Financial Statements of

WALLBRIDGE MINING COMPANY LIMITED

Years ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Wallbridge Mining Company Limited

We have audited the accompanying financial statements of Wallbridge Mining Company Limited, which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wallbridge Mining Company Limited as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Wallbridge Mining Company Limited has had recurring losses, and its continuation as a going concern is dependent on its ability to obtain financing. These conditions, along with other matters as set forth in Note 1 in the financial statements, indicate the existence of a material uncertainty that casts significant doubt about Wallbridge Mining Company Limited's ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 22, 2018
Toronto, Canada

WALLBRIDGE MINING COMPANY LIMITED

Statements of Financial Position
(expressed in Canadian Dollars)

December 31, 2017 and December 31, 2016

		2017	2016
Assets			
Current assets:			
Cash and cash equivalents	$	4,358,706	1,777,119
Restricted cash (note 11 (b) (iii))		18,234	265,923
Amounts receivable (note 7)		113,059	79,888
Deposits and prepaid expenses (note 8)		330,590	286,321
Marketable securities		264	60,296
		4,820,853	2,469,547
Restricted cash (note 19 (b))		386,245	386,245
Promissory Note (note 9)		287,633	-
Investment in Carube Copper Corp. (note 10)		741,586	378,221
Exploration and evaluation assets (note 11)		22,589,270	20,443,907
Property and equipment (note 12)		281,294	329,573
	$	29,106,881	24,007,493
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities (note 13)	$	623,038	856,087
Flow-through premium liability (note 16)		235,600	26,929
Deposit from partner (note 11 (b) (iii))		18,234	265,923
Current portion of provision for closure plan (note 19 (b))		95,680	119,330
Current portion of long-term debt (note 15)		2,440,426	-
		3,412,978	1,268,269
Long-term debt (note 15)		-	2,368,426
Provision for closure plan (note 19 (b))		216,008	226,530
Deferred tax liability (note 17)		290,000	-
		3,918,986	3,863,225
Equity (note 18):			
Share capital		63,794,074	58,268,292
Warrants		1,519,987	973,506
Contributed surplus		8,512,970	8,312,356
Deficit		(48,639,136)	(47,409,886)
Total Equity		25,187,895	20,144,268
Nature of operations and going concern (note 1)			
Commitments and contingencies (notes 11 (c), 16, and 19)			
Subsequent events (notes 11 (b), 18 (b) (i), (ii) and 20)			
	$	29,106,881	24,007,493

See accompanying notes to financial statements

Approved by the Board:

"Alar Soever"
______________________________ Director

"Marz Kord"
______________________________ Director

WALLBRIDGE MINING COMPANY LIMITED

Statements of Loss and Comprehensive Loss
(expressed in Canadian Dollars)

Years ended December 31, 2017 and December 31, 2016

			2017	2016
Revenue		$	-	(237,471)
Loss from mining operations			-	237,471
Other expenses and (income):				
General and administrative expenses (note 14)			1,541,748	1,558,868
Project evaluation costs			107,273	296,118
Amortization of property and equipment			40,014	48,838
Interest income			(47,447)	(62,356)
Loss (gain) on sale of marketable securities			18,503	(59,478)
Loss (gain) on disposition of property and equipment			14,411	(54,662)
Share of comprehensive loss in Carube Copper Corp (note 10)			199,788	166,515
Impairment (recovery) of promissory note and amounts receivable (note 9 and 14)			(557,099)	62,389
Provision for closure plan costs (note 19 (b))			60,213	115,741
Other income relating to flow-through share premium (note 16)			(417,767)	(51,821)
Gain on dilution of equity interest in Carube Copper (note 10)			(249,153)	-
Impairment of exploration and evaluation assets (note 11 (b) (i))			228,766	-
Gains on derivative contract			-	(109,814)
			939,250	1,910,338
Loss before income taxes			939,250	2,147,809
Deferred tax expense (recovery) (note 17)			290,000	(53,000)
Net loss and comprehensive loss for the year		$	1,229,250	2,094,809
Weighted average number of common shares	- basic and diluted		244,803,715	189,170,401
Net loss per share	- basic and diluted	$	0.01	0.01

See accompanying notes to financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Statements of Changes in Equity
(expressed in Canadian Dollars)

December 31, 2017 and December 31, 2016

	Number of Shares		Share Capital	Warrants	Contributed Surplus	Deficit		Total
Balance, December 31, 2015	**167,835,438**	**$**	**55,761,678**	**8,000**	**8,041,085**	**(45,315,077)**	**$**	**18,495,686**
Share issuances, net of share issuance costs	51,522,000		2,385,364	937,506	-	-		3,322,870
Flow-through share premiums	-		(78,750)	-	-	-		(78,750)
Agent warrants	-		-	36,000	-	-		36,000
Expiration of warrants	-		-	(8,000)	8,000	-		-
Share issuance, property acquisition	2,381,575		200,000	-	-	-		200,000
Share based compensation	-		-	-	77,319	-		77,319
Deferred share units	-		-	-	185,952	-		185,952
Net loss	-		-	-	-	(2,094,809)		(2,094,809)
Balance, December 31, 2016	**221,739,013**	**$**	**58,268,292**	**973,506**	**8,312,356**	**(47,409,886)**	**$**	**20,144,268**
Share issuances, net of share issuance costs	63,079,993		5,307,686	556,790				5,864,476
Agent warrants			-	77,500				77,500
Flow-through share premiums			(626,438)					(626,438)
Exercise of warrants	6,696,576		626,064	(87,809)				538,255
Share issuance, deposit on milling contract	416,667		50,000					50,000
Restricted share units vested and shares issued	652,537		60,302		(60,302)			-
Deferred share units exercised	1,365,065		77,072		(77,072)			-
Exercise of stock options	445,000		31,096		(7,797)			23,299
Share based compensation					192,011			192,011
Deferred share units					153,774			153,774
Net loss						(1,229,250)		(1,229,250)
Balance, December 31, 2017	**294,394,851**	**$**	**63,794,074**	**1,519,987**	**8,512,970**	**(48,639,136)**	**$**	**25,187,895**

See accompanying notes to financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Statements of Cash Flows
(expressed in Canadian Dollars)

Years ended December 31, 2017 and December 31, 2016

		2017	2016
Cash flows from (used in) operating activities:			
Net loss for the year	$	(1,229,250)	(2,094,809)
Adjustments for:			
Deferred tax expense (recovery)		290,000	(53,000)
Amortization and depletion of property and equipment		40,014	48,838
Impairment of exploration and evaluation assets		228,766	-
Interest on note receivable		(44,610)	(58,365)
Gain on dilution of equity interest in Carube Copper		(249,153)	-
Loss (gain) on disposition of property and equipment		14,411	(54,662)
Other income relating to flow-through share premium		(417,767)	(51,821)
Share of comprehensive loss in Carube Copper Corp (note 10)		199,788	166,515
Impairment (recovery) of promissory note and amounts receivable		(557,099)	62,389
Unrealized loss (gain) on marketable securities		18,503	(59,478)
Share based compensation		192,011	77,319
Deferred stock units		105,774	139,202
Provision for closure plan costs		60,213	115,741
Gains on derivative contracts		-	(109,814)
Cash received on settlement of derivative contracts		-	249,814
Cash received for interest on promissory note receivable		55,223	-
Closure plan obligations		(94,385)	(103,572)
Changes in non-cash working capital:			
Amounts receivable		(24,319)	2,428,661
Prepaid expenses		136,981	103,854
Accounts payable and accrued liabilities		(122,290)	(3,513,832)
		(1,397,189)	(2,707,020)
Cash flows from (used in) financing activities:			
Issuance of share capital		6,282,737	3,805,761
Share issuance costs		(340,761)	(446,891)
Proceeds from sale of marketable securities		41,529	-
Exercise of stock options		23,299	-
Exercise of warrants		538,255	-
Proceeds from loan		-	2,500,000
Legal costs relating to loan		-	(145,874)
Payments on current debt		-	(15,424)
		6,545,059	5,697,572
Cash flows from (used in) investing activities:			
Exploration and evaluation assets expenditures		(2,596,409)	(3,970,223)
Exploration and evaluation assets option payments received		231,522	264,437
Deposit for exploration and evaluation asset activities		(131,250)	-
Purchase of shares of Carube Copper Corp		(64,000)	-
Acquisition of equipment, net of proceeds		(6,146)	-
Restricted cash		-	191,829
		(2,566,283)	(3,513,957)
Net increase (decrease) in cash and cash equivalents		2,581,587	(523,405)
Cash and cash equivalents, beginning of year		1,777,119	2,300,524
Cash and cash equivalents, end of year	$	4,358,706	1,777,119
Summary of non-cash transactions:			
Fenelon Gold Mine Property purchase - share issuance	$	-	200,000
Settlement of accounts payable with sale of equipment		-	54,662
Settlement of accounts payable with deferred stock units		48,000	46,750
Settlement of debt - receipt of shares		250,000	-
Share issuance re deposit on milling contract		50,000	-

See accompanying notes to 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 on October 30, 2015. On October 18, 2016, the Company completed the purchase of the Fenelon Gold Property. The Company's head office is located at 129 Fielding Road in Lively, Ontario.

