

Condensed Interim Financial Statements of

**WALLBRIDGE MINING  
COMPANY LIMITED**

Three and nine months ended September 30, 2017

(Unaudited)

**WALLBRIDGE MINING COMPANY LIMITED**

**Notice of Disclosure of Non-auditor Review of the Condensed Interim  
Consolidated Financial Statements of Wallbridge Mining Company Limited  
for the three and nine months ended September 30, 2017**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, such statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Wallbridge Mining Company Limited for the three and nine months ended September 30, 2017 with comparative amounts for the three and nine months ended September 30, 2016, have been prepared in accordance with the International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	September 30, 2017	December 31, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,322,568	1,777,119
Restricted cash (note 6)	27,239	265,923
Amounts receivable	41,737	79,888
Deposits and prepaid expenses	81,670	286,321
Marketable securities	264	60,296
	<u>1,473,478</u>	<u>2,469,547</u>
Restricted cash (note 12 (b))	386,245	386,245
Promissory note (note 5)	279,983	-
Investment in Carube Copper Corp. (note 4)	770,875	378,221
Exploration and evaluation assets (note 6)	22,199,100	20,443,907
Property and equipment	300,620	329,573
	<u>\$ 25,410,301</u>	<u>24,007,493</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 372,050	856,087
Deposit from partner (note 6 (b))	27,239	265,923
Flow-through premium liability (note 12 (c))	-	26,929
Current portion of provision for closure plan (note 12 (b))	111,644	119,330
	<u>510,933</u>	<u>1,268,269</u>
Flow-through premium liability (note 12 (c))	102,000	-
Provision for closure plan (note 12 (b))	175,859	226,530
Long-term debt (note 8)	2,422,126	2,368,426
Deferred tax liability	217,000	-
	<u>3,427,918</u>	<u>3,863,225</u>
Equity (note 10):		
Share capital	60,423,595	58,268,292
Warrants	945,506	973,506
Contributed surplus	8,452,917	8,312,356
Deficit	(47,839,635)	(47,409,886)
Total Equity	<u>21,982,383</u>	<u>20,144,268</u>
Nature of operations and going concern (note 1)		
Commitments and contingencies (note 12)		
Subsequent events (notes 8, 10 (b) and 13)		
	<u>\$ 25,410,301</u>	<u>24,007,493</u>

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

Condensed Interim Statements of Loss  
(expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenue	\$ -	-	-	(237,471)
Mining operating costs	-	-	-	-
Loss from mining operations	-	-	-	(237,471)
Other expenses and (income):				
General and administrative expenses (note 6(b) and 9)	187,970	317,255	1,026,371	1,149,626
Project evaluation costs	15,905	93,827	87,899	270,225
Amortization of property and equipment	9,618	12,211	29,352	36,629
Other income relating to flow-through premium (note 12 (c))	(111,000)	-	(277,929)	-
Interest income	(8,457)	(15,826)	(38,763)	(46,663)
Gain on derivative contracts	-	-	-	(109,814)
Loss (gain) on disposition of assets	-	-	3,068	(54,662)
Loss (gain) on marketable securities	30	(3,441)	18,503	(5,629)
Impairment (impairment reversal) of promissory note and receivable (notes 5 and 9)	-	15,170	(557,098)	38,367
Gain on dilution of equity interest in Carube Copper (note 4)	(249,153)	-	(249,153)	-
Share of comprehensive losses of Carube Copper (note 4)	86,960	50,366	170,499	105,799
	(68,127)	469,562	212,749	1,383,878
Gain (loss) before income taxes	68,127	(469,562)	(212,749)	(1,621,349)
Deferred tax (expense) recovery	(70,000)	-	(217,000)	53,000
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (1,873)</b>	<b>(469,562)</b>	<b>(429,749)</b>	<b>(1,568,349)</b>
<b>Weighted average number of common shares</b>	<b>247,447,655</b>	<b>190,680,600</b>	<b>235,643,497</b>	<b>178,465,671</b>
<b>Net loss per share:</b>				
Basic	\$ (0.00)	(0.00)	(0.00)	(0.01)
Diluted	\$ (0.00)	(0.00)	(0.00)	(0.01)

