

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Wallbridge Mining Company Limited – three and nine months ended September 30, 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 three and nine months ended September 30, 2019 prepared as at November 7, 2019. This MD&A should be read in conjunction with the condensed unaudited interim financial statements for the three and nine months ended September 30, 2019 and the notes thereto which were prepared in accordance with IAS 34 – Interim Financial Reporting 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 2018 Annual Information Form and MD&A, including the section on risks and uncertainties and the audited financial statements for the years ended December 31, 2018 and 2017.

## **Overview**

Wallbridge creates value through discovery, development, and production of metals, focusing on gold as well as copper, nickel and platinum group metal ("PGM") mineral deposits. For this, 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 is currently exploring and developing its high-grade Fenelon Gold Property ("Fenelon Gold") in Quebec. At Fenelon Gold, since its purchase in 2016, Wallbridge completed a positive prefeasibility study ("PFS") 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 March 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 16,000 metres of drilling from surface and underground to extend the mineralization along strike and to depth.

An extensive exploration campaign is currently ongoing including 70,000 to 80,000 metres of drilling from surface and underground at Fenelon Gold. This program commenced in late February and will continue 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 121 million shares of the Company representing approximately 25% on a partially diluted basis.

Wallbridge has strengthened its depth of expertise by hiring qualified and experienced mining and geology professionals to facilitate the execution of the Company's 3-year strategic goal of becoming a 60,000 ounce per year gold producer. Wallbridge will continue to work towards its 5-year goal of becoming a +100,000 ounce per year gold producer.

Wallbridge is also working to unlock the value of its large portfolio of nickel, copper, and PGM projects in Sudbury, Ontario. Subsequent to quarter end, Wallbridge was appointed operator for Sibanye-Stillwater's Denison Property, an advanced stage project acquired through an agreement with Lonmin. The 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 add value to its Copper, Nickel, PGM portfolio separately from its Gold focus.

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, high-quality 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.

## **Outlook**

Wallbridge is undergoing an exciting transition as it continues exploration and development of the Fenelon Gold project in Quebec. Coupled with the recent announcement with respect to the Copper, Nickel, PGM group in Sudbury Ontario, Wallbridge is well positioned to generate value for all stakeholders.

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 over 18 grams of per tonne while completing a significant underground exploration drilling. 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.

Wallbridge has a fully funded 70,000 to 80,000 metre drill program underway in 2019 to outline a preliminary footprint of the combined Fenelon Gold system, in addition to extending the Main Gabbro veins deeper. To date, approximately 50,000 metres have been drilled. These have shown a rapidly growing footprint and the prospect of good continuity.

In Sudbury, ongoing exploration for nickel, copper, and PGMs will be focused at Parkin to establish a significant resource above 600 metres depth, identify new mineralized zones on the property, and determine the viability of initial mining of a bulk sample or starter pit. Adding a position in Lonmin Canada through the operatorship agreement funded within a privately-held company will compliment the strategy of generating value from the Sudbury assets.

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. In order to decrease risks associated with commodity price and currency volatility, the Company will continue to evaluate potential future opportunities using short-term price forecasts as well as available protection programs.

## **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 (19) mining claims and one (1) mining lease. Fenelon Gold is proximal to the Sunday Lake Deformation Zone ("SLDZ") which hosts the Detour Gold Mine in Ontario, and Balmoral Resources' gold deposits at

Martinière. The 1,052-hectare property hosts the Discovery Zone gold deposit and surrounding 4 km strike length of a gold-hosting secondary splay of the SLDZ.

In 2016, Wallbridge purchased Fenelon Gold from Balmoral Resources 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 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 commercial production. A 1% net smelter return royalty (“NSR”) payable from production at the Fenelon Gold Property to Cyprus Canada Ltd., a 1% NSR payable to a company beneficially owned by Eric Sprott, and the 2% NSR to Ely Gold.

Since the Acquisition, Wallbridge has updated the mineral resource estimate, completed a positive prefeasibility study and a 33,500-tonne bulk sample with reconciled grade of 18.5 grams per tonne of gold. These efforts have demonstrated the attractive economics of Fenelon Gold within the top 100 metres of the deposit.

Wallbridge initiated exploration immediately after Acquisition. The first phase of work was comprised of a review of historic drilling and additional sampling of previously unsampled historic drill core where warranted. This work identified new gold mineralization (e.g. 19.7 g/t Au over 1.90 m in the 2004 drill hole 1050-005) and provided a better understanding of the geologic and structural controls that formed the basis of a property-wide geologic modeling and targeting exercise in preparation for drill testing.

