Condensed Interim Financial Statements of

WALLBRIDGE MINING COMPANY LIMITED

Three and nine months ended September 30, 2019

(Unaudited)

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	September 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 14,589,855	$ 5,744,775
Restricted cash (note 7(b))	-	71,073
Amounts receivable (note 5)	781,698	1,556,086
Deposits and prepaid expenses	160,803	103,140
	15,532,356	7,475,074
Restricted cash (note 14)	1,441,105	1,441,105
Amounts receivable (note 5)	2,748,613	-
Investment in Carube Copper Corp. (note 6)	865,615	769,436
Exploration and evaluation assets (note 7)	41,650,479	43,805,131
Property and equipment (note 8)	1,934,743	1,180,102
	$ 64,172,911	$ 54,670,848
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	$ 4,808,510	$ 9,179,787
Flow-through premium liability (note 13)	82,307	593,095
Deposit from partner (note 7(b))	-	71,073
Derivative financial liability (note 10)	-	294,800
Current portion of provision for closure plan (note 14)	434,301	155,223
Current portion of lease liability (note 3 and 12)	813,178	288,387
Loan payable (note 11)	-	9,472,086
	6,138,296	20,054,451
Lease liability (note 3 and 12)	241,954	375,325
Provision for closure plan (note 14)	1,473,720	1,273,740
Deferred tax liability	2,205,000	795,000
	10,058,970	22,498,516
Equity (note 16):		
Share capital	99,411,163	73,925,994
Warrants	649,112	1,682,497
Contributed surplus	8,169,299	8,296,974
Deficit	(53,827,094)	(51,348,415)
Accumulated Other Comprehensive Loss	(288,539)	(384,718)
Total Equity	54,113,941	32,172,332
Nature of operations and going concern (note 1)		
Commitments and contingencies (note 18)		
Subsequent events (notes 7 and 19)		
	$ 64,172,911	$ 54,670,848

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Other expenses and (income):				
General and administrative expenses	$ 546,195	$ 355,914	1,479,591	1,019,979
Amortization of property and equipment	33,686	8,311	96,308	27,223
Interest income	(47,148)	(5,650)	(81,320)	(18,913)
Other income relating to flow-through share premium (note 13)	(552,579)	(54,100)	(1,145,674)	(91,400)
Provision for closure plan costs (note 14)	698,038	-	698,038	-
Gains on derivative contract (note 10)	-	(1,226,300)	(114,915)	(1,847,900)
Foreign exchange loss (gain) on bridge loan (note 11)	-	(171,318)	(252,600)	23,082
Interest on lease liability	14,206	-	48,541	-
Share based expense (note 16)	39,100	100,100	263,100	174,534
Loss on loss of significant influence of equity investment (note 6)	-	25,926	-	25,926
Share of comprehensive loss in Carube Copper Corp	-	74,218	-	162,362
Loss (gain) on dilution of equity interest in Carube Copper	-	1,132	-	(307,652)
Gain on disposition of property and equipment	(3,390)	(1,872)	(3,390)	(1,872)
Impairment of exploration and evaluation assets (note 7)	-	-	-	44,078
	728,108	(893,639)	987,679	(790,553)
Earnings (Loss) before income taxes	(728,108)	893,639	(987,679)	790,553
Deferred tax expense	1,476,000	37,000	1,491,000	60,000
Net earnings (loss) for the period	$ (2,204,108)	$ 856,639	(2,478,679)	$ 730,553
Other comprehensive income (loss):				
Items that will not be reclassified to profit or loss:				
Investment in Carube Copper - net change in fair value (note 6)	-	-	96,179	-
Total comprehensive income (loss) for the period	$ (2,204,108)	856,639	(2,382,500)	730,553

WALLBRIDGE MINING COMPANY LIMITED

Statements of Changes in Equity
(expressed in Canadian Dollars)

(Unaudited)