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

During the year ended December 31, 2017, the Company had a net loss of $1,229,250, negative cash flow from operations of $1,397,189, and has working capital of $1,407,875. The Company currently has insufficient cash to fund its planned operations for the next twelve months. The Company is currently reviewing various financing options.

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 that existence of a material uncertainty which casts significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Company be unable to generate sufficient cash flow from operations 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.

On March 22, 2018, the Company's Board of Directors approved the financial statements for the year ended December 31, 2017 and authorized them for issue.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

(b) Associates:

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Associates are accounted for using the equity method and are recognized initially at cost. The Company's investment includes goodwill and other purchase price adjustments identified on acquisition based on the fair value of the assets acquired, and the investment is net of any accumulated impairment losses. The financial statements include the Company's share of the income and expenses and equity movements of the associate, after adjustments to align the accounting policies with those of the Company and other adjustments arising from the elimination of intercompany transactions, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

2. Significant accounting policies (continued):

(c) *Financial instruments:*

Classification and measurement – initial recognition:

On initial recognition, all financial assets and financial liabilities are recorded at fair value plus directly attributable transaction costs, other than financial assets and liabilities classified at fair value through profit and loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as FVTPL are expensed in the period they are incurred.

Subsequent measurement:

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classified as fair value through profit or loss:

Financial assets and liabilities classified as FVTPL are measured at fair value with changes in fair value recognized in net loss. Financial assets and liabilities are classified as FVPTL when they are acquired or incurred principally for short-term profit taking or they meet the criteria for being designated as FVTPL and have been designated as such on initial recognition.

Loans and receivables and other financial liabilities:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities are measured at amortized cost using the effective interest method. Such liabilities are de-recognized when the obligations are discharged, cancelled or expired.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the effective interest over the term of the financial asset or financial liability. The effective interest rate is the rate that exactly discounts estimated future cash flows throughout the term of the financial instrument to the net carrying amount.

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

Derivative Assets (Liabilities):

The Company has used derivative financial instruments to minimize its market price exposures. Derivatives are recognized initially at fair value and any associated transaction costs are recognized in profit and loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are recognized in profit and loss.

Classifications:

Cash and cash equivalents and restricted cash are designated as fair value through profit and loss and are measured at cost, which approximates fair values. Marketable securities are designated as fair value through profit and loss. Accounts payable and accrued liabilities, deposit from partner, other payables and long-term debt are classified as other financial liabilities.

Impairment of financial assets:

The Company assesses at the end of each reporting period whether there is objective evidence that financial assets are impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset that has a negative impact on the estimated future cash flows of the financial asset that can be reliably estimated.

2. Significant accounting policies (continued):

(d) Exploration and evaluation assets:

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition, surveying, geological, geochemical, geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability. Interest cost on borrowing for the acquisition of exploration and evaluation assets are capitalized. These expenditures are capitalized until the technical feasibility and commercial viability of the extraction of mineral reserves in a project is demonstrated.

The Company assesses whether there is any indication of impairment. Indicators of impairment include, but are not limited to:

i) The right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

ii) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

iii) Exploration for and evaluation of mineral resources in the specific area have not led to the commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. The estimated recoverable amount is the greater of fair value less costs of disposal, and value in use (which is discounted expected future cash flows). If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

2. Significant accounting policies (continued):

(e) Property and equipment:

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided using the following methods and annual rates:

Asset	Basis	Rate
Buildings and bridges	Declining-balance	5%
Vehicles and equipment	Declining-balance	20% - 30%
Leasehold	Declining-balance	20%

Management reviews the estimated lives, residual values and depreciation methods of the Company's property and equipment at the end of each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Once a mining project has been established as commercially viable, technically feasible, and a development decision has been made, costs are no longer capitalized to exploration and evaluation assets, an impairment test is completed on the asset, and the unimpaired costs are transferred from Exploration and Evaluation assets to property and equipment. Costs associated with development of the project are capitalized to property and equipment.

At each reporting date, the Company reviews the carrying amounts of its property and equipment to determine whether there is any indication of impairment. If any such impairment exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. An impairment is recognized, if the carrying amount of an asset or CGU exceeds its recoverable amount, in the statement of loss and comprehensive loss.

2. Significant accounting policies (continued):

(f) Cash and cash equivalents and restricted cash:

Cash and cash equivalents consists of cash on hand and deposits in banks which may be settled on demand or have a maturity no longer than a 90 day period from the date of purchase.

Restricted cash, classified as current, consists of deposits in banks to be used in exploration joint ventures.

Restricted cash, classified as long-term, consists of cash balances assigned to support one-year letters of credit in support of various agreements.

(g) Share based payments:

The fair value of the stock options, restricted share units, and deferred share units granted to employees, officers and directors is recognized as an expense over the graded vesting period with a corresponding increase to contributed surplus. The fair values for stock options are determined at the grant date by applying the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price, expected volatility, weighted average expected life, expected dividends, expected forfeiture rate and the risk free interest rate. Under graded vesting the fair value of each tranche is recognized over its respective vesting period.

Restricted share units and deferred share units are measured at the fair value of the shares at the grant date and are equity settled. Other share based payments are measured at the fair value of goods or services received. In situations where equity instruments are issued and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the share based payment.

(h) Provision for restoration, rehabilitation and environmental obligations:

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises.

Discount rates to reflect the time value of money are specific to the liability. These costs are charged against profit or loss over the economic life of the related asset, through amortization using a unit-of-production methodology. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate and amount or timing of the underlying cash flows needed to settle the obligation. The unwinding of the discount is recognized as a finance cost.

2. Significant accounting policies (continued):

(i) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Earnings (loss) per share:

Basic earnings (loss) per share are computed by dividing earnings (loss) by the weighted average number of shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options and warrants.

2. Significant accounting policies (continued):

(k) Flow-through common shares:

The Company finances a portion of its exploration activities through the issue of flow-through shares. Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. 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.

(l) Revenue from sales of metals concentrate and accounts receivable:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer as evidenced by an executed sales agreement. The Company recognizes revenue from the sale of its metals upon the delivery of concentrate to the smelter or the designated shipping point, which is when title transfers and significant rights and obligations of ownership pass. The Company's smelter contracts provide for the final prices to be determined by quoted market prices in a period subsequent to the date of concentrate delivery. Revenue from the sale of metals concentrate is calculated using the forward price of the commodity for the period the contract is to be settled. Variations between the price recorded on initial revenue recognition and the final price received due to changes in market prices and foreign exchange represents an embedded derivative in the sales contact. Revenue in every period is adjusted for any change in the value of the contract using the period end forward price for the period the contract is expected to settle. The variance between the forward price and the final price received is recorded in revenue.

2. Significant accounting policies (continued):

(m) Significant accounting judgments and 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.

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.

2. Significant accounting policies (continued):

(m) Significant accounting judgments and estimates (continued):

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.

Investment in Carube Copper Corp. ("Carube Copper") and promissory note receivable

Significant judgment is involved in the determination of the carrying amount of the investment in Carube Copper and the promissory note receivable from Carube Copper and whether impairment has occurred or whether an impairment loss recognized in prior periods may no longer exist or have decreased.

2. Significant accounting policies (continued):

(m) Significant accounting judgments and estimates (continued):

Stock-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;

3. Recent accounting pronouncements:

New accounting standards not yet adopted:

(a) *IFRS 9 Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and measurement, replacing the current classification and measurement criteria for financial asset and liabilities with only two classification categories: amortized cost and fair value. The effective date for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not early adopted IFRS 9. Based on the Company's assessment, there will not be a material impact on the financial statements.

(b) *IFRS 15, Revenue from Contracts with Customers ("IFRS 15")* was issued to clarify the principles for recognizing revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not have operating revenue and therefore, there will be no impact on the financial statements at this time. The Company will evaluate the impact of the change to its financial statements when it has operating revenue, based on the relevant contractual terms applicable at that time.

(c) *IFRS 16, Leases ("IFRS 16")* was issued in January 2016. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of determining the impact of IFRS 16 on its financial statements.

