Rouyn-Noranda, January 19th, 2017

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Object: Attestation of exemption request from the environmental assessment and review procedure – English version

O/Ref: 161-08442-00

Madame,

In September 2016, Wallbridge Mining Company Ltd ("Wallbridge") acquired the Fenelon mining property, which is located 80 km northwest of Joutel, in territory governed by the James Bay and Northern Quebec Agreement. The property consists of a block of 19 claims and of 1 mining lease (BM-864). The property area is 53.36 ha (Gestim, 2016). A general location map, one at the regional scale and one at a scale of 1:20,000 can be found in Appendix A.

A pre-feasibility study, based on the results of previous exploration and development work, is underway. Mineral resource information was deemed sufficient to begin the authorization process for a potential operation; this includes issuing preliminary information to COMEV in November 2016.

To date, the life of mine (LOM) for the Fenelon project is estimated to be approximately 13 months. However, Wallbridge wishes to evaluate the possibility of extending the LOM by conducting an underground exploration campaign from the previously underground ramp and proceeding, if necessary, with a bulk sampling.

Under Section 154 of the *Environmental Quality Act*, no person may undertake or carry out a project that is not automatically exempt from the assessment and review procedure unless a certificate of authorization or an attestation of exemption has been issued by the Ministry. Considering that development activities fall under the category of projects not automatically exempt from the assessment and review procedure, we hereby submit a request for an attestation of exemption in order to proceed with the development of the Fenelon deposit.

This document presents a history of previous work completed and a description of the site conditions, as well as the exploration and development work planned by Wallbridge.

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1. History of Previous Work Completed and Site Condition

The property was the subject of several surface exploration campaigns between 1980 and 1998. Development work began in 2001 with a first bulk sampling. This bulk sampling created an open pit of 2.1 ha. In 2003, a second bulk sampling was carried out underground from a portal in one of the pit walls. More than 250 m of ramp and 550 m of access workings and production stopes were advanced between 2003 and 2004. Its depth is 55 m below the surface.

During this work, an ore pad of 0.56 ha and an overburden stockpile of about 4.7 ha were built, in addition to other infrastructures (peripheral ditch, settling pond, roads, explosives magazine) and civil works (camp, garage and offices). It should be noted that a 4 ha waste rock pad has been authorized but has not been developed. All of the produced waste rock have been reused to secure the pit slopes and the underground stopes, as well as to develop a work area near the pit and to build the road leading to the overburden stockpile.

Bulk sampling received an attestation of exemption (file # 3214-14-18) and a certificate of authorization was issued on behalf of Fairstar Exploration Inc. and International Taurus Resources Inc. (# 7610-10-01-70067-20).

All of these exploration and development activities confirmed the level of confidence of the estimated mineral resources and the collection of material for metallurgical testing. However, due to economic events, the former promoter did not pursue the process in order to move into the exploitation phase. Flooding of the open pit was therefore authorized.

Figure 1 presents the current site condition.