	Number of Shares		Share Capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss		Total
Balance, December 31, 2017	**294,394,851**	**$**	**63,794,074**	**1,519,987**	**8,512,970**	**(48,639,136)**	**-**	**$**	**25,187,895**
Share issuances, net of share issuance costs	58,518,657		5,114,750	637,230	-	-	-		5,751,980
Exercise of warrants	4,573,180		743,627	(163,470)	-	-	-		580,157
Shares issued from restricted share units	1,854,870		152,406	-	(152,406)	-	-		-
Deferred share units vested and shares issued	1,264,340		101,147	-	(101,147)	-	-		-
Exercise of stock options	6,367,500		608,178	-	(175,940)	-	-		432,238
Share based compensation	-		-	-	174,534	-	-		174,534
Deferred share units	-		-	-	82,500	-	-		82,500
Net earnings	-		-	-	-	730,553	-		730,553
Balance, September 30, 2018	366,973,398	**$**	70,514,182	1,993,747	8,340,511	(47,908,583)	-	**$**	32,939,857
Balance, December 31, 2018	**390,366,736**	**$**	**73,925,994**	**1,682,497**	**8,296,974**	**(51,348,415)**	**(384,718)**	**$**	**32,172,332**
Share issuances, net of share issuance costs	52,205,554		16,363,526	605,273	-	-	-		16,968,799
Flow through share premium			(634,886)	-	-	-	-		(634,886)
Exercise of warrants	49,722,379		8,761,551	(1,638,658)	-	-	-		7,122,893
Deferred share units vested and shares issued	1,000,000		370,000	-	(370,000)	-	-		-
Exercise of stock options	4,927,500		624,978	-	(213,866)	-	-		411,112
Share based compensation	-		-	-	377,700	-	-		377,700
Deferred share units granted	-		-	-	78,491	-	-		78,491
Investment in Carube Copper - net change in fair value	-		-	-	-	-	96,179		96,179
Net loss	-		-	-	-	(2,478,679)	-		(2,478,679)
Balance, September 30, 2019	**498,222,169**	**$**	**99,411,163**	**649,112**	**8,169,299**	**(53,827,094)**	**(288,539)**	**$**	**54,113,941**

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Nine months ended September 30, 2019	2018
Cash flows from (used in) operating activities:		
Net income (loss) for the period	$ (2,478,679)	$ 730,553
Adjustments for:		
Deferred tax expense	1,491,000	60,000
Amortization of property and equipment	96,308	27,223
Impairment of exploration and evaluation assets	-	44,078
Interest on note receivable	-	(5,571)
Gain on dilution of equity interest in Carube Copper	-	(307,652)
Other income relating to flow-through share premium	(1,145,674)	(91,400)
Share of comprehensive loss in Carube Copper Corp	-	162,362
Loss on the loss of significant influence of investment	-	25,926
Provision for closure plan costs (note 14)	698,038	-
Share based compensation expense 16 (b)	263,100	174,534
Deferred stock units	46,616	53,750
Gains on derivative contract (note 10)	(114,915)	(1,210,700)
Foreign exchange loss (gain) on bridge loan (note 11)	(252,600)	23,070
Interest on lease liability	48,541	-
Gain on disposition of property and equipment	(3,390)	(1,872)
Closure plan disbursements	(218,980)	(134,241)
Changes in non-cash working capital:		
Amounts receivable	747,988	(1,463,802)
Deposits and prepaid expenses	(93,307)	(36,897)
Accounts payable and accrued liabilities	(329,705)	1,296,504
	(1,245,659)	(654,135)
Cash flows from (used in) financing activities:		
Issuance of share capital	17,213,441	5,896,306
Share issuance costs	(325,642)	(144,325)
Exercise of stock options	411,113	419,738
Exercise of warrants	7,122,894	592,657
Payment of loan payable	-	(2,500,000)
Proceeds from bridge loan advances	-	10,313,280
Payment of bridge loan	(9,293,300)	(1,296,550)
Transaction costs relating to bridge loan	(34,125)	(198,446)
Lease payments	(527,546)	(687)
	14,566,835	13,081,973
Cash flows from (used in) investing activities:		
Exploration and evaluation assets expenditures	(26,655,503)	(10,318,462)
Recoveries from Fenelon Gold bulk sample	22,193,837	1,362,795
Acquisition of equipment	(218,286)	(51,034)
Proceeds from disposal of assets	3,600	8,000
Cash received on derivative contracts	13,975	-
Exploration and evaluation assets option payments received	186,281	215,000
Restricted cash	-	(1,054,860)
	(4,476,096)	(9,838,561)
Net increase in cash and cash equivalents	8,845,080	2,589,277
Cash and cash equivalents, beginning of the period	5,744,775	4,358,706
Cash and cash equivalents, end of the period	$ 14,589,855	$ 6,947,983
Summary of non-cash transactions:		
Exploration expenditures - in accounts payable and accrued liabilities	$ 3,975,574	$ 8,344,899
Closure plan for Fenelon Gold	-	1,045,375
Exploration expenditures - capitalized amortization of equipment	247,346	-
Exploration expenditures - other non-cash items	140,614	-
Exploration recoveries included in amounts receivable	2,748,613	923,193
Exploration recoveries - loss on forward contracts	193,860	-
Property and Equipment purchased under lease agreements	870,425	-
Settlement of accounts payable with deferred stock units	31,875	28,750
Settlement of promissory note and interest with Carube Copper Corp. shares	-	293,204

See accompanying notes to condensed interim financial statements.