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

Condensed Interim Statements of Changes in Equity  
(expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
<b>Balance, December 31, 2016</b>	<b>221,739,013</b>	<b>\$ 58,268,292</b>	<b>973,506</b>	<b>8,312,356</b>	<b>(47,409,886)</b>	<b>\$ 20,144,268</b>
Share issuances, net of share issuance costs	17,566,040	1,820,243	36,500	-	-	1,856,743
Flow-through share premiums	-	(353,000)	-	-	-	(353,000)
Exercise of warrants	5,850,000	538,000	(70,000)	-	-	468,000
Agent warrants	-	(5,500)	5,500	-	-	-
Restricted share units vested	652,537	60,302	-	(60,302)	-	-
Deferred share units exercised	1,365,065	77,072	-	(77,072)	-	-
Exercise of stock options	275,000	18,186	-	(4,436)	-	13,750
Share based compensation	-	-	-	155,724	-	155,724
Deferred share units	-	-	-	126,647	-	126,647
Net loss for the period	-	-	-	-	(429,749)	(429,749)
<b>Balance, September 30, 2017</b>	<b>247,447,655</b>	<b>\$ 60,423,595</b>	<b>945,506</b>	<b>8,452,917</b>	<b>(47,839,635)</b>	<b>\$ 21,982,383</b>
<b>Balance, December 31, 2015</b>	<b>167,835,438</b>	<b>\$ 55,761,678</b>	<b>8,000</b>	<b>8,041,085</b>	<b>(45,315,077)</b>	<b>\$ 18,495,686</b>
Share issuances, net of share issuance costs	30,450,000	1,273,742	700,000	-	-	1,973,742
Agent warrants	-	-	17,000	-	-	17,000
Expiration of warrants	-	-	(8,000)	8,000	-	-
Share issuances, deposit on property acquisition	2,381,575	200,000	-	-	-	200,000
Share based compensation	-	-	-	32,152	-	32,152
Deferred share units	-	-	-	135,202	-	135,202
Net loss for the period	-	-	-	-	(1,568,349)	(1,568,349)
<b>Balance, September 30, 2016</b>	<b>200,667,013</b>	<b>\$ 57,235,420</b>	<b>717,000</b>	<b>8,216,439</b>	<b>(46,883,426)</b>	<b>\$ 19,285,433</b>

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Nine months ended September 30,	
	2017	2016
<b>Cash flows used in operating activities:</b>		
Net loss for the period	\$ (429,749)	(1,568,349)
Adjustments for:		
Deferred tax expense (recovery)	217,000	(53,000)
Amortization of property and equipment	29,352	36,629
Other income relating to flow-through premium	(277,929)	-
Interest on debt	-	291
Interest on promissory note receivable	(36,960)	(43,195)
Gain on derivative contracts	-	(109,814)
Settlement of derivative contracts	-	249,814
Loss (gain) on disposition of assets	3,068	(54,662)
Gain on dilution of equity interest in Carube Copper (note 4)	(249,153)	-
Share of losses of Carube Copper	170,499	105,799
Impairment (impairment reversal) of promissory note and receivable	(557,098)	38,367
Unrealized loss (gain) on marketable securities	18,503	(5,629)
Share based compensation	155,724	32,152
Deferred stock units	78,647	88,452
Cash received for interest on promissory note receivable	55,223	-
Closure Plan obligations	(58,357)	(28,109)
Deferred charges	-	(50,000)
Changes in non-cash working capital:		
Amounts receivable	47,003	2,429,790
Deposits and prepaid expenses	204,651	274,283
Accounts payable and accrued liabilities	(386,339)	(3,797,905)
	(1,015,915)	(2,455,086)
<b>Cash flows from financing activities:</b>		
Issuance of share capital	1,977,104	2,130,760
Share issuance costs	(120,361)	(104,194)
Exercise of stock options	13,750	-
Exercise of warrants	468,000	-
Interest paid on debt	-	(291)
Interest paid in advance	-	(187,500)
Proceeds from sale of marketable securities	41,529	-
Payments on current debt	-	(15,425)
	2,380,022	1,823,350
<b>Cash flows used in investing activities:</b>		
Exploration and evaluation assets option payments received	165,000	150,437
Fenelon Gold Property payments	-	(1,000,000)
Property and equipment purchases	(3,467)	-
Exploration and evaluation assets expenditures	(1,916,191)	(203,520)
Purchase of shares of Carube Copper Corp.	(64,000)	-
	(1,818,658)	(1,053,083)
<b>Net increase in cash and cash equivalents</b>	(454,551)	(1,684,819)
Cash and cash equivalents, beginning of year	1,777,119	2,300,524
<b>Cash and cash equivalents, end of period</b>	\$ 1,322,568	615,705
<b>Summary of non-cash transactions:</b>		
Partial settlement of promissory note receivable with Carube Copper shares	\$ 250,000	-
Settlement of directors' fees owing with deferred stock units	126,647	132,250
Deposit on Fenelon Mine Property purchase - share issuance	-	200,000
Exploration expense recovery included in accounts receivable	-	100,000
Settlement of accounts payable with sale of equipment	-	54,662

