

Condensed Interim Financial Statements of

**WALLBRIDGE MINING
COMPANY LIMITED**

Three months ended March 31, 2017

(Unaudited)

WALLBRIDGE MINING COMPANY LIMITED

**Notice of Disclosure of Non-auditor Review of the Condensed Interim
Consolidated Financial Statements of Wallbridge Mining Company Limited
for the three months ended March 31, 2017**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, such statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Wallbridge Mining Company Limited for the three months ended March 31, 2017 with comparative amounts for the three months ended March 31, 2016, have been prepared in accordance with the International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,665,279	1,777,119
Restricted cash (note 6)	232,850	265,923
Amounts receivable	115,667	79,888
Deposits and prepaid expenses	138,547	286,321
Marketable securities	411	60,296
	<u>2,152,754</u>	<u>2,469,547</u>
Restricted cash (note 13 (b))	386,245	386,245
Promissory note (note 5)	508,028	-
Investment in Carube Copper Corp. (note 4)	390,827	378,221
Exploration and evaluation assets (note 6)	20,958,218	20,443,907
Property and equipment	319,707	329,573
	<u>\$ 24,715,779</u>	<u>24,007,493</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 1,024,961	856,087
Deposit from partner (note 6)	232,850	265,923
Flow-through premium liability (note 13 (c))	27,000	26,929
Current portion of provision for closure plan (note 13 (b))	111,644	119,330
	<u>1,396,455</u>	<u>1,268,269</u>
Provision for closure plan (note 13 (b))	210,013	226,530
Long-term debt (note 8)	2,386,326	2,368,426
Deferred tax liability	64,000	-
	<u>4,056,794</u>	<u>3,863,225</u>
Equity (note 10):		
Share capital	58,685,653	58,268,292
Warrants	979,006	973,506
Contributed surplus	8,315,330	8,312,356
Deficit	(47,321,004)	(47,409,886)
Total Equity	<u>20,658,985</u>	<u>20,144,268</u>
Nature of operations and going concern (note 1)		
Commitments and contingencies (note 13)		
Subsequent events (notes 7, 8 and 14)		
	<u>\$ 24,715,779</u>	<u>24,007,493</u>

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Three months ended March 31,	
	2017	2016
Revenue	\$ -	(240,223)
Mining operating costs	-	-
Loss from mining operations	-	(240,223)
Other expenses and (income):		
General and administrative expenses (note 9)	359,435	426,326
Project evaluation costs	33,587	63,227
Amortization of property and equipment	9,866	12,210
Other income relating to flow-through premium (note 13 (c))	(52,929)	-
Interest income	(15,493)	(15,197)
Gain on derivative contracts	-	(109,814)
Unrealized loss (gain) on marketable securities	18,356	(1,547)
Impairment (impairment reversal) of promissory note and receivable (notes 5 and 9)	(557,098)	8,192
Share of comprehensive losses of Carube Copper (note 4)	51,394	2,477
	(152,882)	385,874
Earnings (loss) before income taxes	152,882	(626,097)
Deferred tax expense (recovery)	64,000	(53,000)
Net income (loss) and comprehensive loss for the period	\$ 88,882	(573,097)
Net earnings (loss) per share:		
Basic	\$ 0.00	\$ (0.00)
Diluted	\$ 0.00	\$ (0.00)

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Condensed Interim Statements of Changes in Equity
(expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
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	5,300,000	415,559				415,559
Flow-through share premiums		(53,000)				(53,000)
Agent warrants		(5,500)	5,500			-
Restricted share units vested	652,537	60,302		(60,302)		-
Share based compensation	-	-	-	15,276	-	15,276
Deferred share units	-	-	-	48,000	-	48,000
Net earnings for the period	-	-	-	-	88,882	88,882
Balance, March 31, 2017	227,691,550	\$ 58,685,653	979,006	8,315,330	(47,321,004)	\$ 20,658,985
Balance, December 31, 2015	167,835,438	\$ 55,761,678	8,000	8,041,085	(45,315,077)	\$ 18,495,686
Share based compensation	-	-	-	11,217	-	11,217
Deferred share units	-	-	-	31,702	-	31,702
Net loss for the period	-	-	-	-	(573,097)	(573,097)
Balance, March 31, 2016	167,835,438	\$ 55,761,678	8,000	8,084,004	(45,888,174)	\$ 17,965,508

