

Condensed Interim Financial Statements of

**WALLBRIDGE MINING  
COMPANY LIMITED**

Three months ended March 31, 2020

(Unaudited)

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	<i>Note</i>	March 31, 2020	December 31, 2019
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 45,870,478	\$ 57,093,881
Amounts receivable	5	1,788,402	1,417,420
Deposits and prepaid expenses		281,757	120,569
		47,940,637	58,631,870
Restricted cash	9	1,441,105	1,441,105
Amounts Receivable	5	5,954,316	4,605,860
Long-term investment	6	673,256	1,057,974
Investment in associates		1,121,784	1,121,900
Deferred costs	13	316,456	-
Exploration and evaluation assets	7	54,955,844	46,282,301
Property and equipment		2,669,085	2,563,128
		\$ 115,072,483	\$ 115,704,138
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 5,910,746	\$ 6,184,763
Flow-through premium liability	8	37,600	1,139,037
Current portion of provision for closure plan	9	951,533	976,586
Current portion of lease liability		284,414	718,890
		7,184,293	9,019,276
Lease payable		146,246	170,124
Provision for closure plan	9	1,579,440	1,712,173
Deferred tax liability		3,943,000	1,513,000
		12,852,979	12,414,573
Equity			
Share capital	11	151,722,814	149,440,804
Warrants		548,426	422,226
Contributed surplus		7,224,422	8,033,385
Deficit		(56,795,260)	(54,510,670)
Accumulated Other Comprehensive Loss		(480,898)	(96,180)
Total Equity		102,219,504	103,289,565
Commitments and contingencies	<i>8 and 12</i>		
Subsequent events	<i>13</i>		
		\$ 115,072,483	\$ 115,704,138

See accompanying notes to condensed interim financial statements

# WALLBRIDGE MINING COMPANY LIMITED

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

(Unaudited)

	Note	Three months ended March 31,	
		2020	2019
Other expenses and (income):			
General and administrative expenses		\$ 1,148,167	\$ 575,327
Stock based compensation	11 (b)	16,566	176,500
Amortization of property and equipment		35,712	31,042
Interest income		(259,078)	(6,493)
Other income relating to flow-through share premium	8	(1,101,437)	(222,365)
Interest on lease liability		14,544	18,142
Share of comprehensive loss in investment in associate		116	-
Gains on derivative contract		-	(114,915)
Foreign exchange gain on bridge loan		-	(252,600)
Profit (loss) before income taxes		145,410	(204,638)
Deferred tax expense		2,430,000	134,000
<b>Net loss for the period</b>		<b>\$ (2,284,590)</b>	<b>\$ (338,638)</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss:			
Net change in fair value of long term investment	6	(384,718)	192,359
<b>Total comprehensive loss for the period</b>		<b>\$ (2,669,308)</b>	<b>(146,279)</b>
Weighted average number of common shares - basic and diluted		588,449,327	400,369,751
Net loss per share - basic and diluted		\$ (0.00)	(0.00)

