

Consolidated Interim Financial Statements of

WALLBRIDGE
MINING COMPANY LIMITED
(An exploration stage company)

Three and nine months ended September 30, 2008
(Unaudited)

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Consolidated Balance Sheets (expressed in Canadian Dollars)

As at September 30, 2008, with comparative figures as at December 31, 2007

	September 30, 2008	December 31, 2007
	(unaudited)	
Assets		
Current assets:		
Cash (note 7)	\$ 1,916,507	5,298,711
Amounts receivable	917,504	141,156
Prepaid expenses	162,515	114,465
Marketable securities	11,712	20,702
	<u>3,008,238</u>	<u>5,575,034</u>
Restricted cash and term deposits (note 13(b))	275,000	125,000
Investment (note 5)	8,700,001	22,639,159
Mining interests (note 6)	17,199,449	12,685,204
Property, plant and equipment	748,672	564,412
	<u>\$ 29,931,360</u>	<u>41,588,809</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,117,706	723,982
Taxes payable	1,650	69,552
Current portion of long-term debt (note 11)	21,600	26,815
	<u>1,140,956</u>	<u>820,349</u>
Long-term debt (note 11)	68,850	85,212
Future income taxes	2,664,000	5,356,616
Shareholders' equity (note 9):		
Share capital	37,936,854	34,367,436
Warrants	2,433,230	2,014,135
Contributed surplus	2,932,730	2,271,307
Deficit	(24,013,755)	(21,731,246)
Accumulated other comprehensive income	6,768,495	18,405,000
	<u>26,057,554</u>	<u>35,326,632</u>
Basis of presentation (note 1)		
Commitments and contingencies (note 13)		
Subsequent events (note 6(d))		
	<u>\$ 29,931,360</u>	<u>41,588,809</u>

See accompanying notes to consolidated interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Consolidated Interim Statements of Operations and Comprehensive Income
(expressed in Canadian dollars)

Three and nine months ended September 30, 2008, with comparative figures for the
three and nine months ended September 30, 2007
(Unaudited)

	Three months ended September 30, 2008	Nine months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2007
Revenue:				
Interest	\$ 23,528	103,116	64,922	97,909
Other	7,081	10,665	10,849	41,861
	30,609	113,781	75,771	139,770
Expenses:				
Office and administrative (note 8)	303,774	1,338,444	380,260	1,341,716
Amortization	41,783	92,518	30,803	86,820
Stock-based compensation	80,900	659,000	113,000	915,000
Interest on long-term debt	1,363	4,652	1,992	5,911
	427,820	2,094,614	526,055	2,349,447
Other expenses and income:				
Expense recoveries	(114,824)	(169,507)	(58,783)	(160,462)
Unrealized loss (gain) on marketable securities	9,750	9,750	11,000	(14,500)
Unrealized loss on investment (note 5)	16,800,002	16,800,002	-	-
Write-down of mining interests	770,830	1,208,396	550,006	1,439,117
	17,893,578	19,943,255	1,028,278	3,613,602
Loss before income taxes	(17,862,969)	(19,829,474)	(952,507)	(3,473,832)
Future income tax reduction	(3,044,000)	(3,518,963)	(116,608)	(781,840)
Loss for the period	(14,818,969)	(16,310,511)	(835,899)	(2,691,992)
Other comprehensive income, net of tax:				
Unrealized gain (loss) on available-for-sale investment (net of tax 2008 - 3 months \$2,772,000, 9 months \$2,302,283) (net of tax 2007 - 3 months \$171,570, 9 months \$(2,087,158))	(14,028,002)	(11,636,505)	(778,428)	11,318,685
Reclassification adjustment for losses included in net loss (net of tax \$2,772,000)	14,028,002	14,028,002	-	-
Comprehensive income (loss)	\$ (14,818,969)	(13,919,014)	(1,614,327)	8,626,693
Loss per share - basic and diluted (note 10)	\$ (0.16)	(0.19)	(0.01)	(0.04)

See accompanying notes to consolidated interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Consolidated Interim Statements of Cash Flows (expressed in Canadian dollars)

Three and nine months ended September 30, 2008, with comparative figures for the

three and nine months ended September 30, 2007

(Unaudited)