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Three months ended March 31,	
	2017	2016
Cash flows used in operating activities:		
Net income (loss) for the period	\$ 88,882	(573,097)
Adjustments for:		
Deferred tax expense (recovery)	64,000	(53,000)
Amortization of property and equipment	9,866	12,210
Other income relating to flow-through premium	(52,929)	-
Interest on debt	-	154
Interest on promissory note receivable	(15,005)	(13,021)
Gain on derivative contracts	-	(109,814)
Settlement of derivative contracts	-	249,814
Interest on promissory note	55,223	-
Share of losses of Carube Copper	51,394	2,477
Impairment (impairment reversal) of promissory note and receivable	(557,098)	8,192
Unrealized loss (gain) on marketable securities	18,356	(1,547)
Share based compensation	15,276	11,217
Deferred stock units	-	31,702
Closure Plan obligations	(24,203)	(9,710)
Changes in non-cash working capital:		
Amounts receivable	(26,927)	1,221,577
Deposits and prepaid expenses	147,774	361,418
Accounts payable and accrued liabilities	(80,603)	(3,107,013)
	(305,994)	(1,968,441)
Cash flows from (used in) financing activities:		
Issuance of share capital, net of share issuance costs	415,559	-
Proceeds from sale of marketable securities	41,529	-
Payments on current debt	-	(5,238)
	457,088	(5,238)
Cash flows used in investing activities:		
Exploration and evaluation assets option payments received	4,000	-
Exploration and evaluation assets expenditures	(202,934)	(23,330)
Purchase of shares of Carube Copper Corp.	(64,000)	-
	(262,934)	(23,330)
Net decrease in cash and cash equivalents	(111,840)	(1,997,009)
Cash and cash equivalents, beginning of period	1,777,119	2,300,524
Cash and cash equivalents, end of period	\$ 1,665,279	303,515

See accompanying notes to condensed interim financial statements.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

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. A prefeasibility study was completed in 2017 with the permitting process ongoing with the goal of making a production decision in 2017. 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. The Company has had recurring losses.

During the three months ended March 31, 2017 the Company had a net income of \$88,882, negative cash flow from operations of \$305,994, and has working capital of \$756,299 (December 31, 2016 - \$1,201,278). In April 2017, the Company received \$468,000 from the exercise of warrants (note 14). The Company currently has insufficient cash to fund its planned operations for the next twelve months. The Company is actively monitoring its monthly forecasts and will reduce or defer costs where possible. In order to meet its planned activities, exploration and evaluation expenditures, the Company anticipates it will need to raise funds by the third quarter of 2017. 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 the existence of a material uncertainty which casts significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

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.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

2. Basis of presentation:

(a) Statement of compliance:

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2016.

(b) Judgments and estimates:

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

In preparing these unaudited condensed interim financial statements, significant judgments made by Management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2016.

(c) Functional and presentation currency:

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

3. Significant accounting policies:

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended December 31, 2016.

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 will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

3. Significant accounting policies (continued):

- (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 is currently assessing the effect of this standard on the financial statements.
- (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 intends to adopt the amendments to IFRS 2 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

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(Unaudited)

4. Investment in Carube Copper Corp. (“Carube Copper”):

	Number of shares	Amount
Investment in Carube Copper, January 1, 2015	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
Share of comprehensive losses of Carube Copper, December 1, 2016 to February 28, 2017		(51,394)
Purchase of 800,000 shares of Carube Copper	800,000	64,000
	11,694,732	\$ 390,827

At December 31, 2016, the Company held 10,894,732 shares and 1,525,000 warrants of Carube Copper. 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. Carube Copper also issued 1,137,931 shares for restricted stock units which vested on March 30, 2017. At March 31, 2017, Wallbridge holds 11,694,732 shares representing 12.8% of the 91,264,512 shares of Carube Copper (December 31, 2016 – 15.5% of 61,688,433 shares).

