MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Wallbridge Mining Company Limited – year ended December 31, 2019

Introduction

The following is management's discussion and analysis ("MD&A") of the business activities including the financial condition and results of operations of Wallbridge Mining Company Limited (the "Company" or "Wallbridge") for the year ended December 31, 2019, prepared as at March 19, 2020. This discussion and analysis should be read in conjunction with the audited financial statements for the years ended December 31, 2019, and December 31, 2018, and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") and Interpretations of the International Financial Reporting Interpretations Committee and are reported in Canadian dollars. Certain dollar amounts in this MD&A have been rounded for ease of reading. Readers should also consult the Company's latest Annual Information Form, including the section on risks and uncertainties.

Overview

Wallbridge creates value through discovery, development, and ultimate production of metals, focusing on gold as well as copper, nickel and platinum group metal ("PGM") mineral deposits. As such, Wallbridge is working to establish a portfolio of projects to support sustainable free cash flow from operations as well as organic growth through exploration and scalability.

Wallbridge maintains a high standard of performance with respect to safety, health, the environment, and the communities in which we operate. This social responsibility focus provides support for Wallbridge's ongoing activities and is important for attracting high-quality people, opportunities, and partner funding. Wallbridge has had an exemplary safety record over the past few years and has been the recipient of the "Award of Safety Excellence" granted by Workplace Safety North consecutively in 2013 through to 2018. In 2019, Wallbridge achieved industry leading results, having zero recordable injuries.

Wallbridge is currently exploring and developing its high-grade Fenelon Gold Property ("Fenelon Gold") in Quebec. Since the purchase of Fenelon Gold in 2016, Wallbridge has completed a positive prefeasibility study ("PFS") on the Main Gabbro zone and successive surface exploration programs that have demonstrated the resource expansion potential of the project. Wallbridge completed an underground bulk sample (the "Bulk Sample") in the first quarter of 2019 which commenced in the first quarter of 2018. The Bulk Sample included approximately 33,500 tonnes of ore with a reconciled grade of 18.49 grams per tonne of gold. Additionally, the Bulk Sample included approximately 17,000 metres of drilling from surface and underground to extend the mineralization along strike and to depth.

An extensive gold-focussed exploration campaign was carried out in 2019 with 75,000 metres of drilling from surface and underground completed at Fenelon Gold. This program commenced in late February and continued for the remainder of 2019. Wallbridge currently plans to extend its exploration program with the goal of 100,000 to 120,000 metres of exploration drilling in 2020.

The success at Fenelon Gold has attracted many investors including gold investor Eric Sprott ("Sprott"). As of the date of this report, Sprott, and an affiliated company, own approximately 134.4 million shares of the Company representing approximately 23% of the issued and outstanding common shares.

Wallbridge has strengthened its depth of expertise by hiring qualified and experienced financial, mining and geology professionals to facilitate the execution of the Company's long term goal of producing in excess of 100,000 ounces per year of gold.

Wallbridge is also working to unlock the value of its portfolio of nickel, copper, and PGM projects in Sudbury, Ontario. During the fourth quarter of 2019, Wallbridge was appointed operator for Lonmin Canada Inc.'s Denison Property, along with a 20% ownership stake in Lonmin Canada. The advanced stage project was formerly part of the Vale – Lonmin joint venture prior to termination of the joint venture in 2018. The arrangement will provide a vehicle for Wallbridge to look to create value to its nickel, copper, and PGM portfolio separately from its gold assets.

Acquisition of Balmoral Resources Ltd.

On March 2, 2020, the Company announced that it entered into a definitive agreement with Balmoral Resources Ltd. ("Balmoral") (the "Arrangement Agreement") following the signing of a Letter of Intent on February 14, 2020, whereby Wallbridge will, among other things, acquire all of the issued and outstanding shares of Balmoral, in an all-stock transaction, pursuant to a plan of arrangement as further described below (the "Transaction").

Under the terms of the Transaction, all of the issued and outstanding shares of Balmoral will be exchanged at a ratio of 0.71 of a Wallbridge common share for each Balmoral common share. Upon completion of the Transaction, existing Wallbridge and Balmoral shareholders will own approximately 82% and 18% of the Company's pro forma issued and outstanding shares, respectively.

The exchange ratio implies consideration of $0.62 per Balmoral common share based on the volume weighted average price of Wallbridge common shares on the Toronto Stock Exchange ("TSX") for the 20 trading days ending February 28, 2020, representing a 46% premium to the volume weighted average price of Balmoral common shares on the TSX over that period and implying an equity value of the Transaction equal to $110 million.

The Transaction will be affected by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) and will be subject to the approval of two thirds of the votes cast at a special meeting of Balmoral shareholders to be held on or about May 7, 2020. The transaction is subject to approvals from the TSX, as well as other conditions. The Arrangement Agreement provides for, among other things, customary reciprocal board support and non-solicitation covenants, with "fiduciary out" provisions that allow Balmoral to accept a superior proposal in certain circumstances and "right to match period" in favour of Wallbridge. The Arrangement Agreement also provides for a termination fee of $2.5 million to be paid by Balmoral to Wallbridge if the Arrangement Agreement is terminated by Balmoral in certain specified circumstances and reimbursement of expenses for either party if the Arrangement Agreement is terminated in certain other specified circumstances.

Transaction benefits to Wallbridge shareholders

- Combines complementary, highly prospective properties located in the mining-friendly Nord-du-Québec region of western Québec, creating opportunity for synergies given close proximity of the properties
- Significantly expands Wallbridge's land holdings in Quebec (from 10.5 km^2 to 739.0 km^2) along the Detour Gold Trend, improving the Company's potential for further discoveries in the district as well as additional mine development flexibility
- In addition to Fenelon, adds multiple gold-focused properties, including the resource stage Martiniere gold deposit, within the prolific Abitibi Greenstone Belt that have exploration upside, and a resource Ni-Cu-Co-PGE project that has option value
- Support of Wallbridge and Balmoral's largest shareholder, Eric Sprott, who owns approximately 23% of Wallbridge and 9% of Balmoral
- Increased market capitalization which has the potential to attract greater support from new investors seeking to participate in funding the potential future growth of Wallbridge

Outlook

Wallbridge is undergoing an exciting period as it continues exploration and development of the Fenelon Gold project in Quebec.

Fenelon Gold is an advanced stage project with potential for near-term production as drill intersections suggest considerable potential for resource expansion within the Main Gabbro zone and growth in the newly discovered Area 51. A Bulk Sample program completed in the first quarter of 2019 produced approximately 20,000 ounces of gold at grade of 18.49 grams of per tonne while completing a significant underground exploration drilling program. The development of the infrastructure, as part of the bulk sample, has de-risked future pre-production capital costs.

A late 2018 discovery approximately 300 metres southwest of the Main Gabbro, named Area 51, was made in the margins of the large Jeremy Pluton - a perfect structural setting for gold. With gold mineralization now shown to have disseminated into at least three major rock units, the Fenelon Gold system could potentially host far more ounces than the original Main Gabbro veins. In 2019 Wallbridge completed 75,000 metres of surface and underground diamond drilling.

Wallbridge has a fully funded 100,000 to 120,000 metre drill program underway in 2020 to expand the Fenelon Gold mineralization system and infill drilling with the goal of completing a resource estimate after the 2020 program has been completed. Wallbridge plans on spending approximately $36 million in 2020 which includes corporate general and administrative costs, capital expenditures, and exploration expenses.

In Sudbury, focus will be placed on advancing the Denison project towards a production decision. The project benefits from being in a historically active area with a current approved Closure Plan. Advancement of the project hinges on updating historical resources and completing a Preliminary Economic Assessment to help guide the production decision.

Wallbridge's future profitability, operating cash flows and financial position will be closely related to the prevailing metal prices, Canadian dollar performance, and the Company's ability to finance its current or future assets to production. Management believes that the short-to-medium term economic environment is slightly bullish for commodity prices with continued volatility.

Projects

Fenelon Gold

Background

Fenelon Gold is located in the Nord-du-Québec administrative region, approximately 75 kilometres west-northwest of the town of Matagami, in the province of Québec, Canada and consists of one block of nineteen mining claims and one mining lease.

Fenelon Gold is located proximal to the Sunday Lake Deformation Zone, an emerging gold belt in northwestern Quebec. This major east-west structure in the northern Abitibi greenstone belt hosts the Detour Lake mine, and is very similar to other breaks controlling world-class gold camps in the southern Abitibi, yet it remains underexplored due to thick glacial cover. At Fenelon Gold, secondary splays of the Sunday Lake Deformation Zone have controlled the emplacement of a significant gold system along and within the Jeremie Pluton.

In 2016, Wallbridge purchased Fenelon Gold from Balmoral for a purchase price of $3,700,000. Wallbridge owns a 100% undivided interest in Fenelon Gold (subject to royalty provisions) ("the Acquisition").

In September 2019, Ely Gold Royalties Inc. ("Ely Gold") and the Company entered into an acknowledgement and amendment of the Net Smelter Return Royalty agreement (refer to June 30, 2019 MD&A) with an effective date of June 30, 2019 whereby it was agreed that:

- The Company acknowledged the Morrison Royalty and supported its registration with the appropriate Ministries in Quebec;
- Payment of the Morrison Royalty on bulk samples at Fenelon Gold will only apply after the effective date; and
- Toll milling will not be considered a deductible expense when calculating royalty payments.

