

Condensed Interim Financial Statements of

**WALLBRIDGE MINING  
COMPANY LIMITED**

Three months ended March 31, 2018

(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 months ended March 31, 2018**

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 months ended March 31, 2018 with comparative amounts for the three months ended March 31, 2017, 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)

	March 31, 2018	December 31, 2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,815,211	\$ 4,358,706
Restricted cash (note 8(b))	-	18,234
Amounts receivable	237,968	113,059
Derivative asset (note 7)	7,673	-
Deposits and prepaid expenses (note 4)	730,667	330,590
Marketable securities	382	264
	2,791,901	4,820,853
Restricted cash (note 16(b))	1,441,105	386,245
Promissory note receivable (note 6)	-	287,633
Investment in Carube Copper Corp. (note 5)	1,298,518	741,586
Exploration and evaluation assets (note 8)	24,474,409	22,589,270
Property and equipment	273,600	281,294
	\$ 30,279,533	\$ 29,106,881
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 1,927,689	\$ 623,038
Flow-through premium liability (note 12)	218,700	235,600
Deposit from partner (note 8(b))	-	18,234
Current portion of provision for closure plan (note 16(b))	95,680	95,680
Loan payable (note 10)	2,458,926	2,440,426
	4,700,995	3,412,978
Provision for closure plan (note 16(b))	187,718	216,008
Deferred tax liability	300,000	290,000
	5,188,713	3,918,986
Equity (note 14):		
Share capital	63,903,475	63,794,074
Warrants	1,519,987	1,519,987
Contributed surplus	8,467,519	8,512,970
Deficit	(48,800,161)	(48,639,136)
Total Equity	25,090,820	25,187,895
Nature of operations and going concern (note 1)		
Commitments and contingencies (notes 12 and 16)		
Subsequent events (note 14 and 17)		
	\$ 30,279,533	\$ 29,106,881

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Three months ended March 31,	
	2018	2017
Other expenses and (income):		
General and administrative expenses	\$ 390,963	\$ 359,435
Project evaluation costs	4,781	33,587
Amortization of property and equipment	7,694	9,866
Interest income	(8,072)	(15,493)
Unrealized loss (gain) on sale of marketable securities	(118)	18,356
Share of comprehensive loss in Carube Copper Corp (note 5)	45,056	51,394
Reversal of impairment of promissory note and amounts receivable (note 6)	-	(557,098)
Other income relating to flow-through share premium (note 12)	(16,900)	(52,929)
Gain on dilution of equity interest in Carube Copper (note 5)	(308,784)	-
Impairment of exploration and evaluation assets (note 8)	44,078	-
Unrealized gains on derivative contract (note 7)	(7,673)	-
	151,025	(152,882)
Earnings (Loss) before income taxes	(151,025)	152,882
Deferred tax expense	10,000	64,000
<b>Net earnings (loss) and comprehensive loss for the year</b>	<b>\$ (161,025)</b>	<b>\$ 88,882</b>
<b>Net earnings (loss) per share</b>		
Basic	\$ (0.00)	\$ 0.00
Diluted	(0.00)	0.00

# WALLBRIDGE MINING COMPANY LIMITED

Statements of Changes in Equity  
(expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	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	5,300,000	415,559	-	-	-	415,559
Agent warrants	-	(5,500)	5,500	-	-	-
Flow-through share premiums	-	(53,000)	-	-	-	(53,000)
Shares issued re restricted share units	652,537	60,302	-	(60,302)	-	-
Share based compensation	-	-	-	15,276	-	15,276
Deferred share units	-	-	-	48,000	-	48,000
Net earnings	-	-	-	-	88,882	88,882
<b>Balance, March 31, 2017</b>	<b>227,691,550</b>	<b>\$ 58,685,653</b>	<b>979,006</b>	<b>8,315,330</b>	<b>(47,321,004)</b>	<b>\$ 20,658,985</b>
<b>Balance, December 31, 2017</b>	<b>294,394,851</b>	<b>\$ 63,794,074</b>	<b>1,519,987</b>	<b>8,512,970</b>	<b>(48,639,136)</b>	<b>\$ 25,187,895</b>
Restricted share units vested and shares issued	1,149,870	109,401	-	(109,401)	-	-
Share based compensation	-	-	-	35,200	-	35,200
Deferred share units	-	-	-	28,750	-	28,750
Net loss	-	-	-	-	(161,025)	(161,025)
<b>Balance, March 31, 2018</b>	<b>295,544,721</b>	<b>\$ 63,903,475</b>	<b>1,519,987</b>	<b>8,467,519</b>	<b>(48,800,161)</b>	<b>\$ 25,090,820</b>