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

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## 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 on October 30, 2015. On October 18, 2016, the Company completed the purchase of the Fenelon Gold Property. A prefeasibility study was completed in 2017, with the permitting process and exploration ongoing. The Company’s head office is located at 129 Fielding Road in Lively, Ontario.

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 nine months ended September 30, 2017 the Company had a net loss of \$678,902, negative cash flow from operations of \$1,015,915, and had working capital of \$962,545 (December 31, 2016 - \$1,201,278). At September 30, 2017, the Company had insufficient cash to fund its planned operations for the next twelve months. The Company is actively monitoring its monthly forecasts and will reduce or defer costs where possible. In order to meet its planned activities, exploration and evaluation expenditures, the Company raised \$1,093,750 in flow-through shares and \$106,589 in units on closing of its first tranche of a private placement on November 1, 2017 (see note 13 (a)). The Company is currently reviewing various other 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.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

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## 2. Basis of presentation:

### (a) Statement of compliance:

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2016.

### (b) Judgments and estimates:

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

In preparing these unaudited condensed interim financial statements, significant judgments made by Management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2016.

### (c) Functional and presentation currency:

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

## 3. Significant accounting policies:

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended December 31, 2016.

### *New accounting standards not yet adopted:*

- (a) IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and measurement, replacing the current classification and measurement criteria for financial asset and liabilities with only two classification categories: amortized cost and fair value. The effective date for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of the change to its financial statements, however, it has not yet determined the extent of the impact on its financial statements. The Company expects to report more detailed information, including estimated quantitative financial impacts, if material, in its financial statements as the effective date approaches.



# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

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### 3. Significant accounting policies (continued):

- (b) *IFRS 15, Revenue from Contracts with Customers ("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. IFRS will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company currently does not have operating revenue and therefore, there is no impact on its financial statements. The Company will assess the effect of this standard on the financial statements when it has operating revenue.
- (c) *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 is in the process of determining the impact of IFRS 16 on its financial statements.
- (d) *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.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

## 4. Investment in Carube Copper Corp. (“Carube Copper”):

	Number of shares	Amount
Investment in Carube Copper, January 1, 2015	10,894,732	\$ 544,736
Share of Comprehensive losses of Carube Copper, December 1, 2015 to November 30, 2016		(166,515)
Balance, December 31, 2016	10,894,732	378,221
Share of comprehensive losses of Carube Copper, December 1, 2016 to August 31, 2017		(170,499)
Gain on dilution of equity interest in Carube Copper		249,153
Purchase of 800,000 shares of Carube Copper	800,000	64,000
Debt settlement of \$250,000 (note 5)	2,173,913	250,000
	13,868,645	\$ 770,875

At December 31, 2016, the Company held 10,894,732 shares and 1,525,000 warrants of Carube Copper. The warrants had an exercise price of \$0.30 and expired unexercised on July 7, 2017. 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 entitles 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. In June 2017, the Company received 2,173,913 shares for settlement of \$250,000 in debt (note 5). At September 30, 2017, Wallbridge holds 13,868,645 shares representing 12.7% of the 109,503,475 outstanding shares of Carube Copper (December 31, 2016 – 15.5% of 70,126,581 shares).