(d) *Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)* On June 20, 2016, the IASB issued amendments to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. Retrospective, or early, application is permitted if information is available without the use of hindsight. The amendments provide requirements on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Company has assessed that there is no impact on the financial statements.

4. Capital management:

The Company considers its capital structure to be total equity of $25,187,895 at December 31, 2017 (2016 - $20,144,268).

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

Funds are primarily secured through equity capital raised by way of private placements and in 2016, a short form prospectus. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

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

5. Financial risk factors:

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

(a) Credit risk:

Credit risk refers to cash and cash equivalents, amounts receivable arises from the possibility that any party to the contracts fail to perform.

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

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

The Company's exposure to credit risk at December 31, 2017 was the carrying value of the cash and cash equivalents and amounts receivable.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2017, the Company has cash, current restricted cash, receivables, and investments of $4,490,263 to settle accounts payable and accrued liabilities, deposits from partner, and current portion of the provision for closure plan and current portion of debt of $3,177,378. In February 2018, the Company increased its assignment of cash and term deposits by $1,054,860 (note 20) which significantly reduced the Company's available funds. In order to meet its exploration and evaluation expenditures, including the 35,000 tonne bulk sample at Fenelon Gold Property, cover its administrative costs, and meet current liabilities and commitments, the Company must raise additional financing. The continuation of the Company as a going concern is dependent on the Company's ability to successfully fund its cash obligations through future operations or financing.

5. Financial risk factors (continued):

(c) Market risk:

Commodity price risk – Commodity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in commodity prices. The Company was exposed to changes in commodity prices from its sale of metals. Accounts receivable were subject to commodity price risk due to fluctuations in the metal prices to the final settlement. To mitigate some of its risk, the Company has in the past held derivative financial instruments to minimize its market price exposures. At December 31, 2017, the Company has no commodity price risk.

Foreign currency risk – Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At December 31, 2017, the Company does not have any foreign currency risk.

Interest rate risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company had $4,358,706 in cash and cash equivalents at December 31, 2017. The Company invests cash in an interest bearing account held in a major Canadian chartered bank. The Company periodically assesses the quality of its investments with the bank and is satisfied with the credit rating of the bank.

The Company’s cash is held primarily in interest bearing accounts, the rates of which are not fixed. A 100 basis point change in the interest rate at December 31, 2017 would affect the Company by an annualized amount of interest equal to approximately $43,587.

(expressed in Canadian Dollars)

6. 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, other amounts receivable, deposit from partner, marketable securities and accounts payable and accrued liabilities approximate fair value due to their short term maturities.

The fair value of the loan owing to William Day Holdings Limited (“William Day”) is classifed at Level 3 at December 31, 2017 - $2,500,000 (2016 - $2,480,000). The fair value of debt was primarily determined using discounted cash flows at quoted market rates adjusted for credit risk.

7. Amounts receivable:

	2017	2016
Harmonized Sales Tax and Quebec Sales Tax	$ 56,756	68,829
Other receivables	56,303	19,912
Provision for uncollectible accounts	-	(8,853)
	$ 113,059	$ 79,888

In 2016, the Company recorded a provision for an uncollectible amount from Carube Copper (note 14). In March 2017, the Company received the outstanding balance of the receivable and recorded a recovery of $8,853.

(expressed in Canadian Dollars)

8. Deposits and prepaid expenses:

	2017	2016
Deposits on contracts	$ 181,250	30,000
Prepaid interest	110,234	110,234
Investor relations contract	25,050	125,010
Prepaid expenses	14,056	21,077
	$ 330,590	286,321

The Company has paid $181,250 to suppliers for work to be performed in 2018 (2016 - $30,000). An amount is $50,000 for shares issued to a custom milling facility for the Fenelon Gold bulk sample is included in the 2017 balance.

In October 2017, the Company paid $187,500 (September 2016 - $187,500) for interest in advance relating to a loan with William Day Holdings Limited (note 15). At December 31, 2017, $110,234 is recorded relating to the interest (2016 - $110,234).

On August 22, 2016, the Company paid $150,000 for investor relation services for an 18 month period starting October 1, 2016, of which $25,050 remains in prepaid expenses at December 31, 2017 (2016 - $125,010).

(expressed in Canadian Dollars)

9. Promissory Note Receivable from Carube Copper:

	Total Receivable	Impairment
Balance, January 1, 2016	$464,967	$(464,967)
Accrued interest at 12%, prior to amending agreement	13,021	$(13,021)
Addition of other indebtedness to promissory note	24,914	(29,743)
Recovery of impairment of other indebtedness	-	4,829
Amended promissory note	$502,902	$(502,902)
Accrued interest at 12% subsequent to amending agreement	45,344	(45,344)
Balance, December 31, 2016	$ 548,246	(548,246)
Accrued interest at 12% in 2017	44,610	-
Cash received for interest, March 8, 2017	(55,223)	-
Reversal of impairment	-	548,246
Settlement of promissory note with shares, June 13, 2017	(250,000)	-
Balance, December 31, 2017	$287,633	$ -

In connection with the reverse takeover transaction with Carube Resources Inc., the remaining indebtedness of $436,415 was settled with a secured promissory note accruing interest at 12% per annum. The indebtedness was secured by the Salal and Mackenzie properties which remain as security for the promissory note. The Company was also granted a 1.5% Net Smelter Return (“NSR”) royalty on Miocene’s Mackenzie and Salal properties. At December 31, 2015, the balance receivable including interest was $464,967 and an impairment charge of $464,967 was recorded.

On March 31, 2016, the Company signed an amending agreement with Carube Copper to extend the repayment date to December 31, 2017 from September 30, 2016 for the principal balance of $436,415 and accrued interest of $41,573 to March 31, 2016, and to include other indebtedness owing at March 31, 2016 of $24,914 into the promissory note. The total of the amended promissory note was $502,902 and the interest remained at 12% per annum. In consideration of extending the repayment date, the Net Smelter Return (“NSR”) royalty on the Salal and MacKenzie properties was increased from 1.5% to 1.75%. The balance receivable at December 31, 2016 was $548,246. An impairment charge of $45,344 was recorded in 2016.

9. Promissory Note Receivable from Carube Copper (continued):

On March 14, 2017, the Company amended the promissory note with Carube Copper to extend the repayment date from December 31, 2017 to December 31, 2019. In consideration for the extension of the repayment date, the Company has been granted a pre-emptive right with respect to any future financings of Carube Copper in order to maintain at all times a 15.5% equity interest in Carube Copper. The Company has also been given the right to convert any of the Carube Copper indebtedness at any time into common shares of Carube Copper at a price equal to the 4-day volume weighted average price. Wallbridge retains the NSR royalty of 1.75% on the Salal and MacKenzie properties. The buyback terms for the purchase of the NSR royalty, provided the promissory note is repaid in full, is as follows: (i) for $350,000 at any time on or before December 31, 2019 (the maturity date); (ii) for $750,000 during the first year after the maturity date; or (iii) for $1.75 million at any time thereafter. The Company reversed the impairment upon signing of the amended promissory note as the promissory note can be converted at any time into common shares of Carube Copper.

On June 13, 2017, the Company agreed to settle $250,000 of the promissory note by receiving 2,173,913 common shares of Carube Copper valued at $0.115 per share.

At December 31, 2017, the principal balance owing is $252,902 (2016 - $502,902) and accrued interest owing is $34,731 (2016 - $45,344) totaling $287,633 (2016 - $548,246).

(expressed in Canadian Dollars)

10. Investment in Carube Copper:

At December 31, 2017, the Company owns 13,868,645 shares of Carube Copper representing approximately 12.7% (2016 – 15.5%) of the outstanding shares and has representation on Carube Copper's board of directors. The Company has significant influence over Carube Copper and, therefore, it is accounted for using the equity method.

Wallbridge's investment in Carube Copper is as follows:

	Number of shares	Amount
Balance, January 1, 2016	10,894,732	$ 544,736
Share of comprehensive losses of Carube Copper, December 1, 2015 to November 30, 2016		(166,515)
Balance, December 31, 2016	10,894,732	$ 378,221
Gains on dilution of equity interest in Carube Copper [1]		249,153
Purchase of 800,000 units of Carube Copper [2]	800,000	64,000
Promissory note settlement of $250,000 (note 9)	2,173,913	250,000
Share of comprehensive losses of Carube Copper, December 1, 2016 to November 30, 2017		(199,788)
Balance, December 31, 2017	13,868,645	$ 741,586

[1] During the year, Carube Copper issued shares for private placements and property acquisitions resulting in a dilution of the Company's equity interest in Carube Copper. The Company recorded $249,153 in gains on dilution of its interest in Carube Copper during the year.