The property is now subject to three separate royalties on any future production. A 1% net smelter return royalty ("NSR") payable from production at Fenelon Gold to Freeport-McMoran Mineral Properties Canada Inc., a 1% NSR payable to a company beneficially owned by Eric Sprott, and the 2% NSR payable to Ely Gold.

Historically, exploration has focused on high-grade shear zones hosted in the Main Gabbro, and this is where Wallbridge completed a bulk sample of 33,500 tonnes grading 18.49 g/t gold.

In late 2018, exploration drilling discovered a new geologic setting with extensive vein- and shear-hosted gold mineralization along and within the pluton, naming it Area 51. The 75,000 metre 2019 drill program has proven the connectivity of Area 51 through the sediment-hosted Tabasco and Cayenne Zones to the Main Gabbro and has significantly expanded the footprint and depth extent of the Fenelon gold system thereby demonstration the large size potential on the property. The ongoing, fully funded 100,000 to 120,000 metre 2020 drill program is aiming to further define the size potential of the deposit and complete in-fill drilling in support of a maiden 43-101 resource estimate.

2018 Exploration & Development

2018/2019 Underground Bulk Sample

In early 2018, Wallbridge secured all permits and Certificates of Approval required to allow for the commencement of dewatering of the open pit along with water treatment and discharge as well as underground exploration activities at Fenelon Gold, including a 35,000 tonne bulk sample.

Mobilization to site occurred during the first quarter of 2018 with the setup of temporary camp facilities followed by contractor mobilization to the mine site. Dewatering of the pit and existing underground infrastructure was completed in the middle of the second quarter of 2018 and underground development began on June 10, 2018.

During the bulk sample, approximately 2,000 meters of underground development were completed, establishing four mining horizons and infrastructure required for exploitation of the first 100 vertical meters of the known deposit. The extensive development program was designed to establish all of the infrastructure required to reflect normal operating conditions for a 400 tonne per day operation with the goal of de-risking the project and future operations. Further to understanding operating conditions and costs, establishment of this infrastructure up front allows for lower cost of capital in the subsequent phases.

The results of the bulk sample (see press release of May 15, 2019) are as follows:

- Approximately 33,230 tonnes of ore with an average grade of 18.49 g/t gold containing approximately 19,755 ounces of gold were processed at a toll mill facility in four separate mill runs.
- More than 19,000 ounces of gold were recovered and sold
- Stope grades are meeting expectations, ranging from 11 to 38 g/t gold

The table below represents the final Bulk Sample Summary.

Fenelon Gold 2018/2019 Bulk Sample Stopes Summary Table						
Drift/Stope material	Mill Reconciled					
	Tonnes	Au g/t	Contained Au Ounces	Recovered Au Ounces	Recovery	Mill Run #
CH-01 Stope	4,823	16.82	2,608	2,120	81%	**1 & 2**
Development Ore	4,615	16.03	2,378	2,362	99%	**1, 2, 3, & 4**
NV-01 Stope	4,852	10.94	1,706	1,696	99%	**2 & 3**
CH-02 Stope	1,368	18.34	806	802	99%	
NV-02 Stope	2,736	17.99	1,582	1,572	99%	
NV-03 Stope	4,453	38.33	5,488	5,450	99%	**4**
NV-04/05 Stope	10,386	15.53	5,186	5,035	97%	**5**
Total	**33,233**	**18.49**	**19,755**	**19,037**		

2018 Exploration Drill Program

The 2018 underground drill program commenced in early June and to the end of December a total of 10,913 metres were drilled with visible gold observed to be present in 51 of the 92 drill holes. Initially, drilling mainly targeted the high-grade shoots down to 5130 Level (~120 m depth), which was the lowermost level being developed during the 2018/2019 bulk sample program. Stopes that were part of the bulk sample were drilled-off to a nominal 6 to 7 metre spacing and the drill results have validated the geological model and proven the continuity of high-grade shoots. Consistent high-grade intersections from this stope in-fill drill program included highlights of 137.63 g/t Au over 4.85 metres and 48.81 g/t Au over 6.13 metres in the Naga Viper zone and 50.31 g/t Au over 10.13 metres and 144.96 g/t Au over 2.12 metres in the Chipotle zone.

The 2018 program also successfully delineated a high-grade shoot in the Habanero (Naga Viper West) Zone, which was discovered as part of the Company’s 2017 surface drilling. The high-grade domain in this mineralized structure has shown excellent continuity with over 20 drill intersections yielding grades between 6.29 to 122.35 g/t Au over mineable widths. Highlights included: 144.77 g/t Au over 6.10 metres, 54.45 g/t Au over 7.79 metres, 122.35 g/t Au over 2.95 metres, 41.02 g/t Au over 5.52 metres. Also, in the West extension area, the Paprika zone has provided some respectable intersections including 134.57 g/t Au over 1.70 metres and 35.91 g/t Au over 3.42 metres, whereas the Fresno zone returned 87.63 g/t Au over 2.16 metres. In another high-grade shoot located in the East extension area, the Naga Viper zone returned 13.62 g/t Au over 4.27 metres and 6.23 g/t Au over 4.88 metres.

Surface exploration drilling was also carried out in the fourth quarter of 2018 with two drill rigs and a total of 6,109 metres were drilled in 17 drill holes. This program was aimed at following known mineralized zones to 300-400 metres depth as well as test for additional zones further away from the mine workings.

The last hole of the 2018 surface drill program, FA-18-051 intersected an approximately 200 m wide, previously unknown package of favorable intermediate to mafic host rocks with broad low-grade gold mineralization throughout. This new mineralized system is made up of a network of gold-bearing veins and shear zones. The broad, mineralized corridor graded 0.90 g/t Au over 105.00 metres, which included several higher grade shear zones: 3.93 g/t Au over 9.96 m (including 12.70 g/t Ay over 2.71 m), 3.13 g/t Au over 4.78 m and 5.16 g/t Au over 3.40 m.

This discovery, which was named Area 51, lines up well with a strong break in the airborne magnetic signatures, and this gold system appears to have formed along the regional contact of a, thus far unknown, southern extension of the Jeremie Pluton. Geophysical data indicates that this northwest-southeast-trending contact may extend over four kilometres on the property.

2019/2020 Exploration & Development

Wallbridge commenced its 2019 drill program in February with one drill rig and ramped up over the year to five rigs operating on the property by September and completed 75,000 metres by the end of the year. Since January 6th, 2020, six drill rigs have been operating on Fenelon Gold. Five drill rigs are focusing on exploration drilling from surface, doing large-spaced step-outs to define the footprint of the gold system and one underground drill rig is doing more closely spaced definition drilling of the Main Gabbro zones near the existing underground infrastructure. The ongoing, fully funded 100,000 to 120,000 metre 2020 drill program is aiming to further define the size potential of the deposit and complete in-fill drilling in support of a maiden 43-101 resource estimate.

The first surface hole of the 2019 drill program, FA-19-052 was designed to follow-up the newly discovered Area 51 gold system drilling on the same section as the discovery hole (FA-18-051), but from the opposite direction (Southwest to Northeast). This drill hole confirmed the significance of this new discovery, intersecting 1.46 g/t gold over 227.80 metres, with a higher grade subinterval of 2.81 g/t Au over 98.91 metres, including several higher grade shear zones: 20.89 g/t Au over 8.54 metres, 4.22 g/t Au over 16.02 metres, 5.14 g/t Au over 4.57 metres and 4.33 g/t Au over 2.16 metres. Apart from extending the Area 51 and Tabasco mineralized corridors to 500 metres vertical depth, this hole also successfully confirmed the presence of the Main Gabbro hosting silicified shear zones at a vertical depth of 650 metres, 400 metres below the last previously known occurrence on this section.

The 2019 exploration drilling has significantly expanded the footprint of the Fenelon gold system, now with 2 kilometres of strike length, 600 metres of corridor width along the Jeremie Pluton and 850 metres vertical depth extent confirmed. Apart from the originally known NW-SE structural trend we now have recognized another ENE-WSW trend that controls high-grade mineralization especially at Area 51, which has so far been traced several hundred metres into the Jeremie Pluton.

The Tabasco zone, known to be a narrow high-grade shear zone in the sediments near surface, has now been extended to 850 metres vertical depth showing excellent continuity and increasing gold endowment with depth as it is approaching more favorable host rocks, like the Jeremie Pluton or the Main Gabbro. Highlights from this zone include 22.73 g/t Au over 48.01 metres in FA-19-086, 43.47 g/t Au over 19.00 metres in FA-19-103, 32.18 g/t Au over 9.70 metres in FA-19-094 and 4.16 g/t Au over 35.55 metres in FA-19-099.