	Three months ended September 30, 2008	Nine months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2007
Cash flows from operating activities:				
Loss for the period	\$ (14,818,969)	(16,310,511)	(835,899)	(2,691,992)
Adjustments for:				
Future income tax recovery	(3,044,000)	(3,518,963)	(116,608)	(781,840)
Amortization	41,783	92,518	30,803	86,820
Write-down of mining interests	770,830	1,208,396	550,006	1,439,117
Unrealized loss (gain) on marketable securities	9,750	9,750	11,000	(14,500)
Unrealized loss (gain) on investment	16,800,002	16,800,002	-	-
Stock-based compensation	80,900	659,000	113,000	915,000
	(159,704)	(1,059,808)	(247,698)	(1,047,395)
Changes in non-cash working capital:				
Amounts receivable	(590,043)	(645,641)	(23,298)	173,929
Prepaid expenses	(103,466)	(48,050)	(49,119)	(41,274)
Accounts payable and accrued liabilities	72,816	90,409	3,312	267,495
Taxes payable	-	(67,902)	14,701	36,408
	(780,397)	(1,730,992)	(302,102)	(610,837)
Cash flows from financing activities:				
Issuance of share capital	746,957	4,175,441	27,666	6,466,304
Payments on long-term debt	(5,400)	(21,577)	(4,039)	(12,116)
	741,557	4,153,864	23,627	6,454,188
Cash flows from investing activities:				
Mining interests	(2,359,483)	(5,426,882)	(1,368,350)	(4,395,108)
Restricted cash	-	(150,000)	-	-
Option receipts	-	-	-	897,342
Property, plant and equipment	(42,315)	(228,194)	(20,190)	(62,245)
	(2,401,798)	(5,805,076)	(1,388,540)	(3,560,011)
Net increase (decrease) in cash	(2,440,638)	(3,382,204)	(1,667,015)	2,283,340
Cash, beginning of period	4,357,145	5,298,711	6,977,929	3,027,574
Cash, end of period	\$ 1,916,507	1,916,507	5,310,914	5,310,914
Interest paid	\$ 1,363	4,652	1,992	5,911
Taxes paid	-	69,552	-	1,442
Cash is made up of:				
Cash held in a major Canadian chartered bank	\$ 1,916,507	1,916,507	5,310,914	5,310,914
Summary of non-cash transactions:				
Mining interests:				
Acquisition with shares	\$ -	162,495	-	13,000
Acquisition with stock options	-	10,000	-	-

See accompanying notes to consolidated interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Consolidated Statement of Shareholders' Equity (expressed in Canadian Dollars)

Nine months ended September 30, 2008 and 2007
(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income *	Total
Balance, December 31, 2007	78,960,705	\$ 34,367,436	2,014,135	2,271,307	(21,731,246)	18,405,000	35,326,632
Private placements, net of share issuance costs (note 9 (a)(iii))	12,435,700	3,746,012	419,095	-	-	-	4,165,107
Exercise of stock options (note 9 (b))	33,334	17,911	-	(7,577)	-	-	10,334
Property acquisition (notes 9 (a)(ii) and (iv))	436,658	162,495	-	-	-	-	162,495
Stock-based compensation (note 9 (b))	-	-	-	669,000	-	-	669,000
Renunciation on flow-through shares	-	(357,000)	-	-	-	-	(357,000)
Unrealized gain on available for sale securities, net of tax	-	-	-	-	14,028,002	(11,636,505)	2,391,497
Loss for the period	-	-	-	-	(16,310,511)	-	(16,310,511)
Balance, September 30, 2008	91,866,397	\$ 37,936,854	2,433,230	2,932,730	(24,013,755)	6,768,495	26,057,554
Balance, December 31, 2006	65,014,739	\$ 30,663,724	54,000	1,282,000	(17,269,980)	-	14,729,744
Change in accounting policy related to financial instruments	-	-	-	-	21,500	1,570,000	1,591,500
Private placements, net of share issuance costs	10,800,000	4,514,502	1,918,135	-	-	-	6,432,637
Exercise of stock options	111,666	60,051	-	(2,085)	-	-	57,966
Property acquisition	25,000	13,000	-	-	-	-	13,000
Stock-based compensation	-	-	-	890,700	-	-	890,700
Tax effect of renunciation on flow-through shares	-	(1,968,900)	-	-	-	-	(1,968,900)
Unrealized gain on available for sale securities, net of tax, arising during the period	-	-	-	-	-	9,748,685	9,748,685
Loss for the period	-	-	-	-	(2,713,492)	-	(2,713,492)
Balance, September 30, 2007	75,951,405	\$ 33,282,377	1,972,135	2,170,615	(19,961,972)	11,318,685	28,781,840

* Represents unrealized gain on available for sale securities net of taxes of \$1,375,302 at September 30, 2008 (\$3,677,585 at December 31, 2007).