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Three months ended March 31,	
	2018	2017
<b>Cash flows from (used in) operating activities:</b>		
Net earnings (loss) for the period	\$ (161,025)	\$ 88,882
Adjustments for:		
Deferred tax expense	10,000	64,000
Amortization and depletion of property and equipment	7,694	9,866
Impairment of exploration and evaluation assets	44,078	-
Interest on note receivable	(5,571)	(15,005)
Gain on dilution of equity interest in Carube Copper	(308,784)	-
Other income relating to flow-through share premium	(16,900)	(52,929)
Share of comprehensive loss in Carube Copper Corp	45,056	51,394
Reversal of impairment of promissory note and amounts receivable	-	(557,098)
Unrealized (gain) loss on marketable securities	(118)	18,356
Share based compensation	35,200	15,276
Unrealized gains on derivative contracts	(7,673)	-
Cash received for interest on promissory note receivable	-	55,223
Closure plan obligations	(28,290)	(24,203)
Changes in non-cash working capital:		
Amounts receivable	(124,909)	(26,927)
Deposits and prepaid expenses	(38,804)	147,774
Accounts payable and accrued liabilities	60,255	(80,603)
	(489,791)	(305,994)
<b>Cash flows from (used in) financing activities:</b>		
Issuance of share capital	-	450,500
Share issuance costs	-	(34,941)
Proceeds from sale of marketable securities	-	41,529
	-	457,088
<b>Cash flows from (used in) investing activities:</b>		
Exploration and evaluation assets expenditures	(549,104)	(202,934)
Exploration and evaluation assets option payments received	4,000	4,000
Deposit for exploration and evaluation asset activities	(453,740)	-
Restricted cash	(1,054,860)	-
Purchase of shares of Carube Copper	-	(64,000)
	(2,053,704)	(262,934)
<b>Net decrease in cash and cash equivalents</b>	<b>(2,543,495)</b>	<b>(111,840)</b>
Cash and cash equivalents, beginning of the period	4,358,706	1,777,119
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 1,815,211</b>	<b>\$ 1,665,279</b>
<b>Summary of non-cash transactions:</b>		
Settlement of accounts payable with deferred stock units	\$ 28,750	\$ 48,000
Settlement of promissory note and interest - receipt of shares	293,204	-
Exploration expenditures included in accounts payable and accrued liabilities	1,375,413	297,497

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(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 in October 2015. In October 2016, the Company purchased the Fenelon Gold Property (“Fenelon Gold”). 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 three months ended March 31, 2018 the Company had a net loss of \$161,025, negative cash flow from operations of \$489,791, and has a working capital deficiency of \$1,909,094. At March 31, 2018, the Company had insufficient cash to fund its planned operations for the next twelve months.

In March 2018 the Company entered into an US\$8,000,000 loan agreement (the “Bridge Loan”) to fund a 35,000 tonne bulk sample program at Fenelon Gold (notes 11 and 17). On April 27, 2018, the Company received the first advance under the US\$8,000,000 Bridge Loan from Auramet International LLC (“Auramet”) for an amount of US\$3,200,000 (received CAD\$4,032,320). As a condition to the loan, part of this amount was used to repay \$2,500,000 to William Day Holdings Limited (“William Day”) (note 10). On May 2, 2018, as required under the Bridge Loan, the Company closed a private placement and issued 28,518,657 common shares of the Company at a price of \$0.07 per share for gross proceeds of \$1,996,306 (note 17).