Significant gold endowment and good continuity of several zones within two newly named corridors (Andromeda, Orion) in Area 51 is now indicated by numerous intersections including: 2.43 g/t Au over 42.80 metres in FA-19-065 (incl. 5.00 g/t Au over 12.71 metres and 6.46 g/t Au over 3.09 metres), 2.05 g/t Au over 44.47 metres in 19-0915-016 (incl. 6.81 g/t Au over 6.29 metres and 3.46 g/t Au over 9.63 metres). The higher-grade sub-intervals form part of broad, low grade intersections with bulk mining potential, exemplified by 0.98 g/t Au over 191.90 metres (FA-19-065), 1.01 g/t Au over 132.00 metres (19-0915-011), 1.21 g/t Au over 70.99 metres (FA-19-080).

The high-grade gold mineralization hosted by The Main Gabbro has also been extended to 700 metres vertical depth including an intersection of 17.58 g/t gold over 11.04 metres at 600 m depth, which is currently interpreted to correspond to the thickening of the Cayenne zone as it transitions from the sediments into the Main Gabbro.

Testing of a grassroots geological-geophysical target within the Jeremie Pluton, approximately 800 metres to the northwest of the last known intersections of Area 51, hole FA-19-089 intersected an ‘Area 51-style’ visible gold-bearing zone which assayed 83.18 g/t over 0.51 metres. This discovery highlights the excellent potential for Area-51-style gold mineralization along the approximately four kilometre strike length of the Jeremie Pluton.

With the completion of the bulk sample in April 2019, Wallbridge began pursuing production permitting activities, launching its Environment and Social Impact Study along with beginning consultations with First Nation and surrounding communities. Wallbridge’s plans for the Main Gabbro zone were presented and as the remainder of the Fenelon Gold systems continues to be understood, Wallbridge will continue with the next logical steps for permitting the property with the intent of sustainable and profitable operation.

Report Filing

A report relating to Fenelon Gold Property, prepared by Stéphane Faure (P.Geo.), PhD, Geoscience Expert of InnovExplo, Marina Iund (P.Geo.), M.Sc., Project Geologist of InnovExplo and Christine Beausoleil (P.Geo.) Geology Director of InnovExplo. titled "NI 43-101 Technical Report for the Fenelon Gold Property, Quebec, Canada" with an effective date of February 28, 2020 is available under the Company's SEDAR profile at www.sedar.com.

Beschefer Project

The Beschefer Project covers 647 hectares and is located in the Northern Abitibi Greenstone Belt, 14 km east of the past-producing polymetallic Selbaie Mine, 45 km northeast of the Casa Berardi Mine and 28 km from Fenelon Gold. Historically, the area has mainly been explored for volcanogenic massive sulfide deposits similar to the Matagami camp and the Selbaie Mine. Wallbridge made an option agreement for the Beschefer Project with Excellon Resources in October of 2018 and subsequently amended on September 21, 2019.

Gold mineralization was discovered in the B-14 Zone in 1995 by Billiton Canada Inc. and the property has seen very limited exploration before the involvement by Excellon in 2011, which completed approximately 17,000 metres up to 2013. Excellon's programs produced very positive results, extending the B-14 mineralization down to almost 600 m vertical depth, discovering the upper shear zone and intersecting the highest-grade intersections on the property, including 55.63 g/t Gold over 5.57 metres and 13.07 g/t gold over 8.75 metres. Excellon's primary focus is on production and exploration at its Platosa Mine and Miguel Auza Property in Mexico. There had been no exploration at the Beschefer Project since 2013.

Wallbridge completed its initial drill program of five drill holes for a total of 1,600 m in November and December 2018 and assay results were announced in a press release dated March 13, 2019. Mineralization typical of gold-bearing portions of the B-14 shear zone was intersected in all five holes at the expected depths demonstrating the continuity of the mineralized system within the two high-grade shoots.

On September 21, 2019, the Company and Lateegra Gold Corp., a wholly owned subsidiary of Exellon Resources Inc. ("Excellon"), amended the option agreement to acquire 100% of Beschefer. The amendment allows the Company to extend the share issuance and expenditure commitment by one year and provides for an additional 1,000,000 shares to be issued over the option term. The option may be exercised by the Company by incurring and funding aggregate expenditures on the property in the following amounts and issuing common shares in the capital of the Company as follows:

	Share issuance	Expenditure commitment
Issued upon execution of the agreement, October 16, 2018	500,000	$ -
October 16, 2020	1,500,000	2,500,000
October 16, 2021	2,000,000	-
October 16, 2022	4,000,000	2,000,000
Total	8,000,000	$ 4,500,000

The Company may accelerate expenditures and the option will be effectively exercised when the Company incurs $4,500,000 of expenditures and issues 8,000,000 common shares. The Company has spent $250,246 on its exploration commitment and $9,620 on other costs at December 31, 2019. The 500,000 shares issued on October 16, 2018 had a fair value of $132,500 based on the closing price of $0.265 per share on October 16, 2018.

In January 2020, a review of the property status on Beschefer revealed that the claims had lapsed in December 2019 due to the failure of Wallbridge to file annual work statements resulting in both Wallbridge and Excellon losing rights to the property. The Company recorded an impairment of $392,366 on this property at December 31, 2019. Due to the reorganization of the claims in Quebec to eliminate sub-parcels, some of the claims under the Beschefer agreement were assigned to contiguous properties upon the lapse of the claims. The Company had attempted to re-stake the available claims, but was unsuccessful. On February 21, 2020, the Company acquired certain claims relating to the Beschefer Project for $659,200, representing most of the claims that lapsed. As part of the 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.

Wallbridge believes that Beschefer has future potential value as evident from past exploration on the property. However, due to the current success at Fenelon, the Company wishes to focus its exploration efforts at Beschefer at a more opportune time and as such, on March 17, 2020, has entered into an agreement with Excellon whereby the Company gains the ownership of the Beschefer property for 3,000,000 common shares plus 500,000 common share purchase warrants at an exercise price of $1.00 for a period of five years.

Sudbury Nickel Copper -PGM Properties

Wallbridge is exploring for nickel, copper, and PGMs on its 401 km^2 land position in Ontario's prolific Sudbury mining district. Most of the properties were explored through partner-funded joint ventures and several properties are available for potential partners.

Sudbury is one of the most established mining districts in the world with over 130 years of past production, multiple long-life operating mines, extensive infrastructure including two mills and two smelters, a well-trained workforce, and a world-class mining service-supply sector. Sudbury is also the administrative centre for the Ontario Ministry of Northern Development and Mines, including the Ontario Geological Survey, and is home to a university and two colleges that specialize in mining and exploration.

Denison Property Operatorship Agreement

On October 29, 2019 Wallbridge was appointed as the operator for Lonmin Canada; a subsidiary of Sibanye-Stillwater who recently concluded the purchase of Lonmin PLC ("Lonmin"). As operator, Wallbridge is responsible to progress the Denison property, an advanced stage project that was formerly part of the Sudbury PGM Joint Venture Agreement between Vale and Lonmin. A Sudbury-based team has been appointed to advance this project. A key component of the agreement includes Wallbridge being awarded with a 20% stake in Lonmin Canada. In addition, Wallbridge will receive compensation in the form of shares or cash for management fees, financing activity fees and certain milestones. While the operatorship agreement is in effect, Wallbridge has agreed to suspend the earn-in requirements on the Sudbury Camp Joint Venture ("SCJV") and North Range Joint Venture ("NRJV") agreements between the two companies. With a subsequent private placement in Lonmin Canada in December 2019, Wallbridge holds a 16.5% interest in Lonmin Canada.

The property, which is located in the southwest corner of the Sudbury Basin, hosts multiple, well-defined PGM-rich zones that were discovered since operations were suspended in the early 2000's. Significant exploration potential remains. The next steps are to update the resources with new drilling information and work to move the project forward by completing an economic study.

The Agreement with Sibanye-Stillwater on Lonmin Canada serves as the first step in bifurcation of its Sudbury assets without taking the focus away from Fenelon Gold. As the Denison project advances, strategic development opportunities of the Sudbury properties will be evaluated and Wallbridge will decide on the best course of action for its Cu-Ni-PGE assets.

Parkin Properties

Recently, exploration in Sudbury was on the Parkin Properties which were added to the NRJV with Lonmin Canada in 2015. Through an amendment to its existing NRJV, Lonmin Canada may earn a vested Initial Interest of 50% of Wallbridge's interest in all of the Parkin Properties by funding aggregate exploration and development expenditures totalling up to $11,083,000, which includes reimbursing Wallbridge for its cash option payments pursuant to Wallbridge's option to re-purchase Impala Platinum Holdings Limited's ("Impala") interest in the Parkin Properties. The final option payment of $1,500,000 is due on June 30, 2020. Upon vesting, Lonmin Canada will have the option to earn up to an additional 15% interest in each property by committing to fund them through to a definitive feasibility study.

Effective October 28, 2019, while the operatorship agreement is in place with Lonmin Canada, the earn-in requirements are suspended on their exploration joint venture agreements.

Exploration on the Parkin Properties is for high-grade polymetallic nickel, copper and PGMs within the Parkin Offset Dyke in Sudbury, Ontario. The property includes the past-producing Milnet Mine, the high grade Milnet 1500 Zone, an historical resource at surface, and a number of high-grade surface occurrences.