At September 30, 2017, 2,415,000 shares (December 31, 2016 – 5,541,183) were held in escrow. Of the escrowed shares, 1,207,500 shares are to be released on January 7, 2018 and 1,207,500 shares on July 7, 2018.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

## 5. Promissory Note Receivable from Carube Copper:

	Total Receivable	Impairment
Promissory note	\$ 502,902	(502,902)
Accrued interest at 12% to December 31, 2016	45,344	(45,344)
Balance, December 31, 2016	\$ 548,246	(548,246)
Accrued interest at 12% to September 30, 2017	36,960	-
Interest received, March 8, 2017	(55,223)	-
Reversal of impairment	-	548,246
Settlement of debt with shares	(250,000)	-
Balance, September 30, 2017	\$ 279,983	-

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 has been 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 has also been 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, subject to regulatory approval. The Company reversed the impairment upon signing of the amended promissory note.

On June 13, 2017, the Company agreed to settle \$250,000 of the debt by receiving 2,173,913 common shares of Carube valued at \$0.115 per share. At September 30, 2017, Carube Copper owes \$252,902 plus interest of \$27,081 accrued at 12% per annum for a total owing to Wallbridge of \$279,983. Wallbridge retains the NSR royalty of 1.75% on the Salal and MacKenzie properties, subject to buyback provisions.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
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Three and nine months ended September 30, 2017  
(Unaudited)

## 6. Exploration and evaluation assets:

(a) Total exploration and evaluation expenditures are detailed as follows:

	Balance, December 31, 2016	Expenditures	Disposition/ Recovery	Balance, September 30, 2017
Fenelon Gold Property	\$ 4,130,275	1,724,480	-	\$ 5,854,755
Other Sudbury Projects	8,416,540	24,721	-	8,441,261
Parkin Properties (i)	3,952,505	158,000	(158,000)	3,952,505
North Range and Wisner Properties (ii)	3,944,587	12,992	(7,000)	3,950,579
	\$ 20,443,907	1,920,193	(165,000)	\$ 22,199,100

	Balance December 31, 2015	Expenditures	Disposition/ Recovery	Balance, December 31, 2016
Fenelon Gold Property	\$ -	4,130,275	-	\$ 4,130,275
Other Sudbury Projects	8,385,910	30,630	-	8,416,540
Parkin Properties (i)	4,043,195	135,310	(226,000)	3,952,505
North Range and Wisner Properties (ii)	3,929,691	53,333	(38,437)	3,944,587
	\$ 16,358,796	4,349,548	(264,437)	\$20,443,907

- (i) The recovery is part of the Parkin amendment to the North Range Joint Venture agreement.
- (ii) Option payments received were for the properties in the Wisner amendment to the North Range Joint Venture agreement.

(b) At September 30, 2017, the Company has \$27,239 (December 31, 2016 - \$265,923) of restricted cash from the North Range Joint Venture partner.

At September 30, 2017, Lonmin did not meet the minimum funding requirements to maintain their options under the Sudbury Camp and North Range Joint Venture agreements and subsequent amendments, with a shortfall of approximately \$1.2 million. The Company and Lonmin agreed that the shortfall in the 2017 budget will be added to the 2018 program. Both parties also agreed that the first quarter programs of the 2018 exploration joint ventures total \$250,000, and Lonmin maintains its options under the joint venture agreements while deferring the decision on the 2018 scope of work and budgets until December 15, 2017. In return, Wallbridge will be able to use 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 (note 13 (b)) for general working capital purposes. These funds count towards Lonmin's 2018 funding requirement. The first quarter cash call of \$250,000, \$189,935 of JEAP and the \$75,000 of the initial Battery Minerals Resources payment have been received.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