The continuation of the Company as a going concern is dependent on the Company’s ability to successfully fund its cash obligations through operations, debt and equity financing, or the sale of assets. 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 that 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, financing activities, or the sale of assets, the carrying value of the Company’s assets could be subject to material adjustments and other adjustments may be necessary to these financial statements should such adverse events impair the Company’s ability to continue as a going concern.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(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, 2017.

(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, 2017.

(c) Functional and presentation currency:

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



# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(Unaudited)

### 3. Significant accounting policies:

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended December 31, 2017 with the exception of the following changes in accounting policies resulting from the adoption of new accounting standards: IFRS 9 Financial Instruments (“IFRS 9”) and IFRS 15 Revenue from Contracts with Customers (“IFRS 15”):

(a) *Change in accounting policies – 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 asset with fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (loss) (“FVTOCI”), or at amortized cost. 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 FVOCI 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
Derivative Asset	FVTPL	FVTPL
Marketable securities	FVTPL	FVTPL
Accounts payable	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost
Closure plan liability	Amortized cost	Amortized cost

# WALLBRIDGE MINING COMPANY LIMITED

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(Unaudited)

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### 3. 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 earnings (loss). Realized and unrealized gains and losses arising from the change in fair value are included in the statement of net earnings (loss) in the period in which they arise.

(iii) 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.

(b) 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 is in the process of determining the impact of IFRS 16 on its financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
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Three months ended March 31, 2018  
(Unaudited)

### 3. Significant accounting policies (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. Deposits and prepaid expenses:

	March 31, 2018	December 31, 2017
Deposits on contracts	\$ 634,990	\$ 181,250
Prepaid interest	17,767	110,234
Investor relations contract	-	25,050
Prepaid expenses	77,910	14,056
	<u>\$ 730,667</u>	<u>\$ 330,590</u>

At March 31, 2018, deposits on contracts include \$525,160 for mobilization of the contractor for the bulk sample project at Fenelon Gold. An amount of \$50,000 for shares issued to a custom milling facility for the Fenelon Gold bulk sample is included in the March 31, 2018 and December 31, 2017 balances.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(Unaudited)

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

	Number of shares	Amount
Balance, December 31, 2016	10,894,732	\$ 378,221
Share of comprehensive losses of Carube Copper, December 1, 2016 to November 30, 2017		(199,788)
Gain on dilution of equity interest in Carube Copper		249,153
Purchase of 800,000 shares of Carube Copper	800,000	64,000
Partial settlement of the promissory note receivable (note 6)	2,173,913	250,000
Balance, December 31, 2017	13,868,645	\$ 741,586
Share of comprehensive losses of Carube Copper, December 1, 2017 to February 28, 2018		(45,056)
Gain on dilution of equity interest in Carube Copper		308,784
Settlement of the promissory note receivable (note 6)	5,367,266	293,204
Balance, March 31, 2018	19,235,911	\$1,298,518

At December 31, 2017, the Company held 13,868,645 shares and 400,000 warrants of Carube Copper. Each warrant entitles the Company to purchase one common share for a price of \$0.15 per common share until March 19, 2019. 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 6). During the three months ended March 31, 2018, Carube Copper issued shares for debt settlements and private placements resulting in the dilution of the Company's equity interest in Carube Copper. The Company recorded a gain on its dilution of its interest of \$308,784 during the three months ended March 31, 2018 (2017- \$nil). At March 31, 2018, Wallbridge holds 19,235,911 shares representing 11.5% of the 167,724,229 outstanding shares of Carube Copper (December 31, 2017 – 12.7% of 109,503,475 shares).