## **Exploration & Development**

Since the Acquisition to October 31, 2019, Wallbridge has completed more than 82,000 metres of exploration drilling at Fenelon Gold discovering new zones, significantly expanding the known footprint, thereby demonstrating the large size potential of the gold system.

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 (See Table 1 below).

The table below represents the final Bulk Sample Summary.

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

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 gold over 4.85 metres and 48.81 g/t gold over 6.13 metres in the Naga Viper zone and 50.31 g/t gold over 10.13 metres and 144.96 g/t gold over 2.12 metres in the Chipotle zone.

The 2018 program also successfully delineated a high-grade shoot in the Habanero 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 gold over mineable widths. Highlights included: 144.77 g/t gold over 6.10 metres, 54.45 g/t gold over 7.79 metres, 122.35 g/t gold over 2.95 metres, 41.02 g/t gold over 5.52 metres. Also, in the West extension area, the Paprika zone has provided some respectable intersections including 134.57 g/t gold over 1.70 metres and 35.91 g/t gold over 3.42 metres, whereas the Fresno zone returned 87.63 g/t gold over 2.16 metres. In another high-grade shoot located in the East extension area, the Naga Viper zone returned 13.62 g/t gold over 4.27 metres and 6.23 g/t gold 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 200m 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 gold over 105.00 metres, which includes several higher grade shear zones: 3.93 g/t gold over 9.96 m (including 12.70 g/t gold over 2.71 m), 3.13 g/t gold over 4.78 m, 5.16 g/t gold over 3.40 m and 5.92 g/t gold over 1.44 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 2.5 kilometres on the property and appears to control other, so far isolated, historic gold intersections including 34.20 g/t gold over 0.32 m in FA-06-299. The Area 51 gold system represents one of the main targets for the 2019 exploration drill program.

Other highlights of the surface program included 4.70 g/t gold over 2.99 metres intersected by FA-18-038 in the Habanero zone, and 29.90 g/t gold over 1.00 metres intersected between 440.46 and 441.46 metres depth by the same hole in what is interpreted to be the depth extension of the Tabasco zone; 19.18 g/t gold over 0.58 metres intersected by FA-18-040 in the Cayenne zone, extending this zone approximately 100 metres to the Northwest; 3.08 g/t gold over 3.27 metres in a new zone at depth in the Tabasco South area.

## **2019 Exploration & Development**

Wallbridge currently has five drill rigs operating on the property and the program is on track to complete approximately 70,000 to 80,000 metres by the end of the year. Four rigs (three surface, one underground) are active on exploration drilling, doing large-spaced step-outs to define the footprint of the Fenelon gold system and one underground drill rig is working on resource drilling, testing the Main Gabbro zones near the existing mine workings.

### *Exploration Drill Program*

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 gold over 98.91 metres, including several higher grade shear zones: 20.89 g/t gold over 8.54 metres, 4.22 g/t gold over 16.02 metres, 5.14 g/t gold over 4.57 metres and 4.33 g/t gold 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.

As at October 31, 2019, approximately 56,000 metres have been drilled as part of the 2019 exploration drill program and assay results are pending for 28 surface drill holes and 53 underground holes representing more than 30,000 metres

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 700 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 600 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. Below 400 metre depth, the vertical dip is changing to more moderate 55-70° dip and the zone becomes significantly wider. Highlights from this zone include: 20.89 g/t gold over 8.54 metres, 7.32 g/t gold over 7.63 metres, 5.75 g/t gold over 10.94 metres, 5.50 g/t gold over 10.96 metres, 3.93 g/t gold over 20.72 metres (incl. 55.95

g/t gold over 1.24 metre) and 3.61 g/t gold over 18.96 metres. Most recently, the Company announced the intersection of 27.00 g/t gold over 38.39 metres from the Tabasco zone in drill hole FA-19-086 (see Wallbridge press release dated October 21, 2019). Further significant intersections were also reported in holes FA-19-090 and -092; assay results are currently pending.

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: 3.28 g/t gold over 17.60 metres (incl. 72.35 g/t gold over 0.43 metre), 2.43 g/t gold over 42.80 metres (incl. 5.00 g/t gold over 12.71 metres and 6.46 g/t gold over 3.09 metres). The higher grade sub-intervals form part of broad, low grade intersections with bulk mining potential: 0.98 g/t Au over 191.90 metres, 1.

