Condensed Interim Consolidated Financial Statements of

WALLBRIDGE MINING COMPANY LIMITED

Three and six months ended June 30, 2020

(Unaudited)

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Note	June 30, 2020	December 31, 2019
Assets			
Current assets:			
Cash and cash equivalents		$ 42,546,086	$ 57,093,881
Amounts receivable	6	3,245,558	1,417,420
Deposits and prepaid expenses		245,615	120,569
		46,037,259	58,631,870
Restricted cash		1,441,105	1,441,105
Amounts receivable	6	10,441,784	4,605,860
Long-term investment		961,795	1,057,974
Investment in associates		1,228,786	1,121,900
Exploration and evaluation assets	8	209,427,894	46,282,301
Property and equipment		3,459,704	2,563,128
		$ 272,998,327	$ 115,704,138
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$ 6,444,703	$ 6,184,763
Flow-through premium liability	9	234,594	1,139,037
Current portion of provision for closure plan	10	533,128	976,586
Current portion of lease liability		408,114	718,890
		7,620,539	9,019,276
Lease payable		423,395	170,124
Provision for closure plan	10	1,546,707	1,712,173
Deferred tax liability		4,144,911	1,513,000
		13,735,552	12,414,573
Equity	12		
Share capital		304,218,706	149,440,804
Warrants		891,389	422,226
Contributed surplus		12,481,308	8,033,385
Deficit		(58,136,269)	(54,510,670)
Accumulated Other Comprehensive Loss		(192,359)	(96,180)
Total Equity		259,262,775	103,289,565
Commitments and contingencies	14		
Subsequent events	15		
		$ 272,998,327	$ 115,704,138

See accompanying notes to condensed interim consolidated financial statements.

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WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Note	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Other expenses and (income):					
General and administrative expenses		$ 787,400	$ 358,069	$ 1,935,567	$ 933,396
Stock based compensation	*12 (b)*	594,782	47,500	611,348	224,000
Depreciation of property and equipment		50,704	31,580	86,416	62,622
Interest income		(201,807)	(27,679)	(460,885)	(34,172)
Other income relating to flow-through share premium	*9*	(96,805)	(370,730)	(1,198,242)	(593,095)
Interest on lease liability		4,721	16,193	19,265	34,335
Share of comprehensive loss in investment in associate		102	-	218	-
Gains on derivative contract		-	-	-	(114,915)
Foreign exchange gain on bridge loan		-	-	-	(252,600)
Loss before income taxes		(1,139,097)	(54,933)	(993,687)	(259,571)
Deferred tax expense (recovery)		201,912	(119,000)	2,631,912	15,000
Net earnings (loss) for the period		$ (1,341,009)	$ 64,067	$ (3,625,599)	$ (274,571)
Other comprehensive income (loss):					
Items that will not be reclassified to profit or loss:					
Net change in fair value of long term investment		288,539	(96,180)	(96,179)	96,179
Total comprehensive loss for the period		$ (1,052,470)	$ (32,113)	$ (3,721,778)	$ (178,392)
Net earnings (loss) per share					
Basic		$ (0.00)	$ 0.00	$ (0.01)	(0.00)
Diluted		(0.00)	$ 0.00	$ (0.01)	(0.00)

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2018	**390,366,736**	**$ 73,925,994**	**1,682,497**	**8,296,974**	**(51,348,415)**	**(384,718)**	**$ 32,172,332**
Share issuances	29,166,667	6,980,870	-	-	-	-	6,980,870
Exercise of warrants	45,287,591	7,654,803	(1,022,954)	-	-	-	6,631,849
Exercise of stock options	2,960,000	365,551	-	(121,426)	-	-	244,125
Deferred share units vested and shares issued	1,000,000	370,000	-	(370,000)	-	-	-
Share based compensation	-	-	-	297,600	-	-	297,600
Deferred share units granted	-	-	-	51,182	-	-	51,182
Long term investment - net change in fair value	-	-	-	-	-	96,179	96,179
Net loss	-	-	-	-	(274,571)	-	(274,571)
Balance, June 30, 2019	**468,780,994**	**$ 89,297,218**	**659,543**	**8,154,330**	**(51,622,986)**	**(288,539)**	**46,199,566**
Balance, December 31, 2019	**586,997,997**	**$ 149,440,804**	**422,226**	**8,033,385**	**(54,510,670)**	**(96,180)**	**$ 103,289,565**
Shares issued to Balmoral shareholders	130,556,944	151,446,055	-	-	-	-	151,446,055
Replacement warrants issued to Balmoral warrant holders	-	-	343,971	-	-	-	343,971
Replacement stock options issued to Balmoral stock option holders	-	-	-	5,021,418	-	-	5,021,418
Revaluation of replacement stock options issued to Balmoral stock option holders	-	-	-	203,480	-	-	203,480
Exercise of warrants	106,000	55,308	(4,308)	-	-	-	51,000
Exercise of stock options	1,522,200	1,144,226	-	(540,040)	-	-	604,186
Acquistion of exploration asset	3,000,000	1,320,000	-	-	-	-	1,320,000
Deferred share units vested and shares issued	996,464	812,313	-	(812,313)	-	-	-
Warrants issued for acquisition of exploration asset	-	-	129,500	-	-	-	129,500
Share based compensation	-	-	-	496,336	-	-	496,336
Deferred share units granted	-	-	-	79,042	-	-	79,042
Long term investment - net change in fair value	-	-	-	-	-	(96,179)	(96,179)
Net loss	-	-	-	-	(3,625,599)	-	(3,625,599)
Balance, June 30, 2020	**723,179,605 $**	**$ 304,218,706**	**$ 891,389**	**$ 12,481,308**	**$ (58,136,269)**	**$ (192,359)**	**$ 259,262,775**