At March 31, 2018, 1,207,500 shares (December 31, 2017 – 1,207,500 shares) are held in escrow until July 7, 2018.

These shares trade on the TSX Venture Exchange. At March 31, 2018, the closing price per share was \$0.075.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(Unaudited)

## 6. 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	-
Interest received on March 8, 2017	(55,223)	-
Reversal of impairment	-	548,246
Settlement of promissory note with shares, June 30, 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, March 31, 2018	\$ -	\$ -

In March 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. These shares are subject to a four month hold period.

## 7. Derivative Asset:

As a condition of the Bridge Loan, on March 23, 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 within the next year. The timing of the settlement specified in the financial contracts matches the projected delivery of gold. The forward sales contracts are being recognized at fair value with the gain or loss recognized in the statement of earnings (loss). At March 31, 2018, the Company had forward sales contracts outstanding for 10,870 ounces of gold at a price of CAD\$1,720 per ounce with settlement between August and December 2018.

	March 31, 2018	December 31, 2017
Fair value of the forward sales contract	\$ 7,673	-

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(Unaudited)

## 8. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2017	Expenditures	Impairment	Disposition/ Recovery	Balance, March 31, 2018
Fenelon Gold Property (a)	\$ 6,526,526	1,925,314	-	-	\$ 8,451,840
Other Sudbury Projects (c)	8,444,116	377	(44,078)	-	8,400,415
North Range and Wisner Properties (b)	3,666,123	7,526	-	(4,000)	3,669,649
Parkin Properties (b)	3,952,505	-	-	-	3,952,505
	\$22,589,270	1,933,217	(44,078)	(4,000)	\$24,474,409

	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)	8,416,540	38,976	-	(11,400)	8,444,116
North Range and Wisner Properties (b)	3,944,587	12,424	(228,766)	(62,122)	3,666,123
Parkin Properties (b)	3,952,505	158,000	-	(158,000)	3,952,505
	\$20,443,907	2,605,651	(228,766)	(231,522)	\$22,589,270

(a) 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 \$1,925,314 are \$1,746,907 relating to the bulk sample, capitalized interest and legal costs of \$110,967, and other exploration costs of \$67,440.

(b) At March 31, 2018, the Company has \$nil (December 31, 2017 - \$18,234) of restricted cash from the North Range Joint Venture partner, Lonmin Plc ("Lonmin").

(c) 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, being the total amount capitalized to the Barry property.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(Unaudited)

## 9. Accounts payable and accrued liabilities:

	March 31, 2018	December 31, 2017
Accounts payable	\$ 1,409,508	\$ 235,345
Accrued liabilities	342,721	138,483
Payroll related liabilities	175,460	249,210
	<u>\$1,927,689</u>	<u>\$ 623,038</u>

Included in accounts payable and accrued liabilities at March 31, 2018 are amounts relating to Fenelon Gold of \$1,375,413 (December 31, 2017 - \$102,267).

## 10. Loan payable:

	Effective Interest Rate	Due Date	March 31, 2018	December 31, 2017
William Day	18%	October 18, 2018	\$ 2,458,926	\$ 2,440,426

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. An interest payment of \$187,500 was made in October 2017 and \$17,767 is recorded in prepaid expenses at March 31, 2018 (December 31, 2017 - \$110,234). Legal fees of \$145,874 related to the debt are being amortized over the term of the loan. Interest is capitalized to the Fenelon Gold.

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 (note 17).

# WALLBRIDGE MINING COMPANY LIMITED

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

Three months ended March 31, 2018  
(Unaudited)

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## 11. Bridge Loan:

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 may be repaid at any time before January 2019, with scheduled payments of USD\$500,000 on August 30, 2018 and USD\$500,000 on September 30, 2018, with the balance to be paid before January 15, 2019. Effective October 31, 2018, the Bridge Loan also requires a cash sweep of 50% of the Company's working capital. 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. The Company will pay a fee of USD\$80,000 and pay any outstanding due diligence and legal fees upon receipt of the first draw of the Bridge Loan.