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

Statements of Changes in Equity  
(expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Comprehensive Loss	Total
<b>Balance, December 31, 2018</b>	<b>390,366,736</b>	<b>\$ 73,925,994</b>	<b>1,682,497</b>	<b>8,296,974</b>	<b>(51,348,415)</b>	<b>(384,718)</b>	<b>\$ 32,172,332</b>
Exercise of warrants	24,655,471	5,171,732	(963,372)	-	-	-	4,208,360
Exercise of stock options	1,165,000	138,001	-	(48,226)	-	-	89,775
Share based compensation	-	-	-	230,100	-	-	230,100
Deferred share units granted	-	-	-	31,875	-	-	31,875
Long term investment - net change in fair value	-	-	-	-	-	192,359	192,359
Net loss	-	-	-	-	(338,638)	-	(338,638)
<b>Balance, March 31, 2019</b>	<b>416,187,207</b>	<b>\$ 79,235,727</b>	<b>719,125</b>	<b>8,510,723</b>	<b>(51,687,053)</b>	<b>(192,359)</b>	<b>36,586,163</b>
<b>Balance, December 31, 2019</b>	<b>586,997,997</b>	<b>\$ 149,440,804</b>	<b>422,226</b>	<b>8,033,385</b>	<b>(54,510,670)</b>	<b>(96,180)</b>	<b>103,289,565</b>
Exercise of warrants	35,000	24,300	(3,300)	-	-	-	21,000
Exercise of stock options	637,500	125,397	-	(46,461)	-	-	78,936
Acquisition of exploration asset	3,000,000	1,320,000	-	-	-	-	1,320,000
Deferred share units vested and shares issued	996,464	812,313	-	(812,313)	-	-	-
Warrants issued for acquisition of exploration asset	-	-	129,500	-	-	-	129,500
Share based compensation	-	-	-	22,311	-	-	22,311
Deferred share units granted	-	-	-	27,500	-	-	27,500
Long term investment - net change in fair value	-	-	-	-	-	(384,718)	(384,718)
Net loss	-	-	-	-	(2,284,590)	-	(2,284,590)
<b>Balance, March 31, 2020</b>	<b>591,666,961</b>	<b>\$ 151,722,814</b>	<b>\$ 548,426</b>	<b>\$ 7,224,422</b>	<b>\$ (56,795,260)</b>	<b>(480,898)</b>	<b>\$ 102,219,504</b>

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,	
	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
Net loss for the period	\$ (2,284,590)	\$ (338,638)
Adjustments for:		
Deferred tax expense	2,430,000	134,000
Amortization of property and equipment	35,712	31,042
Other income relating to flow-through share premium	(1,101,437)	(222,365)
Share based compensation	16,566	176,500
Share of comprehensive loss in investment in associate	116	-
Gains on derivative contract	-	(114,915)
Foreign exchange gain on bridge loan	-	(252,600)
Interest on lease liability	14,544	18,142
Closure plan obligations	(157,786)	(41,369)
Changes in non-cash working capital:		
Amounts receivable	(370,982)	459,662
Deposits and prepaid expenses	(161,188)	45,156
Accounts payable and accrued liabilities	(87,756)	(252,683)
	(1,666,801)	(358,068)
<b>Cash flows from (used in) financing activities:</b>		
Exercise of stock options	78,936	89,775
Exercise of warrants	21,000	4,208,360
Payment of bridge loan	-	(9,293,300)
Transaction costs relating to bridge loan	-	(34,125)
Lease payments	(472,898)	(174,999)
	(372,962)	(5,204,289)
<b>Cash flows from (used in) investing activities:</b>		
Exploration and evaluation assets expenditures	(8,662,388)	(11,897,386)
Recoveries from Fenelon Gold bulk sample	-	16,654,770
Acquisition of equipment	(389,796)	(46,587)
Cash received on derivative contracts	-	13,975
Exploration and evaluation assets option payments received	-	15,149
Deferred costs	(131,456)	-
	(9,183,640)	4,739,921
<b>Net decrease in cash and cash equivalents</b>	<b>(11,223,403)</b>	<b>(822,436)</b>
Cash and cash equivalents, beginning of the period	57,093,881	5,744,775
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 45,870,478</b>	<b>\$ 4,922,339</b>
<b>Summary of non-cash transactions:</b>		
Exploration expenditures - change in accounts payable and accrued liabilities	\$ 213,712	\$ (2,559,763)
Exploration expenditures - capitalized amortization of equipment	118,078	80,744
Exploration asset acquisition - warrants and shares issued	1,449,500	140,614
Exploration recoveries included in amounts receivable	1,348,456	207,000
Exploration recoveries - loss on forward contracts	-	193,860
Property and Equipment purchases in accounts payable	130,050	94,220
Property and Equipment purchased under lease agreements	-	870,425
Settlement of accounts payable with deferred stock units	27,500	31,875

See accompanying notes to condensed interim financial statements.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 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’s head office is located at 129 Fielding Road in Lively, Ontario, Canada.