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 and other related, possibly gold-bearing veins. Assays are pending and follow-up drill holes are planned to understand the significance of this discovery and to tie it back to the known Fenelon gold mineralization

An Orevision surface IP survey to test 600 metre strike length of the gold-hosting mineralized environment northwest of the main deposit was completed by Abitibi Geophysics Inc. in February 2019. Results of this study were incorporated with existing geophysical data into a coherent 3D model, which are used to guide geologic modeling and drill targeting.

With the completion of the bulk sample in April of this year, 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.

For additional information on the PFS and exploration on Fenelon Gold, please refer to press releases dated between February 2, 2017 and July 9, 2019. The press releases can be found on the Company's website at [www.wallbridgeminig.com](http://www.wallbridgeminig.com).

## **Report Filing**

A technical report on the PFS (prepared in accordance with NI 43-101) was filed on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.wallbridgeminig.com](http://www.wallbridgeminig.com) on March 3, 2017.

## **Qualified Persons**

The independent and qualified persons relating to the PFS are:

Catherine Jalbert, P.Geo., B.Sc., Bruno Turcotte, P. Geo., and Pierre-Luc Richard, P.Geo., M.Sc. , who prepared the Mineral Resource Estimate.

Denis Gourde, Eng., who prepared the Market Studies & Contracts.

George Darling, P. Eng., who prepared the Mineral Reserve Estimate, mine plan infrastructure, cost estimate and financial evaluation.

Marie-Claude Dion St-Pierre who prepared the Community & Environment item.

Pierre Pelletier, ing. who prepared the Metallurgical section.

### **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, terms of which have been filed on SEDAR.

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 has 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. 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
<b>Total</b>	<b>8,000,000</b>	<b>\$ 4,500,000</b>

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.

## **Sudbury Nickel Copper -PGM Properties**

Wallbridge is exploring for nickel, copper, and PGMs on its 401 km<sup>2</sup> land position in the prolific Sudbury mining district of Ontario. Most of the properties are being explored through partner-funded joint ventures. 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-lived 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.

Published estimates indicate current resources plus past-production in Sudbury exceed 1.7 billion tonnes\* averaging 1.2% nickel, 1.08% copper, and 1.17 g/t platinum plus palladium (PGMs) containing over 44 billion pounds of nickel, 40 billion pounds of copper, and 62 million ounces of platinum plus palladium. Sudbury stands as the largest primary source of PGMs outside of Russia and Africa and the deposits also contain significant gold, silver, and cobalt by-products. Despite the long history of development in Sudbury, significant new discoveries continue to be made.

*\* Naldrett, A.J. (2004) Magmatic Sulfide Deposits: Geology, Geochemistry and Exploration, Springer*

### ***Denison Property Operatorship Agreement***

On October 29, 2019 Wallbridge announced that it had been appointed as the Operator for Lonmin Canada, a subsidiary of Sibanye-Stillwater who recently concluded the purchase of Lonmin PLC (“Lonmin”). An integral component of the agreement is for Wallbridge to progress the Denison property, an advanced stage project that was formerly part of the Sudbury PGM Joint Venture Agreement between Vale and Lonmin.

The Denison Property was previously known and operated as Vale Canada Limited’s Crean Hill Mine until operations were suspended the early 2000’s. More than 16 Mt of ore grading 1.22% Ni, 1.11% Cu, 1.92 g/t TPM and 5.04 g/t Ag was produced from the underground and 1 Mt grading 0.73% Ni, 0.56% Cu and 0.025% Co was produced from the open pit (Vale, 2001). From 2003 to 2017, the Lonmin – Vale joint venture worked on defining the strike and plunge extensions of the Crean Hill 9400 Zone, the 99 zone, the 101 Zone the 109 HW Zone and discovering 109 FW Zone

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. 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.

Key components of the agreement include Wallbridge being awarded with a 20% stake in Lonmin Canada as well as a seat on the Lonmin Canada’s Board of Directors. In addition, Wallbridge will receive compensation in the form of shares 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.

### ***Parkin Properties***

Recently, exploration in Sudbury was on the Parkin Properties which were added to the NRJV with Lonmin 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. 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 the exploration joint venture agreements. As at October 28, 2019, Lonmin Canada had incurred \$5,238,991 of exploration and development expenditures pursuant to the NRJV Parkin amendment.

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 significant 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 has 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 is also active on Wallbridge's other projects in Sudbury, the majority of which historically was funded by Lonmin through SCJV or the NRJV.

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.

