on July 23, 2018, 200,000 stock options were granted at an exercise price of $0.075 which will expire on July 5, 2023 and July 23, 2023 of which 50% vested immediately, and 50% vest in one year from the grant date. On December 7, 2018, 400,000 stock options were granted at an exercise price of $0.165 which will expire on December 7, 2023 of which 133,334 options vested immediately, 133,333 options vest on December 7, 2019, and 133,333 options vest on December 7, 2020.

(expressed in Canadian Dollars)

21. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

On June 5, 2017, a total of 2,355,000 stock options were granted at an exercise price of $0.085 which have an expiry of June 5, 2022 of which 1,177,500 vested immediately and 1,177,500 will vest on June 5, 2018. On December 31, 2017, 100,000 of these stock options were cancelled upon resignation of an employee as they did not vest. Also, on June 5, 2017, 150,000 stock options were granted at an exercise price of $0.10 which will expire on June 5, 2022 of which 75,000 vested immediately and 75,000 vested on December 5, 2017. On August 10, 2017, 200,000 stock options were granted at an exercise price of $0.085 which will expire on August 10, 2022 of which 100,000 vested immediately and 100,000 will vest on August 10, 2018. On November 9, 2017, 100,000 stock options were granted at an exercise price of $0.075 which will expire on November 9, 2022 of which 50,000 vested immediately and 50,000 will vest on November 9, 2018.

In 2018, 7,017,500 options were exercised at a weighted average price of $0.065 per share. In 2017, 445,000 options were exercised at a weighted average price of $0.05 per share. A summary of the Company's stock options are as follows:

	2018		2017	
Stock Options	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of year	14,560,000	$0.08	15,800,000	$0.09
Granted	4,845,000	$0.08	2,805,000	$0.085
Cancelled	(640,000)	$0.07	(100,000)	$0.085
Exercised	(7,017,500)	$0.065	(445,000)	$0.05
Expired unexercised	(3,680,000)	$0.095	(3,500,000)	$0.16
Outstanding, end of year	8,067,500	$0.08	14,560,000	$0.08

At December 31, 2018, 5,603,334 stock options were exercisable. The weighted average exercise price of options exercisable at December 31, 2018 is $0.078 (December 31, 2017 – 13,332,500 exercisable stock options with a weighted average exercise price of $0.075 per share).

The weighted average remaining contractual life of stock options outstanding is 3.6 years (2017 - 2.1 years).

The fair value of stock options granted during the year ended December 31, 2018 has been estimated using the Black-Scholes pricing model to be $225,000 (2017 - $132,000) or $0.047 per common share (2017 - $0.047 per common share). For the year ended December 31, 2018, the Company recorded an expense of $180,000 relating to stock options (2017 - $127,840).

(expressed in Canadian Dollars)

21. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

The assumptions used in the pricing model are as follows:

	2018	2017
Estimated risk free interest rate	1.9% to 2.1%	0.83% to 1.56%
Expected life	3.9 years	3.85 years
Expected volatility *	80.1% to 103.8%	75.6% to 80.4%
Expected dividends	$Nil	$Nil
Forfeiture rate *	3.2% to 3.5%	3.0%

* 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 December 31, 2018:

Exercise Price	Number	Exercisable	Expiry Date
$0.10	200,000	200,000	May 5, 2019
$0.05	550,000	550,000	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 to $0.10	1,610,000	1,610,000	June 5, 2022
$0.075	100,000	100,000	November 9, 2022
$0.09	200,000	150,000	February 15, 2023
$0.065	650,000	-	June 25, 2023
$0.075	2,682,500	1,285,000	July 5, 2023
$0.075	200,000	100,000	July 23, 2023
$0.165	400,000	133,334	December 7, 2023
Outstanding options	8,067,500	5,603,334	

(expressed in Canadian Dollars)

21. Shareholders' equity (continued):

(c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At December 31, 2018, the Company has reserved shares for issuance as follows:

	2018		2017	
Warrants	Number	Average Price	Number	Average Price
Outstanding, beginning of period	55,190,022	$0.12	45,410,837	$0.11
Issued	15,000,000	$0.20	16,475,761	$0.14
Exercised	(14,824,518)	$0.115	(6,696,576)	$0.08
Outstanding, end of period	55,365,504	$0.14	55,190,022	$0.12

The fair value of the warrants and agent warrants issued was estimated using the Black-Scholes pricing model to be $660,000 in 2018 (2017 - $674,000), $0.044 per warrant (2017 - $0.041) using the following assumptions:

	2018	2017
Estimated risk free interest rate	2.1%	0.64% to 1.43%
Expected life	2 years	1 to 2 years
Expected volatility*	79.2%	71% to 92%
Expected dividends	$nil	$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 and agent warrants outstanding and exercisable at December 31, 2018:

Number	Exercise Price	Expiry Date
2,383,020	$0.15	June 21, 2019
198,900	$0.08	August 19, 2019
13,053,750	$0.10	August 19, 2019
142,438	$0.08	October 4, 2019
14,953,250	$0.12	October 4, 2019
592,159	$0.15	November 1, 2019
229,700	$0.10	November 17, 2019
5,859,499	$0.15	November 17, 2019
2,952,788	$0.15	November 29, 2019
15,000,000	$0.20	September 14, 2020
55,365,504		

(expressed in Canadian Dollars)

22. 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) The Company has operating leases for vehicles which are payable over four years. The total commitment at December 31, 2018 is as follows:

Year	Amount
2019	$19,621
2020	19,621
2021	19,621
2022	10,688
	$69,551

(c) The Company has a commitment of flow-through share expenditures of $2,336,180 in 2019 (note18).

23. Subsequent Events:

(a) On February 20, 2019, the Company announced a non-brokered private placement financing of up to 29,166,667 common shares at a price of $0.24 per Common Share for gross proceeds of up to $7,000,000 Sprott. Sprott also exercised 1,666,667 Common Share purchase warrants at an exercise price of $0.15 and 15,000,000 common share purchase warrants at an exercise price of $0.20 for aggregate gross proceeds to the Company of $3,250,000. The completion of the financing requires the approval from the Company's shareholders which will be sought at the next annual and special meeting of shareholders of the Company to be held on May 8, 2019.

(b) The Company repaid the Bridge Loan owing to Auramet in January and February 2019 for a total repayment of US $7,000,000 with an equivalent of $9,293,300. Upon receipt of the final payment, the security was released by Auramet (note 16 (b)).

(c) In addition to warrants exercised in (a), the Company has received $886,910 from the exercise of 7,405,054 warrants with an average exercise price of $0.12, subsequent to December 31, 2018.