At March 31, 2017, 3,622,500 shares (December 31, 2016 – 5,541,183) and 686,250 warrants (December 31, 2015 – 915,000) were held in escrow. The escrowed shares and warrants will be released in six month increments from July 7, 2017 to July 7, 2018. These warrants have an exercise price of \$0.30 and expire on July 7, 2017.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

5. Promissory Note Receivable from Carube Copper:

	Total Receivable	Impairment
Promissory note	\$502,902	(502,902)
Accrued interest at 12% to December 31, 2016	45,344	(45,344)
Balance, December 31, 2016	\$548,246	(548,246)
Accrued interest at 12% to March 31, 2017	15,005	-
Interest received, March 8, 2017	(55,223)	-
Reversal of impairment	-	548,246
Balance, March 31, 2017	\$508,028	-

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, subject to regulatory approval. The Company has reversed the impairment upon signing of the amended promissory note.

The promissory note remained at \$502,902 with the interest remaining at 12% per annum. Wallbridge retains the NSR royalty of 1.75% on the Salal and MacKenzie properties of 1.75% subject to buyback provisions.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

6. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance, December 31, 2016	Expenditures	Disposition/ Recovery (ii)	Balance, March 31, 2017
Fenelon Gold Property	\$ 4,130,275	495,296	-	\$ 4,625,571
Other Sudbury Projects	8,416,540	16,352	-	8,432,892
Parkin Properties	3,952,505	-	-	3,952,505
North Range and Wisner Properties	3,944,587	6,663	(4,000)	3,947,250
	\$20,443,907	518,311	(4,000)	20,958,218

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

(i) *The recovery is part of the Parkin amendment to the North Range Joint Venture agreement.*

(ii) *Option payments received were for the properties in the Wisner amendment to the North Range Joint Venture agreement.*

At March 31, 2017, the Company has \$232,850 (December 31, 2016 - \$265,923) of restricted cash from the North Range Joint Venture partner which will be primarily used for exploration on the Parkin Properties.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

7. Accounts payable and accrued liabilities:

	March 31, 2017	December 31, 2015
Accounts payable	\$ 675,667	\$ 577,040
Accrued liabilities	180,253	127,629
Payroll related liabilities	169,041	151,418
	<u>\$1,024,961</u>	<u>\$ 856,087</u>

At March 31, 2017 an amount of \$38,375 (December 31, 2016 - \$48,000) is owing to the directors of the Company for directors' fees and is included in accrued liabilities. In January 2017, directors' fees owing of \$48,000 from 2016 were settled with the issuance of 872,726 deferred stock units ("DSUs"). In May 2017, the directors' fees owing for the first quarter of 2017 of \$38,375 were settled with the issuance of 479,688 DSUs.

8. Long-term debt:

	Effective Interest Rate	Due Date	March 31, 2017	December 31, 2016
William Day Holdings Limited ("William Day")	18%	October 18, 2018	\$ 2,386,326	\$ 2,368,426

On April 18, 2017, the Company paid \$187,500 for six months of interest in advance.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

9. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended March 31	
	2017	2016
Nuinsco Resources Limited (i)		
Office and administrative expenses	\$ -	6,000
Carube Copper Corp. (ii)		
Interest income on promissory note	(15,005)	(13,021)
Impairment of promissory note	-	8,192
Reversal of impairment of promissory note	(548,246)	-
Reversal of impairment of amounts receivable	(8,852)	-

- (i) The Company and Nuinsco Resources Limited ("Nuinsco") have a director in common. For the three months ended March 31, 2016, the Company paid \$2,000 per month to Nuinsco for use of office space, equipment, and office costs. These transactions were in the normal course of operations and were measured at the exchange amount of consideration established and agreed to by the related parties. Effective October 1, 2016, the Company is no longer using office space, equipment or office costs from Nuinsco.
- (ii) The Company owns 12.8% of Carube Copper (note 4) (December 31, 2016 – 15.5%). The Company provides office space and office costs to Carube Copper. At March 31, 2017, the Company has a balance of \$437 receivable from Carube Copper (December 31, 2016 - \$8,852). The Company also has a promissory note receivable from Carube Copper (note 5) with principal and interest owing of \$508,028 (December 31, 2016 - \$548,246). The Company recorded an impairment recovery of \$557,098 for the three months ended March 31, 2017 (\$8,192 expense in the three months ended March 31, 2016). The impairment charges were reversed upon receipt of an interest payment from Carube Copper in March 2017 and upon the amended promissory note agreement. 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.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

10. Shareholders' equity:

(a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2016	221,739,013	\$58,268,292
Private placement – flow-through shares (i)	5,300,000	450,500
Flow-through share premium (i)	-	(53,000)
Issuance costs allocated to shares (i)	-	(34,941)
Agent warrants (i)		(5,500)
Vesting of RSUs (ii)	652,537	60,302
Balance, December 31, 2016	227,691,550	\$58,685,653

- (i) On March 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 finder's warrants in connection with the offering. Each finder'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.