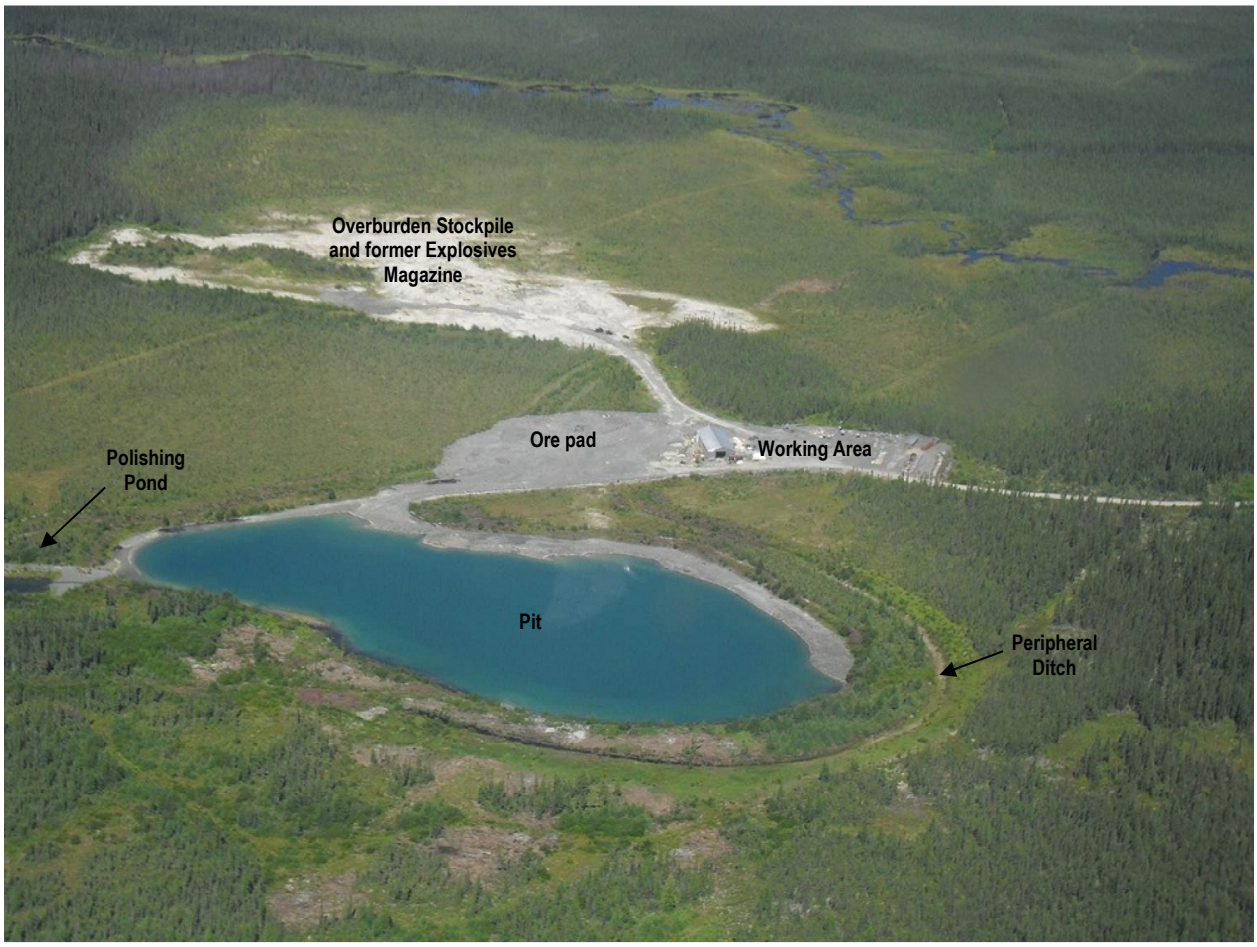

Figure 1. Fenelon property current condition
Source : Balmoral Ressources Ltd. Website

2. Exploration and Development Program

The following sections describe the activities required in order to proceed with a new underground exploration and development campaign.

2.1 Preliminary Work

Since the pit and the ramp are flooded, the following preliminary work would include:

- Extension of the existing polishing pond;
- Pit dewatering;
- Pit slope rehabilitation; and
- Ramp rehabilitation.

The current polishing pond was authorized on April 21, 2004. It has an area of 442 m^2 and a capacity of 1,222 m^3. Dewatering would begin using this pond, while an expansion cell of an area of 675 m^2 and a capacity of 518 m^3 construction would be carried out simultaneously (see conceptual plan at Annex B). The addition of this cell, specifically designed for dewatering, will allow a faster dewatering rate. It will also add additional deposition time for of the fine particles during the keeping dry of the underground installations.

Therefore, the maximum pumping rate during the first dewatering sequence will be 1,500 m^3 / day. This rate takes into account the settling time required for fine particles. The pumping will then be increased to a maximum rate of 3,800 m^3 / day once the extension cell has been finalized. The average pumping rate is estimated at 3,230 m^3 / day. Dewatering could last up to 90 days.

Once dewatered, the former sedimentation basin located at the bottom of the pit (natural cavity in the bedrock) could be rehabilitated and used again as a transit point between underground dewatering / keeping drying and the surface polishing pond, or even underground to support exploration and development activities.

During keeping dry, pumping may occur intermittently depending on the underground conditions encountered. In any case, the pumping rate will be lower than that required for dewatering.

The final effluent will be an 8" diameter pipe, the same as in previous development activities. The location of the pipe is currently being evaluated in order to optimize the system. In any case, it shall be designed in such a way to facilitate flow measurements and sampling. The water coming out of the pond then falls into the western portion of the peripheral ditch surrounding the pit.

