

Condensed Interim Financial Statements of

**WALLBRIDGE MINING  
COMPANY LIMITED**

Three and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 2018 with comparative amounts for the three and six months ended June 30, 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)

	June 30, 2018	December 31, 2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,577,588	\$ 4,358,706
Restricted cash (note 9(b))	-	18,234
Amounts receivable (note 4)	656,751	113,059
Derivative asset (note 8)	621,600	-
Deposits and prepaid expenses (note 5)	135,528	330,590
Marketable securities	264	264
	6,991,731	4,820,853
Restricted cash (note 16(b))	1,441,105	386,245
Promissory note receivable (note 7)	-	287,633
Investment in Carube Copper Corp. (note 6)	1,255,430	741,586
Exploration and evaluation assets (note 9)	31,884,134	22,589,270
Property and equipment	292,539	281,294
	\$ 41,864,939	\$ 29,106,881
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 10)	\$ 4,585,770	\$ 623,038
Flow-through premium liability (note 12)	198,300	235,600
Deposit from partner (note 9(b))	-	18,234
Current portion of provision for closure plan (note 16(b))	95,680	95,680
Loans payable (note 11)	8,275,767	2,440,426
	13,155,517	3,412,978
Provision for closure plans (note 16(b))	1,216,146	216,008
Deferred tax liability	313,000	290,000
	14,684,663	3,918,986
Equity (note 14):		
Share capital	65,970,943	63,794,074
Warrants	1,519,987	1,519,987
Contributed surplus	8,454,568	8,512,970
Deficit	(48,765,222)	(48,639,136)
Total Equity	27,180,276	25,187,895
Nature of operations and going concern (note 1)		
Commitments and contingencies (notes 12 and 16)		
Subsequent events (notes 11(b) and 14)		
	\$ 41,864,939	\$ 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 June 30,		Six months ended June 30,	
	2018	2017	2018	2017
<b>Other expenses and (income):</b>				
General and administrative expenses	\$ 333,717	478,966	724,680	838,401
Project evaluation costs	9,038	38,407	13,819	71,994
Amortization of property and equipment	11,218	9,868	18,912	19,734
Interest income	(5,191)	(14,813)	(13,263)	(30,306)
Unrealized loss on sale of marketable securities	118	117	-	18,473
Loss on disposition of property and equipment	-	3,068	-	3,068
Share of comprehensive loss in Carube Copper Corp (note 6)	43,088	32,145	88,144	83,539
Reversal of impairment of promissory note and amounts receivable (note 6)	-	-	-	(557,098)
Other income relating to flow-through share premium (note 12)	(20,400)	(114,000)	(37,300)	(166,929)
Gain on dilution of equity interest in Carube Copper (note 6)	-	-	(308,784)	-
Impairment of exploration and evaluation assets (note 9)	-	-	44,078	-
Foreign exchange loss on loan payable	194,400	-	194,400	-
Unrealized gains on forward sales contracts and call options (note 8)	(613,927)	-	(621,600)	-
	(47,939)	433,758	103,086	280,876
<b>Earnings (Loss) before income taxes</b>	<b>47,939</b>	<b>(433,758)</b>	<b>(103,086)</b>	<b>(280,876)</b>
Deferred tax expense	13,000	83,000	23,000	147,000
<b>Net earnings (loss) and comprehensive loss for the period</b>	<b>\$ 34,939</b>	<b>(516,758)</b>	<b>(126,086)</b>	<b>(427,876)</b>
<b>Net earnings (loss) per share (note 15):</b>				
Basic	\$ 0.00	(0.00)	(0.00)	(0.00)
Diluted	0.00	(0.00)	(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	17,566,040	1,820,135	36,500	-	-	1,856,635
Flow-through share premiums	-	(353,000)	-	-	-	(353,000)
Agent warrants	-	(5,500)	5,500	-	-	-
Exercise of warrants	5,850,000	538,000	(70,000)	-	-	468,000
Shares issued re restricted share units	652,537	60,302	-	(60,302)	-	-
Share based compensation	-	-	-	101,995	-	101,995
Deferred share units	-	-	-	86,375	-	86,375
Net loss	-	-	-	-	(427,876)	(427,876)
<b>Balance, June 30, 2017</b>	<b>245,807,590</b>	<b>\$ 60,328,229</b>	<b>945,506</b>	<b>8,440,424</b>	<b>(47,837,762)</b>	<b>\$ 21,876,397</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>
Share issuances, net of share issuance costs	28,518,657	1,986,533	-	-	-	1,986,533
Restricted share units vested and shares issued	1,854,870	152,406	-	(152,406)	-	-
Deferred share units vested and shares issued	632,170	37,930	-	(37,930)	-	-
Share based compensation	-	-	-	74,434	-	74,434
Deferred share units	-	-	-	57,500	-	57,500
Net loss	-	-	-	-	(126,086)	(126,086)
<b>Balance, June 30, 2018</b>	<b>325,400,548</b>	<b>\$ 65,970,943</b>	<b>1,519,987</b>	<b>8,454,568</b>	<b>(48,765,222)</b>	<b>\$ 27,180,276</b>