## 7. Accounts payable and accrued liabilities:

	September 30, 2017	December 31, 2016
Accounts payable	\$ 111,847	\$ 577,040
Accrued liabilities	96,913	127,629
Payroll related liabilities	163,290	151,418
	<u>\$372,050</u>	<u>\$ 856,087</u>

At September 30, 2017, an amount of \$40,127 (December 31, 2016 - \$48,000) is owing to the directors of the Company for directors' fees. On October 1, 2017, directors' fees owing of \$27,127 were settled with the issuance of 298,099 deferred stock units ("DSUs") and the balance of \$13,000 was settled with cash payments on October 15, 2017. In January 2017, directors' fees owing of \$48,000 from 2016 were settled with the issuance of 872,726 DSUs.

## 8. Long-term debt:

	Effective Interest Rate	Due Date	September 30, 2017	December 31, 2016
William Day Holdings Limited ("William Day")	18%	October 18, 2018	\$ 2,422,126	\$ 2,368,426

On September 27, 2016, the Company signed a loan agreement with William Day Holdings Limited 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. The maturity date may be extended up to 36 months if there are unexpected delays in obtaining permits or licenses required for the development of the Fenelon Gold Property. The Company has the right at any time after 120 days from the advance of the principal amount of the loan to prepay all or any portion of the loan at any time upon 5 days prior notice, provided (i) the next scheduled payment of interest shall become due and payable and be paid at the time of prepayment and (ii) the minimum prepayment amount is not less than \$500,000. The Company has secured the loan with a first mortgage, charge and hypothec registered against title to the Fenelon Gold Property. Legal fees of \$145,874 related to the debt are being amortized over the term of the loan.

On April 18, 2017, the Company paid \$187,500 for six months of interest in advance. The Company has recorded \$17,514 of interest in prepaid expenses at September 30, 2017.

On October 27, 2017, the Company paid \$187,500 for six months of interest in advance.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and nine months ended September 30, 2017  
(Unaudited)

## 9. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Nuinsco Resources Limited (i)				
Office and administrative expenses	\$ -	6,000	-	18,000
William Day Holdings Limited (ii)				
Interest payment capitalized to Fenelon Gold	94,280	-	280,220	-
Carube Copper Corp. (iii)				
Interest income on promissory note	(7,649)	(15,170)	(36,960)	(43,196)
Impairment expense (Reversal of impairment) of promissory note	-	15,170	(548,246)	38,367
Reversal of impairment of amounts receivable	-	-	(8,852)	-

- (i) The Company and Nuinsco Resources Limited ("Nuinsco") have a director in common. For the three and nine months ended September 30, 2016, the Company paid \$2,000 per month to Nuinsco for use of office space, equipment, and office costs. Effective October 1, 2016, the Company is no longer using the office space, equipment or office costs from Nuinsco. 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.
- (ii) On August 10, 2017, a director of William Day Holdings Limited became a director of the Company. The Company entered into a loan agreement with William Day Holdings Limited in 2016, prior to the director becoming a director of Wallbridge (note 8). Interest on the loan has been capitalized to the Fenelon Gold property.
- (iii) The Company owns 12.7% of Carube Copper (note 4) (December 31, 2016 – 15.5%). The Company provided office space and office costs to Carube Copper. At September 30, 2017, the Company has a balance of \$691 receivable from Carube Copper (December 31, 2016 - \$8,852). The Company also has a promissory note receivable from Carube Copper (note 5) with principal and interest owing of \$279,983 (December 31, 2016 - \$548,246). The Company recorded an impairment recovery of \$557,098 of amounts receivable and promissory note for the nine months ended September 30, 2017 (\$43,196 expense in the nine months ended September 30, 2016) and \$nil for the three months ended September 30, 2017 (\$2016 – expense of \$15,170).