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. As at October 28, 2019, Lonmin Canada incurred \$4,851,320 of exploration expenditures pursuant to the NRJV Wisner amendment to spend \$6,000,000 to earn a 50% interest in the Wisner properties. As at October 28, 2019, Lonmin Canada incurred \$3,690,595 of exploration expenditures on the North Range properties pursuant to the NRJV. To earn a 50% interest in all of the remaining North Range properties, \$8,803,322 in exploration expenditures would be required.

In the nine months ended September 30, 2019, expenditures of \$708,654 were made in the NRJV and SCJV. In the nine months ended September 30, 2018, expenditures of \$937,326 were made in the NRJV and SCJV. These expenditures were primarily to maintain the properties.

The Qualified Person responsible for the technical content of this Management Discussion and Analysis is Marz Kord, P. Eng., President & Chief Executive Officer of Wallbridge.

## Investment in Carube Copper

### *Carube Copper (formerly Miocene and Miocene Metals Limited)*

At November 7, 2019, Wallbridge holds 19,235,911 shares representing approximately 10.9% of the outstanding shares of Carube Copper. Wallbridge's shareholding in Carube Copper is a result of its shareholding in Carube Copper's predecessor company Miocene, which was formed by the spinout of Wallbridge's British Columbia properties. Upon the loss of significant influence in August 2018, the investment was recorded at fair value, and going forward the changes in fair value are recognized in other comprehensive income or loss for each period. At September 30, 2019, the investment was recorded at its fair value of \$865,615 and the increase in fair value of \$96,179 for the nine month period was recorded in other comprehensive income. Based on the closing price of \$0.04 on November 6, 2019, the market value of the investment in Carube Copper is \$769,436.

## Results from Operations

### *Quarterly results for the past eight quarters ending September 30, 2019 are as follows:*

	2019				2018			2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Other income (expenses)	\$(728,108)	\$(54,933)	\$(204,638)	\$(2,994,832)	\$893,639	\$47,939	\$(151,025)	\$(726,501)
Deferred tax expense (recovery)	\$1,476,000	\$119,000	\$(134,000)	\$(445,000)	\$(37,000)	\$(13,000)	\$(10,000)	\$(73,000)
Net earnings (loss)	\$(2,204,108)	\$64,067	\$(338,638)	\$(3,439,832)	\$856,639	\$34,939	\$(161,025)	\$(799,501)
Net earnings (loss)/share – basic	\$(0.00)	\$0.00	\$(0.00)	\$(0.01)	\$0.00	\$0.00	\$(0.00)	\$(0.00)
Net earnings (loss)/share – diluted	\$(0.00)	\$0.00	\$(0.00)	\$(0.01)	\$0.00	\$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, administrative 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:

- 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.
- 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 September 30, 2018 of \$171,318; and in Q2 2018, the Company recorded a foreign exchange loss of \$194,400.
- 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.

- In Q1 2019, the Company recorded additional revenue of \$91,404 which allowed Lonmin to defer the decision on the 2019 scope of work and budgets and maintain its options under the SCJV and NRJV agreements to March 31, 2019. Similarly, in Q2 2019, the Company recorded additional revenue of \$61,191 to defer the scope of work until June 30, 2019. In Q3 2019, the Company recorded additional revenue of \$35,820 from its exploration joint venture partner in exchange for extension of the 2019 program's funding deadline to July 31, 2019. This revenue was recorded as an offset against general and administrative expenses. As part of the operatorship agreement with Lonmin Canada, the Company has agreed to suspend the earn-in requirements on the SCJV and NRJV agreements.
- Other income relating to flow-through premiums was recorded as follows: 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, and Q4 2017 - \$139,838. 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 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 has decided to discontinue exploration activity in the area. In Q4 2017, the Company recorded an impairment of \$228,766 on its Cascaden North property (as part of the North Range and Wisner Properties) based upon the value of the property implied from the Battery Minerals option and sale agreement which was signed in October 2017.
- In Q3 2019, an additional provision of \$698,038 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 2017, the Company recorded a provision for closure plan costs relating to Broken Hammer Project of \$60,213.