See accompanying notes to consolidated interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008

(Unaudited)

Wallbridge Mining Company Limited (the "Company") was incorporated under the laws of Ontario and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

1. Basis of presentation:

The consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. They do not include all of the information and footnotes required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended September 30, 2008 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2008. Other than as described in note 2, these consolidated interim financial statements follow the same accounting policies and methods of application described in the Company's most recent audited financial statements at December 31, 2007, and should be read in conjunction with those financial statements and related footnotes.

These consolidated interim 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. The Company will require additional financing to fund its continuing exploration efforts. Further, there can be no assurance that the Company will either achieve or maintain profitability in the future.

Management believes that the actions taken or planned, will allow the Company to meet its financial obligations and to continue as a going concern.

If the going concern assumption were not appropriate for these consolidated interim financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported expenses and the balance sheet classifications used.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

2. Significant accounting policies:

Capital disclosures and financial instruments – disclosures and presentation

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862) and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008.

Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in note 3 to these consolidated interim financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook sections in note 4 to these consolidated interim financial statements.

Future Accounting Pronouncements

In February 2008, the CICA issued Handbook Sections 3064, *Goodwill and intangible assets*, replacing Section 3062, *Goodwill and other intangible assets*, and Section 3450, *Research and development costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This new standard is applicable to fiscal years beginning on or after October 1, 2008. The Company will implement this standard in its first quarter of fiscal year 2009 and is currently evaluating the impact of its adoption on its financial statements. The Company does not expect that the adoption of this new section will have a material impact on its financial statements.

Convergence with International Financial Reporting Standards (“IFRS”)

On February 13, 2008, the Canadian Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will occur on January 1, 2011 for public entities. The impact of this transition on the Company's consolidated interim financial statements has not yet been determined; however, management continues to monitor these developments.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

3. Capital management:

The Company considers its capital structure to consist of share capital, contributed surplus and warrants.

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

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

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

There has been no change in management's capital policy since year end.

4. Financial risk factors:

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

(a) Credit risk:

The Company is not exposed to major credit risks attributable to customers.

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

The Company's cash is held in a major Canadian chartered bank and the Company has no investment in non-bank asset-backed commercial paper.

(b) Liquidity risk:

The Company has sufficient funds being cash in the amount of \$1,916,507 (2007 - \$5,298,711) to settle current and long-term liabilities. Long-term liabilities mature as set out in note 11. The Company will require additional financing to fund its continuing exploration activities.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

4. Financial risk factors (continued):

(c) Market risk:

Interest rate risk – The Company had approximately \$1,916,000 in cash at September 30, 2008 and has interest bearing debt of approximately \$90,000. The Company invests cash surplus to its operation in an interest bearing account held in a major Canadian chartered bank. The Company periodically assesses the quality of its investments with the bank and is satisfied with the credit rating of the bank.

Foreign currency risk – The Company's activities are all within Canada and all transactions are in Canadian dollars. As such, the Company does not have any foreign currency risk.

Price risk - The Company has no sales and as such, the Company has no price risk related to sales. The Company's investment in Duluth Metals Limited ("Duluth"), which is classified as available for sale, is subject to equity price risk.

Sensitivity Analysis

The Company has designated its cash as held-for-trading, which is measured at fair value. As at September 30, 2008, the carrying amount of the financial instrument equals the market value.

The Company's cash is held primarily in interest bearing accounts, the rates of which are not fixed. A 100 basis point change in the interest rate would affect the Company by an annualized amount of interest equal to approximately \$19,160.

The Company's cash is not exposed to foreign currency or price risk.