[2] On March 1, 2017, the Company purchased 800,000 units at $0.08 per unit of Carube Copper as part of a private placement of 20,000,000 units. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the Company to purchase one common share for a period of twenty-four months from the closing date at a price of $0.15 per common share.

(expressed in Canadian Dollars)

10. Investment in Carube Copper (continued):

Summarized financial information for Carube Copper for the years ended November 30, 2017 and November 30, 2016:

	Statement of Financial Position	
	November 30, 2017	November 30, 2016
Current assets	$ 155,873	$ 185,959
Equipment	57,941	18,844
Mineral exploration properties	7,300,486	7,206,570
Deferred exploration expenditures	4,982,986	3,506,480
Current liabilities	(735,583)	(834,137)
Long term liabilities	(285,137)	(852,240)
Net Assets	$ 11,476,566	$ 9,231,476

	Statement of Loss for	
	December 1, 2016 to November 30, 2017	December 1 to November 30, 2016
Net loss for the period	$ 1,481,216	$ 892,402
Other comprehensive loss	54,051	141,814
Total comprehensive loss for the period	$1,535,267	$1,034,216
Percentage ownership of Carube Copper (1)	13.0%	16.0%
Share of losses	$199,788	$166,515

(1) The percentage ownership changed during the year as Carube Copper had issued shares in private placements and for property acquisition during the year. The average percentage ownership during the year was 13.0% (2016 – 16.0%).

The Company owns 13,868,645 shares of Carube Copper and 2,415,000 of these shares are held in escrow at December 31, 2017. On January 7, 2018, 1,207,500 shares were released from escrow. On July 7, 2018, the escrow restrictions relating to the remaining 1,207,500 shares will expire.

(expressed in Canadian Dollars)

11. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2016	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2017
Fenelon Gold Property (a)	$ 4,130,275	2,396,251	-	-	$ 6,526,526
Other Sudbury Projects (b) (i) and (iv)	8,416,540	38,976	-	(11,400)	8,444,116
North Range and Wisner Properties (b) (ii) and (iv)	3,944,587	12,424	(228,766)	(62,122)	3,666,123
Parkin Properties (b) (iii) and (v)	3,952,505	158,000	-	(158,000)	3,952,505
	$20,443,907	2,605,651	(228,766)	(231,522)	$22,589,270

	Balance December 31, 2015	Expenditures	Disposition/ Recovery	Balance, December 31, 2016
Fenelon Gold Property (a)	$ -	4,130,275	-	$ 4,130,275
Other Sudbury Projects (b) (i)	8,385,910	30,630	-	8,416,540
North Range and Wisner Properties (b) (ii)	3,929,691	53,333	(38,437)	3,944,587
Parkin Properties (b) (iii) and (v)	4,043,195	135,310	(226,000)	3,952,505
	$ 16,358,796	4,349,548	(264,437)	$20,443,907

Included in 2017 expenditures are salaries and benefits of $459,126 (2016 - $103,621).

11. Exploration and evaluation assets (continued):

(a) Fenelon Gold Property:

On July 25, 2016, the Company acquired 100% of the Fenelon Gold Property, subject to certain royalty provisions, from Balmoral Resources Ltd ("Balmoral"). The terms of the final agreement and subsequent amendments are as follows:

- The Company issued to Balmoral 2,381,575 common shares of Wallbridge equal to $200,000 based on the 20 day volume weighted average trading price of the Company's common shares in the 20 days immediately prior to market close on May 20, 2016 of approximately $0.084 per share.
- The Company made cash payments of $200,000, $300,000, and $500,000 on July 28, 2016, August 22, 2016, and September 23, 2016, respectively. A final payment of $2,500,000 was made on October 18, 2016.
- Balmoral retains a 1% NSR on any future production from Fenelon Gold Property.
- The Company has secured the loan with a first mortgage, charge and hypothec registered against title to the Fenelon Gold Property.

Capitalized expenditures for 2017 on Fenelon Gold Property included exploration costs of $1,949,251, interest of $375,000, and amortized legal fees of $72,000 relating to the loan payable (note 15).

Capitalized expenditures for 2016 on Fenelon Gold Property included $3.7 million of acquisition costs as per above, legal fees and interest of $119,380, prefeasibility and permitting costs of $201,864, and exploration costs of $109,031.

(b) Sudbury Projects:

(i) Other Sudbury Projects:

At December 31, 2017, the Company has interest in 39 exploration properties in the Sudbury, Ontario area of which 34 of the exploration properties are subject to joint venture arrangements with other parties. In order to retain its right to the properties, the Company must fulfill the commitments set out in note 11 (c) as well as incur exploration expenditures required for provincial assessment purposes.

The Company has spent $38,976 on exploration expenditures on Other Sudbury Projects in 2017 (2016 - $30,630) and received $11,400 in option payments (2016 - $nil) (note 11 (b) (iv)).

11. Exploration and evaluation assets (continued):

(b) (i) *Sudbury Camp Joint Venture*

At December 31, 2017, nine of the properties of the Other Sudbury Project have been assigned to the Sudbury Camp Joint Venture, an exploration joint venture operated in conjunction with Lonmin Plc ("Lonmin"). The Company retains a 100% interest in each property until there is an indicated resource on a particular property. Provided Lonmin has fulfilled its minimum expenditure commitment of US $1 million each year, it will earn, at that time, a 50% interest in the particular property. For the period of October 1, 2016 to September 30, 2017 only, Lonmin's minimum annual expenditure commitment was reduced to $250,000. Lonmin's interest would be diluted to the extent the Company has contributed to work on a property. As a joint venture participant, the Company may elect to fund its pro-rata share of approved exploration budgets in order to increase its interest in the property. By funding a feasibility study and securing the Company's portion of financing through to commercial production, Lonmin can increase its interest in a property to 65%.

(ii) *North Range Joint Venture ("NRJV") Agreement re North Range Properties and Amendment re Wisner Properties:*

In 2012, Lonmin exercised its right to enter into an exploration joint venture on the North Range Properties. Twelve of the Other Sudbury Project properties are assigned to the NRJV, an exploration joint venture operated in conjunction with Lonmin, relating to the North Range Properties. Lonmin can earn up to a 50% interest by spending twice the Company's expenditures on each of the properties initially by June 30, 2016. An amending agreement was signed in September 2015 which extended the initial earn-in expiry date to September 30, 2019 and the total minimum commitment of $250,000 of exploration costs on the North Range and Wisner properties. Lonmin can then earn up to a 65% interest in each of the properties by making additional expenditures.

Lonmin has earned a 65% interest in the Iron Mask, Foy North and Ministic Properties.

11. Exploration and evaluation assets (continued):

(b) (ii) *NFJV Agreement re North Range Properties and Amendment re Wisner Properties (continued):*

In December 2013, the Company entered into an agreement with Lonmin to amend the NRJV agreement effective October 1, 2013 re the Wisner Properties. Lonmin could earn a 50% interest in its Wisner package of five properties which excluded the Broken Hammer project, by making option payments and funding exploration over three years as follows:

i. Lonmin will fund exploration costs on the Wisner Properties totaling $3.6 million over three years with minimum annual expenditures of $1.2 million;

ii. Lonmin will make cash option payments to the Company totaling two thirds of annual exploration costs; and

iii. The Company will fund 40% of the exploration costs on the Wisner Properties over three years, totaling $2.4 million.

An amending agreement was signed in September 2015 which extended the initial earn-in expiry date to September 30, 2019 and amended the total annual minimum commitment to $250,000 of exploration costs on the North Range and Wisner properties. Upon vesting, Lonmin will have the option to earn a 15% additional interest by committing to fund the Wisner properties through to a definitive feasibility study.

In 2017, the Company spent $12,424 on exploration expenditures on the North Range and Wisner Properties (2016 - $53,333) and received $8,882 in option payments from Lonmin (2016 - $38,437). Also, in 2017,option payments were received of $53,240 (2016 - $nil) relating to the Battery Minerals option and sale agreement (note 11 (b) (iv)).

In 2017, the Company recorded an impairment of $228,766 on its Cascaden North property to its estimated recoverable value based on the value of property implied in the option and sale agreement. The property consists of one claim and is part of the option and sale agreement with Battery Minerals Resources (note 11 (b) (iv)).

(iii) *NRJV Amendment re Parkin Properties*

In September 2015, the Company entered into an agreement with Lonmin to amend the NRJV agreement, to provide for Lonmin to earn up to a 50% initial interest in the four Parkin properties by making payments and funding aggregate expenditures up to $11 million on or before September 30, 2019. The expenditures include the cash payments to purchase the Impala Platinum Holdings Limited (“Impala”) interest in the Parkin Properties in 11(b)(ii).