See accompanying notes to condensed interim consolidated financial statements.

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Six months ended June 30, 2020	2019
Cash flows from (used in) operating activities:		
Net loss for the period	$ (3,625,599)	$ (274,571)
Adjustments for:		
Deferred tax expense	2,631,912	15,000
Depreciation of property and equipment	86,416	62,622
Other income relating to flow-through share premium	(1,198,242)	(593,095)
Share based compensation	611,348	224,000
Share of comprehensive loss in investment in associate	218	-
Deferred stock units	51,542	19,307
Gains on derivative contract	-	(114,915)
Foreign exchange gain on bridge loan	-	(252,600)
Interest on lease liability	19,265	34,335
Closure plan obligations	(708,924)	(121,613)
Changes in non-cash working capital:		
Amounts receivable	(184,128)	530,515
Deposits and prepaid expenses	39,349	42,367
Accounts payable and accrued liabilities	(3,189,241)	(712,410)
	(5,466,084)	(1,141,058)
Cash flows from (used in) financing activities:		
Issuance of share capital	-	7,000,000
Share issuance costs	-	(19,130)
Exercise of stock options	604,186	244,125
Exercise of warrants	51,000	6,631,849
Payment of bridge loan	-	(9,293,300)
Transaction costs relating to bridge loan	-	(34,125)
Lease payments	(588,042)	(350,848)
	67,144	4,178,571
Cash flows from (used in) investing activities:		
Exploration and evaluation assets expenditures	(14,526,070)	(20,803,870)
Recoveries from Fenelon Gold bulk sample	-	21,928,764
Acquistion of equipment	(890,238)	(208,487)
Cash received on derivative contracts	-	13,975
Proceeds on sale of exploration and evaluation assets	35,000	-
Exploration and evaluation assets option payments received	209,489	179,068
Acquisition of cash	7,349,401	-
Transaction costs for acquisition of Balmoral	(1,326,437)	-
	(9,148,855)	1,109,450
Net increase (decrease) in cash and cash equivalents	(14,547,795)	4,146,963
Cash and cash equivalents, beginning of the period	57,093,881	5,744,775
Cash and cash equivalents, end of the period	$ 42,546,086	$ 9,891,738
Summary of non-cash transactions:		
Acquisition of Balmoral - Net assets acquired (note 7)	$ 156,811,444	$ -
Exploration expenditures - change in accounts payable and accrued liabilities	574,466	4,416,326
Exploration expenditures - capitalized depreciation of equipment	259,274	133,802
Exploration expenditures - other non-cash items	-	140,614
Exploration asset acquisition - warrants and shares issued	1,449,500	-
Exploration recoveries included in amounts receivable	5,617,320	1,517,891
Exploration recoveries - loss on forward contracts	-	193,860
Property and Equipment purchases - changes in accounts payable and accrued liabilities	214,163	-
Property and Equipment purchased under lease agreements	-	870,425
Settlement of accounts payable with deferred stock units	27,500	31,875

See accompanying notes to condensed interim consolidated 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, exploration, development of properties which have the potential for production, and the ultimate production of metals with the focus on gold, copper, nickel and platinum group metals. The Company's head office is located at 129 Fielding Road in Lively, Ontario, Canada.

These consolidated 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 six months ended June 30, 2020, the Company had a net loss of $3,625,599, negative cash flow from operations of $5,466,084 and has working capital of $38,416,720.

The Company was successful in raising the required funds for the 2020 program in late 2019. However, with the acquisition of Balmoral Resources Ltd. ("Balmoral") (note 7), uncertainty with COVID-19 impact, and because the Company is an exploration stage company, it will require funds to continue its operations beyond the end of 2020.