An amount of \$5,500 has been assigned to the fair value of the finder's warrants (note 10 (c)) which has been included in the share issuance costs.

On issuance, the Company recorded a flow-through share premium and a corresponding deferred liability of \$53,000. As flow-through expenditures were incurred, other income and a corresponding reduction of the deferred liability of \$26,000 was recorded.

Share issuance costs of \$34,941 for the private placement were charged as a reduction of share capital.

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

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

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(Unaudited)

10. Shareholders' equity (continued):

(b) Share Based Compensation Plan:

The number of common shares reserved for the purpose of the omnibus share compensation based plan was 6,371,611 at March 31, 2017.

Restricted Share Units ("RSUs")

For the three months ended March 31, 2017 \$8,476 (three months ended March 31, 2016 - \$8,417) was recorded in share based compensation expense relating to RSUs.

A summary of the outstanding RSUs are as follows:

	March 31, 2017	December 31, 2016
Outstanding at beginning of period	2,409,467	1,720,537
Granted	-	688,930
Vested and shares issued	(652,537)	-
Outstanding at end of period	1,756,930	2,409,467

Deferred Share Units

In 2016, the directors agreed that DSUs will be granted in lieu of cash payment of fees and that the DSU calculation will not be based on a share price of less than \$0.05, subject to review by the compensation committee from time to time.

In January 2017, a total of 872,726 DSUs were granted to the directors of the Company in settlement of directors' fees of \$48,000 which were earned in 2016.

At March 31, 2017, 7,799,237 DSUs are outstanding (December 31, 2016 – 6,926,511).

On May 9, 2017, 479,688 DSUs were granted in lieu of \$38,375 in directors' fees earned for the period of January 1 to March 31, 2017.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

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10. Shareholders' equity (continued):

(b) Share Based Compensation Plan:

Stock Options

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

	March 31, 2017		December 31, 2016	
Stock Options	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	15,800,000	\$0.09	15,200,000	\$0.10
Granted	-	-	1,900,000	\$0.08
Expired unexercised	(3,500,000)	\$0.17	(1,300,000)	\$0.23
Outstanding, end of period	12,300,000	\$0.07	15,800,000	\$0.09

At March 31, 2017, 11,350,000 stock options were exercisable (December 31, 2016 - 14,850,000). The weighted average exercise price of options exercisable at March 31, 2017 is \$0.07 per share (December 31, 2016 - \$0.09).

The weighted average remaining contractual life of stock options outstanding is 2.5 years (December 31, 2016 - 2.1 years).

For the three months ended March 31, 2017, \$6,800 (2016 - \$2,800) of expense relating to stock options was recorded in stock based compensation respectively.

The following table summarizes the stock options outstanding at March 31, 2017:

Exercise Price	Number	Exercisable	Expiry Date
0.13	100,000	100,000	February 1, 2018
0.095	3,605,000	3,605,000	March 31, 2018
0.065	2,120,000	2,120,000	December 18, 2018
0.10	200,000	200,000	May 5, 2019
0.08	200,000	200,000	June 11, 2019
0.05	2,150,000	2,150,000	January 8, 2020
0.05	2,025,000	2,025,000	December 30, 2020
0.08	1,900,000	950,000	November 7, 2021
Outstanding options	12,300,000	11,350,000	

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10. Shareholders' equity (continued):

(c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

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

Warrants	March 31, 2017		December 31, 2015	
	Number	Average Price	Number	Average Price
Outstanding, beginning of period	45,410,837	\$0.11	600,000	\$0.15
Issued	306,000	\$0.085	45,410,837	\$0.11
Expired unexercised	-	-	(600,000)	\$0.15
Outstanding, end of period	45,716,837	\$0.11	45,410,837	\$0.11