At December 31, 2017, Wallbridge has $18,234 (2016 - $265,923) of restricted cash from Lonmin which will be used in the NRJV on the Parkin, North Range and Wisner Properties.

11. Exploration and evaluation assets (continued):

Lonmin did not meet the minimum funding requirements to maintain their options under the Sudbury Camp Joint Venture and North Range Joint Venture agreements and subsequent amendments, with a shortfall of approximately $1.2 million for the period ended September 30, 2017. The Company and Lonmin agreed that the shortfall in the 2017 budget will be added to the 2018 program. Both parties also agreed that the first half of the year programs of the 2018 exploration joint ventures total $500,000, and Lonmin maintains its options under the joint venture agreements while deferring the decision on the 2018 scope of work and budgets until March 15, 2018. In return, Wallbridge received the proceeds from the Junior Exploration Assistance Program (“JEAP”) of $189,935 and the initial Battery Minerals Resources Limited (“Battery Minerals Resources”) payment of $75,000 for general working capital purposes. These funds count towards Lonmin’s 2018 funding requirement.

In March 2018, the decision on the scope of work and budget decision has been deferred until June 15, 2018. Lonmin will maintain its options under the joint venture agreements provided Lonmin approves and completes the third quarter cash call of $250,000.

(iv) Battery Minerals Resources option and sale agreement

Effective October 15, 2017, Battery Mineral Resources may acquire a 100% interest in 19 claims that are part of the Company’s North Range and Sudbury Camp Joint Ventures with Lonmin, by making cash payments totalling $700,000 and annual work commitments of $50,000 over three years. Lonmin has an interest of approximately 35% in these claims. Payments totalling $100,000 were received in 2017 which $64,640 was recorded as a recovery ($11,400 in Other Sudbury Projects and $53,240 in the North Range and Wisner Properties) and $35,360 pertains to Lonmin’s interest in the claims. The cash option payments are due as follows: on or before the first anniversary, $150,000; on or before the second anniversary $200,000 and on or before the third anniversary, $250,000. The Company, collectively with Lonmin on claims where Lonmin has earned a vested interest, shall retain 1% or 2% NSR Royalties which are subject to buy-backs, a production bonus royalty of $1,000,000 for each one million metric tonnes of ore produced from the properties at a mill head grade of 1% cobalt equivalent or better, and a 100% claw-back right on any nickel-copper-PGM deposits discovered.

(v) Impala Agreement

In 2008, the Company entered into an option and joint venture agreement with Impala on its Parkin Properties in Sudbury where Impala earned a 49.6% interest and Wallbridge had a 50.4% interest in the Properties at December 31, 2014. The Company entered into an option agreement with Impala, effective December 31, 2014, which provides the Company an option to purchase Impala’s 49.6% interest by making cash payments over five years. The Company made an option payment of $158,000 (2016 - $126,000) and spent $nil (2016 - $9,310) in exploration expenditures on the Parkin Properties and received option payments of $158,000 (2016 - $226,000). Wallbridge is required to make payments of $199,000 by June 30, 2018 and $1,500,000 by June 30, 2019 or a lump sum payment of $1,393,000 by June 30, 2018 to maintain its option.

(expressed in Canadian Dollars)

11. Exploration and evaluation assets (continued):

(c) Future commitments:

A summary of future commitments not included in the above are set out in the following table:

Property	Commitment	Payable
Creighton South	$200,000 Advance Royalty	commencement of production on
	1% NSR	production
Foy	$1,000,000	commencement of production
Parkin Milnet	1.5% NSR on a portion of property with a right of first refusal to Purchase the NSR; and	on production
	1.5% NSR on a portion of property or	on production
	$1,000,000	prior to production
CBA Hess	2.5% NSR on certain claims	on production
	or 1.25% NSR plus $1,000,000; and	on production
	3% NSR on certain claims	on production
	or 2% NSR plus $1,500,000	on production
	1.5% NSR or $1,500,000	on production
	Advance Royalty of $9,440 per annum	$4,720 semi-annually *
CBA Ermatinger	2% NSR on certain claims	on production
	or 1% NSR plus $1,000,000	on production
	Advance Royalty of $560 per annum	$280 semi-annually *
	And 2.5% on certain claims	on production
	or 1.25% NSR plus $1,500,000	on production
Trill	2% NSR on certain claims	on production
	or 1% NSR plus $1,000,000; and	on production
	1% NSR on a portion of property	on production
	or $1,000,000	on production
Graham **	1.5% NSR	on production
Blezard**	1.5% NSR	on production
Wisner**	1.5% NSR	on production at Glencore facilities
	or 5% NSR	on production at other facilities
Frost Lake **	1.5% NSR	on production at Glencore facilities
	or 5% NSR	on production at other facilities
Parkin	1.5% NSR	on production at Glencore facilities
	or 5% NSR	on production at other facilities
Drill Lake	2% NSR	on production
	or $1,000,000 and 1% NSR	on production
Parkin – Champion Bear	Advance Royalty $12,000 per annum	$6,000 semi-annually *
	2.5% NSR	
	60% of NSR may be purchased for $1,500,000; complete a definitive feasibility study and fund Champion Bear's portion of development expenditures as a loan against their proceeds of production to earn 75% interest	
Ruza	2% NSR	on production

(expressed in Canadian Dollars)

11. Exploration and evaluation assets (continued):

(c) Future commitments (continued):

Property	Commitment	Payable
Foy North	2.5% NSR not to exceed $3,000,000	on production
	Certain claims 2% NSR plus 0.5% NSR which can be purchased for $500,000; 50% of the 2% NSR can be purchased for $1,000,000	on production
Cartier	Glencore retains a right to buy back a 60% interest at the feasibility stage in any deposit which contains in excess of US$750 million of contained metal by incurring 200% of the expenditures made after January 1, 2011	
Wisner East	1% NSR may be purchased for $2,000,000 with an adjustment for inflation, and a further 1% NSR under certain conditions	
Bowell	1% NSR may be purchased for $2,000,000 with an adjustment for inflation, and a further 1% NSR under certain conditions	
Barry	Option payment due April 1, 2018	$15,000
	2% NSR; or	on production
	1% NSR plus $750,000	on production
Parkin Properties	minimum payment $199,000 due	
	June 30, 2018	or lump sum of $1,393,000;
	June 30, 2019	lump sum of $1,500,000

* payments were made in February and March 2018

** NSR owing if the interest in the property by the joint venture partner is reduced to below 10%

(expressed in Canadian Dollars)

12. Property and equipment:

Cost:

	Broken Hammer	Buildings, leaseholds and bridges	Vehicles and equipment	Total
Balance, December 31, 2015	$ 6,021,190	$ 347,682	$ 1,185,444	$ 7,554,316
Balance, December 31, 2016	6,021,190	347,682	1,185,444	7,554,316
Additions	-	-	6,149	6,149
Disposals	-	-	(419,066)	(419,066)
Balance, December 31, 2017	$6,021,190	$ 347,682	$ 772.527	$ 7,141.399

Accumulated amortization:

	Broken Hammer	Buildings, leaseholds and bridges	Vehicles and equipment	Total
Balance, December 31, 2015	$ 6,021,190	$ 143,547	$ 1,011,168	$ 7,175,905
Additions	-	10,207	38,631	48,838
Balance, December 31, 2016	6,021,190	153,754	1,049,799	7,224,743
Additions	-	-	40,014	40,014
Disposals	-	-	(404,652)	(404,652)
Balance, December 31, 2017	$ 6,021,190	$ 153,754	$ 685,161	$6,860,105

Carrying amounts:

	Broken Hammer	Buildings, leaseholds and bridges	Vehicles and equipment	Total
At December 31, 2016	$ -	$ 193,928	$ 135,645	$ 329,573
At December 31, 2017	$ -	$ 193,928	$ 87,366	$ 281,294

13. Accounts payable and accrued liabilities:

	2017	2016
Accounts payable	$ 235,345	$ 577,040
Accrued liabilities	138,483	127,629
Payroll related liabilities	249,210	151,418
	$ 623,038	$ 856,087

(expressed in Canadian Dollars)

14. Related party transactions:

(a) The Company had the following transactions with related parties:

	2017	2016
Nuinsco Resources Limited (i)		
Office and administrative expenses	$ -	$ 18,000
Carube Copper Corp. (ii)		
Cost recoveries for administrative services and expenses	(3,755)	(7,143)
Interest income on promissory note (note 9)	(58,365)	(58,365)
Impairment (recovery) of promissory note and receivable (note 9)	(557,099)	62,389
Amounts receivable	716	8,853
William Day Holdings Limited (iii)		
Interest payment capitalized to Fenelon Gold	146,918	-
Accounts payable and accrued liabilities	14,900	-

(i) The Company and Nuinsco Resources Limited (“Nuinsco”) have a director in common. The Company paid $2,000 per month to Nuinsco for use of office space, equipment, and office costs for nine months in 2016. 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.