**Three months ended September 30, 2019 as compared to three months ended September 30, 2018:**

In the three months ended September 30, 2019, the Company had a net loss and comprehensive loss of \$2,204,108 as compared to net earnings and comprehensive income of \$856,639 for the three months ended September 30, 2018. Larger variances between the two periods are as follows:

- In Q3 2019, an additional provision of \$698,038 was recorded for revisions to the water treatment and monitoring costs associated with the closure plan at Broken Hammer. There is no comparative amount in Q3 2018.
- In Q3 2019, the Company recorded \$552,579 in other income related to flow-through share premium as compared to \$54,100 in Q3 2018. This is a result of larger flow-through expenditures in Q3 2019 and also a higher premium related to the flow-through financing in August 2019.
- In Q3 2019, the Company's general and administrative expenses were \$546,195 as compared to \$355,914 in Q3 2018. The expenses were higher in 2019 due to additional costs relating to increased travel and investor relations cost, higher fees for legal and accounting services, and a reduction in joint venture revenue from Lonmin included in general and administrative expenses.

- The Company recorded a deferred tax expense of \$1,476,000 for Q3 2019 as compared to \$37,000 for Q3 2018.
- The Company recorded a gain on forward sales contracts of \$1,226,300 during the third quarter of 2018. There was no similar amount for the third quarter of 2019.
- During the third quarter of 2018, the Company recorded a foreign exchange gain of \$171,318 which pertains to the Bridge Loan, which was payable in US funds. There was no similar amount for Q3 2019.
- The Company recorded its share of the comprehensive loss in Carube Copper of \$74,218 in Q3 2018. There is no comparative amount in Q3 2019.

**Nine months ended September 30, 2019 as compared to nine months ended September 30, 2018:**

In the nine months ended September 30, 2019, the Company had a net loss of \$2,478,679 and comprehensive loss of \$2,382,500 as compared to net earnings and comprehensive income of \$730,553 for the nine months ended September 30, 2018. Larger variances between the two periods are as follows:

- General and administrative costs were \$1,479,591 in 2019 as compared to \$1,019,979 in 2018. There are several areas of increased costs: additional administrative salaries and directors' fees, increased travel and investor relations, and increased legal and accounting fees in 2019.
- In 2019, an additional provision of \$698,038 was recorded for revisions to the water treatment and monitoring costs associated with the closure plan at Broken Hammer. There is no comparative amount in 2018.
- In 2019, the Company recorded a gain of \$114,915 on its forward contracts and call options. In 2018, the gain was \$1,847,900.
- The Company recorded \$1,145,674 in other income relating to flow through premium in 2019 as compared to \$91,400 in 2018. This is a result of larger flow-through expenditures in 2019 and a higher premium recorded relating to financings in December 2018 and August 2019.
- The Company recorded a deferred tax expense of \$1,491,000 in 2019 as compared to \$60,000 in 2018.
- In 2019, the Company recorded a foreign exchange gain of \$252,600 pertaining to the Bridge Loan which was payable in U.S. funds. In 2018, the Company recorded a loss of \$23,082 relating to the Bridge Loan.
- 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. 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 in net loss. The Company recorded a gain of \$96,179 in other comprehensive income for the change in fair value of its investment in Carube Copper in 2019. There are no comparative amounts in 2018.

**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 for \$7,000,000.

Sprott also exercised 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 for aggregate gross proceeds to the Company of \$3,250,000 in February 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 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.

During the nine months ended September 30, 2019, an additional 33,055,712 warrants with an average exercise price of \$0.117 were exercised for total proceeds of \$3,872,893.

Subsequent to September 30, 2019 to the date of the MD&A, 2,815,175 warrants with an average exercise price of \$0.15 were exercised for total proceeds of \$413,729.

### **Exploration and Evaluation Assets**

Expenditures capitalized to Exploration and Evaluation Assets at September 30, 2019 are as follows:

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

Expenditures capitalized to Exploration and Evaluation Assets at September 30, 2018 are as follows:

	Balance, December 31, 2017	Expenditures	Impairment	Option Payments/ Recovery	Balance, September 30, 2018
Fenelon Gold	\$ 6,526,526	19,546,046	-	(1,974,576)	\$ 24,097,996
Other Sudbury Projects	8,444,116	1,183	(44,078)	-	8,401,221
North Range and Wisner Properties	3,666,123	24,446	-	(25,969)	3,664,600
Parkin Properties	3,952,505	199,000	-	(199,000)	3,952,505
	\$22,589,270	19,770,675	(44,078)	(2,199,545)	\$40,116,322

