

**BRIGADIER GOLD LIMITED.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2020 AND 2019**

**(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Brigadier Gold Limited. (the "Company") for the three and six months ended June 30, 2020, have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

# BRIGADIER GOLD LIMITED.

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Expressed in Canadian Dollars) (Unaudited)

	JUNE 30 2020	DECEMBER 31 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 682,704	\$ 250,037
Receivables (Note 3)	3,605	43,220
Prepaid expenses (Note 9)	-	295
Convertible note receivable (Note 4)	1	1
	<b>686,310</b>	<b>293,553</b>
<b>Investments (Note 5)</b>	<b>7,500</b>	<b>7,500</b>
<b>Total Assets</b>	<b>\$ 693,810</b>	<b>\$ 301,053</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 3 & 9)	\$ 111,941	\$ 128,793
<b>Total Liabilities</b>	<b>111,941</b>	<b>128,793</b>
<b>EQUITY</b>		
Share Capital (Note 7)	11,432,435	10,886,795
Warrant Reserve	152,250	-
Contributed Surplus	4,964,920	4,964,920
Deficit	(15,967,736)	(15,679,455)
<b>Total Equity</b>	<b>581,869</b>	<b>172,260</b>
<b>Total Liabilities and Equity</b>	<b>\$ 693,810</b>	<b>\$ 301,053</b>

Nature of operations and Going Concern (Note 1)  
Subsequent events (Note 14)

The financial statements were approved and authorized for issue by the Board of Directors on August 10, 2020. They were signed on the Company's behalf by:

"Bev Funston"  
Director

"Ranjeet Sundher"  
Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## BRIGADIER GOLD LIMITED.

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)  
(Unaudited)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30,		JUNE 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
Consulting (Note 9)	\$ 49,936	\$ 25,347	\$ 107,453	\$ 44,847
General and administration	22,971	20,205	55,620	29,703
Professional fees (Note 9)	13,918	29,607	52,978	48,907
Business development	-	-	-	-
Exploration and evaluation expenses (Note 6)	50,500	-	50,500	-
Share-based compensation	-	-	-	-
Foreign exchange loss	(699)	-	761	10
Investor relations and transfer fees	9,369	17,098	20,969	21,432
<b>Loss before other item</b>	<b>(145,995)</b>	<b>(92,257)</b>	<b>(288,281)</b>	<b>(144,899)</b>
<b>Other Items</b>				
Recovery on sale of exploration and evaluation property (Note 6)	-	21,500	-	21,500
Change in fair value of investments (Note 5)	3,000	(1,500)	-	(1,500)
<b>Net Loss and Other Comprehensive Loss for the Period</b>	<b>(142,995)</b>	<b>(72,257)</b>	<b>(288,281)</b>	<b>(124,899)</b>
<b>Loss Per Share, Basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>34,769,623</b>	<b>27,744,705</b>	<b>32,676,217</b>	<b>27,704,716</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# BRIGADIER GOLD LIMITED.

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars) (Unaudited)

	<b>SIX MONTHS ENDED JUNNE 30</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Loss for the period	\$ (288,281)	\$ (124,899)
Items not affecting cash		
Change in fair value of investments	-	-
Shares issued for exploration and evaluation asset (Note 6)	25,000	-
Net changes in non-cash operating working capital items:		
Prepaid expenses and receivables	39,910	(10,129)
Accounts payable and accrued liabilities	(16,852)	(60,735)
	(240,223)	(195,763)
<b>Investing Activities</b>		
Investments	-	(15,000)
	-	(15,000)
<b>Financing Activities</b>		
Proceeds from issuance of units, net of issue costs	672,890	-
Proceeds from exercise of warrants	-	315,800
	672,890	315,800
<b>Change In Cash</b>	<b>432,667</b>	<b>105,037</b>
<b>Cash, Beginning of Period</b>	<b>250,037</b>	<b>254,200</b>
<b>Cash, End of Period</b>	<b>\$ 682,704</b>	<b>\$ 359,237</b>
<b>Supplemental cash flow information</b>		
Interest Paid	\$ -	\$ -
Income Tax Paid	\$ -	\$ -
<b>Non-cash transactions</b>		
Transfer to share capital from warrants on exercise of brokers' warrants	\$ -	\$ 23,646
Transfer to share capital from warrants on exercise of share purchase warrants	\$ -	\$ 63,427

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## BRIGADIER GOLD LIMITED.