Proceeds of the Bridge Loan will be used to fund working capital and to repay the outstanding \$2.5 million loan to William Day. The first draw on the Bridge Loan is contingent on the Company completing a minimum \$2 million equity raise. The Company was required to enter into a mutually agreed price protection plan on the sale of gold (note 7).

The Bridge Loan advances are to be released in tranches as follows:

- (i) USD\$3,200,000 on or before April 30, 2018;
- (ii) USD\$1,600,000 plus or minus 20% on or before May 31, 2018;
- (iii) USD \$1,600,000 plus or minus 20% on or before June 30, 2018;
- (iv) USD \$1,600,000 plus or minus 20% on or before July 31, 2018.

In addition, Auramet was granted a call option on 6,000 ounces of gold struck at \$1,780 per ounce and Wallbridge agreed to sell to Auramet the future bulk sample gold production and gold production from the first year of commercial production.

On April 27, 2018, the Company received the first draw of \$4,032,320 (USD \$3,200,000) less \$113,409 for due diligence and legal costs (note 17).



# WALLBRIDGE MINING COMPANY LIMITED

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

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Balance, December 31, 2016	\$ 26,929
Other income recorded as flow-through expenditures incurred relating to 2016 premium	(26,929)
Premium recorded through flow-through proceeds in 2017	626,438
Other income recorded as flow-through expenditures incurred relating to 2017 premium	(390,838)
Balance, December 31, 2017	\$ 235,600
Other income recorded as flow-through expenditures incurred relating to 2017 premium	(16,900)
Balance, March 31, 2018	\$ 218,700

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The Company is committed to spend \$3,594,250 prior to December 31, 2018, for qualifying Canadian Exploration Expenses ("CEE") renounced effective December 31, 2017. At March 31, 2018 the Company has spent approximately \$1,719,000 of the commitment and has \$1,875,250 remaining to be spent by December 31, 2018.

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.

# WALLBRIDGE MINING COMPANY LIMITED

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## 13. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended March 31,	
	2018	2017
Carube Copper Corp. (i)		
Interest income on promissory note (note 6)	\$ (5,571)	\$ (15,005)
Reversal of impairment of promissory note	-	(548,246)
Reversal of impairment of amounts receivable	-	(8,852)
William Day Holdings Limited (ii)		
Interest payment capitalized to Fenelon Gold	92,467	-
Exploration and evaluation costs	617,235	-
Legal fees	29,917	-
Accounts payable and accrued liabilities	724,042	-

- (i) The Company owns 11.5% of Carube Copper (note 5) (December 31, 2017 – 12.7%). The Company had a promissory note receivable from Carube Copper with principal and interest receivable of \$293,204 that was settled with 5,367,266 common shares of Carube Copper in March 2018 (note 6). The Company recorded an impairment recovery of \$548,246 on the promissory note and \$8,853 in the receivable in March 2017. 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.
- (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 10). Interest on the loan has been capitalized to the Fenelon Gold property. Exploration and evaluation costs relate to surface pond installation, and road maintenance on the Fenelon Gold. On April 27, 2018, the loan was repaid (note 17). 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.

# WALLBRIDGE MINING COMPANY LIMITED

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## 14. Shareholders' equity:

### (a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2017	294,394,851	\$63,794,074
Shares issued upon vesting of Restricted Share Units	1,149,870	109,401
Balance, March 31, 2018	295,544,721	\$ 60,903,457

On January 2, 2018, 1,068,000 common shares were issued upon vesting of restricted share units on December 31, 2017 and that were granted on December 31, 2015. On January 11, 2018, 81,870 shares were issued upon vesting of restricted share units that were granted on January 10, 2016.

### (b) Share Based Compensation Plan:

The number of common shares reserved for the purpose of the omnibus share compensation based plan was 1,255,435 at March 31, 2018. The omnibus share compensation based plan consists of restricted share units ("RSUs"), deferred share units ("DSUs"), and stock options.