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

# WALLBRIDGE MINING COMPANY LIMITED

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## 10. Shareholders' equity:

### (a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2016	221,739,013	\$ 58,268,292
Private placement – flow-through shares (i)	5,300,000	450,500
Flow-through share premium (i)	-	(53,000)
Issuance costs allocated to shares (i)	-	(34,941)
Agent warrants (i)	-	(5,500)
Private placement – flow-through shares (ii)	7,500,000	1,050,000
Flow-through share premium (ii)	-	(300,000)
Issuance costs allocated to shares (ii)	-	(85,420)
Private placement – units (iii)	4,766,040	476,604
Warrants (iii)		(36,500)
Exercise of warrants (iv)	5,850,000	538,000
Vesting of RSUs (v)	652,537	60,302
Conversion of DSUs (vi)	1,365,065	77,072
Exercise of stock options (vii)	275,000	18,186
Balance, September 30, 2017	247,447,655	\$ 60,423,595

- (i) On March 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 Canadian Exploration Expenses ("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 agent's warrants in connection with the offering. Each agent's warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.085 per share until March 10, 2018.

On issuance, the Company recorded a flow-through share premium and a corresponding deferred liability of \$53,000. As flow-through expenditures were incurred, other income and a corresponding reduction of the deferred liability of \$53,000 were recorded (note 12 (c)).

Share issuance costs of \$34,941 for the private placement were charged as a reduction of share capital.

An amount of \$5,500 has been assigned to the fair value of the agent's warrants (note 10 (c)) which has been included in the share issuance costs.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
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## 10. Shareholders' equity:

### (a) Share capital transactions (continued):

- (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 issuance, the Company recorded a flow-through share premium and a corresponding deferred liability of \$300,000. As flow-through expenditures were incurred, other income and a corresponding reduction of the deferred liability of \$198,000 were recorded (note 12 (c)).

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

- (iii) 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.

An amount of \$36,500 has been assigned to the fair value of the warrants.

- (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.
- (v) On January 10, 2017, 652,537 common shares were issued upon vesting of restricted share units that were granted on January 7, 2015 (note 10 (b)).
- (vi) On July 4, 2017, a director was issued 1,365,065 common shares upon his retirement and vesting of DSUs.
- (vii) On September 22, 2017, 275,000 common shares were issued upon exercise of stock options.



# WALLBRIDGE MINING COMPANY LIMITED

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## 10. Shareholders' equity (continued):

### (b) Share Based Compensation Plan:

The number of common shares reserved for the purpose of the omnibus share compensation based plan was 1,799,107 at September 30, 2017.

### **Restricted Share Units ("RSUs")**

For the three months ended September 30, 2017 \$25,729 (three months ended September 30, 2016 - \$8,417) was recorded in share based compensation expense and for the nine months ended September 30, 2017 \$48,424 (2016 - \$25,252) was recorded in share based compensation expense relating to RSUs.

On June 5, 2017, 812,500 RSUs were granted and vest in one year.

A summary of the outstanding RSUs are as follows:

	September 30, 2017	December 31, 2016
Outstanding at beginning of period	2,409,467	1,720,537
Granted	812,500	688,930
Vested and shares issued (note 10 (a) (v))	(652,537)	-
Outstanding at end of period	2,569,430	2,409,467

### **Deferred Share Units**

In 2016, the directors agreed that DSUs will be granted in lieu of cash payment of fees and that the DSU calculation will not be based on a share price of less than \$0.05, subject to review by the compensation committee from time to time.

In January 2017, a total of 872,726 DSUs were granted to the directors of the Company in settlement of directors' fees of \$48,000 which were earned in 2016.

In May and August 2017, a total of 1,055,004 DSUs were granted to the directors of the Company in settlement of directors' fees of \$78,647 which were earned for the period of January 1 to June 30, 2017.

In July 2017, a director received 1,365,065 shares upon retirement and vesting of the DSUs.

At September 30, 2017, 7,489,176 DSUs are outstanding (December 31, 2016 – 6,926,511).

On October 1, 2017, a total of 298,099 DSUs were granted to the directors of the Company in settlement of directors' fees of \$27,167 which were earned for the period of July 1 to September 30, 2017.