(ii) The Company owns 12.7% of Carube Copper (note 10) (2016 – 15.5%). The Company also has a promissory note receivable from Carube Copper (note 9) with principal and interest owing of $287,633 (2016 - $548,246). The Company recorded an impairment recovery of $548,246 on the promissory note and $8,853 in the receivable during 2017 (2016 – an impairment expense of $62,389). These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

(iii) On August 10, 2017, a director of William Day Holdings Limited became a director of the Company. The Company entered into a loan agreement with William Day Holdings Limited in 2016, prior to the director becoming a director of Wallbridge (note 15). Interest on the loan has been capitalized to the Fenelon Gold property. 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)

14. Related party transactions (continued):

(b) Key management personnel compensation:

The remuneration of Directors, Executive Chairman, President and CEO, and CFO of Wallbridge was as follows:

	2017	2016
Salaries and benefits [(1)]	$ 881,878	$ 812,547
Stock-based compensation [(2)]	139,236	54,287
	$ 1,021,114	$ 866,834

(1) Includes salaries and benefits and directors' fees in general and administrative expenses on the statement of loss and comprehensive loss. Included in directors fees are deferred share units ("DSUs") granted for 2017 totalling $105,774 (2016 - $187,202). Directors' fees of $65,750 are accrued in 2017 (2016 - $48,000) which $28,750 was settled in DSUs in January 2018 and $37,000 was settled in cash in February 2018 (2016 - $48,000 were settled in DSUs in 2017).

(2) Share based compensation is included in general and administrative expenses on the statement of loss and consists of stock options and restricted share units.

(expressed in Canadian Dollars)

15. Current and long-term debt:

	Effective Interest Rate	Due Date	2017	2016
Long-term portion of long-term debt	18%	October 18, 2018	$ -	$ 2,368,426
Current portion of long-term debt			2,440,426	-
			$ 2,440,426	$2,368,426

On September 27, 2016, the Company signed a loan agreement with William Day Holdings Limited for $2,500,000 to be repaid in 24 months from the advance date with an interest rate of 15% with interest payments to be paid in advance at 6-month intervals. The maturity date may be extended up to 36 months if there are unexpected delays in obtaining permits or licenses required for the development of the Fenelon Gold Property. The Company has the right at any time after 120 days from the advance of the principal amount of the loan to prepay all or any portion of the loan at any time upon 5 days prior notice, provided (i) the next scheduled payment of interest shall become due and payable and be paid at the time of prepayment and (ii) the minimum prepayment amount is not less than $500,000. The Company has secured the loan with a first mortgage, charge and hypothec registered against title to the Fenelon Gold Property. An interest payment of $187,500 was made in October 2017 and $110,234 is recorded in prepaid expenses at December 31, 2017. Legal fees of $145,874 related to the debt are being amortized over the term of the loan.

During the year ended December 31, 2017, the Company paid $375,000 in interest (2016 - $187,500). Interest is capitalized to the Fenelon Gold Property.

(expressed in Canadian Dollars)

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

	2017	2016
Balance, beginning of year	$ 26,929	-
Premium recorded through flow-through proceeds in 2016 (note 18 (a))	-	78,750
Other income recorded as flow-through expenditures incurred relating to 2016 premium	(26,929)	(51,821)
Premium recorded through flow-through proceeds in 2017 (note 18 (a))	626,438	-
Other income recorded as flow-through expenditures incurred relating to 2017 premium	(390,838)	-
Balance, end of year	$ 235,600	26,929

The Company recorded a premium of $626,438 in connection with flow-through private placements in 2017 (2016 - $78,750). 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. During the year ended December 31, 2017, a reduction in the flow-through liability of $417,767 was recorded in other income (2016 - $51,821).

The Company was commited to spending prior to December 31, 2017 and renounced effective December 31, 2016, qualifying Canadian Exploration Expenses ("CEE") of $175,000. The Company has incurred the expenditures during the years ended December 31, 2016 and 2017.

The Company is committed to spending prior to December 31, 2018, and renounced effective December 31, 2017, qualifying CEE of $3,594,250. At December 31, 2017 the Company has spent approximately $1,652,000 of the commitment and has $1,942,250 remaining to be spent by December 31, 2018.

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

(expressed in Canadian Dollars)

17. Income taxes:

(a) Tax provision:

Income taxes differ from the amount that would be computed by applying the combined Federal and Provincial statutory income tax rates of 25% (2016 - 25%). The reasons for the differences are approximately as follows:

	2017	2016
Loss before income taxes	$ 939,250	$2,147,809
Expected tax recovery at statutory rate of 25%	$ (235,000)	$(537,000)
Increase (decrease) in provision resulting from:		
Renunciation of exploration expenditures	703,000	44,000
Other permanent differences	(100,000)	(35,000)
Change in unrecognized deferred tax assets	(78,000)	475,000
Deferred tax expense (recovery)	$290,000	$ (53,000)

(b) The components of deferred tax assets and liabilities are as follows:

	2017	2016
Exploration and evaluation assets	$ (2,799,000)	$ (2,049,000)
Property and equipment	373,000	359,000
Non-capital losses	1,888,000	1,510,000
Deferred financing and other costs	248,000	180,000
Deferred tax liability	$ (290,000)	-

The Company has non-capital losses of approximately $10,220,000 that will expire between 2031 and 2037 if not used.

(c) Unrecognized deferred tax assets:

Deferred tax assets have not been recognized in respect of the following deductible temporary differences, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2017	2016
Investment in Carube Copper	$7,682,441	$8,280,052
Capital losses	1,907,385	2,205,919
Non-capital losses	2,674,668	1,816,944

(expressed in Canadian Dollars)

18. Shareholders' equity:

(a) Share capital transactions:

	Number of shares	Share capital
Balance, January 1, 2016	167,835,438	$55,761,678
Private placement – units (i)	11,700,000	585,000
Issued re Fenelon Gold Property acquisition (ii)	2,381,575	200,000
Private placement – units (iii)	18,750,000	1,500,000
Short form Prospectus - units (iv)	19,322,000	1,545,760
Short form Prospectus – flow-through (iv)	1,750,000	175,000
Flow-through share premium (iv)		(78,750)
Warrants (i), (iii) and (iv) ($1,055,000 less issuance costs)		(937,506)
Issuance costs allocated to warrants		(117,494)
Issuance costs allocated to shares		(365,396)
Balance, December 31, 2016	221,739,013	$58,268,292
Private placement – flow-through shares (v)	5,300,000	450,500
Flow-through share premium (v)	-	(53,000)
Private placement – flow-through shares (vi)	7,500,000	1,050,000
Flow-through share premium (vi)	-	(300,000)
Private placement – units (vi)	4,766,040	476,604
Private placement – units (vii)	24,576,453	2,211,881
Private placement – flow-through shares (vii)	20,937,500	2,093,750
Flow-through share premium (vii)	-	(273,438)
Exercise of warrants (viii)	6,696,576	626,064
Vesting of RSUs (ix)	652,537	60,302
Conversion of DSUs (x)	1,365,065	77,072
Exercise of stock options (xi)	445,000	31,096
Issued re custom milling contract (xii)	416,667	50,000
Warrants (v), (vi) and (vii) ($596,500 less issuance costs)		(556,790)
Issuance costs allocated to warrants		(39,710)
Issuance costs allocated to shares		(378,549)
Balance, December 31, 2017	294,394,851	$63,794,074

18. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(i) On April 29, 2016, the Company completed a private placement totaling 11,700,000 units at $0.05 per unit for total gross proceeds of $585,000. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitled the holder to purchase one additional common share of the Company on or before April 29, 2017 at an exercise price of $0.08 per share. The mining contractor for the Broken Hammer project, William Day Construction ("Day"), subscribed to $500,000 of the private placement and the Company has entered into a Cooperation Agreement with Day whereby they will be the preferred surface mining and transportation contractor for the Company's future projects based on commercially available terms. All of the warrants were exercised before April 29, 2017 (note 18 (a)(viii)).

Share issuance costs of $20,720 for the private placement were charged as a reduction of share capital and warrants.