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 and liabilities 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.

2. Basis of presentation:

(a) Statement of compliance:

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2019 with the exception of those disclosed in note 3. 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, 2019.

(b) Judgments and estimates:

Preparing the interim consolidated 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 consolidated 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, 2019.

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require may require the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition of Balmoral on May 22, 2020 did not meet the criteria for accounting as a business combination (Note 7).

(c) Functional and presentation currency:

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

3. 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, 2019 with the exception of the following changes in accounting policies (notes 3(a) and 3(b)) resulting from the acquisition of Balmoral (note 7).

(a) Consolidation

These unaudited condensed interim consolidated financial statements comprise the financial statements of the Company and the accounts of wholly owned subsidiary, Balmoral and its wholly owned subsidiary 1177712 B.C. Ltd. from the date of acquisition (note 7), and 100% wholly owned subsidiary 2225080 Ontario Inc. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All intercompany assets, liabilities, equity, revenue, expenses and cash flows relating to transactions between entities of the group have been eliminated.

(b) Business combinations

On October 22, 2018, the IASB issued amendments to IFRS 3, Business Combinations ("IFRS3"), that seek to clarify whether a transaction is to be accounted for as an asset acquisition or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

(c) Standards and amendments issued but not yet effective or adopted:

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment, to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The Company expects to adopt the revision to IAS 16 when it becomes effective on January 1, 2022.

3. Accounting Policies (continued):

(c) Standards and amendments issued but not yet effective or adopted:

IAS 1, Presentation of Financial Statements

The IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Company will perform an assessment prior to the effective date of January 1, 2022.

4. COVID-19 Estimation Uncertainty:

In preparing consolidated financial statements, judgments are made in applying our accounting policies. The areas of policy judgment are consistent with those reported in the 2019 annual financial statements. In addition, assumptions are made about the future in deriving estimates used in preparing the consolidated financial statements. As disclosed in the 2019 annual financial statements, sources of estimation uncertainty include estimates used to determine the recoverable amounts of long-lived assets and exploration and evaluation assets, the provision for income taxes and the related deferred tax assets and liabilities and the valuation of other assets and liabilities including closure plan provisions.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts on global commerce are anticipated to be far-reaching. To date there have been significant stock market declines and volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the Company's planned exploration programs, demand on our suppliers, on our employees, and on global financial markets. During the six months ended June 30, 2020, the Company has made efforts to safeguard the health of our employees. On March 23, 2020, the Company moved to care and maintenance to protect its facilities and environment. After receiving clearance from the authorities, exploration activities recommenced on May 11, 2020. The Company is monitoring the situation and is following guidance from public health officials at the local, provincial and federal level.

(expressed in Canadian Dollars)

5. 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, current amounts receivable, deposits and prepaid expenses, and accounts payable and accrued liabilities approximates their fair value due to their short term maturities.

At June 30, 2020, the long-term investment in C3 Metals Inc. (formerly Carube Copper Corp.) is carried at fair value and classified as level 1 at $961,795. The shares in C3 Metals Inc. trade on the TSX Venture Exchange and the fair value is estimated by using the closing share price at June 30, 2020 which was $0.05 (December 31, 2019 - $0.055).

6. Amounts receivable:

	June 30, 2020	December 31, 2019
Harmonized Sales Tax and Quebec Sales Tax	$ 888,782	$ 967,460
Quebec tax credits	12,135,244	4,702,281
Other receivables	663,316	353,539
	$ 13,687,342	$ 6,023,280
Current portion of amounts receivable	(3,245,558)	(1,417,420)
	$ 10,441,784	$ 4,605,860

The Company is entitled to refundable tax credits and tax credits on qualified exploration expenditures incurred in Quebec. Of the $12,135,244 Quebec tax credits, $3,895,811 relates to 2020 qualified expenditures incurred in Quebec, $6,545,973 relates to 2019 qualified expenditures incurred in Quebec, and $1,693,460 relates to 2018 qualified expenditures incurred in Quebec.

The Company has claimed certain government assistance relating to exploration expenditures incurred in Quebec of approximately $4.1 million which has not been recorded as there is no history of receipt and the Company does not have reasonable assurance as to its collection.

(expressed in Canadian Dollars)

7. Acquisition of Balmoral:

On March 2, 2020, the Company entered into an arrangement agreement with Balmoral pursuant to which Wallbridge agreed to acquire all of the issued and outstanding common shares of Balmoral. (the “Balmoral Shares”). The acquisition was completed on May 22, 2020. The Company acquired all of the Balmoral Shares through the issuance of 130,556,944 common shares. In addition, all of the outstanding stock options and warrants of Balmoral were exchanged into stock options and warrants of Wallbridge by applying the share exchange ratio of 0.71 and maintaining the same relative terms and conditions as the Balmoral stock options and warrants. Further, all outstanding Balmoral deferred stock units were settled by a cash payment of $225,783 upon closing of the acquisition.