The Company's investment is in Duluth, which is traded on the Toronto Stock Exchange ("TSX"). A \$0.10 change in the quoted share price would change the fair value of the investment by \$1,000,000. The impact of the change, net of tax, is approximately \$835,000 and would be recorded in Accumulated Other Comprehensive Income unless the decline in fair value is considered other than temporary when it would be recognized in net income.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

5. Investment:

At September 30, 2008, the Company held 10,000,001 (2007 - 10,000,001) common shares of Duluth representing an approximate 12.4% interest in Duluth.

The shares of Duluth owned by Wallbridge were subject to the following escrow provisions:

October 10, 2006	2,500,000 shares released
April 10, 2007	2,500,000 shares released
October 10, 2007	2,500,000 shares released
April 10, 2008	2,500,001 shares released

The shares are recorded at fair value based on quoted market prices with gains and losses arising from changes in fair value recorded in Other Comprehensive Income. While held in escrow and subject to trade restrictions, the shares were recorded at cost.

During the quarter, the Company determined that given the current economic climate, the decline in fair value of the investment is other than temporary and the unrealized loss will be recorded in net income.

A summary of the Company's investment balance at September 30, 2008 and unrealized gain is as follows:

	Amount
Fair value, December 31, 2007	\$ 22,639,159
Change in fair value to June 30, 2008, recorded net of tax in Other Comprehensive Income	2,860,844
Fair value, June 30, 2008	25,500,003
Decline in fair value to September 30, 2008 determined to be other than temporary, recorded in net income	(16,800,002)
Fair value, September 30, 2008	\$ 8,700,001

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

6. Mining interests:

Total expenditures deferred in respect of mining interests are detailed as follows:

	Balance, December 31, 2007	Net Expenditures	Disposition/ Abandonment/ Write-down	Balance September 30, 2008
Sudbury Project	\$ 12,213,716	4,227,469	(1,149,393)	15,291,792
Other Ontario Projects	382,209	661,128	(59,003)	984,334
British Columbia Project	89,279	834,044	–	923,323
	\$ 12,685,204	5,722,641	(1,208,396)	17,199,449

- (a) On February 27, 2008, the Company acquired an option to purchase 52 mineral claims in British Columbia. In May 2008, the Company granted 50,000 stock options, with an estimated value of \$10,000, as compensation relating to this acquisition. If the Company exercises its option to purchase the properties and bring any portion into commercial production, the Company is committed to pay a further \$500,000 in cash relating to the acquisition.
- (b) On April 28, 2008 the Company entered into an Option and Joint Venture Agreement with Champion Bear Resources Limited (“Champion Bear”) in respect of Champion Bear’s Parkin Property. Under the terms of the agreement, Wallbridge has the right to acquire a 50% interest in the Parkin Property by making a \$100,000 cash payment, issuing Champion Bear \$100,000 in common shares and incurring \$2 million of exploration expenditures on the property on or before April 24, 2010. If the Company exercises its option, a joint venture between the two parties will be formed whereby each will hold a 50% interest in the property. Wallbridge can increase its interest in the property to 75% by completing a definitive feasibility study and funding Champion Bear’s portion of development expenditures as a loan against Champion Bear’s portion of the proceeds of production.
- (c) The Company has the following commitments as part of an option agreement to acquire a 100% interest in properties in Katrine Township in the Province of Ontario.
- (i) issue 36,000 shares and payment of \$15,000 by February 20, 2009;
 - (ii) issue 36,000 shares and payment of \$15,000 by February 20, 2010; and
 - (iii) Pay a 2% Net Smelter Return Royalty (“NSR”). The Company has a right at any time to purchase 50% of the NSR for \$500,000 and has the right of first refusal to purchase the remaining 50%.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