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Six months ended June 30,	
	2018	2017
<b>Cash flows from (used in) operating activities:</b>		
Net loss for the period	\$ (126,086)	\$ (427,876)
Adjustments for:		
Deferred tax expense	23,000	147,000
Amortization and depletion of property and equipment	18,912	19,734
Impairment of exploration and evaluation assets	44,078	-
Interest on note receivable	(5,571)	(29,311)
Gain on dilution of equity interest in Carube Copper	(308,784)	-
Loss on disposition of property and equipment	-	3,068
Other income relating to flow-through share premium	(37,300)	(166,929)
Share of comprehensive loss in Carube Copper Corp	88,144	83,539
Reversal of impairment of promissory note and amounts receivable	-	(557,098)
Unrealized loss on marketable securities	-	18,473
Share based compensation	74,434	140,370
Deferred stock units	28,750	-
Foreign exchange loss	194,400	-
Unrealized gains on derivative contracts	(621,600)	-
Cash received for interest on promissory note receivable	-	55,223
Closure plan obligations	(45,237)	(36,786)
Changes in non-cash working capital:		
Amounts receivable	(543,692)	4,716
Deposits and prepaid expenses	84,828	78,376
Accounts payable and accrued liabilities	262,301	(111,954)
	(869,423)	(779,455)
<b>Cash flows from (used in) financing activities:</b>		
Issuance of share capital	1,996,306	1,977,104
Share issuance costs	(9,773)	(120,469)
Exercise of warrants	-	468,000
Proceeds from sale of marketable securities	-	41,529
Payment of loan payable	(2,500,000)	-
Proceeds from bridge loan advances	8,233,120	-
Transaction costs relating to the bridge loan	(198,446)	-
	7,521,207	2,366,164
<b>Cash flows from (used in) investing activities:</b>		
Exploration and evaluation assets expenditures	(4,562,885)	(883,154)
Exploration and evaluation assets option payments received	215,000	162,000
Restricted cash	(1,054,860)	-
Purchase of shares of Carube Copper	-	(64,000)
Acquisition of equipment	(30,157)	(1,922)
	(5,432,902)	(787,076)
<b>Net increase in cash and cash equivalents</b>	<b>1,218,882</b>	<b>799,633</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>\$ 5,577,588</b>	<b>\$ 2,576,752</b>
<b>Summary of non-cash transactions:</b>		
Settlement of accounts payable with deferred stock units	\$ 28,750	\$ 86,500
Settlement of promissory note and interest - receipt of shares of Carube Copper	293,204	250,000
Closure Plan expenditures for Fenelon Gold	1,045,375	-
Exploration option payment included in amounts receivable	199,000	-
Exploration expenditures included in accounts payable and accrued liabilities	3,729,181	-

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and six months ended June 30, 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 six months ended June 30, 2018 the Company had a net loss of \$126,086, negative cash flow from operations of \$869,423, and has a working capital deficiency of \$6,163,786. At June 30, 2018, the Company had insufficient cash to fund its planned operations for the next twelve months and meet its commitments (note 12). The expected cash flow upon completion of the Fenelon Gold bulk sample, net of all bulk sample costs and including the financing costs, is expected to cover the planned working capital requirements.