For the three months ended March 31, 2018, \$18,200 (three months ended March 31, 2017 - \$8,476) was recorded in share based compensation expense relating to RSUs.

A summary of the outstanding RSUs are as follows:

	March 31, 2018	December 31, 2017
Outstanding at beginning of period	1,244,370	2,409,467
Granted	-	812,500
Cancelled	-	(257,060)
Vested	(81,870)	(1,720,537)
Outstanding at end of period	1,162,500	1,244,370

In January 2018, a total of 302,633 DSUs were granted to the directors of the Company in settlement of directors' fees of \$28,750 which were earned in 2017.

At March 31, 2018, 8,089,908 DSUs are outstanding (December 31, 2017 – 7,787,275).

On April 2, 2018, a total of 479,167 DSUs were granted to the directors of the Company in settlement of directors' fees of \$28,750 which were earned for the period of January 1 to March 31, 2018.

# WALLBRIDGE MINING COMPANY LIMITED

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## 14. Shareholders' equity (continued):

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

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

Stock Options	March 31, 2018		December 31, 2017	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	14,560,000	\$0.08	15,800,000	\$0.09
Granted	200,000	\$0.09	2,805,000	\$0.085
Cancelled	-	-	(100,000)	\$0.085
Exercised	-	-	(445,000)	\$0.05
Expired unexercised	(3,530,000)	\$0.10	(3,500,000)	\$0.16
Outstanding, end of period	11,230,000	\$0.07	14,560,000	\$0.08

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.

At March 31, 2018, 9,802,500 stock options were exercisable (December 31, 2017 – 13,332,500). The weighted average exercise price of options exercisable at March 31, 2018 is \$0.067 per share (December 31, 2017 - \$0.09).

The weighted average remaining contractual life of stock options outstanding is 2.5 years (December 31, 2017 - 2.1 years).

For the three months ended March 31, 2018, \$17,000 (three months ended March 31, 2017 - \$6,800) of expense relating to stock options was recorded in share based compensation.

The fair value of stock options granted during the three months ended March 31, 2018 has been estimated using the Black-Scholes pricing model to be \$9,600 (\$nil for the three months ended March 31, 2017) or \$0.048 per common share for the three months ended March 31, 2018 (\$nil per common share for the three months ended March 31, 2017).

# WALLBRIDGE MINING COMPANY LIMITED

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## 14. Shareholders' equity (continued):

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

The assumptions used in the pricing model are as follows:

	March 31, 2018	December 31, 2017
Estimated risk free interest rate	2.0%	0.83% to 1.56%
Expected life	3.9 years	3.85 years
Expected volatility *	80.2%	75.6% to 80.4%
Expected dividends	\$Nil	\$Nil
Forfeiture rate *	3.3%	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 March 31, 2018:

Exercise Price	Number	Exercisable	Expiry Date
\$0.065	150,000	150,000	May 11, 2018
\$0.065	1,800,000	1,800,000	December 18, 2018
\$0.05 to \$0.095	975,000	975,000	December 31, 2018
\$0.10	200,000	200,000	May 5, 2019
\$0.08	200,000	200,000	June 11, 2019
\$0.05	1,850,000	1,850,000	January 8, 2020
\$0.05	1,700,000	1,700,000	December 30, 2020
\$0.08	1,550,000	1,550,000	November 7, 2021
\$0.085 to \$0.10	2,305,000	1,227,500	June 5, 2022
\$0.085	200,000	100,000	August 10, 2022
\$0.075	100,000	50,000	November 9, 2022
\$0.09	200,000	-	February 15, 2023
Outstanding options	11,230,000	9,802,500	

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## 14. Shareholders' equity (continued):