1. Nature of operations and going concern:

Wallbridge Mining Company Limited ("Wallbridge" or the "Company") is incorporated under the laws of Ontario and is engaged in the acquisition, discovery, development and production of metals focusing on gold, copper, nickel and platinum group metals. The Company completed operations at its first polymetallic mine, producing copper, platinum, palladium, and gold from the Broken Hammer open pit mine in Sudbury, Ontario in October 2015. In October 2016 the Company completed the purchase of the Fenelon Gold Property ("Fenelon Gold"). The Company's head office is located at 129 Fielding Road in Lively, Ontario, Canada.

These financial statements have been prepared on the going concern basis, which contemplates that the Company will be able to realize its assets and discharge liabilities in the normal course of business. There can be no assurance that the Company will either achieve or maintain profitability in the future.

During the nine months ended September 30, 2019, the Company had a net loss of $2,478,679, negative cash flow from operations of $1,245,659 and has working capital of $9,394,060. The Company is pursuing various financing alternatives to meet the planned 2020 expenditures.

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 may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Company be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Company's assets could be subject to material adjustments and other adjustments may be necessary to these financial statements should such adverse events impair the Company's ability to continue as a going concern.

2. Basis of presentation:

(a) Statement of compliance:

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

(b) Judgments and estimates:

Preparing the interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim financial statements, significant judgments made by Management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2018.

(c) Functional and presentation currency:

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

3. Significant accounting policies:

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended December 31, 2018 with the exception of the following changes in accounting policies resulting from the adoption of new accounting standards.

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;
- 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.

3. Significant accounting policies (continued):

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 statement of financial position and lease liabilities in the lease payable line item on the condensed interim statement of financial position.

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.

<u>Impact of IFRS 16 at January 1, 2019:</u>

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;
• 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 was determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

(expressed in Canadian Dollars)

3. Significant accounting policies (continued):

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.

<u>Impact of IFRS 16 for the three and nine months ended September 30, 2019:</u>

The Company recorded amortization expense on right-of use assets of $23,632 and $70,896, and interest expense on leases of $3,403 and $10,958, during the three months and nine months ended September 30, 2019, respectively.

(expressed in Canadian Dollars)

4. Fair value of financial instruments:

Financial assets and liabilities are grouped into three levels based on significant inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

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

At September 30, 2019, the investment in Carube Copper Corp. (“Carube Copper”) is classified as level 1 at $865,615. The shares in Carube Copper trade on the TSX Venture Exchange and the fair value is estimated by using the closing share price at September 30, 2019.

5. Amounts receivable:

	September 30, 2019	December 31, 2018
Harmonized Sales Tax and Quebec Sales Tax	$ 597,103	$ 1,215,579
Quebec tax credits	2,828,583	141,092
Other receivables	104,625	199,415
	$3,530,311	$ 1,556,086
Current portion of amounts receivable	(781,698)	(1,556,086)
Long term receivable	$ 2,748,613	$ -

The Company is entitled to refundable tax credits and tax credits on qualified exploration expenditures incurred in Quebec. The Quebec tax credit amount of $2,748,613 relates to 2019 qualified expenditures incurred in Quebec.

The Company has claimed certain government assistance relating to exploration expenditures of approximately $1.4 million which has not been recorded as there is no history of receipt and the Company does not have reasonable assurance as to its collection.

(expressed in Canadian Dollars)

6. Investment in Carube Copper:

	September 30, 2019	December 31, 2018
Investment in Carube Copper	$ 865,615	$ 769,436

At September 30, 2019, the Company held 19,235,911 (December 31, 2018 – 19,235,911) common shares of Carube Copper representing an approximate 10.9% (December 31, 2018 – 11.3%) interest of Carube Copper.

Effective August 2018 the Company no longer had significant influence over the investment in Carube Copper. The changes in fair value of the investment are recognized in other comprehensive income or loss for each period. There was no change in the fair value of its investment in Carube Copper for the three months ended September 30, 2019 and the three months ended September 30, 2018. The Company recorded an increase of $96,179 in the fair value of its investment in Carube Copper for the nine months ended September 30, 2019 ($nil for the nine months ended September 30, 2018).

7. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2018	Expenditures	Disposition/ Recovery	Balance, September 30, 2019
Fenelon Gold Property (a)	$ 28,144,756	22,833,423	(25,109,910)	$ 25,868,269
Beschefer (e)	364,351	27,700	-	392,051
Other Sudbury Projects (b) (d)	7,761,898	58,894	-	7,820,792
North Range and Wisner Properties (b) (d)	3,581,621	53,053	(36,281)	3,598,393
Parkin Properties (c)	3,952,505	168,469	(150,000)	3,970,974
	$43,805,131	23,141,539	(25,296,191)	$41,650,479

	Balance December 31, 2017	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2018
Fenelon Gold Property (a)	$ 6,526,526	32,231,142	-	(10,612,912)	$ 28,144,756
Beschefer (e)	-	364,351	-	-	364,351
Other Sudbury Projects (b) (d)	8,444,116	44,074	(709,192)	(17,100)	7,761,898
North Range and Wisner Properties (b) (d)	3,666,123	38,818	-	(123,320)	3,581,621
Parkin Properties (b) (c)	3,952,505	199,000	-	(199,000)	3,952,505
	$22,589,270	32,877,385	(709,192)	(10,952,332)	$43,805,131

7. Exploration and evaluation assets (continued):

(a) Fenelon Gold Property:

Included in the 2019 expenditures of $22,833,423 are $15,428,448 relating to the underground exploration and bulk sample, capitalized interest and transaction costs of $258,150 relating to the Aurامet loan (note 11), amortization of capital assets of $247,346, stock option expenses of $107,600, Quebec mining tax duties of $323,190, and surface exploration costs of $6,468,689. Recovery of $22,361,297 is from the sale of gold ounces from the bulk sample and Quebec refundable tax credits of $2,748,613 for a total recovery of $25,109,910.

Included in the 2018 expenditures of $32,231,142 are $27,586,901 relating to the underground exploration and bulk sample, closure plan costs of $1,089,860 (note 14), capitalized interest and transaction costs of $1,693,600 relating to the Auramet loan (note 11), and surface exploration costs of $1,860,781. Recovery of $10,471,820 is from the sale of gold ounces from the bulk sample and Quebec refundable tax credits of $141,092 for a total recovery of $10,612,912.

The property is subject to royalties on any future commercial production. A 1% net smelter return royalty ("NSR") payable from production at Fenelon Gold to Cyprus Canada Ltd., and a 1% NSR payable to a company beneficially owned by Eric Sprott ("Sprott").

During the second quarter of 2019, Ely Gold Royalties Inc. ("Ely Gold") announced that it had acquired a 2% NSR ("the Morrison Royalty") on Fenelon Gold pursuant to an exploration agreement dated October 31, 1986. The NSR was not registered on title when the Company acquired Fenelon Gold in 2016.

In September 2019, Ely Gold and the Company entered into an acknowledgement and amendment of the Net Smelter Return Royalty agreement 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.

7. Exploration and evaluation assets (continued):

(b) At September 30, 2019, the Company has $nil (December 31, 2018 - $71,073) of restricted cash from the North Range Joint Venture partner, Lonmin Limited (a wholly owned subsidiary of Sibanye-Stillwater) (“Lonmin”).

During the nine months ended September 30, 2019, the Company received $188,115 to extend the funding requirements and defer the scope of work on the projects to July 31, 2019.

On October 28, 2019, the Company signed a definitive letter agreement whereby Lonmin appointed the Company as operator of Lonmin Canada Inc. (a wholly owned subsidiary of Lonmin (“Loncan”)). While the operatorship agreement is in effect, the Company has agreed to suspend the earn-in requirements on the SCJV and NRJV and subsequent amendment agreements with Loncan (note 19 (a)).

(c) On March 15, 2019, the Company and Impala Platinum Holdings Limited (“Impala”) agreed to extend the option payment to purchase the 49.6% interest on its Parkin Properties of $1,500,000 to June 30, 2020 by the Company making a $150,000 payment to Impala by June 30, 2019. The Company made an option payment to Impala of $150,000 and received an option payment of $150,000 from Lonmin in June 2019.

(d) During September 2019, Battery Mineral Resources terminated its option agreement to acquire a 100% interest in 19 claims that are part of the Company’s North Range and Sudbury Camp Joint Ventures with Lonmin. Cash option payments of $200,000 by October 15, 2019 and $250,000 by October 15, 2020 were required for Battery to maintain its option to acquire these properties.

(expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued):

(e) On September 21, 2019, the Company and Lateegra Gold Corp. 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 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 $249,931 on its exploration commitment at September 30, 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.