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 and six months ended June 30, 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)

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(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

# WALLBRIDGE MINING COMPANY LIMITED

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

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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  
(expressed in Canadian Dollars)

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### 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. Amounts Receivable:

	2018	2017
Harmonized Sales Tax and Quebec Sales Tax	\$ 628,207	\$ 56,756
Other receivables	28,544	56,303
	<u>\$ 656,751</u>	<u>\$ 113,059</u>

### 5. Deposits and prepaid expenses:

	June 30, 2018	December 31, 2017
Deposits on contracts	\$ 50,000	\$ 181,250
Prepaid interest	-	110,234
Investor relations contracts	71,877	25,050
Prepaid expenses	13,651	14,056
	<u>\$ 135,528</u>	<u>\$ 330,590</u>

An amount of \$50,000 for shares issued to a custom milling facility for the Fenelon Gold bulk sample is included in the June 30, 2018 and December 31, 2017 balances.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and six months ended June 30, 2018  
(Unaudited)

## 6. 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 7)	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 May 31, 2018		(88,144)
Gain on dilution of equity interest in Carube Copper		308,784
Settlement of the promissory note receivable (note 7)	5,367,266	293,204
Balance, June 30, 2018	19,235,911	\$ 1,255,430

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 7). In February and March 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 six months ended June 30, 2018 (2017- \$nil). At June 30, 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 June 30, 2018, 1,207,500 shares (December 31, 2017 – 1,207,500 shares) were held in escrow and were released on July 7, 2018.

These shares trade on the TSX Venture Exchange. At June 30, 2018, the closing price per share was \$0.07.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and six months ended June 30, 2018  
(Unaudited)

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## 7. Promissory Note Receivable from Carube Copper:

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	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, June 30, 2018	\$ -	\$ -

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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.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and six months ended June 30, 2018  
(Unaudited)

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## 8. Financial Instruments:

### (a) Derivative financial instruments:

As a condition of the Bridge Loan (note 11 (b)) 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 June 30, 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. In addition, the Company has granted call options for 6,000 ounces at a \$1,780 per ounce strike price with expiry dates between August 31, 2018 and November 30, 2018. The value of the call options were calculated using the Black-Scholes method.

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	June 30, 2018	December 31, 2017
Fair value of the forward sales contracts and call options	\$ 621,600	\$ -

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### (b) Accounting classifications and fair value of financial instruments:

As at June 30, 2018, all of the Company's derivative financial instruments have been classified as Level 2 financial instruments according to the Company's fair value hierarchy.

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

The fair value of the Bridge Loan (note 11 (b)) owing to Auramet is classified at Level 3 at June 30, 2018 - \$8,427,520 (December 31, 2017 - \$nil). The fair value of the loan (note 11 (a)) owing to William Day Holdings Limited ("William Day") is classified at Level 3 at June 30, 2018 is \$nil (December 31, 2017 - \$2,500,000). The fair value of debt was primarily determined using discounted cash flows at quoted market rates adjusted for credit risk.