The Company concluded that the acquisition of Balmoral to be an asset acquisition, and did not constitute a business combination under IFRS 3.

The acquisition date fair value of the purchase consideration transferred consisted of the following:

Issuance of common shares	$151,446,055
Issuance of replacement stock options and warrants	5,365,389
Transaction costs	1,326,437
Total purchase consideration	$158,137,881

The common shares issued were valued at the May 22, 2020 closing price of Wallbridge shares on the Toronto Stock Exchange ($1.16).

The fair value of the Balmoral stock options and warrants were calculated using a Black-Scholes option pricing model with the following weighted average assumptions and inputs: (i) expected life – 2.4 years, (ii) weighted average expected volatility – 93%, (iii) risk free interest rate – 0.29%, (iv) share price – $0.81.

The Company recorded a stock option expense of $203,480 when re-valuing the stock options at May 22, 2020 (note 12 (b)).

The results of Balmoral operations are included for the period of May 23, 2020 to June 30, 2020.

(expressed in Canadian Dollars)

7. Acquisition of Balmoral (continued):

Wallbridge has allocated the purchase consideration to the acquired assets and assumed liabilities as follows:

Assets:	
Cash and cash equivalents	$7,349,401
Amounts receivable	1,718,718
Deposits and prepaid expenses	164,395
Property and equipment	566,191
Exploration and evaluation assets	153,509,556
Total assets	163,308,261
Liabilities:	
Accounts payable and accrued liabilities	4,265,311
Current portion of lease liability	193,377
Flow-through premium liability	293,799
Provision for closure plan	100,000
Lease payable	317,893
Total liabilities	5,170,380
Net assets acquired	$158,137,881

(expressed in Canadian Dollars)

8. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2019	Acquisition	Expenditures	Disposition/ Recovery	Balance, June 30, 2020
Fenelon Gold Property(a) and (d)	$30,950,891	52,115,927	13,312,343	(5,868,320)	$90,510,841
Martinière (d)	-	28,014,000	2,945	-	28,016,945
Grasset (d)	-	27,627,000	421	-	27,627,421
Detour East (d)	-	14,073,000	294	-	14,073,294
Hwy 810 (d)	-	13,577,000	294	-	13,577,294
Other Quebec Properties (b), (c) and (d)	-	18,735,700	5,209	-	18,740,909
Other Ontario Properties (d)	-	1,575,629	1,174	(35,000)	1,541,803
Sudbury Properties	15,331,410	-	217,466	(209,489)	15,339,387
	$46,282,301	155,718,256	13,540,146	(6,112,809)	$209,427,894

	Balance December 31, 2018	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2019
Fenelon Gold Property(a)	$ 28,144,756	29,773,292	-	(26,967,157)	$ 30,950,891
Other Quebec Properties (b)	364,351	28,015	(392,366)	-	-
Sudbury Properties	15,296,024	280,487	-	(245,101)	15,331,410
	$43,805,131	30,081,794	(392,366)	(27,212,258)	$46,282,301

(a) Fenelon Gold Property:

Included in the six months ended June 30, 2020 expenditures of $13,312,343 are $12,964,601 of exploration costs, depreciation of $259,274, and stock option expense of $88,468. Recovery of $5,868,320, is from Quebec refundable tax credits.

Included in the 2019 expenditures of $29,773,292 are $18,843,883 relating to the underground exploration and bulk sample, surface exploration costs of $9,923,411, capitalized interest and transaction costs of $258,150, depreciation of $312,994, Quebec mining tax duties of $320,954 and stock option expense of $113,900. Recovery of $22,361,297 is from the sale of gold ounces from the bulk sample and Quebec refundable tax credits of $4,605,860 for a total recovery of $26,967,157.

8. Exploration and evaluation assets (continued):

(b) Beschefer:

In December 2019, the claims on Beschefer lapsed due to the failure of Wallbridge to file annual work statements. The Company recorded an impairment of the full amount of its historic expenditures on Beschefer of $392,366 in 2019.

On February 21, 2020, the Company acquired certain claims relating to Beschefer for $659,200. As part of the acquisition agreement, the Company shall spend up to $600,000 on other properties owned by the vendor, at the vendor's discretion, in consideration for transfer of 10% ownership in the properties, as well as a right of first refusal to purchase such properties.

On March 17, 2020, the Company entered into an agreement to deem the exercise of the Company's option pursuant to the Beschefer agreement satisfied upon the issuance of 3,000,000 common shares and 500,000 common share purchase warrants exercisable for $1.00 per common share and expiring five years from the date of issuance. The value of the shares and warrants $1,449,500 were recorded as acquisition costs.