An amount of $70,000 has been assigned to the fair value of the warrants (note 18(c)).

(ii) On May 31, 2016, the Company issued 2,381,575 shares to Balmoral in connection with a binding letter of intent. The shares issued were equal to $200,000 based on the 20 day volume weighted average trading price in the 20 days immediately prior to market close on May 20, 2016 of approximately $0.084 per share (note 12 (a)).

(iii) On August 19, 2016, the Company completed a private placement totaling 18,750,000 units at $0.08 per unit for total proceeds of $1,500,000. Each unit consists of one common share and one 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 $0.10 per share for a period of 36 months from closing. An amount of $630,000 has been assigned to the fair value of the warrants (note 18 (c)).

Agent warrants totaling 449,247 were issued at a price of $0.08 per share for a period of 36 months from closing. An amount of $17,000 has been assigned to the fair value of the warrants (note 18 (c)) which has been included in the share issuance costs.

Share issuance costs of $92,031 for the private placement were charged as a reduction of share capital and warrants.

18. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(iv) On September 21, 2016, the Company filed its final short form prospectus for the distribution of units and flow-through shares and the common shares and warrants underlying the units. The maximum offering would raise aggregate gross proceeds of $4,500,000 and $1,500,000 for the minimum offering. On October 4, 2016, the Company closed on its short form prospectus offering raising $1,545,760 from the sale of 19,322,000 units and raised $175,000 from the sale of 1,750,000 flow-through shares for a total of $1,720,760.

The units were issued at a price of $0.08 per unit, with each such unit consisting of one common share and one common share purchase warrant, where each unit warrant entitles the holder to purchase one common share at a price of $0.12 per share for a period of 36 months from the closing date of the offering. An amount of $355,000 has been assigned to the fair value of the warrants (note 18 (c)).

The flow-through shares were issued at a price of $0.10 per flow-through share, whereby each such 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. On issuance, the Company recorded a flow-through share premium and a corresponding deferred liability of $78,750 (note 16).

The proceeds from the sale of the units will be used for development of Fenelon Gold Property as well as for general working capital. 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).

In consideration for the services rendered by the agents in connection with the offering, the agents were paid $92,780, a cash fee equal to 6% of the gross proceeds of the offering received from the sale of units and flow-through shares sourced by the agents, which is included in the share issuance costs.

As additional compensation, the Company issued non-transferable warrants equal to 6% of the total number of the units and flow-through shares sold under the offering sourced by the agents. Each agent warrant entitles the holder to purchase one common share at a price of $0.08 for a period of 36 months following the closing date. The Company issued 1,039,500 warrants to the agents as compensation. An amount of $19,000 has been assigned to the fair value of the warrants (note 18 (c)) which is included in the share issuance costs.

Share issuance costs of $370,139 for the short form prospectus offering were charged as a reduction of share capital and warrants.

18. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(v) On March 10 and 14, 2017, the Company completed a private placement totaling 5,300,000 flow-through shares at $0.085 per flow-through share for total gross proceeds of $450,500. 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) in the province of Quebec on the Fenelon Gold Property. The Company also issued 306,000 broker's warrants in connection with the private placement. Each broker's warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.085 per share until March 10, 2018.

On issuance, the Company recorded a flow-through share premium and a corresponding deferred liability of $53,000 (note 16).

Share issuance costs of $40,441 for the private placement were charged as a reduction of share capital.

An amount of $5,500 has been assigned to the fair value of the broker's warrants (note 18 (c)) which has been included in the share issuance costs.

(vi) On May 16, 2017, the Company completed a private placement totaling 7,500,000 flow-through shares at $0.14 per flow-through share for total gross proceeds of $1,050,000. 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) in the province of Quebec on the Fenelon Gold Property. On June 21, 2017, the Company completed a private placement totaling 4,766,040 units issued at a price of $0.10 per unit for gross proceeds of $476,604. Each unit consists of one common share of the Company and a one-half common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share for a period of twenty-four months from the date of issuance at an exercise price of $0.15.

On issuance of the flow-through shares, the Company recorded a flow-through share premium and a corresponding deferred liability of $300,000 (note 16).

Share issuance costs of $85,420 for the private placement were charged as a reduction of share capital and warrants.

An amount of $36,500 has been assigned to the fair value of the warrants (note 18 (c)).

18. Shareholders' equity (continued):

(a) Share capital transactions (continued):

(vii) During November 2017, the Company completed private placements totaling 20,937,500 flow-through shares at $0.10 per flow-through share for total gross proceeds of $2,093,750 and 24,576,453 units at $0.09 per unit for total gross proceeds of $2,211,881. 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 $0.15 per share for a period of two years from closing. The Company also issued 1,498,517 broker warrants in connection with the offering. Each broker warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.10 per share for a period of two years from closing.

The Company recorded a flow-through share premium and a corresponding deferred liability of $273,438 (note 16).

An amount of $560,000 has been assigned to the fair value of the warrants (note 18(c)).

Share issuance costs of $292,398 for the private placement were charged as a reduction of share capital and warrants.

An amount of $72,000 has been assigned to the fair value of the broker's warrants (note 18 (c)) which has been included in the share issuance costs.

(viii) On April 27, 2017, William Day announced that it acquired 5,000,000 common shares of the Company through the exercise of warrants at an exercise price of $0.08 per warrant for total consideration of $400,000. In addition to the exercise by William Day, all of the remaining 850,000 warrants issued in the April 29, 2016 private placement were exercised for $68,000. In November 2017, 846,576 warrants were exercised for total consideration of $70,256.

(ix) On January 10, 2017, 652,537 common shares were issued upon vesting of restricted share units that were granted on January 7, 2015.

(x) On July 4, 2017, upon his retirement and vesting of DSUs, a director was issued 1,365,065 common shares.

(xi) On September 22, 2017, 275,000 common shares were issued upon exercise of stock options. On December 6, 2017, 170,000 common shares were issued upon exercise of stock options.

(xii) On November 17, 2017, 416,667 shares based on the 5-day volume weighted trading price and equal to $50,000 were issued upon signing a custom milling contract for the bulk sample at the Fenelon Gold property.

18. Shareholders' equity (continued):

(b) Share based compensation plan:

In May 2016, the shareholders approved the omnibus share based compensation plan for the Company. The plan is comprised of restricted share units, deferred share units and stock options. Awards under the plan may be granted to any non-employee director, officer, employee or consultant. Under the plan, no cash settlements will be made as settlement will be in common shares only. The number of common shares available for issuance may not exceed 15% of the issued and outstanding common shares. In addition, the number of common shares issued and issuable to insiders within one year period shall not exceed 10% of the issued and outstanding common shares and to any one insider within one year shall not exceed 5% of the issued and outstanding common shares. The number of common shares reserved for the purpose of the omnibus share compensation based plan was 1,758,068 at December 31, 2017.

(i) Restricted Share Units ("RSUs") may be granted to participants and are based on individual and corporate performance criteria. The Compensation Committee determines the vesting schedule at the time of grant. The RSUs will be paid out to the participant no later than three years from the year in which the RSUs were granted. A restricted share unit is automatically converted into one common share upon vesting for no additional consideration. RSUs are equity-settled and are fair valued based on the market value of the shares at the grant date. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted for actual forfeitures in the period. On settlement of RSUs, the shares are issued from treasury.

On January 10, 2015, 652,537 RSUs were granted. The RSUs vested on January 10, 2017 and 652,537 shares were issued. For the year ended December 31, 2017, $nil was recorded in share based compensation expense (2016 - $16,327).

On December 31, 2015, 1,068,000 RSUs were granted and vested on December 31, 2017. On January 2, 2018, 1,068,000 shares were issued. For the year ended December 31, 2017, $16,020 was recorded in share based compensation expense (2016 - $16,020).

On January 11, 2016, 88,930 RSUs, which vest on January 11, 2018 were granted. On December 31, 2017, 7,060 RSUs were cancelled upon an employee's resignation. On January 11, 2018, 81,870 shares were issued. For the year ended December 31, 2017, $1,122 was recorded in share based compensation expense (2016 - $1,334).

On November 7, 2016, 600,000 RSUs, which vest on November 7, 2018 were granted. On December 31, 2017, 150,000 RSUs were cancelled upon an employee's resignation. For the year ended December 31, 2017, $11,701 was recorded in share based compensation expense (2016 - $2,750). A total of $10,300 will be expensed in 2018.

On June 5, 2017, 812,500 RSUs which vest on June 5, 2018 were granted. On December 31, 2017, 100,000 RSUs were cancelled upon an employee's resignation. A total of $60,563 will be recognized over the vesting period. For the year ended December 31, 2017, $35,328 was recorded in share based compensation expense (2016 - $nil).