# WALLBRIDGE MINING COMPANY LIMITED

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

Three and six months ended June 30, 2018  
(Unaudited)

## 9. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2017	Expenditures	Impairment	Disposition/ Recovery	Balance, June 30, 2018
Fenelon Gold Property (a)	\$ 6,526,526	9,338,226	-	-	\$ 15,864,752
Other Sudbury Projects (c)	8,444,116	1,183	(44,078)	-	8,401,221
North Range and Wisner Properties (b)	3,666,123	15,533	-	(16,000)	3,665,656
Parkin Properties (b)	3,952,505	199,000	-	(199,000)	3,952,505
	\$22,589,270	9,553,942	(44,078)	(215,000)	\$31,884,134

	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 \$9,338,226 are \$7,548,236 relating to the underground exploration and bulk sample, closure plan costs of \$1,045,375, capitalized interest and transaction costs of \$595,532, and other exploration costs of \$149,083.
- (b) At June 30, 2018, the Company has \$nil (December 31, 2017 - \$18,234) of restricted cash from the North Range Joint Venture partner, Lonmin Plc.
- (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)

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(Unaudited)

## 10. Accounts payable and accrued liabilities:

	June 30, 2018	December 31, 2017
Accounts payable	\$ 4,243,783	\$ 235,345
Accrued liabilities	79,224	138,483
Payroll related liabilities	262,763	249,210
	<u>\$ 4,585,770</u>	<u>\$ 623,038</u>

Included in accounts payable and accrued liabilities at June 30, 2018 are amounts relating to Fenelon Gold bulk sample and underground exploration of \$4,038,820 (December 31, 2017 - \$102,267).

## 11. Loans payable:

	Effective Interest Rate	June 30, 2018	December 31, 2017
William Day Holdings Limited ("William Day")	18%	\$ -	\$ 2,440,426
Auramet International LLC ("Auramet")	20.75%	8,275,767	-
		<u>\$ 8,275,767</u>	<u>\$ 2,440,426</u>

- (a) On September 27, 2016, the Company entered into a loan agreement with William Day for \$2,500,000 to be repaid in 24 months from the advance date with an interest rate of 15% with interest payments to be paid in advance at 6-month intervals. Legal fees of \$145,874 related to the debt were amortized over the term of the loan and capitalized to Fenelon Gold. Interest was capitalized to 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.

# WALLBRIDGE MINING COMPANY LIMITED

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## 11. Loans payable:

- (b) On March 26, 2018, the Company obtained a bridge loan of US\$8 million with Auramet to finance the 35,000-tonne bulk sample program at its 100%-owned Fenelon Gold property in Quebec ("Bridge Loan"). The Bridge Loan bears interest at an annual rate of 20.75% on the drawn amounts. The loan may be repaid at any time before January 2019, with scheduled payments of US\$500,000 on August 30, 2018 and US\$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 cash and cash equivalents plus accounts receivables, minus cash interest expense, minus accounts payable and accrued expenses. The note is secured by a hypothec over the Fenelon Gold property, a general security agreement, and the assignment of the Fenelon Gold property leases. Transaction costs relating to the loan of \$198,446 are amortized over the term of the loan and capitalized to the Fenelon Gold property. Included in these costs are \$151,104 paid to Auramet for due diligence, legal fees and other fees.

Proceeds of the Bridge Loan were used to repay the outstanding \$2.5 million loan to William Day and to fund working capital.

The Company entered into a mutually agreed price protection plan on the sale of gold at \$1,720 for 10,870 ounces for settlement between August and December 2018. In addition, Auramet was granted a call option on 6,000 ounces of gold struck at \$1,780 per ounce (note 8). The Company also agreed to sell to Auramet the future bulk sample gold production and gold production from the first year of commercial production.

During the six months ended June 30, 2018, the Company received proceeds of \$8,233,120 (US\$6,400,000). During the three and six months ended June 30, 2018, the Company paid interest of \$191,531. Interest paid is capitalized to the Fenelon Gold property.

On July 31, 2018, the final advance of \$2,096,000 (US\$1,600,000) was received. A prepayment on the bridge loan payable to Auramet of \$650,050 (US\$500,000), which was due on August 30, 2018, was made on July 31, 2018. On July 31, 2018, the Company paid interest owing of \$148,666.