The Beschefer property is subject to a 1% and a 2% net smelter return royalty on any future commercial production.

(expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued):

(c) Casault Gold Property:

On June 16, 2020, the Company entered into an option agreement with Midland Exploration Inc. ("Midland") to acquire a 65% interest in the Casault Gold Property located in the province of Quebec, contiguous to the Martiniere and Detour East gold properties.

Wallbridge can acquire an initial undivided 50% interest in the Casault Gold Property, by making an initial payment of $100,000 within five days following execution of the Agreement (payment was made on June 16, 2020) and subsequently incurring aggregate expenditures and cash payments as follows:

	Expenditures	Cash payments
On or before June 30, 2021	$ 750,000	$ 110,000
On or before June 30, 2022	1,000,000	110,000
On or before June 30, 2023	1,250,000	130,000
On or before June 30, 2024	2,000,000	150,000
	$5,000,000	$500,000

Should Wallbridge's expenditures fall short of the required amount in any specified period, it may elect to make a cash payment to Midland in an amount equal to the shortfall in full satisfaction of the expenditure commitment for such period.

Upon exercise of the first option, Wallbridge may, at its sole discretion, increase its undivided interest in the Casault Gold Property to 65% (second option), by incurring additional expenditures and/or cash payments, at the sole election of Wallbridge, of $6,000,000 within a period two years from the date of exercise of the first option.

Should Wallbridge elect, at its sole discretion, to not earn, or to cease to earn, the additional undivided interest pursuant to the second option, the parties shall then form a joint venture (the "Joint Venture") to manage the Casault Gold Property. Wallbridge shall be the operator of the Joint Venture as long as it has at least a 50% participating interest in the Joint Venture, or it has not elected to discontinue operatorship of the Joint Venture.

8. Exploration and evaluation assets (continued):

(d) Balmoral Properties:

Fenelon and Martinière, Quebec

The Company owns 100% interests in each of the Fenelon and Martinière properties. There are certain net smelter return ("NSR") royalties on the properties in favour of former property owners and payable on commencement of commercial production: 2% on the majority of the Martinière property and between 1% and 1.6% for portions of the Fenelon Property. Buyout provisions exist for a portion of the Fenelon royalties.

Grasset, Quebec

The Company owns a 100% interest in the Grasset Property. The Grasset property is located immediately east of and adjoins the Fenelon Property. There are no underlying royalties on the Grasset Property.

Detour East, Quebec

The Company owns a 100% interest in the Detour East Property, except for 18 claims, which are in a 63%/37% participatory joint venture with Encana Corp. and for which the Company is the operator.

There is a NSR royalty of 2%, which relates to the entirety of the property, payable to a former property owner, which may be repurchased at any time for $1,000,000 for the first 50% of the NSR interest and $2,000,000 for the remainder.

Hwy 810

The Company owns a 100% interest in the Hwy 810 Property, which is located proximal to the producing Casa Berardi gold mine approximately 70 kilometres south of the Detour Gold Trend Project. The property was acquired by staking and there are no royalties or other encumbrances on the property. The Hwy 810 property hosts both gold and base metal targets.

Other Quebec properties:

The Company owns a 100% interest in the N2 property, Quebec. There are NSR royalties of 1% to 5% on the property in favour of former property owners and payable on commencement of commercial production. Buyout provisions exist for certain portions of these royalties.

The Company owns a 100% interest in six properties in the Lac Rocher Nickel District in Quebec (the "RUM" properties). The RUM properties cover mafic/ultramafic intrusions of the Lac Rocher suite and are being explored for their nickel-copper-cobalt-PGE potential. The RUM Properties were acquired by staking and thus there are no royalties payable or third-party encumbrances.

Also included in Other Quebec properties are the Harri, Nantel, and Jeremie properties, which were acquired by staking or purchase agreements, which the Company owns a 100% interest in and which are all part of the Detour Gold Trend Project.

8. Exploration and evaluation assets (continued):

(d) Balmoral properties (continued):

Other Ontario Properties:

Gargoyle, Goblin and Ghost, Ontario

The Company has an option agreement to acquire a 100% interest in the Gargoyle Property in Ontario which it can exercise by making cash and share payments of

- August 16, 2020: $40,000 and 71,000 common shares
- August 16, 2021: $50,000 and 106,500 common shares

The Company may accelerate the payment schedule. Upon full payment of the cash and shares set out above, the Company will grant a 2% NSR royalty to the vendor, half of which the Company may repurchase at any time for $1,000,000. The Company also has a right of first refusal on the sale of the remaining NSR interest.