(expressed in Canadian Dollars)

8. Property and equipment:

Cost:

	Buildings, leaseholds and bridges	Equipment and Vehicles	Total
Balance, December 31, 2017	$ 347,682	$ 772,527	$1,120,209
Additions	-	1,016,634	1,016,634
Disposals	-	(66,247)	(66,247)
Balance, December 31, 2018	347,682	1,722,914	2,070,596
Additions	274,716	823,790	1,098,506
Disposals	-	(8,099)	(8,099)
Balance, September 30, 2019	$ 622,398	$2,538,605	$3,161,003

Accumulated amortization:

	Buildings, leaseholds and bridges	Equipment and Vehicles	Total
Balance, December 31, 2017	$153,754	$ 685,161	$838,915
Additions	9,157	102,541	111,698
Disposals	-	(60,119)	(60,119)
Balance, December 31, 2018	$ 162,911	$ 727,583	890,494
Additions	61,468	282,187	343,655
Disposals	-	(7,889)	(7,889)
Balance, September 30, 2019	$ 224,379	$ 1,001,881	$1,226,260

Carrying amounts:

	Buildings, leaseholds and bridges	Equipment and Vehicles	Total
At December 31, 2018	$ 184,771	$ 995,331	$1,180,102
At September 30, 2019	$398,019	$1,536,724	$1,934,743

As at September 30, 2019 $880,219 of right-of-use assets were included within property and equipment (notes 3 and 12).

The Company recorded amortization for the three months ended September 30, 2019 of $147,231 (three months ended September 30, 2018 of $8,311). The Company recorded amortization for the nine months ended September 30, 2019 of $343,655 (nine months ended September 30, 2018 of $27,223). The Company capitalized amortization of $247,346 to Fenelon Gold in the nine months ended September 30, 2019 ($nil in 2018).

(expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities:

	September 30, 2019	December 31, 2018
Accounts payable	$3,849,797	$ 8,335,638
Accrued liabilities	340,672	555,359
Quebec mining tax	323,190	-
Payroll related liabilities	294,851	288,790
	$4,808,510	$9,179,787

Included in accounts payable and accrued liabilities at September 30, 2019 are amounts relating to Fenelon Gold of $4,042,897 (December 31, 2018 - $8,584,543).

10. Derivative financial instruments:

	September 30, 2019	December 31, 2018
Fair value of the forward sales contracts	$ -	$ 54,800
Fair value of the call options	-	240,000
Derivative liability	$ -	$ 294,800

There are no contracts outstanding at September 30, 2019.

The Company recognized realized gains of $13,975 on 2,150 ounces at a price of $1,720 settled in January 2019. Call options for 2,000 ounces at an average price of $1,627.50 per ounce strike price were settled in January 2019 and the Company realized a loss of $193,860.

(expressed in Canadian Dollars)

11. Loan payable:

	Effective Interest Rate	Due Date	September 30, 2019	December 31, 2018
Auramet International LLC (“Auramet”) – Bridge Loan	20.75%	February 28, 2019	$ -	$9,472,086

The total repayments in January and February 2019 of US$7,000,000 were an equivalent of $9,293,300, and the Company recorded a gain on foreign exchange of $252,600 in 2019. The Company paid interest of $184,336 (2018 - $1,174,535). Interest paid was capitalized to Fenelon Gold.

At December 31, 2018, the balance owing was $9,472,086 consisting of $9,545,900 (US$7,000,000) payable less $73,814 unamortized transaction costs. In 2019, the amortization of loan transaction costs of $73,814 were capitalized to Fenelon Gold.

12. Lease liability:

	September 30, 2019	December 31, 2018
Less than one year	$848,195	$314,596
Year two	151,381	377,146
Years three to five	100,013	6,866
	$1,099,589	$698,608
Effect of discounting	(44,457)	(34,896)
Present value of minimum lease payments	$1,055,132	$ 663,712
Less current portion	(813,178)	(288,387)
Long-term lease liabilities	$241,954	$375,325

The present value of lease liabilities and their expected timing of payment are as follows:

	September 30, 2019	December 31, 2018
Less than one year	$813,178	$288,387
Year two	144,286	368,459
Years three to five	97,668	6,866
	$1,055,132	$663,712

(expressed in Canadian Dollars)

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

Balance, December 31, 2017	$ 235,600
Other income recorded as flow-through expenditures incurred relating to 2017 premium	(235,600)
Premium recorded through flow-through proceeds in 2018	628,355
Other income recorded as flow-through expenditures incurred relating to 2018 premium	(35,260)
Balance, December 31, 2018	$ 593,095
Other income recorded as flow-through expenditures incurred relating to 2018 premium	(593,095)
Premium recorded through flow-through proceeds in 2019	634,886
Other income recorded as flow-through expenditures incurred relating to 2019 premium	(552,579)
Balance, September 30, 2019	$ 82,307

The Company was committed to spending prior to December 31, 2019, and renounced effective December 31, 2018, qualifying Canadian Exploration Expenses ("CEE") of $2,475,075. At September 30, 2019, the Company has spent all of the 2018 commitment.