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

During the three months ended March 31, 2020, the Company had a net loss of \$2,284,590, negative cash flow from operations of \$1,666,801 and has working capital of \$40,756,344.

The Company was successful in raising the required funds for the 2020 program in late 2019. However, with the planned acquisition of Balmoral Resources Ltd. (note 13), uncertainty with COVID-19 impact, and because the Company is an exploration stage company, it will require funds to continue its operations beyond the end of 2020.

The continuation of the Company as a going concern is dependent on the Company’s ability to successfully fund its cash obligations through financing. Although the Company has been successful in obtaining the necessary financing to date, there can be no assurance that adequate or sufficient financing will be available in the future, or available under terms acceptable to the Company, or the Company will be able to generate sufficient positive cash flow from operations. These circumstances indicate the existence of a material uncertainty which casts significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

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  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 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, 2019.

### (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, 2019.

### (c) Functional and presentation currency:

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

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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### 3. COVID-19 Estimation Uncertainty

In preparing financial statements, judgments are made in applying our accounting policies. The areas of policy judgment are consistent with those reported in the 2019 annual financial statements. In addition, assumptions are made about the future in deriving estimates used in preparing the financial statements. As disclosed in the 2019 annual financial statements, sources of estimation uncertainty include estimates used to determine the recoverable amounts of long-lived assets and exploration and evaluation assets, the provision for income taxes and the related deferred tax assets and liabilities and the valuation of other assets and liabilities including closure plan provisions.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts on global commerce are anticipated to be far-reaching. To date there have been significant stock market declines and volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the Company's planned exploration programs, demand on our suppliers, on our employees, and on global financial markets. During the quarter ended March 31, 2020, the Company has made efforts to safeguard the health of our employees, and effective March 23, 2020, the Company has moved to care and maintenance to protect its facilities and environment. The Company is monitoring the situation and is following guidance from public health officials, as well as the Quebec, Ontario and Federal governments. After receiving clearance from the authorities, exploration activities will recommence on or about May 18<sup>th</sup>, 2020



# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

## 4. Fair value of financial instruments:

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

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

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

Carrying values for cash and cash equivalents, restricted cash, amounts receivable, deposits and prepaid expenses, and accounts payable and accrued liabilities approximates their fair value due to their short term maturities.

At March 31, 2020, the long-term investment in Carube Copper Corp. ("Carube Copper") is carried at fair value and classified as level 1 at \$673,526. The shares in Carube Copper trade on the TSX Venture Exchange and the fair value is estimated by using the closing share price at March 31, 2020.

## 5. Amounts receivable:

	March 31, 2020	December 31, 2019
Harmonized Sales Tax and Quebec Sales Tax	\$1,137,183	\$ 967,460
Quebec tax credits	6,050,737	4,702,281
Other receivables	554,798	353,539
	\$7,742,718	\$ 6,023,280
Current portion of amounts receivable	(1,788,402)	(1,417,420)
	\$5,954,316	\$ 4,605,860

The Company is entitled to refundable tax credits and tax credits on qualified exploration expenditures incurred in Quebec. Of the \$6,050,737 Quebec tax credits, \$5,954,316 relates to 2019 and 2020 qualified expenditures incurred in Quebec, and \$96,421 relates to 2018 qualified expenditures incurred in Quebec.

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

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 6. Long-term investment:

	March 31, 2020	December 31, 2019
Investment in Carube Copper Corp. ("Carube Copper")	\$ 673,256	\$1,057,974

At March 31, 2020 and December 31, 2019, the Company held 19,235,911 common shares of Carube Copper representing an approximate 5.8% (December 31, 2019 – 10.9%) interest of Carube Copper.