The Goblin or Ghost properties are not subject to the terms and conditions of the Gargoyle Agreement and thus are 100% owned by the Company and free of royalty interests.

Northshore Gold, Ontario

On June 22, 2020, the Company entered into an agreement with Omni Commerce Corp. (“Omni”) to sell its 44% interest in the Northshore Gold Property, an advanced exploration gold property in Ontario. The property will be sold for total consideration of $1,055,000, to be received as follows:

(a) $17,500 cash as a non-refundable deposit which was received in connection with entry into the letter of intent;
(b) $17,500 cash as a non-refundable deposit which was received upon execution of the agreement;
(c) $220,000 cash payable on the closing date; and
(d) $800,000 satisfied through the issuance of post-consolidation shares to the Company, which would be subject to escrow conditions.

As part of the conditions of the agreement, Omni has agreed to consolidate its total issued and outstanding common shares on the basis of five pre-consolidation Omni Shares for one post-consolidation Omni Share prior to closing. Omni has also agreed to raise gross proceeds of not less than $1.5 million through the private placement of subscription receipts, prepare a new technical report on the property that is compliant with National Instrument 43-101, applying to list its common shares on a Canadian stock exchange, completing the acquisition of the 56% interest in the property from CBLT Inc., receipt of all requisite approvals, and other conditions customary for transactions of this nature. The parties will endeavor to complete the transaction as soon as practicable.

(expressed in Canadian Dollars)

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

Balance, December 31, 2018	$ 593,095
Premium recorded through flow-through proceeds	1,773,923
Other income recorded as flow-through expenditures incurred	(1,227,981)
Balance, December 31, 2019	$ 1,139,037
Acquired from Balmoral, May 22, 2020	293,799
Other income recorded as flow-through expenditures incurred	(1,198,242)
Balance, June 30, 2020	$ 234,594

The Company was committed to spending prior to December 31, 2020, and has renounced effective December 31, 2019, qualifying CEE of $7,858,785. At June 30, 2020, the Company has fulfilled this commitment. At June 30, 2020, approximately $4,641,000 remains to be incurred on qualifying expenditures during 2020.

10. Provision for Closure Plans:

Provision for closure plan, December 31, 2018	$ 1,428,963
Provision for closure plan expenditures on Broken Hammer	1,913,749
Closure plan expenditures relating to Broken Hammer during the year	(653,953)
Provision for closure plans, December 31, 2019	$ 2,688,759
Provision for Fenelon and Martinière property reclamation, arising on the acquisition of Balmoral	100,000
Closure plan expenditures relating to Broken Hammer during the six months ended June 30, 2020	(708,924)
	$ 2,079,835
Current portion, June 30, 2020	(533,128)
Provision for closure plan, June 30, 2020, long term	$ 1,546,707

The inflation adjusted discount rate used in estimating the environmental provision for the six months ended June 30, 2020 was 0% (December 31, 2019 - an inflation rate of 1.35% and a discount rate of 1.65%).

At June 30, 2020 and December 31, 2019, the Company has one-year renewable letters of credit, secured by cash and cash equivalents, of $1,441,105 supporting the closure plans. At June 30, 2020, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer project is $889,975 (December 31, 2019 - $1,598,899) of which $533,128 is a current provision, and the Fenelon Gold Property is $1,089,860 (December 31, 2019 - $1,089,860), and $100,000 arising from the acquisition of Balmoral on the Fenelon and Martinière properties.

(expressed in Canadian Dollars)

11. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Lonmin Canada Inc. ("Loncan") (a)				
Recovery of costs billed to Loncan plus 10% fee	$109,156	-	167,315	-
Recovery of exploration costs	209,480	-	209,480	-
William Day Construction Limited ("William Day") (b)				
Closure plan expenditures – Broken Hammer	32,771	-	55,522	-

(a) The Company owns 17.8% of Loncan (December 31, 2019 – 16.5%). Effective October 28, 2019, the Company has an operatorship agreement with Loncan and receives 10% on exploration expenditures incurred in Loncan, and the Company has representation on the board of directors of Loncan. At June 30, 2020, the Company has a receivable from Loncan of $289,703 (December 31, 2019 - $215,154). 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.