The Company recorded a premium of $634,886 in connection with flow-through private placements in 2019 (2018 - $628,355). The Company estimates the proportion of the proceeds attributable to the flow-through premium as the excess of the subscription price over the market value of the shares and records this value as a liability at the time the shares are issued. As qualifying expenditures are incurred, the Company recognizes a pro-rata reduction of the flow-through premium liability as other income in the statements of loss and comprehensive loss.

In addition, the Company has provided an indemnification to subscribers of flow-through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying CEE as required under the subscription agreement.

(expressed in Canadian Dollars)

14. Provision for Closure Plans:

Provision for closure plan, December 31, 2017	$ 311,688
Provision for closure plan expenditures on Broken Hammer	285,293
Provision for closure plan expenditures on Fenelon Gold	1,089,860
Closure plan expenditures relating to Broken Hammer during the year	(257,878)
Total Provision payable for closure plans, December 31, 2018	$1,428,963
Provision for closure plan expenditures on Broken Hammer	698,038
Closure plan expenditures relating to Broken Hammer during the nine months ended September 30, 2019	(218,980)
	$1,908,021
Current portion relating to Broken Hammer	(434,301)
Provision for closure plan, long term	$1,473,720

The Company has revised the estimate of the closure plan liability on Broken Hammer at September 30, 2019 to reflect additional anticipated expenditures on water treatment and monitoring costs.

The key assumptions applied for determination of the obligation were an inflation rate of 2% and a discount rate of 1.85% to 2% (December 31, 2018 - an inflation rate of 2% and a discount rate of 1.85 % to 2%). The long term balance of $383,860 for the Broken Hammer Project is expected to be incurred between 2020 and 2024 and the $1,089,860 on Fenelon Gold is expected to be incurred between 2021 and 2030.

At September 30, 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 September 30, 2019, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project is $818,161 (December 31, 2018 - $339,103) and the Fenelon Gold project is $1,089,860 (December 31, 2018 - $1,089,860).

(expressed in Canadian Dollars)

15. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Carube Copper Corp. (a)				
Interest income on promissory note	$ -	$ -	$ -	$(5,571)
William Day Holdings Limited ("William Day") (b)				
Interest payment capitalized to Fenelon Gold	-	-	-	297,734
Exploration and evaluation costs	-	-	-	645,423
Closure Plan expenditures – Broken Hammer		28,630		28,630
Legal fees	-	-	-	29,917
Accounts payable and accrued liabilities	-	32,352	-	32,352

(a) 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. In August 2018, the Company no longer has significant influence over the investment in Carube Copper (note 6) and Carube Copper is no longer considered a related party.

(b) In August 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 April 2018. Interest on the loan was capitalized to Fenelon Gold. These transactions were in the normal course of operations and measured at the exchange amount of consideration established and agreed to by the related parties.

(expressed in Canadian Dollars)

16. Shareholders' equity:

(a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2018	390,366,736	$73,925,994
Private placement – May 15, 2019 (i)	29,166,667	7,000,000
Private placements – August 1 and 2, 2019 (ii)	23,038,887	10,213,441
Flow-through premium – August 2019 (ii)	-	(634,886)
Shares issued upon exercise of warrants (iii)	49,722,379	8,761,551
Shares issued upon exercise of stock options (iv)	4,927,500	624,978
Shares issued upon conversion of deferred share units (v)	1,000,000	370,000
Warrants ($624,000 less issuance costs)	-	(605,273)
Issuance costs allocated to shares	-	(306,915)
Issuance costs allocated to warrants	-	(18,727)
Deferred tax benefit of share issuance costs	-	81,000
Balance, September 30, 2019	498,222,169	$99,411,163

(i) On May 15, 2019, the Company closed a private placement of 29,166,667 common shares at $0.24 per common shares for gross proceeds of $7,000,000 to a company beneficially owned by Sprott. At the time of the closing, Sprott beneficially owned approximately 24.9% of the issued and outstanding common shares of the Company. Share issuance costs relating to the private placement were $19,130.

(ii) 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 total gross proceeds of $10,213,441. 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). 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. Sprott purchased 5,000,000 units.

Share issuance costs relating to the private placement were $306,512 which includes agent fees of $249,605 relating to the private placements. Of these costs, $18,727 has been allocated to warrants and $287,785 has been allocated to shares.

Flow-through premium of $634,886 was recorded on the flow-through private placements.

16. Shareholders' equity (continued):

(iii) During the nine months ended September 30, 2019, 49,722,379 common shares were issued upon exercise of warrants at an average exercise price of $0.14 for total proceeds of $7,122,893. Value of the warrants exercised of $1,638,658 is included in share capital.