Nickel, copper, and PGM mineralization on the Parkin Properties is typical of that hosted by quartz diorite offset dykes elsewhere in the Sudbury mining camp. Examples include the prolific deposits at Vale's North and South Mines hosted by the Copper Cliff Offset Dyke; Vale's Totten deposit in the Worthington Offset Dyke, and KGHM International Ltd.'s recent discovery on its Victoria project, also hosted in the Worthington Offset Dyke.

The objectives at the Parkin Properties are to establish a resource above 600 metres depth, identify new mineralized zones on the property, and evaluate the viability of a bulk sample or starter pit. Drilling in 2016 and 2017 successfully expanded the extent of near surface mineralization at Parkin with results including drill hole WMP-170 which intersected 24.25 metres of 1.22 % nickel, 1.5% copper, and 2.15 g/t total precious metals (platinum plus palladium plus gold) at very shallow depths from 35.60 metres down hole (see Wallbridge press release dated April 4, 2016).

Other Sudbury Properties

Discovery level exploration on Wallbridge's other projects in Sudbury has slowed since 2017. The majority of this exploration was historically funded by Lonmin Canada through the SCJV or the NRJV. The new agreement with Sibanye-Stillwater and Lonmin Canada creates an avenue for exploration through Lonmin Canada without distracting from Fenelon Gold.

For the years 2017, 2018, and 2019, Lonmin did not meet the minimum funding requirements to maintain their options under the SCJV and NRJV agreements and subsequent amendments. In 2019, the Company received $188,115 to extend the funding requirements and defer the scope of work on the projects to July 31, 2019.

Effective October 28, 2019, while the operatorship agreement is in place with Lonmin Canada, the earn-in requirements are suspended on the exploration joint venture agreements.

Results from Operations

***Quarterly results for the past eight quarters ending December 31, 2019 are as follows*:**

	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Earnings (loss) before income taxes	($1,186,576)	($728,108)	$(54,933)	$(204,638)	$(2,994,832)	$893,639	$47,939	$(151,025)
Deferred tax expense (recovery)	$(503,000)	$1,476,000	$(119,000)	$134,000	$445,000	$37,000	$13,000	$10,000
Net earnings (loss)	$(683,576)	$(2,204,108)	$64,067	$(338,638)	$(3,439,832)	$856,639	$34,939	$(161,025)
Net earnings (loss)/ share – basic	$(0.00)	$(0.00)	$0.00	$(0.00)	$(0.01)	$0.00	$0.00	$(0.00)
Net earnings (loss)/ share – diluted	$(0.00)	$(0.00)	$0.00	$(0.00)	$(0.01)	$0.00	$0.00	$(0.00)

Quarterly net earnings (losses) have fluctuated over the past eight quarters primarily due to variation in the impairment of exploration and evaluation assets, other revenue, flow-through premium included in other income, provision for additional closure plan costs at Broken Hammer, and gains and losses on forward sales contracts and call options. Details are as follows:

- In Q3 2019 the Company recorded an additional provision of $698,038 and an additional $1,215,711 in Q4 2019 for costs relating to revisions to the water treatment and monitoring costs associated with the closure plan at Broken Hammer. In Q4 2018, the Company recorded an additional provision for unanticipated closure plan costs relating to Broken Hammer of $285,293.

- In Q4 2019, the Company recorded in other income $1,121,900 for receipt of 20% of the outstanding Lonmin Canada shares as part of the operatorship agreement with Lonmin Canada. The shares were valued at $0.30 per share. With the subsequent private placement in Lonmin Canada, also at $0.30 per share, the Company's holding was reduced to 16.5%. The Company has agreed to suspend the earn-in requirements on the SCJV and NRJV agreements while the operatorship is in place with Lonmin Canada.

- In Q4 2019, the Company recorded an impairment of $392,366 on its Beschefer Project as the claims lapsed in December 2019. In Q1 2018, the Company recorded an impairment of $44,078 upon the abandonment of the Barry property (part of the Other Sudbury Projects). In Q4 2018, the Company recorded an impairment of $665,114 on the Graham property as the Company decided to discontinue exploration activity in the area.

- In Q1 2019, the Company recorded a foreign exchange gain of $252,600 relating to the change in US dollar exchange as it related to the bridge loan with Auramet ("Bridge Loan"). In Q4 2018, the Company recorded a foreign exchange loss of $506,088; in Q3 2018, the Company recorded a foreign exchange gain at December 31, 2018 of $171,318; and in Q2 2018, the Company recorded a foreign exchange loss of $194,400.

- The Company recorded gains and losses on forward contracts and call options held with Auramet International LLC ("Auramet"). The contracts were held to mitigate some of the risk related to the sale of gold from the Fenelon Gold Bulk Sample. The forward sales contracts were recognized at fair value with the gain or loss recognized in the statement of earnings (loss). Unrealized gains (losses) were recorded as follows: Q1 2018 - $7,673; Q2 2018 - $613,927; Q3 2018 - $589,100; Q4 2018 - $(1,505,500); Realized gains (losses) recorded as follows: Q3 2018 - $637,200 and Q4 2018 - $261,503, Q1 2019 - $114,915.

- Other income relating to flow-through premiums was recorded as follows: Q4 2019 - $82,307; Q3 2019 - $552,579; Q2 2019 - $370,730; Q1 2019 - $222,365; Q4 2018 - $179,460; Q3 2018 - $54,100; Q2 2018 - $20,400; Q1 2018 - $16,900. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the trading price of the shares and is recorded as a deferred liability. The Company recognizes a pro rata amount of the premium through the statement of loss as other income relating to flow-through share premium with a corresponding reduction to the deferred liability as the flow-through expenditures are incurred.

- In Q1 2018, the Company recorded a gain on dilution of its equity interest in Carube Copper of $308,784, and $1,132 in Q3 2018 as a result of various share issuances in Carube Copper. Effective August 2018, the Company no longer accounts for its investment using the equity method. Changes in fair value of the investment are recorded in other comprehensive income or loss.

<u>Three months ended December 31, 2019 as compared to three months ended December 31, 2018:</u>

In the three months ended December 31, 2019, the Company had a net loss of $683,576 and comprehensive loss of $563,217 as compared to net loss of $3,439,832 and comprehensive loss of $3,824,550 for the three months ended December 31, 2018. Larger variances between the two periods are as follows:

- In Q4 2019, an additional provision of $1,215,711 was recorded for revisions to the water treatment and monitoring costs associated with the closure plan at Broken Hammer. There has been no change in the closure plan for Broken Hammer. The additional provisions are associated with the costs of treatment and discharge during winter months of 2019 and with delays and challenges in commissioning systems. The Company has estimated for 2020 that an inline treatment system rather than a batch system, and treatment and discharge will occur during the spring freshet. In Q4 2018, the Company recorded a provision for additional closure plan costs relating to the Broken Hammer Project of $285,293 due to unexpected costs incurred in the year.

- In Q4 2019, the Company recorded $1,121,900 in other income for receipt of 20% of the outstanding Lonmin Canada shares as part of the operatorship agreement with Lonmin Canada. The shares were valued at $0.30 per share. There is no comparative amount for Q4 2018.

- In Q4 2019, the Company recorded an impairment of $392,366 on its Beschefer property as a result of the claims lapsing in December 2019. In Q4 2018, the Company recorded an impairment of $665,114 on its Graham property (Other Sudbury Projects) as the Company is not planning any further exploration on this property.

- In Q4 2019, general and administrative expenses were $773,961 as compared to $434,583 in Q4 2018. The increase is primarily a result of increased investor relation service provider fees, directors' fees, and professional fees in Q4 2019.

- In Q4 2019, the Company recorded $192,359 in other comprehensive income for the net change in fair value of the investment in Carube Copper. In Q4 2018, the Company recorded $384,781 in other comprehensive loss for the net change in fair value of the investment in Carube Copper. The fair value is calculated at the closing share price at the end of the period.

- In Q4 2019, the Company recorded $82,307 in other income related to flow-through share premium as compared to $179,460 in Q4 2018. This is a result of the timing of flow-through private placements and the related expenditures.

- In Q4 2018, the Company recorded foreign exchange on the US$7,000,000 owing on the bridge loan of $506,088. There is no comparative amount in Q4 2019.

- The Company recorded a deferred tax recovery of $503,000 for Q4 2019 as compared to an expense of $445,000 for Q4 2018.

Year ended December 31, 2019 as compared to year ended December 31, 2018:

In the year ended December 31, 2019, the Company had a net loss of $3,162,255 and comprehensive loss of $2,873,717 as compared to net loss of $2,709,279 and comprehensive income of $3,093,997 for the year ended December 31, 2018. Larger variances between the two periods are as follows:

- In 2019, a provision of $1,913,749 was recorded for revisions to the water treatment and monitoring costs associated with the closure plan at Broken Hammer in Q3 and Q4 2019. In 2018, the Company recorded $285,293 for additional costs on the closure plan at Broken Hammer.

- In 2019, the Company recorded $1,121,900 in other income for receipt of 20% of the outstanding Lonmin Canada shares as part of the operatorship agreement with Lonmin Canada. The shares were valued at $0.30 per share. There is no comparative amount for 2018.

- General and administrative costs were $2,253,552 in 2019 as compared to $1,454,562 in 2018. There are several areas of increased costs: additional administrative salaries and directors' fees, increased service provider costs, travel and investor relations, and increased legal and accounting fees in 2019.