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

FOR THE YEAR FROM JANUARY 1, 2019 TO DECEMBER 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

	SHARE CAPITAL		WARRANT RESERVE	CONTRIBUTED SURPLUS	DEFICIT	TOTAL EQUITY
	SHARES	AMOUNT				
Balance January 1, 2019	26,839,810	\$ 10,292,827	\$ 387,503	\$ 4,698,085	\$ (15,183,933)	\$ 194,482
Issuance of common shares upon exercise of broker's warrants	188,000	18,800	-	-	-	18,800
Issuance of common shares upon exercise of share purchase warrants	1,980,000	297,000	-	-	-	297,000
Reclassification of fair value of brokers warrants exercised	-	23,646	(23,646)	-	-	-
Reclassification of fair value of brokers warrants exercised	-	63,427	(63,427)	-	-	-
Expiration of warrants	-	-	(87,130)	87,130	-	-
Loss for the period	-	-	-	-	(124,899)	(124,899)
Balance June 30, 2019	29,007,810	10,695,700	213,300	4,785,215	(15,308,832)	385,383
Issuance of common shares upon exercise of share purchase warrants	1,575,000	157,500	-	-	-	157,500
Reclassification of fair value of warrants exercised	-	33,595	(33,595)	-	-	-
Expiration of warrants	-	-	(179,705)	179,705	-	-
Loss for the period	-	-	-	-	(370,623)	(370,623)
Balance, December 31, 2019	30,582,810	\$ 10,886,795	\$ -	\$ 4,964,920	\$ (15,679,455)	\$ 172,260

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## BRIGADIER GOLD LIMITED.

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

**FOR THE YEAR FROM JANUARY 1, 2020 TO JUNE 30, 2020**  
(Expressed in Canadian Dollars)  
(Unaudited)

	SHARE CAPITAL		WARRANT RESERVE	CONTRIBUTED SURPLUS	DEFICIT	TOTAL EQUITY
	SHARES	AMOUNT				
Balance January 1, 2020	30,582,810	\$ 10,886,795	\$ -	\$ 4,964,920	\$ (15,679,455)	\$ 172,260
Issuance of common shares in private placement	14,000,000	700,000	-	-	-	700,000
Share issuance costs	-	(27,110)	-	-	-	(27,110)
Fair value of warrants issued in private placement	-	(152,250)	152,250	-	-	-
Issuance of common shares for exploration and evaluation asset	500,000	25,000	-	-	-	25,000
Loss for the period	-	-	-	-	(288,281)	(288,281)
<b>Balance June 30, 2020</b>	<b>45,082,810</b>	<b>\$ 11,432,435</b>	<b>\$ 152,250</b>	<b>\$ 4,964,920</b>	<b>\$ (15,967,736)</b>	<b>\$ 581,869</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 1. Nature of Operations and Going Concern

Brigadier Gold Limited (the "Company") is incorporated under the Corporations Act (BC) and is listed on the TSX Venture Exchange under the symbol BRG.H. The Company completed its continuation from the jurisdiction of Ontario on June 19, 2020. The address of the Company's registered office is 40440 Thunderbird Ridge, PO Box 1831, Garibaldi Highlands, BC V0N 1T0.

These unaudited condensed interim consolidated financial statements, approved by the Board of Directors on May 8, 2020 have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

These unaudited condensed interim consolidated financial statements, have been prepared using International Financial Reporting Standards ("IFRS") applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company reported a net loss of \$288,281 for the six month period ended June 30, 2020 (six months ended June 30, 2019 - loss of \$124,899) and had an accumulated deficit of \$15,697,736 at June 30, 2020 (December 31, 2019 - \$15,679,455).

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

These material uncertainties of COVID-19, successive operating losses, together with the challenges of securing requisite funding may cast significant doubt as to the Company's ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

The Company had entered into a series of proposed transactions. Given the current state of the capital markets, the Company determined that it was in the best interests of the Company not to complete the Proposed Change of Business and the agreements were subsequently terminated as further disclosed in Note 13. Accordingly the Company continues with its business activity of mineral property exploration.