# 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	(37,300)
Balance, June 30, 2018	\$ 198,300

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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 June 30, 2018 the Company has spent approximately \$1,801,150 of the commitment and has \$1,793,100 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 June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Carube Copper Corp. (note 6):				
Interest income on promissory note (note 7)	\$ -	\$ (14,306)	\$ -	\$(29,311)
Reversal of impairment of promissory note	-	-	-	(548,246)
Reversal of impairment of amounts receivable	-	-	-	(8,852)
William Day Holdings Limited:				
Interest payments on loan payable (note 11 (a))	205,267	-	297,734	-
Exploration and evaluation costs	28,188	-	645,423	-
Legal fees	-	-	29,917	-

- (i) The Company owns 11.5% of Carube Copper (note 6) (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 7). The Company recorded an impairment recovery of \$557,098 in the six months ended June 30, 2017. The impairment charges were reversed upon receipt of an interest payment from Carube Copper in March 2017 and upon the amendment of the promissory note agreement (note 7). 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 11). 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 11). At June 30, 2018, \$32,410 owing to William Day Construction Limited is included in accounts payable and accrued liabilities (December 31, 2017 - \$14,900). 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
Private placement (i)	28,518,657	1,996,306
Issuance costs allocated to shares (i)	-	(9,773)
Shares issued upon vesting of Restricted Share Units (ii)	1,854,870	152,406
Shares issued upon conversion of Deferred Share Units (iii)	632,170	37,930
Balance, June 30, 2018	325,400,548	\$ 65,970,943

(i) As a condition to the Bridge Loan (note 11(a)), 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 owned 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.

(ii) 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.

On June 6, 2018, 705,000 common shares were issued upon vesting of restricted share units that were granted on June 5, 2017.

(iii) On June 21, 2018, 632,170 common shares were issued to a director upon retirement.

# WALLBRIDGE MINING COMPANY LIMITED

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## 14. Shareholders' equity (continued):

### (b) Share Based Compensation Plan:

The number of common shares reserved for the purpose of the omnibus share compensation based plan was 8,063,768 at June 30, 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 June 30, 2018, \$13,234 was recorded in share based compensation expense (three months ended June 30, 2017 - \$14,219) and for the six months ended June 30, 2018, \$31,434 (six months ended June 30, 2017 - \$22,695) was recorded in share based compensation expense relating to RSUs.

A summary of the outstanding RSUs are as follows:

	June 30, 2018	December 31, 2017
Outstanding at beginning of period	1,244,370	2,409,467
Granted	-	812,500
Cancelled	(7,500)	(257,060)
Vested	(786,870)	(1,720,537)
Outstanding at end of period	450,000	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.

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.

In June 2018, a director received 632,170 shares upon retirement and vesting of the DSUs.

At June 30, 2018, 7,936,905 DSUs are outstanding (December 31, 2017 – 7,787,275).

On July 2, 2018, a total of 378,787 DSUs were granted to the directors of the Company in settlement of directors' fees of \$25,000 which were earned for the period of April 1 to June 30, 2018.

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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	June 30, 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	1,200,000	\$0.07	2,805,000	\$0.085
Cancelled	(77,500)	\$0.09	(100,000)	\$0.085
Exercised	-	-	(445,000)	\$0.05
Expired unexercised	(3,680,000)	\$0.10	(3,500,000)	\$0.16
Outstanding, end of period	12,002,500	\$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. On June 25, 2018, 1,000,000 stock options were granted at an exercise price of \$0.065 which will expire on June 25, 2023 of which 350,000 options vest on June 25, 2018, 350,000 options vest on June 25, 2019 and 300,000 options vest on June 25, 2020.

At June 30, 2018, 11,052,500 stock options were exercisable (December 31, 2017 - 13,332,500). The weighted average exercise price of options exercisable at June 30, 2018 is \$0.07 per share (December 31, 2017 - \$0.09).

The weighted average remaining contractual life of stock options outstanding is 2.4 years (December 31, 2017 - 2.1 years).

For the three and six months ended June 30, 2018, \$26,000 and \$43,000 (three and six months ended June 30, 2017 - \$72,500 and \$79,300) of expense relating to stock options was recorded in share based compensation.