6. Mining interests (continued):

- (d) On August 19, 2008 the Company entered into an Option and Joint Venture agreement with Impala Platinum Holdings Limited ("Impala") on its Parkin Offset Dyke Properties in Sudbury. Under the terms of the agreement, Impala will issue a payment of \$200,000 by September 10, 2008 (received October 16, 2008) and subject to Impala spending \$5 million on or before September 7, 2011 will earn a 50% interest in the properties. Of these expenditures, \$2,000,000 is to be spent on or before September 7, 2010 on the Champion Bear Parkin Property (see note 6 (b)). If Impala exercises its option, a joint venture with Wallbridge will be formed whereby each party will hold a 50% interest in the properties. Impala can increase its interest to 65% by funding a definitive feasibility study and securing Wallbridge's portion of the development funding through to commercial production on a project loan basis.
- (e) On September 2, 2008 the Company entered into an Option and Joint Venture agreement with Tanqueray Resources Ltd. ("Tanqueray") on its Misema Lake and Verna Lake Claims in the Kirkland Lake gold camp. Under the terms of the agreement, Tanqueray may earn a 50% interest in the properties by spending \$3 million in work commitments and making \$1 million in cash payments and/or issuance of shares over a three year period as follows:

Work Commitments:

- (i) work commitment of \$500,000 on or before September 2, 2009
- (ii) additional work commitment of \$1,000,000 on or before September 2, 2010
- (iii) additional work commitment of \$1,500,000 on or before September 2, 2011

Cash payments or share issuances:

- (i) Option payment of \$10,000 upon signing the letter of intent
- (ii) Issuance of 1,400,000 shares at an ascribed value of \$0.10 per share on or before September 12, 2008 (not received as at September 30, 2008)
- (iii) An additional \$300,000 cash payment or issuance of Tanqueray shares valued at \$300,000 on or before September 2, 2009
- (iv) An additional \$550,000 cash payment or issuance of Tanqueray shares valued at \$550,000 on or before September 2, 2010

If Tanqueray exercises its option, a joint venture with Wallbridge will be formed whereby each party will hold a 50% interest in the properties. Tanqueray may increase its interest in the properties to 70% by spending an additional \$3 million in work commitments and making an additional \$750,000 in cash payments and/or issuance of shares over a three year period as follows:

Work Commitments:

- (i) work commitment of \$1,000,000 on or before September 2, 2012
- (ii) additional work commitment of \$1,000,000 on or before September 2, 2013
- (iii) additional work commitment of \$1,000,000 on or before September 2, 2014

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

6. Mining interests (continued):

Cash payments or share issuances:

- (i) \$200,000 cash payment or issuance of Tanqueray shares valued at \$200,000 on or before September 2, 2011
 - (ii) An additional \$200,000 cash payment or issuance of Tanqueray shares valued at \$200,000 on or before September 2, 2012
 - (iii) An additional \$350,000 cash payment or issuance of Tanqueray shares valued at \$350,000 on or before September 2, 2013
- (f) Details of the write-downs for the nine month period ended September 30, 2008 are as follows:

Sudbury Project:

Ruza – write-down of exploration costs incurred of \$56,405 which did not add value to the property;

Demorest – write-down of \$213,320 to a carrying value of \$Nil as no further exploration work is planned;

Drury – write-down of exploration costs incurred of \$77,263 which did not add value to the property;

Sudbury (general) – write-down of exploration costs incurred of \$131,322 which did not add value to the property;

Pele Mountain – write-down of exploration costs incurred of \$471,517 which did not add value to the property;

North Range Claim Group – write-down of exploration costs incurred of \$94,277 which did not add value to the property;

Frost Lake, Wisner and Graham, properties held in Joint Ventures – write-down of exploration costs incurred of \$105,289 which did not add value to the property;

Other Ontario Projects:

FedNor Halliday Dome – write-down of \$25,000 to a carrying value of \$Nil since the property was abandoned; and

Blake River Joint Venture – write-down of \$34,003 to a carrying value of \$Nil as no further exploration work was recommended.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

7. Cash:

- (a) Cash consists of cash on hand, funds held in trust, deposits in banks and the Company's proportionate share of cash held by joint ventures.
- (b) During the first quarter of 2008, the Company issued a total of 9,335,700 flow-through shares. As a result the Company is committed to spending prior to December 31, 2009 and renouncing effective December 31, 2008 ("2009 commitment"), qualifying Canadian exploration expenditures ("CEE") of \$3,734,280 being the proceeds of private placements of flow-through shares issued. The Company has spent approximately \$2,740,000 of the 2009 commitment at September 30, 2008.