### 2. Summary of Significant Accounting Policies

#### (a) Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 2. Summary of Significant Accounting Policies

#### (a) Statement of compliance (Continued)

The accounting policies and methods of computation applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended December 31, 2019.

#### (b) Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss which are measured at fair value.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 1848246 Ontario Inc. (formerly known as 1534185 Alberta Inc.), a Canadian corporation and Incahusai Exploraciones S.A., a company incorporated in Mexico. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All inter-company balances, transactions, revenues and expenses have been eliminated.

#### (c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

#### *Financial Instruments - classification and measurement*

Financial assets are classified and measured based on these categories: fair value through profit or loss ("FVPL"); fair value through other comprehensive income ("FVOCI"); or amortized cost. Financial liabilities are classified and measured based on two categories: FVPL or amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Financial assets and liabilities classified as FVPL are measured at fair value with changes in fair value recognized in profit or loss. Financial assets designated as FVOCI are measured at fair value with changes in fair value recognized in other comprehensive income with such changes never being reclassified to profit or loss. Financial assets and liabilities classified as amortized cost are initially measured at fair value, net of any transaction costs incurred and are measured subsequently using the effective interest method.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (c) Financial instruments (Continued)

##### *Financial Instruments - classification and measurement (Continued)*

The Company's financial instruments consists of the following:

<i>Financial assets and liabilities</i>	<i>Classification</i>
Cash	Amortized cost
Receivables	Amortized cost
Convertible note receivable	Amortized cost
Investments	FVPL
Accounts payable and accrued liabilities	Amortized cost

Financial instruments recorded at fair value in the consolidated statements of financial position are classified according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements.

The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

#### (d) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of licences, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred.

#### (e) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use.

#### (f) Translation of foreign currencies

The Company's presentation currency is the Canadian dollar. The Company considers the functional currency of its Canadian operations and its subsidiaries to be the Canadian dollar. Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. At the end of each reporting period, monetary assets and liabilities are translated using the year end foreign exchange rate at that date.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (f) Translation of foreign currencies (continued)

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

#### (g) Loss per common share

Basic loss per share is computed by dividing the loss applicable by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed by dividing the net loss by the sum of the weighted average number of common shares issued and outstanding during the reporting period and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting period, if dilutive.

#### (h) Share capital

Common shares are classified as equity. Proceeds from unit placements are allocated between shares and warrants issued using the relative fair value method. Costs directly identifiable with share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations in the period they are incurred.

#### (i) Warrant Reserve

The fair value of warrants is determined upon their issuance either as part of unit private placements or in settlement of share issuance costs and finders' fees, using the Black-Scholes option pricing model. Units issued in a private placement are allocated using the relative fair value method. All such warrants are classified in a warrant reserve within equity. If the warrants are converted, the value attributable to the warrants is transferred to common share capital. Upon expiry, the amounts recorded for expired warrants is transferred to contributed surplus from the warrant reserve. Shares are issued from treasury upon the exercise of share purchase warrants.

#### (j) Share-based payments

The share option plan allows Company employees, directors and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of the stock options granted is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense for unvested options is adjusted to reflect the actual number of share options that are expected to vest.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 2. Summary of Significant Accounting Policies (Continued)

#### (j) Share-based payments (Continued)

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

#### (k) Significant accounting judgments and estimates

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments 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. The preparation of the unaudited condensed interim consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

The following are the key estimate and assumption uncertainties:

#### *Going concern*

As discussed above, these unaudited condensed interim financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, deferral of commitments, negotiation of supplier terms and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and to satisfy their obligations as they become due.

#### (j) Accounting Standards issued but not yet applied

At the date of approval of these unaudited condensed interim consolidated financial statements a number of standards and interpretations have been issued, which are not yet effective. The Company considers these new standards and interpretations are either not applicable to the Company's operations or are not expected to have a material impact on the Company's consolidated financial statements.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 3. Receivables

During the year ended December 31, 2019, a former related party received an arbitration award against the Company in the amount of \$80,000. Further to the liability arising, the Company entered into a funding agreement with other former related parties to provide funds to settle the liability. The Company recorded a receivable of \$80,000 pursuant to the funding agreement. As at December 31, 2019, \$26,667 remained payable pursuant to the arbitration award, and \$26,667 remained receivable pursuant to the funding agreement. In January 2020 both the funding agreement and the liability were fully settled.