(iv) During the nine months ended September 30, 2019, 4,927,500 common shares were issued upon exercise of stock options at an average exercise price of $0.08 for total proceeds of $411,113. Value of the stock options exercised of $213,866 is included in share capital.

(v) During April and May 2019, 1,000,000 shares were issued upon conversion of deferred share units by a retired director.

(b) Share Based Compensation Plan:

The Company has an omnibus share based compensation plan comprised of restricted share units ("RSUs"), deferred share units ("DSUs") and stock options.

For the three months ended September 30, 2019, $nil (three months ended September 30, 2018 - $3,100) and for the nine months ended September 30, 2019, $nil (nine months ended September 30, 2018 - $34,534) was recorded in share based compensation expense relating to RSUs. The Company does not have any RSUs outstanding at September 30, 2019 and December 31, 2018.

In January 2019, a total of 205,646 DSUs were granted to the directors of the Company in settlement of 2018 directors' fees of $31,875. In 2019, a total of 139,027 DSUs were granted to the directors of the Company in settlement of directors' fees of $46,616 which were earned for the period of January 1 to June 30, 2019.

In April and May 2019, DSUs were converted to 1,000,000 shares.

At September 30, 2019, 7,131,398 DSUs are outstanding (December 31, 2018 – 7,786,725).

(expressed in Canadian Dollars)

16. Shareholders' equity (continued):

(b) Share Based Compensation Plan (continued):

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

	September 30, 2019		December 31, 2018	
Stock Options	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	8,067,500	$0.08	14,560,000	$0.08
Granted	3,700,000	$0.17	4,845,000	$0.08
Cancelled	(250,000)	$0.11	(640,000)	$0.07
Exercised	(4,927,500)	$0.08	(7,017,500)	$0.065
Expired unexercised	-	-	(3,680,000)	$0.095
Outstanding, end of period	6,590,000	$0.13	8,067,500	$0.08

On January 3, 2019, 3,300,000 stock options were granted at an exercise price of $0.155 which will expire on January 3, 2024 of which 1,650,000 options vested immediately and 1,650,000 options will vest January 3, 2020. On January 28, 2019, 200,000 stock options were granted at an exercise price of $0.175 which will expire on January 28, 2024 of which 100,000 options vested immediately and 100,000 options will vest January 28, 2020. On July 22, 2019, 200 stock options were granted at an exercise price of $0.42 which will expire on July 22, 2024 of which 100,000 options vested immediately and 100,000 options will vest July 22, 2020.

At September 30, 2019, 4,223,334 stock options were exercisable (December 31, 2018 – 5,603,334). The weighted average exercise price of options exercisable at September 30, 2019 is $0.11 per share (December 31, 2018 - $0.078).

The weighted average remaining contractual life of stock options outstanding is 3.9 years (December 31, 2018 – 3.6 years).

For the three months ended September 30, 2019, $39,100 (three months ended September 30, 2018 - $26,000) of expense relating to stock options was recorded in share based expense, and $41,000 (three months ended September 30, 2018 - $nil) was capitalized to exploration and evaluation assets. For the nine months ended September 30, 2019, $263,100 (nine months ended September 30, 2018 - $43,000) of expense relating to stock options was recorded in share based expense, and $114,600 (nine months ended September 30, 2018 - $nil) was capitalized to exploration and evaluation assets.

(expressed in Canadian Dollars)

16. Shareholders' equity (continued):

(b) Share Based Compensation Plan (continued):

The fair value of stock options granted during the nine months ended September 30, 2019 has been estimated using the Black-Scholes pricing model to be $335,400 (nine months ended September 30, 2018 to be $47,600) or $0.096 per common share for the nine months ended September 30, 2019 ($0.040 per common share for the nine months ended September 30, 2018).

The assumptions used in the pricing model are as follows:

	September 30, 2019	December 31, 2018
Estimated risk free interest rate	1.4% to 1.9%	1.9% to 2.1%
Expected life	3.6 -3.7 years	3.9 years
Expected volatility *	87% to 110%	80.1% to 103.8%
Expected dividends	$Nil	$Nil
Forfeiture rate *	3.2% to 3.4%	3.2% to 3.5%

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

The following table summarizes the stock options outstanding at September 30, 2019:

Exercise Price	Number	Exercisable	Expiry Date
$0.05	275,000	275,000	December 30, 2020
$0.085	355,000	355,000	June 5, 2022
$0.075	100,000	100,000	November 9, 2022
$0.065	650,000	350,000	June 25, 2023
$0.075	1,510,000	1,510,000	July 5, 2023
$0.075	100,000	100,000	July 23, 2023
$0.165	400,000	133,334	December 7, 2023
$0.155	2,800,000	1,200,000	January 3, 2024
$0.175	200,000	100,000	January 28, 2024
$0.42	200,000	100,000	July 21, 2024
Outstanding options	6,590,000	4,223,334	