Expenditures capitalized on Fenelon Gold during the nine months ended September 30, 2019 and September 30, 2018 are as follows:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Bulk Sample mining operations	5,381,173	10,031,573
Camp setup & operation	2,799,979	2,870,142
Water treatment and dewatering	1,059,465	1,586,035
Drilling and geochemical	6,231,390	873,515
Wages and benefits	2,163,046	881,041
Travel and accommodation	208,693	125,944
Equipment rental and supplies	477,949	136,835
Road maintenance	753,369	422,206
Transportation to mill	562,076	261,508
Milling costs	1,629,887	-
Permitting, studies, consulting services, and land payments	630,110	140,804
Stock option expense	107,600	-
Amortization	247,346	-
Interest and transaction costs	258,150	1,171,068
Quebec mining tax	323,190	-
Closure Plan	-	1,045,375
Sub-total	\$22,833,423	\$19,546,046
Recovery from the sale of gold ounces	(22,361,297)	(1,974,576)
Quebec tax credits	(2,748,613)	-
	(2,276,488)	\$17,571,470
Beginning balance, January 1	28,144,756	6,526,526
	\$25,868,268	\$24,097,996

Fenelon Gold is discussed on pages 2 to 6 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:

	September 30, 2019	December 31, 2018
Current Assets	\$15,532,356	\$7,475,074
Current Liabilities	\$6,138,296	\$20,054,451
Working Capital (deficiency)*	\$9,394,060	\$(12,579,377)
Provision for Closure Plan - long term	\$1,473,720	\$1,273,740
Long term lease liability	\$241,954	\$375,325
Equity	\$54,113,941	\$32,172,332

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

At September 30, 2019, the Company has working capital of \$9,394,060 (December 31, 2018 - deficiency of \$12,579,377).

Included in current liabilities at September 30, 2019 are accounts payable and accrued liabilities of \$4,042,897 (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.

As at the date of the MD&A, the Company has 1,487,950 warrants expiring in 2019 outstanding with an average exercise price of \$0.15. In connection with the private placement of units on August 1, 2019, 6,630,584 warrants which expire August 1, 2020 were issued with an exercise price of \$0.60 per warrant. The potential cash inflow from these warrants, if exercised, is \$4,199,090.

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 Company's liquidity position decreases as expenses are incurred. To mitigate the Company's liquidity risk, the Company budgets its exploration, mining operations and administrative expenditures and closely monitors its liquidity position. Cash and deposits are held in a Canadian chartered bank.

The continuation of the Company as a going concern is dependent on the Company's ability to successfully fund its cash obligations through operations, debt or equity financing or operations. 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. These circumstances indicate that 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 September 30, 2019, the Company's contractual obligations are as follows:

<b>Contractual Obligations</b>	<b>Total</b>	<b>Current</b>	<b>2 year</b>	<b>3 – 5 years</b>
Accounts payable and accrued liabilities	\$4,808,510	\$4,808,510	\$0	\$0
Leases payments	\$1,055,132	\$813,178	\$144,286	\$97,668
Short term rental payments (less than 12 months)	\$257,070	\$257,070	\$0	\$0
Total	\$6,120,712	\$5,878,758	\$144,286	\$97,668

### **Exploration Property option payments and commitments:**

On March 15, 2019, the Company and 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.

In September 2019, the option agreement to acquire 100% of the Beschefer Project was amended. At the Company's discretion, the option may be exercised by the Company by incurring and funding aggregate expenditures on the property as noted on page 7 of this MD&A.

## **Share capital**

Wallbridge's common shares are traded on the Toronto Stock Exchange under the symbol "WM". At November 7, 2019 the following were outstanding:

Outstanding Common Shares	501,037,344
Stock Options	6,590,000
Deferred Stock Units	7,211,107
Warrants	8,118,534
<hr/>	<hr/>
Fully diluted	522,956,985

## **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 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 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 \$434,301. The long term portion of the Broken Hammer closure plan of \$383,860 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 2021 and 2030.

## **Transactions with Related Parties**

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 and Carube Copper is no longer considered a related party.

(b) In 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. In April 2018, the loan was repaid. 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.

## **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
	<u>370,516</u>
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	<u>\$1,003,083</u>
Current lease liability, January 1, 2019	\$374,391
Non-current lease liability, January 1, 2019	628,692
Lease liabilities recognized at January 1, 2019	<u>\$1,003,083</u>

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 three and nine months ended September 30, 2019:

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 ended September 30, 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.

## **Internal Control over Financial Reporting**

There were no changes to the Company's internal controls over financial reporting that occurred during the three months ended September 30, 2019 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

## **Risks and Uncertainties**

The Company's risks and uncertainties for the three months ended September 30, 2019 have remained unchanged since our annual MD&A for the year ended December 31, 2018.

## **Additional Information**

Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at [www.sedar.com](http://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 November 7, 2019***