The changes in fair value of the investment are recognized in other comprehensive income or loss for each period. For the three months ended March 31, 2020, the Company recorded a decrease of \$384,718 (three months ended March 31, 2019 – increase of \$192,359) in the fair value of its investment. The fair value was determined based on Carube Copper's closing price on the Toronto Stock Exchange which was \$0.035 (December 31, 2019 - \$0.055).

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

## 7. Exploration and evaluation assets:

Total exploration and evaluation expenditures are detailed as follows:

	Balance December 31, 2019	Acquisition	Expenditures	Disposition/ Recovery	Balance, March 31, 2020
Fenelon Gold Property (a)	\$30,950,891	-	7,869,820	(1,348,456)	\$ 37,472,255
Beschefer (b)	-	2,108,700	932	-	2,109,632
Sudbury Properties	15,331,410	-	42,547	-	15,373,957
	\$46,282,301	2,108,700	7,913,299	(1,348,456)	\$54,955,844

  

	Balance December 31, 2018	Expenditures	Impairment	Disposition/ Recovery	Balance, December 31, 2019
Fenelon Gold Property (a)	\$ 28,144,756	29,773,292	-	(29,967,157)	\$ 30,950,891
Beschefer (b)	364,351	28,015	(392,366)	-	-
Sudbury Properties	15,296,024	280,487	-	(245,101)	15,296,024
	\$43,805,131	30,081,794	(392,366)	(27,212,258)	\$46,282,301

### (a) Fenelon Gold Property:

Included in the first quarter of 2020 expenditures of \$7,869,820 are \$7,745,997 of exploration costs, depreciation of capital assets of \$118,078, and stock option expense of \$5,745. Recovery of \$1,348,456 is from Quebec refundable tax credits.

Included in the 2019 expenditures of \$29,773,292 are \$18,843,883 relating to the underground exploration and bulk sample, surface exploration costs of \$9,923,411, capitalized interest and transaction costs of \$258,150, depreciation of \$312,994, Quebec mining tax duties of \$320,954 and stock option expense of \$113,900. Recovery of \$22,361,297 is from the sale of gold ounces from the bulk sample and Quebec refundable tax credits of \$4,605,860 for a total recovery of \$26,967,157.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 7. Exploration and evaluation assets (continued):

### (b) Beschefer:

In December 2019, the claims on Beschefer lapsed due to the failure of Wallbridge to file annual work statements. The Company recorded an impairment of the full amount of its historic expenditures on Beschefer of \$392,366 in 2019.

On February 21, 2020, the Company acquired certain claims relating to Beschefer for \$659,200. As part of the acquisition agreement, the Company shall spend up to \$600,000 on other properties owned by the vendor, at the vendor's discretion, in consideration for transfer of 10% ownership in the properties, as well as a right of first refusal to purchase such properties.

On March 17, 2020, the Company entered into an agreement to deem the exercise of the Company's option pursuant to the Beschefer agreement satisfied upon the issuance of 3,000,000 common shares and 500,000 common share purchase warrants exercisable for \$1.00 per common share and expiring five years from the date of issuance. The value of the shares and warrants \$1,449,500 were recorded as acquisition costs.

The Beschefer property is subject to a 1% and a 2% net smelter return royalty on any future commercial production.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
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Three months ended March 31, 2020  
(Unaudited)

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

Balance, December 31, 2018	\$ 593,095
Premium recorded through flow-through proceeds	1,773,923
Other income recorded as flow-through expenditures incurred	(1,227,981)
Balance, December 31, 2019	\$ 1,139,037
Other income recorded as flow-through expenditures incurred	(1,101,437)
Balance, March 31, 2020	\$ 37,600

The Company is committed to spending prior to December 31, 2020, and has renounced effective December 31, 2019, qualifying CEE of \$7,858,785. At March 31, 2020, the Company has spent approximately \$7,535,000 of the commitment and has approximately \$323,785 remaining to be spent by December 31, 2020.