On August 20, 2008 the Company issued a total of 1,300,000 flow-through shares. As a result, the Company is committed to spending prior to December 31, 2009 and renouncing effective December 31, 2008 ("2009 BC commitment") qualifying CEE of \$349,700 on projects located in the Province of British Columbia. The Company has spent approximately \$216,000 of this commitment at September 30, 2008.

On September 2, 2008 the Company issued a total of 1,800,000 flow-through shares. As a result, the Company is committed to spending prior to December 31, 2009 and renouncing effective December 31, 2008 qualifying CEE of \$148,448 on projects located in the Province of British Columbia and \$335,752 on projects located in the Province of Ontario. The Company has not spent any of these commitments at September 30, 2008.

8. Related party transactions:

The Company engaged in the following transactions with certain Directors and Officers or with companies controlled by these parties:

	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2007
Expenses:				
Office and administrative	\$ 28,254	178,185	87,743	244,839
Field office	30,429	91,287	30,429	91,287
Assets:				
Purchase of plant and equipment	3,772	33,772	–	35,507
Mining interests	–	–	401	1,299

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

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

9. Share capital:

(a) The continuity of share capital transactions is as follows:

	Number of Shares	Amount
Authorized:		
Unlimited common shares		
Issued and fully paid - common shares:		
Balance, December 31, 2006	65,014,739	\$ 30,663,724
Private placements, net of share issuance costs	13,464,300	7,425,156
Allocation of value to warrants issued	–	(1,960,135)
Exercise of stock options	156,666	86,591
Property acquisition	325,000	121,000
Renunciation of resource expenditures	–	(1,968,900)
Balance at December 31, 2007	78,960,705	34,367,436
Exercise of options (i)	33,334	17,910
Property acquisition (ii)	173,500	62,495
Private placement, net of share issuance costs of \$316,130 (iii)	9,335,700	3,418,150
Allocation of value to warrants (iii)	–	(379,500)
Tax benefits renounced on flow-through shares	–	(357,000)
Property acquisition (iv)	263,158	100,000
Private placement, net of share issuance costs of \$90,043 (v)	3,100,000	746,958
Allocation of value to warrants (v)	–	(39,595)
Balance, September 30, 2008	91,866,397	\$ 37,936,854

- (i) On January 16, 2008 an employee exercised 33,334 stock options at \$0.31 per share.
- (ii) On January 31, 2008 the Company issued 100,000 shares as part of an agreement to acquire the Ruza Property. The shares were valued at \$0.335 per share, being the trading price of the shares at the time of issue.

On March 1, 2008 the Company issued 37,500 shares as part of an option agreement to acquire its Drill Lake property. The shares were valued at \$0.37 per share, being the trading price of the shares at the time of issue.

On March 31, 2008 the Company issued 36,000 shares as part of an option agreement to acquire its Kirkland Lake Property. The shares were valued at \$0.42 per share, being the trading price of the shares at the time of issue.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

9. Share capital (continued):

- (iii) On February 28, 2008 the Company completed a private placement totaling 37,500 flow-through units for gross proceeds of \$15,000. On March 26, 2008 the Company completed a private placement totaling 9,298,200 flow-through units for gross proceeds of \$3,719,280. Share issuance costs of \$316,130 were charged as a reduction of share capital. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one additional common share of the Company as follows: (i) to the extent such warrant is exercised during the first 12-month period from the closing date, one warrant share at \$0.80 per share; and (ii) to the extent such full warrant is exercised after the end of the first 12-month period from the closing date and on or before the end of the second 12-month period from the closing date, one warrant share at \$1.00 per share.

An estimated amount of \$379,500 has been assigned to the fair value of the warrants.

- (iv) On April 28, 2008 the Company issued 263,158 shares as part of an Option and Joint Venture Agreement with Champion Bear (refer to 6(b)).

- (v) On August 20, 2008 the Company completed a private placement totaling 1,300,000 flow-through units for gross proceeds of \$351,000. On September 2, 2008 the Company completed a private placement of 1,800,000 flow-through units for gross proceeds of \$486,000. Share issuance costs of \$90,043 were charged as a reduction of share capital. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one additional common share of the Company as follows: (i) to the extent such warrant is exercised during the first 12-month period from the closing date, one warrant share at \$0.80 per share; and (ii) to the extent such full warrant is exercised after the end of the first 12-month period from the closing date and on or before the end of the second 12-month period from the closing date, one warrant share at \$1.00 per share.