The fair value of stock options granted during the three and six months ended June 30, 2018 has been estimated using the Black-Scholes pricing model to be \$38,000 and \$47,600 (three and six months ended June 30, 2017 - \$118,000) or \$0.038 and \$0.040 per common share for the three and six months ended June 30, 2018 (\$0.042 per common share for the three and six months ended June 30, 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:

	June 30, 2018	December 31, 2017
Estimated risk free interest rate	1.8% to 2.0%	0.83% to 1.56%
Expected life	3.9 years	3.85 years
Expected volatility *	80.2 to 83.1%	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 June 30, 2018:

Exercise Price	Number	Exercisable	Expiry Date
\$0.05 to \$0.085	537,500	537,500	July 9, 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
\$0.05	1,700,000	1,700,000	January 8, 2020
\$0.05	1,575,000	1,575,000	December 30, 2020
\$0.08	1,550,000	1,550,000	November 7, 2021
\$0.085 to \$0.10	2,165,000	2,165,000	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	50,000	February 15, 2023
\$0.065	1,000,000	350,000	June 25, 2023
Outstanding options	12,002,500	11,052,500	

\*expired unexercised on July 9, 2018

# WALLBRIDGE MINING COMPANY LIMITED

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## 14. Shareholders' equity (continued):

### (c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At June 30, 2018, the Company has reserved shares for issuance as follows:

Warrants	June 30, 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 June 30, 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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## 15. 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, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Net income (loss) for basic and diluted earnings per share available to common shareholders	\$ 34,939	(516,758)	(126,086)	(427,876)
Weighted average number of shares outstanding - basic	314,619,219	236,120,785	305,128,624	229,792,324
Effect of dilutive securities <sup>(1)</sup> :				
Stock options	1,397,680	-	-	-
RSUs	450,000	-	-	-
DSUs	7,936,905	-	-	-
Weighted average number of shares and assumed conversions - diluted	324,403,804	236,120,785	305,128,624	229,792,324
Earnings (loss) per share – reported:				
Basic	\$0.00	(0.00)	(0.00)	(0.00)
Diluted	\$0.00	(0.00)	(0.00)	(0.00)
Non-dilutive securities:				
Stock options	10,604,820	14,805,000	12,002,500	14,805,000
RSUs	-	2,569,430	415,000	2,569,430
DSUs	-	8,278,926	7,936,905	8,278,926
Warrants	55,190,022	42,249,857	55,190,022	42,249,857

<sup>(1)</sup> Dilutive securities were determined using the Company's average share price for the period. For the three months ended June 30, 2018, the average share price was \$0.065. For the six months ended June 30, 2018 and the three and six months ended June 30, 2017, the Company did not calculate the effect of dilutive securities, as the Company had incurred a loss. The outstanding stock options, RSUs, DSUs and warrants were anti-dilutive and were excluded from the determination of loss per share.

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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 June 30, 2018 the Company has one-year renewable letters of credit, secured by cash and cash equivalents, 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 June 30, 2018, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project was \$265,263 (December 31, 2017 - \$311,688) and the Fenelon Gold project of \$1,045,375 (December 31, 2017 - \$nil). Costs relating to the closure plan have been capitalized to the Fenelon Gold property.

	June 30, 2018	December 31, 2017
Provision for closure plan, beginning of year	\$ 311,688	\$ 345,860
Provision for closure plan expenditures on Fenelon Gold underground exploration and bulk sample program	1,045,375	60,213
Closure plan expenditures	(45,237)	(94,385)
Balance owing	1,311,826	311,688
Current portion	(95,680)	(95,680)
Provision for closure plan, long term	\$ 1,216,146	\$ 216,008

The long term balance of \$169,583 for the Broken Hammer Project is expected to be incurred in 2019 and 2020 and the \$1,045,375 on the Fenelon Gold property is expected to be incurred between 2019 and 2028.