This discharge shall be sampled according to the frequency established in Directive 019 of 2012 and shall comply with the standards for all parameters of regular monitoring. Wallbridge commits to comply with the Directive 019 and to put in place the necessary corrective and adapted measures if the final effluent do not meet these standards. Prior development activities were monitored for the quality of the effluent. No problems were recorded for the parameters followed at that time: the mean pH was 7.62; the average concentrations of the other parameters were as follows: arsenic: 0.01 mg / L, copper: 0.01 mg / L, iron: 0.57 mg / L, nickel: 0.05 mg / L, lead: <0.01 mg / L and zinc: 0.01 mg / L (data obtained from the Fenelon application request for a certificate of authorization on April 30th 2004). The main anticipated risk

that may affect compliance with standards is for suspended solids. This is the reason for the extension of the current polishing pond and for using, as needed, the former settling pond at the bottom of the open pit to increase the settling of solids.

Once the dewatering is completed, work to secure the pit slopes and to rehabilitate the ramp will begin.

2.2 Exploration and Development

A drilling and underground development program will be carried out. Wallbridge will open stopes and deepen the ramp to make new areas accessible. Some of the pumped water for the keeping dry will be reused for drilling activities, thereby reducing the amount to be delivered to the polishing pond.

Underground development will create waste rock, which will be used primarily for stabilization purposes. If necessary, the surplus will be brought to the surface on a pad. However, prior to bring waste rock on surface, Wallbridge will perform the tests and analysis required to characterize the nature of the waste rock according to the new standards released since 2004. Previous assays have demonstrated that some samples are potentially acid generating and that certain parameters are now required to determine whether they are low-risk and / or leachable waste rock.

Once the waste rock characterization has been completed, a pad will be put in place, if necessary, according to the results obtained. This waste rock pad would be located west of the ore pad with a planned area of 8,500 m^2. The proponent will manage waste rock volumes to minimize the deposition on the pad by promoting reuse underground or in the pit. For the pad construction, deforestation and stripping will be required. The stripped material will be sent to an overburden stockpile, and the timber will be managed in accordance with the conditions set out in the intervention permit.

In the event of the discovery an interesting mineralization, Wallbridge will carry out a bulk sampling of 10,000 tons of material, or less. The material will be brought to the surface on the existing 0.56 ha pad before being loaded and transported to a mill to determine the grade and the percentage of recovery.

The material is recognized as potentially acid generating. However, in the event of a bulk sampling, the ore would remain on the pad only the time required to load it and transport to a processing mill. It is therefore unlikely that it will release contaminants into the environment.

2.3 Infrastructure and Accommodations

There is an existing road to the Felenon site; therefore it will not be necessary to build new access.

Workers will be housed at the 25-person capacity exploration camp owned by Balmoral Resources Ltd. located 6 km east of the Fenelon site (Figure 2).

In the event that the capacity of this camp is no longer sufficient during development, Wallbridge will proceed with the authorization and permit applications required to either expand the Balmoral Resources Ltd. camp or to build a new camp on the Fenelon site.

Figure 2. Balmoral exploration camp
Source : InnovExplo, 2016

3. Anticipated Environmental Impacts and Proposed Mitigation Measures

There will be environmental disturbance by the possible waste rock stock piling on surface. The area will be relatively small (0.85 ha) and the disruption will occur within the mining lease. Other necessary infrastructures are already in place.

There will be a final effluent discharged to the environment. As Directive 019 (2012) applies to development work, the effluent will be subject to the systematic monitoring program. The parameters and monitoring frequencies will be as shown in Table 2-3

(except cyanide since there is no ore processing or cyanide use). If any problems are encountered as to the acceptable concentrations of the monitored parameters, the discharge to the environment will cease until corrective measures are put in place and are operational. The water will be recirculated until the corrective measures are applied.

The use of heavy machinery and equipment operating with petroleum creates a risk of soil contamination in the event of an accidental spill. The usual verification of machinery and equipment condition will be carried out on a regular basis and it will be of the responsibility of the contractor selected for the work. Safe fuel handling practices will be included as discussion points of the Health, Safety and Environment meetings and program. A spill kit and watertight containers for the recovery of contaminated soil will be available on site. If contaminated soils are generated, temporary storage will be provided at the site to protect them from the weather. They will then be transported off site to an authorized location.

Considering the acid generating potential of the ore, particular attention will be brought to the presence of acid mine drainage indicator if ore is stored on the pad. If necessary, a ditch and / or the pad slope will be built so that the runoff water returns to the pit.

Following Ministry decision regarding this application, the proponent will proceed with the required authorization requests from the regional analysis and expertise department of Abitibi-Témiscamingue and Nord-du-Québec.

If further clarification is required in order to process this application, please do not hesitate to contact the undersigned.

Yours truly,

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Projects Manager
Environment

Cc.: Marz Kord, Wallbridge Mining Company Ltd