- In 2019, the Company recorded a realized gain of $114,915 on its forward contracts and call options on gold ounces relating to the Fenelon bulk sample. Unrealized loss on forward sales contracts and call options of $294,800 were recorded in 2018. Realized gains relating to forward contracts, net of losses on call options, of $898,703 were recorded during 2018.

- In 2019, the Company recorded a total impairment of $392,366 relating to Beschefer, as discussed earlier. In 2018, the Company recorded a total impairment of $709,192 on its exploration properties. The impairment was for the Barry property of $44, 078 and $665,114 for the Graham property where no further exploration was planned.

- The Company recorded $1,227,981 in other income relating to flow-through premium in 2019. The comparable amount in 2018 was $270,860. The amount of other income depends on the timing of the receipt of flow-through funds and related flow-through expenditures.

- In 2019, the Company recorded a foreign exchange gain of $252,600 as compared to 2018, the Company recorded $529,170 in foreign exchange loss on the USD Bridge Loan during the year.

- On August 9, 2018, the Company determined that the Company no longer has significant influence relating to its investment in Carube Copper. Upon the loss of significant influence, the investment was recorded at fair value resulting in a loss of $25,926 reflecting the difference between the fair value and carrying value at August 9, 2018. At December 31, 2018, the investment was recorded at its fair value of $769,439 and the change in fair value of $384,718 was recorded in other comprehensive loss. In 2019, the Company recorded a change in fair value of $288,538 in other comprehensive income for the change in fair value of its investment in Carube Copper in 2019.

- The Company recorded a gain on dilution of its equity interest in Carube Copper in of $307,652 as a result of various share issuances in Carube Copper in 2018 before the loss of significant influence. In addition, the Company recorded $162,362 for its share of comprehensive loss in Carube Copper in 2018. There are no comparative amounts recorded in 2019.

- The Company recorded a deferred tax expense of $988,000 in 2019 as compared to $505,000 in 2018.

Selected Annual Information

For the three years ended December 31 is as follows:

	2019	2018	2017
Revenue	$ -	$ -	$ -
Loss for the year	$3,162,255	$2,709,279	$1,229,250
Loss per share – basic and diluted	$0.01	$0.01	$0.01
Total Assets	$115,704,138	$54,670,848	$29,106,881
Total Non-current financial liabilities	$170,124	$375,325	$-

Assets increased over the three years ended December 31, 2017, 2018, and 2019 with the purchase of Fenelon Gold in late 2016 and subsequent exploration expenditures capitalized on that property, and cash received from private placements in late 2019. In 2018 and 2019, the expenditures are relating to the bulk sample and underground and surface exploration programs, which are offset by the proceeds from the bulk sample. The exploration programs were financed with the Bridge Loan and private placements (see *Summary of Financing Activities during 2019* below). During December 2019, the Company raised $50,348,785 in various private placements resulting in the Company having a cash balance of $57,093,881 at December 31, 2019. The non-current financial liabilities are non-current lease liabilities.

Summary of Financing Activities in 2019 to the date of the MD&A

At December 31, 2018, the outstanding balance of the Bridge Loan was $9,545,900 (US$7,000,000). The final payment was made on February 25, 2019 to repay the Bridge Loan with Auramet. The loan was secured by a hypothec over Fenelon Gold, a general security agreement, and the assignment of the Fenelon Gold leases, which were released by Auramet upon repayment of the loan. The total repayment of US$7,000,000 was an equivalent of $9,293,300, and the Company recorded a gain on foreign exchange of $252,600 in 2019. Interest of $184,336 was paid to Auramet in January and February 2019. As part of the loan conditions, the Company agreed to sell to Auramet the Bulk Sample gold production and gold production from the first year of commercial production.

On February 20, 2019, the Company announced a non-brokered private placement financing of up to 29,166,667 common shares at a price of $0.24 per common share for gross proceeds of up to $7,000,000 to Sprott, through an affiliated company, which required shareholder approval. The financing received approval from the Company's shareholders at the annual general and special meeting of shareholders held on May 8, 2019. The private placement closed on May 15, 2019.

On August 1 and 2, 2019, the Company completed private placements of 6,127,717 flow-through shares at $0.46 per flow-through share for total gross proceeds of $2,818,750, 3,650,000 flow-through shares to residents of Quebec at $0.50 for total gross proceeds of $1,825,000, and 13,261,170 units at $0.42 per unit for total gross proceeds of $5,569,691, for aggregate gross proceeds of $10,213,441. Sprott purchased 5,000,000 units. Each flow-through share will be a common share in the capital of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and the regulations thereunder. The proceeds from the sale of the flow-through shares will be used to incur eligible Canadian Exploration Expenses (“CEE”) as defined by the Income Tax Act (Canada). Each unit consists of one common share and one-half of a common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.60 per share for a period of one year from closing. The Company incurred agent fees of $249,605 relating to the private placements with the net proceeds received being $9,963,836.

On December 2, 2019, the Company completed private placements of 74,543,860 common shares at $0.57 per common share for gross proceeds of $42,490,000. As a result of this private placement, Kirkland Lake Gold Limited ("Kirkland") received 57,000,000 common shares representing 9.9% of the issued and outstanding shares of the Company at that point in time. Kirkland was granted certain rights in connection with its investment in the Company, including the right to participate in future finance offerings if Kirkland holds at least 7.5% of the issued and outstanding shares of the Company, and the right to purchase a percentage of shares equal to Kirkland's ownership share of the Company's issued and outstanding shares at that future point in time. The Company further agreed that so long as Kirkland holds shares representing 7.5% of the Company's issued and outstanding shares, that the Company shall not sell or grant any additional royalty rights or interests with respect to its Fenelon properties and/or any contiguous claims or properties adjacent to the Fenelon Gold properties.

On December 19, 2019, the Company completed a private placement for total proceeds of $7,858,785 through the issuance of 7,999,700 common shares in the Company. A total of 2,590,700 common shares were issued on a flow-through basis at a price of $1.05 per share to residents of Quebec and 5,409,000 common shares in the capital of the Company on a flow-through basis at a price of $0.95 per share. Each flow-through share will be a common share in the capital of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and the regulations thereunder. The proceeds from the sale of the flow-through shares will be used to incur eligible CEE as defined by the Income Tax Act (Canada). An affiliated company owned by Eric Sprott purchased 2,967,000 common shares on a flow-through basis to residents of Canada outside of Quebec, as part of this financing.

During the year ended December 31, 2019, 54,057,147 warrants with an average exercise price of $0.144 were exercised for total proceeds of $7,779,398. Included in this amount were 1,666,667 common share purchase warrants at an exercise price of $0.15 and 15,000,000 common share purchase warrants at an exercise price of $0.20 exercised by Sprott for aggregate gross proceeds to the Company of $3,250,000 in February 2019.

Exploration and Evaluation Assets

Expenditures capitalized to Exploration and Evaluation Assets at December 31, 2019 are as follows:

	Balance December 31, 2018	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2019
Fenelon Gold Property	$ 28,144,756	29,773,292	-	(26,967,157)	$30,950,891
Beschefer	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

Expenditures capitalized to Exploration and Evaluation Assets at December 31, 2018 are as follows:

	Balance December 31, 2017	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2018
Fenelon Gold Property	$ 6,526,526	32,231,142	-	(10,612,912)	$ 28,144,756
Beschefer	-	364,351	-	-	364,351
Sudbury Properties	16,062,744	281,892	(709,192)	(339,420)	15,296,024
	$22,589,270	32,877,385	(709,192)	(10,952,332)	$43,805,131

Expenditures capitalized on Fenelon Gold during the year ended December 31, 2019 and December 31, 2018 are as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Bulk Sample mining operations	5,381,173	17,806,691
Camp setup & operation	4,156,747	3,844,118
Water treatment and dewatering	1,805,843	1,782,458
Drilling and geochemical	9,584,581	1,336,117
Wages and benefits	2,906,497	1,465,267
Travel and accommodation	234,708	169,466
Equipment rental and supplies	663,942	217,885
Road maintenance	861,438	664,770
Transportation to mill	563,970	763,981
Milling costs	1,629,887	935,362
Permitting, studies, consulting services, and land payments	978,508	461,567
Stock option expense	113,900	-
Depreciation	312,994	-
Interest and transaction costs	258,150	1,693,600
Quebec mining tax	320,954	-
Closure Plan	-	1,089,860
Sub-total	$29,773,292	$32,231,142
Recovery from the sale of gold ounces	(22,361,297)	(10,471,820)
Quebec tax credits	(4,605,860)	(141,092)
	2,806,135	$21,618,230
Beginning balance, January 1	28,144,756	6,526,526
	$30,950,891	$28,144,756

Fenelon Gold is discussed on pages 3 to 7 of this MD&A.

Financial Condition and Liquidity

The following shows a comparison of key financial items on the Company's statement of financial position:

	December 31, 2019	December 31, 2018
Current Assets	$58,631,870	$7,475,074
Current Liabilities	$9,019,276	$20,054,451
Working Capital (deficiency)*	$49,612,594	$(12,579,377)
Provision for Closure Plan - long term	$1,712,173	$1,273,740
Long term lease liability	$170,124	$375,325
Equity	$103,289,565	$32,172,332

**Working capital (deficiency) is defined as current assets less current liabilities*

At December 31, 2019, the Company has working capital of $49,612,594 (December 31, 2018 - deficiency of $12,579,377).