The fair value of the agent warrants issued was estimated using the Black-Scholes pricing model to be \$5,500, \$0.018 per warrant using the following assumptions:

Estimated risk free interest rate	0.64%
Expected life	1 year
Expected volatility*	71.7%
Expected dividends	\$nil

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

The following table summarizes the warrants outstanding and exercisable at March 31, 2017:

Number	Exercise Price	Expiry Date
5,850,000	\$ 0.08	April 29, 2017 ⁽¹⁾
306,000	\$0.085	March 10, 2018
18,750,000	\$ 0.10	August 19, 2019
449,247	\$0.08	August 19, 2019
19,322,000	\$0.12	October 4, 2019
1,039,590	\$0.08	October 4, 2019
45,716,837		

⁽¹⁾ 5,850,000 were exercised in April 2017 for proceeds of \$468,000 (note 14).

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

11. Fair value of financial instruments:

Carrying values for cash and cash equivalents, restricted cash, other amounts receivable, marketable securities, deposit from partner, and accounts payable and accrued liabilities approximate fair value due to their short term maturities and are classified as level 1.

The fair value of the loan owing to William Day is classified at Level 3 at \$2,520,000 (2016 - \$2,480,000). The fair value of debt is primarily determined using discounted cash flows at quoted market rates adjusted for credit risk.

12. Earnings (loss) per share:

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

	Three months ended	
	March 31, 2017	March 31, 2016
Net income (loss) for basic and diluted earnings per share available to common shareholders	\$ 88,882	\$ (573,097)
Weighted average number of shares outstanding - basic	223,393,547	167,835,438
Effect of dilutive securities ⁽¹⁾ :		
Stock options	1,399,787	-
RSUs	1,822,184	-
DSUs	7,566,510	-
Weighted average number of shares and assumed conversions - diluted	234,182,028	167,835,438
Earnings (loss) per share – reported:		
Basic	\$0.00	\$(0.00)
Diluted	\$0.00	\$(0.00)
Non-dilutive securities:		
Stock options	10,900,213	15,150,000
RSUs	-	1,809,467
DSUs	-	4,420,997
Warrants	45,716,837	600,000

⁽¹⁾ Dilutive securities were determined using the Company's average share price for the period. For the three months ended March 31, 2017, the average share price was \$0.071. For the three months ended March 31, 2016, the Company did not calculate the effect of dilutive securities, as the Company had incurred a loss. The outstanding stock options, RSUs, DSUs and warrants were anti-dilutive and were excluded from the determination of loss per share.

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

13. 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 March 31, 2017, the Company has a one-year renewable letter of credit of \$361,245 (December 31, 2016 - \$361,245) pertaining to the closure plan for the Broken Hammer Project. At March 31, 2017, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer Project of \$321,657 (December 31, 2016 - \$345,860).

	March 31, 2017	December 31, 2016
Provision for closure plan, beginning of year	\$ 345,860	\$ 333,691
Provision for additional closure plan expenditures	-	115,741
Closure plan expenditures	(24,203)	(103,572)
Balance owing	321,657	345,860
Current portion	(111,644)	(119,330)
Provision for closure plan, long term	\$ 210,013	\$ 226,530

The long term balance of \$210,013 is expected to be spent between 2018 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%.

The restricted cash of \$386,245 relates to closure plan liabilities and property commitments (December 31, 2016 - \$386,245).

WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements

Three months ended March 31, 2017

(Unaudited)

13. Commitments and contingencies (continued):

- (c) The Company is committed to spending prior to December 31, 2018, and renouncing effective December 31, 2017, qualifying CEE of \$450,500. The proceeds from the sale of the flow-through shares will be used in the province of Quebec on the Fenelon Gold Property.

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.

The Company recorded a deferred liability relating to the premium attributed to the proceeds received from the issuance of flow-through common shares. The details on the premium recorded and the other income recorded as a reduction of the deferred liability is as follows:

	March 31, 2017	December 31, 2016
Opening balance	\$ 26,929	-
Premium recorded through flow-through proceeds (note 10 (a) (i))	53,000	78,750
Other income recorded as flow-through expenditures incurred	(52,929)	(51,821)
Ending balance	\$ 27,000	26,929

14. Subsequent Events:

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.