(expressed in Canadian Dollars)

18. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

A summary of the outstanding RSUs are as follows:

	2017	2016
Outstanding at beginning of year	2,409,467	1,720,537
Granted	812,500	688,930
Cancelled	(257,060)	-
Vested	(1,720,537)	-
Outstanding at end of year	1,244,370	2,409,467

A total of $64,171 was recorded in share based compensation expense in 2017 relating to RSUs (2016 - $36,417).

(ii) Deferred Share Units ("DSUs") may be used for partial payment of directors' fees to non-employee directors. A DSU is a notional share that has the same value as one common share. Directors may choose to take all or part of their fees in DSUs, with the consent of the Company. DSUs are paid out to the directors when they retire from the Board. DSUs are equity settled and are fair valued based on the market value of the shares at the grant date.

In July 2017, a director received 1,365,065 shares upon retirement and vesting of the DSUs.

In 2017, 2,225,829 DSUs were granted to the directors of the Company in settlement of 2016 directors' fees owing of $48,000 and 2017 directors' fees owing of $105,774. In January 2018, a total of 302,633 DSUs were granted to the directors of the Company in settlement of 2017 directors' fees of $28,750.

At December 31, 2017, 7,787,275 DSUs are outstanding (2016 – 6,926,511).

(iii) Stock Options may be granted to participants of the plan. The Compensation Committee determines the exercise price, vesting period and exercise rights for each stock option granted. The exercise price of options granted in accordance with the plan must not be lower than the closing price for such shares as quoted on the Toronto Stock Exchange ("TSX ") on the last business day prior to the date of the grant. Alternatively, the exercise price must not be lower than the five day weighted average trading price of the shares for the last five days that the shares traded on the TSX prior to the date of the grant.

On November 7, 2016, a total of 1,900,000 stock options were granted at an exercise price of $0.08 which will expire on November 7, 2021 of which 950,000 vested immediately and 950,000 vested on November 7, 2017.

(expressed in Canadian Dollars)

18. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

On June 5, 2017, a total of 2,355,000 stock options were granted at an exercise price of $0.085 which will expire on June 5, 2022 of which 1,177,500 vested immediately and 1,177,500 will vest on June 5, 2018. On December 31, 2017, 100,000 of these stock options were cancelled upon resignation of an employee as they did not vest. Also, on June 5, 2017, 150,000 stock options were granted at an exercise price of $0.10 which will expire on June 5, 2022 of which 75,000 vested immediately and 75,000 vested on December 5, 2017. On August 10, 2017, 200,000 stock options were granted at an exercise price of $0.085 which will expire on August 10, 2022 of which 100,000 vested immediately and 100,000 will vest on August 10, 2018. On November 9, 2017, 100,000 stock options were granted at an exercise price of $0.075 which will expire on November 9, 2022 of which 50,000 vested immediately and 50,000 will vest on November 9, 2018.

On September 22, 2017, 275,000 options were exercised at $0.05 per share. On December 6, 2017, 170,000 stock options were exercised at the weighed average share price of $0.056 per share.

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

	2017		2016	
Stock Options	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of year	15,800,000	$0.09	15,200,000	$0.10
Granted	2,805,000	$0.085	1,900,000	$0.08
Cancelled	(100,000)	$0.085	-	-
Exercised	(445,000)	$0.05	-	-
Expired unexercised	(3,500,000)	$0.16	(1,300,000)	$0.23
Outstanding, end of year	14,560,000	$0.08	15,800,000	$0.09

At December 31, 2017, 13,332,500 stock options were exercisable. The weighted average exercise price of options exercisable at December 31, 2017 is $0.075 (December 31, 2016 – 14,850,000 exercisable stock options with a weighted average exercise price of $0.09 per share).

The weighted average remaining contractual life of stock options outstanding is 2.1 years (2016 - 2.1 years).

(expressed in Canadian Dollars)

18. Shareholders' equity (continued):

(b) Share based compensation plan (continued):

The fair value of stock options granted during the year ended December 31, 2017 has been estimated using the Black-Scholes pricing model to be $132,000 (2016 - $55,300) or $0.047 per common share (2016 - $0.03 per common share). For the year ended December 31, 2017, the Company recorded an expense of $127,840 relating to stock options (2016 - $40,900).

The assumptions used in the pricing model are as follows:

	2017	2016
Estimated risk free interest rate	0.83% to 1.56%	0.65%
Expected life	3.85 years	4.2 years
Expected volatility *	75.6% to 80.4%	83.7%
Expected dividends	$Nil	$Nil
Forfeiture rate *	3.0%	3.1%

* 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 December 31, 2017:

Exercise Price	Number	Exercisable	Expiry Date
$0.13	100,000	100,000	February 1, 2018*
$0.095	3,430,000	3,430,000	March 31, 2018
$0.065	150,000	150,000	May 11, 2018
$0.065	1,800,000	1,800,000	December 18, 2018
$0.05 to $0.095	975,000	975,000	December 31, 2018
$0.10	200,000	200,000	May 5, 2019
$0.08	200,000	200,000	June 11, 2019
$0.05	1,850,000	1,850,000	January 8, 2020
$0.05	1,700,000	1,700,000	December 30, 2020
$0.08	1,550,000	1,550,000	November 7, 2021
$0.085 to $0.10	2,305,000	1,227,500	June 5, 2022
$0.085	200,000	100,000	August 10, 2022
$0.075	100,000	50,000	November 9, 2022
Outstanding options	14,560,000	13,332,500	

* The stock options expired unexercised on February 1, 2018.

(expressed in Canadian Dollars)

18. Shareholders' equity (continued):

(c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At December 31, 2017, the Company has reserved shares for issuance as follows:

	2017		2016	
Warrants	Number	Average Price	Number	Average Price
Outstanding, beginning of period	45,410,837	$0.11	600,000	$0.15
Issued	16,475,761	$0.14	45,410,837	$0.11
Exercised	(6,696,576)	$0.08	-	-
Expired unexercised	-	-	(600,000)	$0.15
Outstanding, end of period	55,190,022	$0.12	45,410,837	$0.11

The fair value of the warrants and agent warrants issued was estimated using the Black-Scholes pricing model to be $674,000 in 2017 (2016 - $1,091,000), $0.041 per warrant (2016 - $0.012) using the following assumptions:

	2017	2016
Estimated risk free interest rate	0.64% to 1.43%	0.55% to 0.68%
Expected life	1 to 2 years	1 to 3 years
Expected volatility*	71% to 92%	73% to 98%
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 and agent warrants outstanding and exercisable at December 31, 2017:

Number	Exercise Price	Expiry Date
2,383,020	$0.15	June 21, 2019
362,247	$0.08	August 19, 2019
18,700,000	$ 0.10	August 19, 2019
636,014	$0.08	October 4, 2019
19,322,000	$0.12	October 4, 2019
534,375	$0.10	November 1, 2019
592,159	$0.15	November 1, 2019
825,254	$0.10	November 17, 2019
8,743,277	$0.15	November 17, 2019
138,888	$0.10	November 29, 2019
2,952,788	$0.15	November 29, 2019
55,190,022		

(expressed in Canadian Dollars)

19. Commitments and contingencies:

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

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

(b) At December 31, 2017, the Company has a one-year renewable letter of credit of $386,245 (2016 - $386,245) pertaining to the closure plan for the Broken Hammer Project ($361,245) and the Windy Lake Project ($25,000). At December 31, 2017, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project of $311,688 (2016 - $345,860).

	2017	2016
Provision for closure plan, beginning of year	$ 345,860	333,691
Provision for additional closure plan expenditures	60,213	115,741
Closure plan expenditures	(94,385)	(103,572)
Balance owing	311,688	345,860
Current portion	(95,680)	(119,330)
Provision for closure plan, long term	$ 216,008	226,530

The long term balance of $216,008 is expected to be spent between 2019 and 2020. The key assumptions applied for determination of the obligation were an inflation rate of 2% and a discount rate of 1.1 % to 1.7%.

20. Subsequent Events:

(a) In February 2018, the Company increased its assignment of cash and term deposits by $1,054,860 to cover one-year renewable letters of credit totalling $1,054,860 relating to the closure plan for the underground exploration and bulk sampling at the Fenelon Gold Property.

(b) On March 21, 2018, the Company settled the balance of interest and principal receivable from the promissory note receivable (note 9) of $293,204, inclusive of interest from December 31, 2017 to date of settlement, by receiving 5,367,266 common shares of Carube Copper valued at $0.0546 per common share. These shares are subject to a four month hold period.