Included in current liabilities at December 31, 2019 are accounts payable and accrued liabilities of $4,827,727 (December 31, 2018 - $8,584,543) relating to Fenelon Gold. At December 31, 2018, $9,472,086 was included in current liabilities for the Bridge Loan which was repaid in February 2019.

There are 6,591,591 warrants outstanding at December 31, 2019 which expire August 1, 2020 exercisable at $0.60 per warrant. The potential cash inflow from these warrants, if all are exercised, is $3,954,955.

During the year ended December 31, 2019, the Company had a net loss of $3,162,255, negative cash flow from operations of $2,429,653 and has working capital of $49,612,594.

The Company was successful in raising the required funds for the 2020 program in late 2019. However, with the proposed acquisition of Balmoral, 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.

Contractual Obligations

At December 31, 2019, the Company's contractual obligations are as follows:

Contractual Obligations	**Total**	**Current**	**2 year**	**3 – 5 years**
Accounts payable and accrued liabilities	$6,184,763	$6,184,763	$0	$0
Canadian Exploration Expenditures	$7,858,785	$7,858,785	$0	$0
Leases payments	$921,291	$744,134	$102,859	$74,298
Short term rental payments (less than 12 months)	$6,500	$6,500	$0	$0
Total	$14,971,339	$14,794,182	$102,859	$74,298

Exploration Property option payments and commitments:

In March 2020, the Company and Impala agreed to extend the option payment to purchase the 49.6% interest on its Parkin Properties of $1,500,000 from June 30, 2020 from June 30, 2021. The cost of extending the payment is $150,000 which will be paid by June 30, 2020.

Share capital

Wallbridge's common shares are traded on the TSX under the symbol "WM". At March 19, 2020, the following were outstanding:

Outstanding Common Shares	591,666,961
Stock Options	4,180,000
Deferred Stock Units	6,244,437
Warrants	7,056,591
Fully diluted	609,147,989

Contingencies

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 has not determined and 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.

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. The increase in the provision due to the passage of time is recognized as interest expense.

At December 31, 2019 and December 31, 2018, the Company has one-year renewable letters of credit, secured by cash and cash equivalents, of $1,441,105 supporting the closure plans at Fenelon Gold and the Broken Hammer Project.

At December 31, 2019, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project is $1,598,899 (December 31, 2018 - $339,103) and Fenelon Gold is $1,089,860 (December 31, 2018 - $1,089,860). The current portion of the closure plan payable which relates to the Broken Hammer closure plan is $976,586. The long term portion of the Broken Hammer closure plan of $622,313 is expected to be incurred between 2020 and 2024. The long term portion of the Fenelon Gold closure plan is expected to be incurred between 2025 and 2035.

Transactions with Related Parties

The Company had the following transactions with related parties for the year ended December 31:

	2019	2018
Carube Copper Corp. (a)		
Interest income on promissory note	$ -	$ (5,571)
Lonmin Canada (b)		
Finders fee on private placement in Lonmin Canada at 10%	(119,595)	-
Administrative fee for operatorship of Lonmin Canada at 10%	(3,217)	-
Recovery of Sudbury property costs	(25,404)	-
Administrative fee on Sudbury Property costs at 10%	(2,540)	-
William Day Construction Limited (“William Day”) (c)		
Interest payment capitalized to Fenelon Gold	-	357,308
Exploration and evaluation costs – Fenelon Gold	-	631,865
Legal fees	-	29,917
Closure plan expenditures – Broken Hammer	184,049	58,794
Purchase of equipment	380,416	-

(a) The Company owns 10.9% of Carube Copper (2018 – 11.3%). The Company had a promissory note receivable from Carube Copper with principal and interest owing of $293,204 which was settled with 5,367,266 common shares of Carube Copper in March 2018. These transactions were in the normal course of operations and were measured at the exchange amount of consideration established and agreed to by the related parties. On August 9, 2018, the Company no longer has significant influence over the investment in Carube Copper and effective August 9, 2018, Carube Copper is no longer considered a related party.

(b) The Company owns 16.5% of Lonmin Canada (2018 – 0%). The Company has a receivable from Lonmin Canada of $187,515 (2018 – $nil). 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.

(c) 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. The loan was repaid in 2018. Interest on the loan was capitalized to Fenelon Gold. At December 31, 2019, the Company has accounts payable of $455,663 (2018 - $25,680) owing to William Day Construction Limited. 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.

Recent Accounting Pronouncements

New Accounting Standards adopted during the period:

IFRS 16, Leases (“IFRS 16”)

The Company has adopted IFRS 16 with the date of initial application of January 1, 2019 using the modified retrospective approach. Comparative information has not been restated and continues to be reported under IAS 17 —*Leases* (‘‘IAS 17’’), the accounting standard in effect for those periods.

The Company assesses whether a contract is, or contains, a lease at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- the contract involves the use of an explicitly or implicitly identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract term; and
- the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and the exercise price of a purchase option reasonably certain to be exercised by the Company.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company presents right-of-use assets in the property and equipment line item on the condensed interim balance sheets and lease liabilities in the lease payable line item on the condensed interim balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and do not contain a purchase option or for leases related to low value assets. Lease payments on short-term leases and leases of low value assets are recognized as an expense in the condensed interim statements of loss.

Impact of IFRS 16 at January 1, 2019:

On adoption of IFRS 16, the Company recognized right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid lease payments previously recognized. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019.

The Company used the following practical expedients when applying IFRS 16:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining at January 1, 2019;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at January 1, 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Upon transition to IFRS 16, the Company recognized an additional $349,166 of right-of-use assets and $339,371 of lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 4.7%.

The lease liabilities at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

Operating lease commitments at December 31, 2018	$69,551
Operating lease with renewal option reasonably certain to be exercised	300,965
	370,516
Discounting using the January 1, 2019 incremental borrowing rates	(31,145)
Discounted operating lease commitments, January 1, 2019	339,371
Add commitments relating to leases previously classified as finance leases	663,712
Lease liabilities recognized at January 1, 2019	$1,003,083

Current lease liability, January 1, 2019	$374,391
Non-current lease liability, January 1, 2019	628,692
Lease liabilities recognized at January 1, 2019	$1,003,083

The Company excluded commitments relating to short-term leases of $41,465 and leases of low-value assets of $4,804.

Impact of IFRS 16 for the year ended December 31, 2019:

The Company recorded amortization expense on right-of use assets of 94,528, and interest expense on leases of $14,109, during the year ended December 31, 2019.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

(i) Significant Judgments in Applying Accounting Policies*:*

The areas which require management to make significant judgments in applying the Company's accounting policies in determining carrying values include, but are not limited to:

Amortization of property and equipment:

Significant judgment is involved in the determination of useful life and residual values for the computation of amortization of property and equipment and no assurance can be given that actual useful lives and residual values will not differ from current assumptions.

Determination of development phase:

The Company applies significant judgment when determining and assessing its criteria used to determine technical feasibility and commercial viability is demonstrable.

Commercial production:

The determination of the date on which a mine enters the commercial production stage is a significant judgment since capitalization of certain costs ceases and the recording of revenues and expenses commences upon entering commercial production. As a mine is constructed, certain costs incurred are capitalized and proceeds from sales are offset against the capitalized costs. This continues until the mine is available for use in the manner intended by management, which requires significant judgment.

(ii) Significant Accounting Estimates and Assumptions*:*

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of exploration and evaluation properties:

While assessing whether any indications of impairment exist for exploration and evaluation properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties. Internal sources of information include the manner in which exploration and evaluation properties are being used or are expected to be used and indications of expected economic performance of the assets.

Income taxes and recoverability of potential deferred tax assets:

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Share based compensation and warrants:

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Reserves and Resources:

Significant estimates and assumptions relate to recoverability of mining operations. Certain assumptions are based upon reserves, which represent the estimated amount of ore that can be economically and legally extracted from the Company's property. Changes in reserves may affect the Company's financial results and financial position as follows:

(i) Asset carrying values;
(ii) Amortization charged in the statement of operations that are determined by the units of production basis or over the estimated life of the mine; and
(iii) Site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities;

Provisions:

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 commits 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. The increase in the provision due to the passage of time is recognized as interest expense.

Corporate Governance

The Company's Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. The Board accomplishes this principally through the audit committee, which is composed of independent non-executive directors. The committee meets quarterly with management to review financial matters and quarterly with its auditors. The Board of Directors has also appointed a compensation committee and a corporate governance and nominating committee composed of non-executive directors.

Conflicts of Interest

Certain directors of the Company also serve on the board of directors of other natural resource exploration and development companies, thereby providing the possibility that a conflict of interest may arise. Any corporate decisions made by such directors are made in accordance with their duty and obligation to deal fairly and in good faith with the Company and such other companies. Directors are required to declare and refrain from voting on matters on which they have a conflict of interest.

Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing and evaluating disclosure controls and procedures, or causing them to be designed and evaluated under their supervision to provide reasonable assurance that information required to be disclosed in reports filed with or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and that material information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer conclude that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2019

Internal Control over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing and evaluating internal controls over financial reporting, or causing them to be designed and evaluated under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the *(COSO) Internal Control – Integrated Framework, 2013.*

The Chief Executive Officer and Chief Financial Officer conclude that internal control over financial reporting is designed and operating effectively as at December 31, 2019, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, can be detected. There were no changes to the Company's internal controls over financial reporting that occurred during the fourth quarter of 2018 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

Risks and Uncertainties

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business, which is the acquisition, financing, exploration, development and operation of mining properties. The following risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

General Risks and Uncertainties

Exploration for minerals is a speculative venture involving a high degree of risk. Locating mineral deposits depends on a number of factors including the technical skills of the exploration personnel involved. Whether a mineral deposit, once discovered, will be commercially viable also depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices, which are highly cyclical. Most of these factors are beyond the control of the Company.

Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves by drilling, to develop metallurgical processes, to extract the metals from the ore and to construct mining and processing facilities at a site. There is no guarantee that any property on which the Company intends to incur explorations expenditures or in which it has mining interests will ever reach the stage of commercial production.

The Company is still primarily in the exploration and development stage and accordingly all costs related to the acquisition, exploration and development of its mining interests are deferred. Wallbridge currently has no Mineral Reserves or Mineral Resources at Fenelon Gold. On Fenelon Gold, Wallbridge completed a Bulk Sample in 2019, however, work has not progressed to the stage where feasibility studies have been completed and economic viability demonstrated.

No other properties have been income producing to date and there can be no assurance that its other properties will become income producing.

Wallbridge's growth is dependent upon its success in identifying, exploring and developing their mining interests. The Company expects to incur considerable costs in its ongoing exploration programs and on the initial stages of development. The development of mining interests is also dependent upon the outcome of feasibility studies that will help identify whether production can return a profit and the ability of the Company to raise the necessary financing.

Future Price of Gold

The Company's long-term viability depends, in large part, upon the market price of gold. Market price fluctuations of gold could adversely affect the viability of the Company's operations and lead to impairments and write downs of mineral properties. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including: global and regional supply and demand for industrial products containing metals generally; changes in global or regional investment or consumption patterns; increased production due to new mine developments and improved mining and production methods; decreased production due to mine closures; interest rates and interest rate expectation; expectations with respect to the rate of inflation or deflation; currency rate fluctuations; availability and costs of metal substitutes; global or regional political or economic conditions; and sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of the Company's projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on the Company's results of operations, cash flows and financial position. A decline in metal prices may require the Company to write-down mineral reserve and mineral resource estimates, which could result in material write-downs of investments in mining properties.

Declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the Company's results of operations, cash flows and financial position.

Uncertainty Relating to Mineral Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated mineral resources or ultimately mineral reserves as a result of continued exploration.

Exploration, Development and Operating Risks

Mining operations are inherently dangerous and generally involve a high degree of risk. The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of precious and base metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life and damage to tailings dams, property, and environmental damage, all of which may result in possible legal liability. Although the Company expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Company's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects. Further, the Company may be subject to liability or sustain losses in relation to certain risks and hazards against it cannot insure or for which it may elect not to insure. The occurrence of operational risks and/or a shortfall or lack of insurance coverage could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices that are highly cyclical, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, exploration licences, mining licences, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined.

Health, Safety and Environmental Risks and Hazards

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. Personnel involved in the Company's operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground, electricity, slips and falls and moving equipment that could result in occupational illness, health issues and personal injuries. The Company strives to manage all such risks in compliance with local and international standards. The Company has implemented various health and safety measures designed to mitigate such risks, including the implementation of improved risk identification and reporting systems across the Company, effective management systems to identify and minimize health and safety risks, health and safety training and the promotion of enhanced employee commitment and accountability, including a fitness for work program which focuses on fatigue, stress, and alcohol and drug abuse. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

All phases of the Company's operations are also subject to environmental and safety regulations in the jurisdictions in which it operates. These regulations mandate, among other things, water and air quality standards, noise, surface disturbance, the impact on flora and fauna and land reclamation, and regulate the generation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental, health and safety permits. In addition, no assurances can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and operations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Company's business, financial condition and results of operations. Environmental hazards may also exist on properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties.

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The costs associated with such instances and liabilities could be significant. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduced levels of production at producing properties or require abandonment or delays in development of its mining properties. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The Company may also be held financially responsible for remediation of contamination at current or former sites, or at third party sites. The Company could also be held responsible for exposure to hazardous substances.

In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of the Company's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. The Company may incur costs associated with reclamation activities, which may materially exceed the provisions established by the Company for the activities. In addition, possible additional future regulatory requirements may require additional reclamation requirements creating uncertainties related to future reclamation costs. Should the Company be unable to post required financial assurance related to an environmental remediation obligation, the Company might be prohibited from starting planned operations or required to suspend existing operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect.

Cost Estimates

Capital and operating cost estimates made in respect of the Company mines and development projects may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility studies, anticipated climatic conditions, market conditions for required products and services, and other factors and assumptions regarding foreign exchange currency rates. Any of the following events could affect the ultimate accuracy of such estimate: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims.

The Company prepares estimates of future cash costs, operating costs and/or capital costs for each operation and project. There can be no assurance that such estimates will be achieved and that actual costs will not exceed such estimates. Failure to achieve cost estimates and/or any material increases in costs not anticipated by the Company could have an adverse impact on future cash flows, profitability, results of operations and the financial condition of the Company.

Obligations as a Public Company

The Company's business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Common Shares.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including, but not limited to, the Canadian Securities Administrators and the TSX. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Government of Canada proclaimed into force the Extractive Sector Transparency Measures Act on June 1, 2015, which mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments starting in 2017 for the year ended December 31, 2016. The Company's efforts to continue to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

If the Company does not implement new or improved controls, or experiences difficulties in implementing them, it could harm its operating results, or it may not be able to meet its reporting obligations. There is no assurance that the Company will be able to remediate material weaknesses, if any are identified in future periods, or maintain all of the necessary controls to ensure continued compliance. There is also no assurance that the Company will be able to retain personnel who have the necessary finance and accounting skills because of the increased demand for qualified personnel among publicly traded companies. Acquisitions can pose challenges in implementing the required processes, procedures and controls in the new operations. Companies that it acquires may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by the securities laws that currently apply to the Company. If any of its staff fail to disclose material information that is otherwise required to be reported, no evaluation can provide complete assurance that its internal controls over financial reporting will detect this. The effectiveness of its controls and procedures may also be limited by simple errors or faulty judgments. Continually enhancing its internal controls is important, especially as the Company expands, and the challenges involved in implementing appropriate internal controls over financial reporting will increase.

Government Regulation and Regulatory Constraints

The Company's business, mining operations and exploration and development activities require permits and are subject to extensive federal, state, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted, and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may require corrective measures involving capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The *Canadian Corruption of Foreign Public Officials Act* and the *U.S. Foreign Corrupt Practices Act* and anti-bribery laws in jurisdictions in which the Company does business, prohibit companies from making improper payments for commercial advantage or other business purposes. The Company's policies mandate compliance with these anti-bribery laws, which carry substantial penalties. While the Company does not operate in countries with experienced public and private sector corruption, violations of such laws, or allegations of such violation could have a material adverse effect on the Company's financial position and results of operations.

Acquisitions and Integration

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Additional Capital

The continuation of the Company as a going concern and the exploration and development of the Company's properties, including continuing exploration and development projects, and the construction of mining facilities and commencement of mining operations, may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of a property interest. Although the Company has been successful in obtaining the necessary financing to date, additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

Market Price of Securities

The Common Shares are listed on the TSX and the Frankfurt Stock Exchange. Securities markets have had a high level of price and volume volatility, and the market price of securities of many resource companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments locally and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur.

As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the Company's long-term value. In response to periods of volatility in the market price of a company's securities, shareholders may institute class action securities litigation. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Company.

Liquidity Risk

The Company has in the past and may in the future seek to acquire additional funding by the sale of Common Shares, the sale of assets or through the assumption of additional debt. Movements in the price of the Common Shares have been volatile in the past and may be volatile in the future. Furthermore, liquidity of the Company's securities may be impacted by large shareholders.

Community Relations

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

First Nations and Aboriginal Heritage

First Nations title claims, and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on its properties. The resolution of First Nations and Aboriginal heritage issues is an integral part of exploration and mining operations in Canada and the Company is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise.

Availability and Costs of Infrastructure, Energy and Other Commodities

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

The profitability of the Company's operations will be dependent upon the cost and availability of commodities which are consumed or otherwise used in connection with the Company's operations and projects, including, but not limited to, diesel, fuel, natural gas, electricity, steel and concrete. Commodity prices fluctuate widely and are affected by numerous factors beyond the control of the Company. If there is a significant and sustained increase in the cost of certain commodities, the Company may decide that it is not economically feasible to continue all of the Company's commercial production and development activities and this could have an adverse effect on profitability. Higher worldwide demand for critical resources like input commodities, drilling equipment, mobile mining equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules.