(b) Shawn Day is a director and the President of William Day and a director of the Company. At June 30, 2020, the Company has a payable to William Day of $127,463 (December 31, 2019 - $455,663). The payable includes $124,000 owing for the purchase of equipment, payable at $31,000 per month (December 31, 2019 - $310,000). 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)

12. Shareholders' equity:

(a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2019	586,997,997	$149,440,804
Shares issued upon exercise of warrants (i)	106,000	55,308
Shares issued upon conversion of deferred share units (ii)	996,464	812,313
Shares issued upon exercise of stock options (iii)	1,522,200	1,144,226
Shares issued for acquisition of exploration asset (iv)	3,000,000	1,320,000
Shares issued to Balmoral shareholders upon acquisition (v)	130,556,944	151,446,055
Balance, June 30, 2020	723,179,605	$304,218,706

(i) During the six months ended June 30, 2020, 106,000 common shares were issued upon exercise of warrants at an average exercise price of $0.48 for total proceeds of $51,000. Value of the warrants exercised of $4,308 are included in share capital.

(ii) During the six months ended June 30, 2020, 996,464 common shares were issued upon conversion of deferred share units by a retired director.

(iii) During the six months ended June 30, 2020, 1,522,200 common shares were issued upon exercise of stock options at an average exercise price of $0.40 for total proceeds of $604,186. Value of the stock options exercised of $540,040 are included in share capital.

(iv) On March 17, 2020, 3,000,000 common shares were issued for acquisition of an exploration asset (note 8 (b)). Value of the stock options issued of $1,320,000 are included in share capital.

(v) On May 22, 2020, 130,556,944 common shares were issued to Balmoral shareholders upon the Company's acquisition of all of Balmoral's outstanding shares (note 7). Value of the shares issued of $151,446,055 are included in share capital.

(expressed in Canadian Dollars)

12. Shareholders' equity (continued):

(b) Share Based Compensation Plan:

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

	June 30, 2020		December 31, 2019	
Stock Options	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	4,855,000	$0.165	8,067,500	$0.08
Granted	1,323,000	$0.93	3,900,000	$0.08
Replacement stock options	6,871,647	$0.451	-	-
Cancelled			(287,500)	$0.128
Exercised	(1,522,200)	$0.397	(6,825,000)	$0.087
Expired unexercised	(37,500)	$0.155	-	-
Outstanding, end of period	11,489,947	$0.541	4,855,000	$0.165

At June 30, 2020, 10,495,113 stock options were exercisable (December 31, 2019 – 2,559,167). The weighted average exercise price of options exercisable at June 30, 2020 is $0.52 per share (December 31, 2019 - $0.149). The weighted average remaining contractual life of stock options outstanding is 3.72 years (December 31, 2019 – 3.67 years).

For the three months ended June 30, 2020, $391,302 (three months ended June 30, 2019 - $47,500) of expense relating to stock options was recorded in share based compensation, and $82,723 (three months ended June 30, 2019 - $20,000) was capitalized to exploration and evaluation assets. For the six months ended June 30, 2020, $407,868 (six months ended June 30, 2019 - $224,000) of expense relating to stock options was recorded in share based compensation, and $88,468 (six months ended June 30, 2019 - $73,600) was capitalized to exploration and evaluation assets.

On May 11, 2020, 1,323,000 stock options were granted at an exercise price of $0.93 which will expire on May 11, 2025 of which 661,500 options vested immediately and 661,500 options will vest on May 11, 2021.

On May 22, 2020, the outstanding stock options of Balmoral have been adjusted in accordance with their terms and the Exchange Ratio such that 6,871,647 options of Wallbridge were reserved for exercise. The fair value of the stock options acquired was $5,021,418 (note 7). The Company recorded a stock option expense of $203,480 when re-valuing the stock options at May 22, 2020 at $5,224,898. The stock options were calculated using a Black-Scholes option pricing model with the following weighted average assumptions and inputs: (i) expected life – 2.4 years, (ii) weighted average expected volatility – 102.6%, (iii) risk free interest rate – 0.29%, (iv) share price – $1.16.

(expressed in Canadian Dollars)

12. Shareholders' equity (continued):

(b) Share Based Compensation Plan:

The fair value of stock options granted during the six months ended June 30, 2020 has been estimated using the Black-Scholes pricing model to be $786,552 (six months ended June 30, 2019 - $335,400) or $0.594 per common share for the six months ended June 30, 2020 ($0.096 per common share for the six months ended June 30, 2019).

The assumptions used in the pricing model are as follows:

	June 30, 2020	December 31, 2019
Estimated risk free interest rate	0.29%	1.9% to 2.1%
Expected life	3.47 years	3.9 years
Expected volatility *	87.85%	80.1% to 103.8%
Expected dividends	$Nil	$Nil
Forfeiture rate *	3.3%	3.2% to 3.5%

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

The following table summarizes the stock options outstanding at June 30, 2020:

Exercise Price	Number	Exercisable	Expiry Date
$0.085	230,000	230,000	June 5, 2022
$0.075	100,000	100,000	November 9, 2022
$0.065	300,000	300,000	June 25, 2023
$0.075	650,000	650,000	July 5, 2023
$0.165	400,000	266,667	December 7, 2023
$0.155	1,775,000	1,775,000	January 3, 2024
$0.175	200,000	200,000	January 28, 2024
$0.420	200,000	100,000	July 21, 2024
$0.785	200,000	100,000	December 5, 2024
$0.930	1,323,000	661,500	May 11, 2025
$0.662	1,853,100	1,853,100	January 30, 2025
$0.254	1,356,723	1,356,723	April 12, 2024
$0.254	276,900	276,900	September 7, 2023
$1.099	1,269,124	1,269,124	March 2, 2022
$0.986	248,500	248,500	December 23, 2021
$1.268	124,250	124,250	November 7, 2021
$0.845	983,350	983,350	March 14,2021
Outstanding options	11,489,947	10,495,114	

(expressed in Canadian Dollars)

12. Shareholders' equity (continued):

(c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share. .At June 30, 2020, the Company has reserved shares for issuance as follows:

	June 30, 2020		**December 31, 2019**	
Warrants	Number	Average Price	Number	Average Price
Outstanding, beginning of period	6,591,591	$0.60	55,365,504	$0.14
Issued	500,000	$1.00	6,630,584	$0.60
Replacement warrants	4,941,220	$0.40	-	-
Expired unexercised	-	-	(1,347,350)	$0.12
Exercised	(106,000)	$0.48	(54,057,147)	$0.14
Outstanding, end of period	11,926,811	$0.54	6,591,591	$0.60

The fair value of the warrants issued was estimated using the Black-Scholes pricing model to be $460,817 in the six months ended June 30, 2020 (December 31, 2019 - $624,000), $0.085 (December 31, 2019 - $0.094) per warrant using the following assumptions:

	June 30, 2020	**December 31, 2019**
Estimated risk free interest rate	0.93%	1.53%
Expected life	5 years	1 year
Expected volatility*	94.6%	88.6%
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.

On May 22, 2020, the outstanding warrants of Balmoral were adjusted in accordance with their terms and Exchange Ration such that 4,941,220 warrants of Wallbridge were reserved for exercise. The fair value of the warrants acquired on acquisition of Balmoral was $343,971 (note 7).

(expressed in Canadian Dollars)

12. Shareholders' equity (continued):

(c) Share purchase warrants:

The following table summarizes the warrants outstanding and exercisable at June 30, 2020:

Number	Exercise Price	Expiry Date
6,556,591	$0.60	August 1, 2020
513,368	$0.35	September 15, 2020
760,712	$0.35	October 11, 2020
147,034	$0.42	April 25, 2021
3,449,106	$0.42	May 8, 2021
500,000	$1.00	March 17, 2025
11,926,811		

(expressed in Canadian Dollars)

13. Earnings (loss) per share:

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

	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net income (loss) for basic and diluted earnings per share available to common shareholders	$(1,341,009)	$ 64,067	$(3,625,599)	$(274,571)
Weighted average number of shares outstanding - basic	649,332,518	448,400,418	618,890,922	424,517,766
Effect of dilutive securities [(1)]:				
Stock options	-	5,308,042	-	-
DSUs	-	7,054,254	-	-
Warrants	-	5,816,339	-	-
Weighted average number of shares and assumed conversions - diluted	649,332,518	466,579,053	618,890,922	424,517,766
Earnings (loss) per share – reported:				
Basic	$ (0.00)	$ 0.00	$ (0.01)	$ (0.00)
Diluted	$ (0.00)	$ 0.00	$ (0.01)	$ (0.00)
Non-dilutive securities:				
Stock options	4,383,167	-	4,383,167	8,407,500
DSUs	6,299,857	-	6,299,857	7,054,254
Warrants	11,926,811	-	11,926,811	10,077,913

[(1)] Dilutive securities were determined using the Company's average share price for the period. For the three months ended June 30, 2019, the average share price was $0.364. For the three and six months ended June 30, 2020 and the six months ended June 30, 2019, the Company did not calculate the effect of dilutive securities, as the Company had incurred a loss. The outstanding stock options, DSUs and warrants were anti-dilutive and were excluded from the determination of loss per share.

14. Commitments and contingencies:

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

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

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

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

15. Subsequent Events:

(a) Subsequent to June 30, 2020, 7,063,731 warrants with an average exercise price of $0.58 were exercised for total proceeds of $4,112,525.

(b) On July 15, 2020, the Company agreed to the full settlement of the lease obligation for the Vancouver office by making a $300,000 payment and foregoing the $13,320 rental deposit. At June 30, 2020, the lease liability was $467,336.

(c) On August 4, 2020, 1177712 B.C. Ltd. (a wholly owned subsidiary), was dissolved by way of voluntary dissolution under the Business Corporations Act in British Columbia.