(expressed in Canadian Dollars)

16. Shareholders' equity (continued):

(c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At September 30, 2019, the Company has reserved shares for issuance as follows:

	September 30, 2019		December 31, 2018	
Warrants	Number	Average Price	Number	Average Price
Outstanding, beginning of period	55,365,504	$0.14	55,190,022	$0.12
Issued	6,630,584	$0.60	15,000,000	$0.20
Exercised	(49,722,379)	$0.14	(14,824,518)	$0.115
Outstanding, end of period	12,273,709	$0.39	55,365,504	$0.14

The fair value of the warrants during the three and nine months ended September 30, 2019 was estimated using the Black-Scholes pricing model to be (2018 - $674,000, $0.041 per warrant) using the following assumptions:

	September 30, 2019	December 31, 2018
Estimated risk free interest rate	1.5%	2.1%
Expected life	1 year	2 years
Expected volatility*	88.6%	79.2%
Expected dividends	$nil	$nil

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

The following table summarizes the warrants outstanding and exercisable at September 30, 2019:

Number	Exercise Price	Expiry Date
1,540,000	$0.12	October 4, 2019
100,003	$0.10	November 17, 2019
2,614,222	$0.15	November 17, 2019
1,388,900	$0.15	November 29, 2019
6,630,584	$0.60	August 1, 2019
12,273,709		

(expressed in Canadian Dollars)

17. Earnings (loss) per share:

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

	Three months ended		Nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net income (loss) for basic and diluted earnings per share available to common shareholders	$ (2,204,108)	$ 856,639	$ (2,478,679)	730,553
Weighted average number of shares outstanding - basic	487,705,304	327,158,589	445,805,782	314,134,423
Effect of dilutive securities [1]:				
Stock options	-	2,809,613	-	1,069,103
RSUs	-	450,000	-	859,153
DSUs	-	8,174,146	-	8,251,998
Warrants	-	2,391,357	-	99,469
Weighted average number of shares and assumed conversions - diluted	487,705,304	340,493,081	445,805,782	401,843,369
Earnings (loss) per share – reported:				
Basic	$(0.00)	$0.00	$(0.01)	$0.00
Diluted	$(0.00)	$0.00	$(0.01)	$0.00
Non-dilutive securities:				
Stock options	6,590,000	11,250,713	6,590,000	12,191,281
RSUs	-	-	-	-
DSUs	7,131,398	-	7,131,398	-
Warrants	12,273,649	55,306,984	12,273,649	55,935,848

[1] For the three and nine months ended September 30, 2019, the Company did not calculate the effect of dilutive securities, as the Company had incurred a loss. The outstanding stock options, RSUs, DSUs and warrants were anti-dilutive and were excluded from the determination of loss per share. Dilutive securities were determined using the Company's average share price for the period. For the three months ended September 30, 2018, the average share price was $0.11 and for the nine months ended September 30, 2018, the average share price was $0.09.

18. Commitments and contingencies:

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

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

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

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

19. Subsequent Events:

(a) On October 28, 2019, the Company signed a definitive letter agreement whereby Lonmin Limited (a wholly owned subsidiary of Sibanye-Stillwater ("Lonmin")), appoints Wallbridge as operator of Lonmin Canada Inc. (a wholly owned subsidiary of Lonmin Limited ("Loncan")). Pursuant to the terms of the agreement, Wallbridge has received a 20% ownership in Loncan and a board seat on Loncan's board of directors.

The general terms of the agreement include:

(i) Lonmin will engage the services of Wallbridge to operate and manage all operations of Loncan in Canada as directed by Sibanye-Stillwater;

(ii) Wallbridge will receive compensation in the form of cash and/or shares of Loncan and additional compensation for milestones achieved in the development of projects as agreed upon by both parties at a later date;

(iii) Termination of the agreement upon a change of control will result in Wallbridge with a 2.5x multiplier on the value of shares owned by Wallbridge at the time of termination; and

(iv) While the operatorship agreement is in effect, the Company has agreed to suspend the earn-in requirements on the SCJV and NRJV and subsequent amendment agreements with Loncan.

(b) Subsequent to September 30, 2019, 2,815,175 warrants with an average exercise price of $0.15 were exercised for total proceeds of $413,729. On October 4, 2019, 1,340,000 warrants exercisable at $0.12 expired unexercised.

(c) On October 1, 2019, 79,709 DSUs were granted to directors in lieu of cash payment of directors' fees earned of $27,500 which were earned for the period of July 1 to September 30, 2019.