# WALLBRIDGE MINING COMPANY LIMITED

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## 10. Shareholders' equity (continued):

(b) Share Based Compensation Plan:

### Stock Options

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

Stock Options	September 30, 2017		December 31, 2016	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	15,800,000	\$0.09	15,200,000	\$0.10
Granted	2,705,000	\$0.09	1,900,000	\$0.08
Exercised	(275,000)	\$0.05	-	-
Expired unexercised	(3,500,000)	\$0.17	(1,300,000)	\$0.23
Outstanding, end of period	14,730,000	\$0.08	15,800,000	\$0.09

On June 5, 2017, a total of 2,355,000 stock options were granted at an exercise price of \$0.085 which will expire on June 5, 2022 of which 1,177,500 vested immediately and 1,177,500 will vest on June 5, 2018. 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 will vest 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 September 22, 2017, 275,000 options were exercised at \$0.05 per share.

At September 30, 2017, 12,427,500 stock options were exercisable (December 31, 2016 - 14,850,000). The weighted average exercise price of options exercisable at September 30, 2017 is \$0.074 per share (December 31, 2016 - \$0.09). The weighted average remaining contractual life of stock options outstanding is 2.5 years (December 31, 2016 - 2.1 years).

For the three and nine months ended September 30, 2017, \$28,000 and \$107,300 (2016 - \$1,900 and \$6,900) of expense relating to stock options was recorded in share based compensation.

The fair value of stock options granted during the three and nine months ended September 30, 2017 has been estimated using the Black-Scholes pricing model to be \$9,300 and \$128,000 (\$nil for the three and nine months ended September 30, 2016) or \$0.05 per common share for the three and nine months ended September 30, 2017 (\$nil per common share for the three and nine months ended September 30, 2016).

# WALLBRIDGE MINING COMPANY LIMITED

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## 10. Shareholders' equity (continued):

### (b) Share Based Compensation Plan (continued):

The assumptions used in the pricing model are as follows:

	September 30, 2017	December 31, 2016
Estimated risk free interest rate	0.84% to 1.34%	0.65%
Expected life	3.8 to 3.9 years	4.2 years
Expected volatility *	75.6% to 78.1%	83.7%
Expected dividends	\$Nil	\$Nil
Forfeiture rate *	3.0% to 3.1%	3.1%

\* 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 September 30, 2017:

Exercise Price	Number	Exercisable	Expiry Date
0.13	100,000	100,000	February 1, 2018
0.095	3,605,000	3,605,000	March 31, 2018
0.065	2,120,000	2,120,000	December 18, 2018
0.10	200,000	200,000	May 5, 2019
0.08	200,000	200,000	June 11, 2019
0.05	2,000,000	2,000,000	January 8, 2020
0.05	1,900,000	1,900,000	December 30, 2020
0.08	1,900,000	950,000	November 7, 2021
0.10	150,000	75,000	June 5, 2022
0.085	2,355,000	1,177,500	June 5, 2022
0.085	200,000	100,000	August 10, 2022
Outstanding options	14,730,000	12,427,500	

# WALLBRIDGE MINING COMPANY LIMITED

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## 10. Shareholders' equity (continued):

### (c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At September 30, 2017, the Company has reserved shares for issuance as follows:

Warrants	September 30, 2017		December 31, 2016	
	Number	Average Price	Number	Average Price
Outstanding, beginning of period	45,410,837	\$0.11	600,000	\$0.15
Issued	2,689,020	\$0.14	45,410,837	\$0.11
Exercised	(5,850,000)	\$0.08	-	-
Expired unexercised	-	-	(600,000)	\$0.15
Outstanding, end of period	42,249,857	\$0.11	45,410,837	\$0.11

In April 2017, 5,850,000 warrants were exercised for proceeds of \$468,000 (note 10 (a) (iv)).