## 9. Provision for Closure Plans:

Provision for closure plan, December 31, 2018	\$ 1,428,963
Provision for closure plan expenditures on Broken Hammer	1,913,749
Closure plan expenditures relating to Broken Hammer during the year	(653,953)
Provision for closure plans, December 31, 2019	\$2,688,759
Closure plan expenditures relating to Broken Hammer during the three months ended March 31, 2020	(157,786)
	\$2,530,973
Current portion, March 31, 2020	(951,533)
Provision for closure plan, March 31, 2020, long term	\$ 1,579,440

The inflation adjusted discount rate used in estimating the environmental provision for the three months ended March 31, 2020 was 0% (December 31, 2019 - an inflation rate of 1.35% and a discount rate of 1.65%).

At March 31, 2020 and December 31, 2019, the Company has one-year renewable letters of credit, secured by cash and cash equivalents, of \$1,441,105 supporting the closure plans. At March 31, 2020, the estimated provision payable for the costs relating to the closure plan for the Broken Hammer project is \$1,441,113 (December 31, 2019 - \$1,598,899) of which \$951,533 is a current provision, and the Fenelon Gold Property is \$1,089,860 (December 31, 2019 - \$1,089,860).

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 10. Related party transactions:

The Company had the following transactions with related parties:

	Three months ended March 31,	
	2020	2019
Lonmin Canada Inc. ("Loncan") (a)		
Recovery of costs billed to Loncan plus 10% fee	\$ 58,159	-
		-
William Day Holdings Limited ("William Day") (b)		
Closure plan expenditures – Broken Hammer	22,750	-

- (a) The Company owns 16.5% of Loncan (December 31, 2019 – 16.5%). At March 31, 2020, the Company has a receivable from Loncan of \$289,703 (December 31, 2019 - \$215,154). 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.
- (b) A director of William Day is a director of the Company. 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.

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

## 11. Shareholders' equity:

### (a) Share capital transactions:

	Number of shares	Share capital
Balance, December 31, 2019	586,997,997	\$149,440,804
Shares issued upon exercise of warrants (i)	35,000	24,300
Shares issued upon conversion of deferred share units (ii)	996,464	812,313
Shares issued upon exercise of stock options (iii)	637,500	125,397
Shares issued for acquisition of exploration asset (iv)	3,000,000	1,320,000
Balance, March 31, 2020	591,666,961	\$151,722,814

- (i) During the three months ended March 31, 2020, 35,000 common shares were issued upon exercise of warrants at an exercise price of \$0.60 for total proceeds of \$21,000. Value of the warrants exercised of \$3,300 are included in share capital.
- (ii) During the three months ended March 31, 2020, 996,464 shares were issued upon conversion of deferred share units by a retired director.
- (iii) During the three months ended March 31, 2020, 637,500 common shares were issued upon exercise of stock options at an average exercise price of \$0.12 for total proceeds of \$78,936. Value of the stock options exercised of \$46,461 are included in share capital.
- (iv) During the three months ended March 31, 2020, 3,000,000 common shares were issued for acquisition of an exploration asset (note 7 (b)). Value of the stock options issued of \$1,320,000 are included in share capital.

### (b) Share Based Compensation Plan:

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

Stock Options	March 31, 2020		December 31, 2019	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	4,855,000	\$0.165	8,067,500	\$0.08
Granted	-	-	3,900,000	\$0.08
Cancelled	-	-	(287,500)	\$0.128
Exercised	(637,500)	\$0.121	(6,825,000)	\$0.087
Expired unexercised	(37,500)	\$0.155	-	-
Outstanding, end of period	4,180,000	\$0.172	4,855,000	\$0.165

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

## 11. Shareholders' equity (continued):

### (b) Share Based Compensation Plan (continued):

At March 31, 2020, 3,546,667 stock options were exercisable (December 31, 2019 – 2,559,167). The weighted average exercise price of options exercisable at March 31, 2020 is \$0.157 per share (December 31, 2019 - \$0.149).