Further, the Company relies on certain key third-party suppliers and contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development, construction and continuing operation of its assets. As a result, the Company's activities at its mine sites are subject to a number of risks, some of which are outside its control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or a contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen event and failure of a supplier or contractor to perform under its agreement with the Company. The occurrences of one or more of these events could have a material effect on the business, results of operations and financial condition of the Company.

Nature and Climatic Conditions

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's results of operations and financial position.
The Company's mining and processing operations are, in some instances, energy intensive. While the Company has initiated numerous processes to reduce its overall carbon footprint, such as the use of electric battery powered mining equipment, the Company acknowledges climate change as an international and community concern. Legislation and regulations relating to emission levels and energy efficiency are becoming more rigorous and may result in increased costs at its Canadian operations. While the Company has taken measures to manage the use of energy, such regulatory requirements may have an adverse impact on the Company.

Information Technology

The Company is reliant on the continuous and uninterrupted operations of its information technology ("**IT**") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

While the Company has a social media policy in place, social media and other web-based information sharing applications may result in negative publicity or have the effect of damaging the reputation of the Company, whether or not such publicity is in fact verified, truthful or correct. The Company places a great emphasis on ensuring the highest reputational standards, however, it may not have the ability to control how it is perceived by others. Reputational loss may result in challenges in developing and maintaining community and shareholder relations and decreased investor confidence.

Permitting

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits for the Company's existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property. Any of these factors could have a material adverse effect on the Company's results of operations and financial position.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; labour disputes; unusual or unexpected geological conditions; ground or slope failures; cave-ins; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

The businesses and properties of the Company are insured against loss or damage, subject to a number of limitations and qualifications. Such insurance will not cover all the potential risks associated with a mining company's operations. the Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that it may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. The Company may suffer a material adverse effect on its business, results of operations, cash flows and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Currency Fluctuations

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a United States dollar price, but most of the Company's operating and capital expenses are incurred in Canadian dollars. The appreciation of these currencies against the United States dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect the Company's profitability, results of operations and financial position.

Tax Matters

The Company's taxes are affected by several factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar "holidays" or benefits were to be challenged for any reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought in the future against the Company or one or more of its subsidiaries, or the Company or one or more of its subsidiaries may be subject to another form of litigation. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. As of the date hereof, no material claims have been brought against the Company, nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, should a material claim be brought against the Company, the process of defending such claims could take away from the time and effort management of the Company would otherwise devote to its business operations and the resolution of any particular legal proceeding to which the Company or one or more of its Subsidiaries may become subject could have a material adverse effect on the Company's financial position and results of operations.

Title to the Company's Mining Claims and Leases

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. While the Company has carried out reviews of title to its mining claims and leases, this should not be construed as a guarantee that title to such interests will not be challenged or impugned. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure mine tenure may be severely constrained. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, royalty transfers or claims, including native land claims, other encumbrances and title may be affected by, among other things, undetected defects. The Company has had difficulty in registering ownership of certain titles in its own name due to the demise of the original vendors of such titles when owned by the Company's predecessors-in-title. If these challenges are successful, this could have an adverse effect on the development of the Company’s properties as well as its results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Dependence on Outside Parties

The Company has relied upon consultants, engineers, contractors and other parties and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on the Company.

Dependence on Key Personnel

The Company is dependent upon a number of key management personnel. The Company’s ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. As the Company’s business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel. The loss of the services of one or more key employees or the failure to attract and retain new personnel could have a material adverse effect on the Company’s ability to manage and expand the Company’s business.

Labour and Employment Matters

The Company’s mining operations is dependent upon the efforts of its employees and the Company’s operations would be adversely affected if it fails to maintain satisfactory labour relations. Factors such as work slowdowns or stoppages caused by the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially adversely affect the Company’s business. This would have a negative effect on the Company’s business and results of operations; which might result in the Company not meeting its business objectives.

In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company’s business, results of operations and financial condition.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the Company’s directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the OBCA and any other applicable law. In the event that the Company’s directors and officers are subject to conflicts of interest, there may be a material adverse effect on its business.

Economic and Political Conditions

The current economic climate for junior mining issuers has resulted in low valuations for their equities. This has made financing these companies difficult without unduly diluting the existing shareholders. Due to the relationships the Company has built and the solid reputation it has developed, the Company continues to enjoy substantial funding reducing the impact of the current economic climate on the Company's activities. There cannot however be any assurance that this will continue into the future. Most of the Company's activities are in Northern Quebec, an area with strong political support for mining. While the is always some political opposition to mining in any jurisdiction, the location of the Company's operations somewhat mitigates this risk.

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire the resources and/or additional attractive mineral properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company's exploration and acquisition programs will yield any new reserves or result in any commercial mining operation.

Unfavourable global economic conditions

The Company's results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current our future economic climate and financial market conditions could adversely impact our business. For example, in December 2019, a novel strain of COVID-19 has been reported in many countries around the globe. The extent to which the COVID-19 impacts our results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the COVID-19 and the actions required to contain the COVID-19 or remedy its impact, among others.

U.S. federal income tax consequences for U.S. investors

Shareholders in the United States should be aware that the Company believes it was classified as a ''passive foreign investment company'' or ''**PFIC**'' during the tax year ended December 31, 2019, and based on current business plans and financial expectations, the Company expects that it may be a PFIC for the current tax year and future tax years. If the Company is a PFIC for any year during a U.S. taxpayer's holding period of the Company's securities, then such U.S. taxpayer generally will be required to treat any gain realized upon a disposition of any such securities or any so-called ''excess distribution'' received on such securities, as ordinary income, and to pay an interest charge on a portion of such gain or distribution. In certain circumstances, the sum of the tax and the interest charge may exceed the total amount of proceeds realized on the disposition, or the amount of excess distribution received, by the U.S. taxpayer. Subject to certain limitations, these tax consequences may be mitigated if a U.S. taxpayer makes a timely and effective QEF Election under Section 1295 of the Internal Revenue Code of 1986, as amended (the "**Code**"), or a Mark-to-Market Election under Section 1296 of the Code. Subject to certain limitations, such elections may be made with respect to the common shares of the Company. A U.S. taxpayer may not make a QEF Election or Mark-to-Market Election with respect to the Warrants. A U.S. taxpayer who makes a timely and effective QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. taxpayers should be aware that there can be no assurance that the Company will satisfy the record keeping requirements that apply to a qualified electing fund, or that the Company will supply U.S. taxpayers with information that such U.S. taxpayers require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF Election. Thus, U.S. taxpayers may not be able to make a QEF Election with respect to their common shares. A U.S. taxpayer who makes the Mark-to-Market Election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer's basis therein.

Additional Information

Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

Forward Looking Statement

This management discussion and analysis contains forward-looking statements (including "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995) relating to, among other things, the future financial and operating performance of Wallbridge and its affiliates and the environment in which they operate, the timing and amount of capital expenditures required, the results of exploration and mine development, the realization of mineral reserve estimates, the timing and cost of future production and the availability of funding to Wallbridge. Statements related to "reserves" and "resources" are deemed forward-looking statements as they involve the implied assessment, based on realistically assumed and justifiable technical and economic conditions, that an inventory of mineralization will become economically extractable. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Wallbridge has relied on a number of assumptions and estimates in making such forward-looking statements, including, without limitation, the prices of gold, copper, nickel, platinum, palladium and other metal prices, the estimation of mineral reserves and mineral resources, the estimation of capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, and requirements for additional capital. Such assumptions and estimates are made in light of the trends and conditions that are considered to be relevant and reasonable based on information available and the circumstances existing at this time. A number of risk factors may cause actual results, level of activity, performance or outcomes to be materially different from those expressed or implied by such forward-looking statements including, without limitation, fluctuations in the currency markets, fluctuations in the prices of copper, nickel, platinum, palladium or certain other commodities (such as diesel fuel and electricity), operating or technical difficulties in connection with mining or development activities, employee relations, the speculative nature of base and precious metal exploration and development, including the risks of obtaining necessary licenses and permits, diminishing quantities or grades of resources, actual results of current exploration activities, actual results of current reclamation activities, requirements for additional capital, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in jurisdictions where Wallbridge conducts business or may conduct business in the future, business opportunities that may be presented to, or pursued by, Wallbridge, government regulation of mining operations, environmental risks, reclamation expenses, titles disputes or claims, limitations of insurance coverage and the timing of possible outcome pending litigation and regulatory matters. In addition, there are further risks associated with the business of base and precious metal exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and flooding, the risk of inadequate insurance, or the inability to obtain insurance to cover these risks, and those other risks set forth in Wallbridge's most recent annual information form under the heading "Risk Factors" and in its other public filings. Forward-looking statements are not guarantees of future performance and such information is inherently subject to known and unknown risks, uncertainties and other factors that are difficult to predict and may be beyond the control of

Wallbridge. Although Wallbridge has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Consequently, undue reliance should not be placed on such forward-looking statements. In addition, all forward-looking statements in this management discussion and analysis are given as of the date hereof. Wallbridge disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, save and except as may be required by applicable securities laws. The forward-looking statements contained herein are expressly qualified by this disclaimer.

Dated March 19, 2020