The fair value of the agent warrants issued was estimated using the Black-Scholes pricing model to be \$5,500, \$0.018 per warrant and the fair value of the warrants issued using the Black-Scholes method was \$36,500, \$0.015 per warrant using the following assumptions:

	September 30, 2017	December 31, 2016
Estimated risk free interest rate	0.64% to 0.91%	0.55% to 0.68%
Expected life	1 to 2 years	1 to 3 years
Expected volatility*	71.7% to 77.92%	73% to 98%
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 outstanding and exercisable at September 30, 2017:

Number	Exercise Price	Expiry Date
306,000	\$0.085	March 10, 2018
2,383,020	\$0.15	June 21, 2019
18,750,000	\$0.10	August 19, 2019
449,247	\$0.08	August 19, 2019
19,322,000	\$0.12	October 4, 2019
1,039,590	\$0.08	October 4, 2019
42,249,857		

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
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## 11. Fair value of financial instruments:

Carrying values for cash and cash equivalents, restricted cash, amounts receivable, marketable securities, deposit from partner, and accounts payable and accrued liabilities approximate fair value due to their short term maturities and are classified as level 1.

The fair value of the loan owing to William Day is classified at Level 3 at \$2,516,000 (2016 - \$2,480,000). The fair value of debt is primarily determined using discounted cash flows at quoted market rates adjusted for credit risk.

## 12. 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) At September 30, 2017, the Company has a one-year renewable letter of credit of \$361,245 (December 31, 2016 - \$361,245) pertaining to the closure plan for the Broken Hammer Project and \$25,000 related to the Windy Lake property (2016 - \$25,000). At September 30, 2017, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project is \$288,876 (December 31, 2016 - \$345,860).

	September 30, 2017	December 31, 2016
Provision for closure plan, beginning of year	\$ 345,860	\$ 333,691
Provision for additional closure plan expenditures	-	115,741
Closure plan expenditures	(58,357)	(103,572)
Balance owing	287,503	345,860
Current portion	(111,644)	(119,330)
Provision for closure plan, long term	\$ 175,859	\$ 226,530

# WALLBRIDGE MINING COMPANY LIMITED

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## 12. Commitments and contingencies (continued):

The long term balance of \$175,859 is expected to be spent between 2018 and 2020. The key assumptions applied for determination of the obligation were an inflation rate of 2% and a discount rate of 1.1 % to 1.7%.

The restricted cash of \$386,245 relates to closure plan liabilities and property commitments (December 31, 2016 - \$386,245).

- (c) The Company was committed to spending prior to December 31, 2017, and has renounced effective December 31, 2016, qualifying CEE of \$175,000. The Company has incurred the qualifying exploration expenditures in 2016 and 2017.

The Company is committed to spending prior to December 31, 2018, and renouncing effective December 31, 2017, qualifying CEE of \$1,500,500. At September 30, 2017, the Company has approximately \$357,300 remaining on its spending commitment.

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.

The Company recorded a deferred liability relating to the premium attributed to the proceeds received from the issuance of flow-through common shares. The details on the premium recorded and the other income recorded as a reduction of the deferred liability is as follows:

	September 30, 2017	December 31, 2016
Balance, beginning of period	\$ 26,929	-
Other income recorded as flow-through expenditures incurred	(26,929)	-
Premium recorded through flow-through proceeds (note 10 (a) (i) and (ii))	353,000	78,750
Other income recorded as flow-through expenditures incurred	(251,000)	(51,821)
Balance, end of period	\$ 102,000	26,929

# WALLBRIDGE MINING COMPANY LIMITED

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## 13. Subsequent Events:

- (a) On November 1, 2017, the Company completed the first tranche of a private placement totaling 10,937,500 flow-through shares at \$0.10 per flow-through share for total gross proceeds of \$1,097,350 and 1,184,318 units at \$0.09 per unit for total gross proceeds of \$106,589. 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 534,378 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.

- (b) Subject to a purchase option and sale agreement dated 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 over three years. Lonmin has an earned interest of approximately 35% in these claims. The payment of \$25,000 upon execution of the term sheet, and \$75,000 upon signing of the agreement has been received. 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.