The weighted average remaining contractual life of stock options outstanding is 3.51 years (December 31, 2019 – 3.67 years).

For the three months ended March 31, 2020, \$16,566 (three months ended March 31, 2019 - \$176,500) of expense relating to stock options was recorded in share based compensation, and \$5,745 (three months ended March 31, 2019 - \$53,600) was capitalized to exploration and evaluation assets.

No stock options were granted during the three months ended March 31, 2020.

The fair value of stock options granted during the three months ended March 31, 2019 has been estimated using the Black-Scholes pricing model to be \$335,400 or \$0.096 per common share for the three months ended March 31, 2019.

The following table summarizes the stock options outstanding at March 31, 2020:

Exercise Price	Number	Exercisable	Expiry Date
\$0.050	125,000	125,000	December 30, 2020
\$0.085	230,000	230,000	June 5, 2022
\$0.075	100,000	100,000	November 9, 2022
\$0.065	300,000	-	June 25, 2023
\$0.075	650,000	650,000	July 5, 2023
\$0.165	400,000	266,667	December 7, 2023
\$0.155	1,775,000	1,775,000	January 3, 2024
\$0.175	200,000	200,000	January 28, 2024
\$0.420	200,000	100,000	July 21, 2024
\$0.785	200,000	100,000	December 5, 2024
Outstanding options	4,180,000	3,546,667	



# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

## 11. Shareholders' equity (continued):

### (c) Share purchase warrants:

Each warrant entitles the holder to purchase one common share.

At March 31, 2020, the Company has reserved shares for issuance as follows:

Warrants	March 31, 2020		December 31, 2019	
	Number	Average Price	Number	Average Price
Outstanding, beginning of period	6,591,591	\$0.60	55,365,504	\$0.14
Issued	500,000	\$1.00	6,630,584	\$0.60
Expired unexercised	-	-	(1,347,350)	\$0.12
Exercised	(35,000)	\$0.60	(54,057,147)	\$0.14
Outstanding, end of period	7,056,591	\$0.63	6,591,591	\$0.60

The fair value of the warrants issued was estimated using the Black-Scholes pricing model to be \$129,500 in the three months ended March 31, 2020 (December 31, 2019 - \$624,000), \$0.259 (December 31, 2019 - \$0.094) per warrant using the following assumptions:

	March 31, 2020	December 31, 2019
Estimated risk free interest rate	0.93%	1.53%
Expected life	5 years	1 year
Expected volatility*	94.6%	88.6%
Expected dividends	\$nil	\$nil

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

The following table summarizes the warrants outstanding and exercisable at March 31, 2020:

Number	Exercise Price	Expiry Date
6,556,591	\$0.60	August 1, 2020
500,000	\$1.00	March 17, 2025
7,056,591		

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 12. Commitments and contingencies:

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

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

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

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

# WALLBRIDGE MINING COMPANY LIMITED

Notes to Condensed Interim Financial Statements  
(expressed in Canadian Dollars)

Three months ended March 31, 2020  
(Unaudited)

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## 13. Subsequent Events:

During the three-month period ended March 31, 2020, the Company announced a definitive arrangement agreement pursuant to which the Company would acquire all of the issued and outstanding shares of Balmoral Resources Ltd. ("Balmoral") by way of a court-approved plan of arrangement (the "Transaction"). Under the terms of the Transaction, Balmoral will be exchanged at a ratio of 0.71 of a Wallbridge common share for each Balmoral common share. Upon completion of the Transaction, existing Wallbridge and Balmoral shareholders will own approximately 82% and 18% of the Company's pro forma issued and outstanding shares, respectively.

Subsequent to March 31, 2020, on May 7, 2020, approval of the transaction was obtained from Balmoral shareholders. The transaction is expected to receive final approval from the Supreme Court of British Columbia on May 13, 2020. Closing is expected to happen on or about May 22, 2020. Costs relating to the proposed acquisition of Balmoral of \$316,456 were incurred during the quarter and are recorded in deferred costs.