An estimated amount of \$39,595 has been assigned to the fair value of the warrants.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

9. Share capital (continued):

(b) A summary of stock options granted, exercised and expired during the nine months ended September 30, 2008, is as follows:

Stock Options	Number	Weighted Average Exercise Price	Date of Expiry/Exercise
Outstanding at beginning of period	8,208,334	\$ 0.47	
Exercised	(33,334)	0.31	January 16, 2008
Options granted	590,000	0.47	April 8, 2013
Options granted	1,750,000	0.44	April 20, 2013
Options granted	100,000	0.38	April 23, 2013
Options granted	100,000	0.40	April 30, 2013
Options granted	50,000	0.40	May 4, 2011
Options expired	(625,000)	0.85	May 12, 2008
Options granted	100,000	0.30	July 12, 2013
Options granted	100,000	0.29	July 16, 2013
Options expired	(225,000)	0.46	September 30, 2008
Outstanding at end of period	10,115,000	\$ 0.44	

At September 30, 2008, 9,041,666 options were exercisable. The weighted average exercise price of options exercisable at September 30, 2008 is \$0.44. (December 31, 2007 - 7,583,333 exercisable stock options with a weighted average exercise price of \$0.44 per share).

The stock-based compensation expensed during the three months ending September 30, 2008 was \$80,900 (2007 - \$113,000) and nine months ended September 30, 2008 was \$659,000 (2007 - \$915,000).

The weighted average remaining contractual life of stock options outstanding is 3.2 years.

The fair value of options issued during the nine months ending September 30, 2008 has been estimated, using the Black-Scholes pricing model, to be \$767,722 (\$0.28 per common share).

The assumptions used in the pricing model are as follows:

a) estimated risk free interest rate	2.43 - 3.40%
b) expected life	3 - 5 years
c) expected volatility	76 - 90%
d) expected dividends	Nil

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

9. Share capital (continued):

(c) A summary of continuity of share purchase warrants during the nine months ended September 30, 2008, is as follows:

Warrants and other reserved shares	Number	Weighted Average Exercise Price
Outstanding at beginning of period	8,087,150	\$ 0.91
Issued (note 9(a)(iii))	4,667,850	0.90
Expired July 7, 2008	(750,000)	0.40
Issued (note 9(a)(v))	1,550,000	0.90
Outstanding at end of period	13,555,000	\$ 0.93

The fair value of warrants issued during the nine months ending September 30, 2008 has been estimated, using the Black-Scholes pricing model, to be \$419,095 (\$0.07 per common share).

The assumptions used in the pricing model are as follows:

a) estimated risk free interest rate	2.60 - 3.05%
b) expected life	2 years
c) expected volatility	77% - 82.3%
d) expected dividends	Nil

10. Loss per share:

Net loss per common share has been calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Potentially dilutive instruments, being stock options and warrants, have not been included in the calculation of diluted loss per share as they are anti-dilutive.

WALLBRIDGE MINING COMPANY LIMITED

(An exploration stage company)

Notes to Consolidated Interim Financial Statements

Three and nine months ended September 30, 2008
(Unaudited)

11. Long-term debt:

	Interest Rate	Due Date	September 30, 2008	December 31, 2007
Toronto Dominion Bank Mortgage	Prime +1%	December 2012	\$ 90,450	\$ 106,650
General Motors Acceptance Corporation of Canada, Limited (GMAC)	Nil	June 6, 2008	–	5,377
Current portion of long-term debt			90,450 21,600	112,027 26,815
			\$ 68,850	\$ 85,212

The mortgage payable is secured by a first mortgage on land and building having a carrying value of \$171,597 (2007 - \$175,797).

The mortgage is repaid at \$21,600 plus interest annually to maturity.

12. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for 2008.

13. Commitments and contingencies:

- In accordance with the terms of the private placement on June 28, 2007, the Company is committed to spending \$3,880,000 on specified properties by December 31, 2009. The Company has incurred approximately \$1,548,000 of expenditures towards this commitment as of September 30, 2008.
- The Company has assigned term deposits and credit balance to support a one-year \$125,000 letter of credit and electronic fund transfers.