### (c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

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

Warrants	March 31, 2018		December 31, 2017	
	Number	Average Price	Number	Average Price
Outstanding, beginning of period	55,190,022	\$0.12	45,410,837	\$0.11
Issued	-	-	16,475,761	\$0.14
Exercised	-	-	(6,696,576)	\$0.08
Outstanding, end of period	55,190,022	\$0.12	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 \$674,000 in 2017, \$0.041 per warrant using the following assumptions:

2017	
Estimated risk free interest rate	0.64% to 1.43%
Expected life	1 to 2 years
Expected volatility*	71% to 92%
Expected dividends	\$nil

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

The following table summarizes the warrants outstanding and exercisable at March 31, 2018:

Number	Exercise Price	Expiry Date
2,383,020	\$0.15	June 21, 2019
362,247	\$0.08	August 19, 2019
18,700,000	\$ 0.10	August 19, 2019
636,014	\$0.08	October 4, 2019
19,322,000	\$0.12	October 4, 2019
534,375	\$0.10	November 1, 2019
592,159	\$0.15	November 1, 2019
825,254	\$0.10	November 17, 2019
8,743,277	\$0.15	November 17, 2019
138,888	\$0.10	November 29, 2019
2,952,788	\$0.15	November 29, 2019
55,190,022		

# WALLBRIDGE MINING COMPANY LIMITED

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(Unaudited)

## 15. Earnings (loss) per share:

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended March 31	
	2018	2017
Net earnings (loss) for basic and diluted earnings per share available to common shareholders	\$ (161,025)	\$ 88,882
Weighted average number of shares outstanding - basic	295,040,138	223,393,547
Effect of dilutive securities <sup>(1)</sup> :		
Stock options	-	1,399,787
RSUs	-	1,822,184
DSUs	-	7,566,510
Weighted average number of shares and assumed conversions - diluted	295,040,138	234,182,028
Earnings (loss) per share – reported:		
Basic	\$0.00	\$0.00
Diluted	\$0.00	\$0.00
Non-dilutive securities:		
Stock options	11,230,000	10,900,213
RSUs	1,162,500	-
DSUs	8,089,908	-
Warrants	55,190,022	45,716,837

<sup>(1)</sup> For the three months ended March 31, 2018, the Company did not calculate the effect of dilutive securities, as the Company incurred a loss. The outstanding stock options, RSUs, DSUs and warrants were anti-dilutive and were excluded from the determination of loss per share.

Dilutive securities were determined using the Company's average share price of \$0.071 for the three months ended March 31, 2017.

# WALLBRIDGE MINING COMPANY LIMITED

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## 16. 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 March 31, 2018 the Company has one-year renewable letters of credit of \$1,441,105 (December 31, 2017 - \$386,245) supporting the closure plan for the underground exploration and bulk sampling program at Fenelon Gold of \$1,054,860 (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 (2017- \$25,000). At March 31, 2018, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project was \$283,398 (2017 - \$311,688).

	March 31, 2018	December 31, 2017
Provision for closure plan, beginning of year	\$ 311,688	\$ 345,860
Provision for additional closure plan expenditures	-	60,213
Closure plan expenditures	(28,290)	(94,385)
Balance owing	283,398	311,688
Current portion	(95,680)	(95,680)
Provision for closure plan, long term	\$ 187,718	\$ 216,008

The long term balance of \$187,718 is expected to be spent in 2019 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%.



# WALLBRIDGE MINING COMPANY LIMITED

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## 17. Subsequent Events:

On April 27, 2018, the Company received the first advance under the US\$8,000,000 Bridge Loan from Auramet for an amount of US\$3,200,000 (received \$4,032,320) (note 11)

On April 27, 2018, as a condition to the Bridge Loan, the \$2,500,000 loan from William Day was repaid.

As another condition to the Bridge Loan, 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 representing approximately 9.35% of the issued and outstanding shares of the Company. In addition, William Day owns 11,722,050 share purchase warrants. Following the private placement, William Day owns 54,794,907 shares of the Company representing approximately 16.98% of the issued and outstanding shares on a non-diluted basis, and approximately 19.89% on a partially diluted basis.