### 4. Convertible Note Receivable

On July 24, 2019, the Company advanced to CBD Group Asia Limited ("CGA") \$25,589 and received in exchange a convertible promissory note issued by CGA evidencing a non-interest-bearing loan. Pursuant to the terms of which, the loan shall be converted automatically at closing of the transaction detailed in Note 13 to 25,000 CGA common shares. The Company evaluated whether the convertible loan contained an embedded derivative and determined such conversion feature has a nominal value.

As a result of the termination of the proposed transactions in April 2020, the Company determined that uncertainty on the collectability of the convertible note receivable existed at December 31, 2019. Accordingly, the Company has recorded a valuation allowance of \$25,588 in the year ended December 31, 2019.

### 5. Investments

	<b>JUNE 30 2020</b>	<b>DECEMBER 31 2019</b>
Anchor Gold Limited – 500,000 Common Shares*	\$ -	\$ -
Prosper Gold Corp – 150,000 Common Shares**	<b>7,500</b>	7,500
	<b>\$ 7,500</b>	\$ 7,500

As at June 30, 2020, the Company recorded \$9,050 (December 31, 2019: - \$9,050) as a change in fair value of investments.

\* The Anchor Gold Limited shares were received pursuant to the sale of certain mining claims in fiscal 2016 and at the time of acquisition had a fair value of \$50.

\*\* The Prosper Gold Corp shares were received pursuant to the sale of certain mining claims and at the time of receipt had a fair value of \$16,500 (Note 6).

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 6. Mineral Property Interests

<i>Exploration and Evaluation Expenses</i>	SIX MONTHS ENDED	
	JUNE 30 2020	JUNE 30 2019
Killala Lake South Diamond Property, Canada	\$ 50,500	\$ -
Northern Ontario Properties, Canada	-	-
	<u>\$ 50,500</u>	<u>\$ -</u>

#### **Killala Lake South Diamond Property, Canada**

On May 11, 2020, the Company entered into an agreement to purchase a 100% interest in certain mineral claims known as located in Thunder Bay mining District, Ontario, known as the Killala Lake South Diamond Property. The property consists of 46 claim cells located in Killala Lake and Foxtrap Lake Area. The agreement received regulatory approval on June 24, 2020.

The purchase consideration consists of the following:

#### a) Cash Payments

\$15,000 within 5 days of the effective date of the agreement (June 24, 2020 (paid));  
\$15,000 on or before the first, second and third anniversaries of receipt of regulatory approval, and  
\$50,000 on or before the fourth anniversary of receipt of regulatory approval.

#### b) Share Consideration

The issuance of 500,000 common shares within 10 business days of receipt of TSX approval of the agreement (issued, with a fair value of \$25,000);

The issuance of 200,000 common shares on or before the first, second and third anniversaries of receipt of regulatory approval;

The issuance of 500,000 common shares on or before the fourth anniversary of receipt of regulatory approval;

#### c) Other contingent consideration

The issuance of 1,000,000 common shares in the event a NI43-101 compliant report calculation commissioned for the purchaser identifies a resource exceeding 3 million carats.

The issuance of 1,000,000 common shares upon completion of a positive bankable feasibility study commissioned by the purchaser;

The issuance of 500,000 common shares for each kimberlite or lamproite pipe drilled within the area of interest which produces more than 10 commercial sized diamonds.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 6. Mineral Property Interests (Continued)

#### Killala Lake South Diamond Property, Canada (Continued)

##### a) Other contingent consideration (Continued)

Furthermore if an ore deposit within the optioned property is sold or optioned to a 3<sup>rd</sup> party the purchaser shall make a cash payment to the optionor equal to 5% of the net sale price, or issue common shares with an equivalent value. If paid in shares the deemed value of each share shall be the greater of:

- (i) The volume weighted average of the price per share as reported on the TSX for the prior 10 consecutive trading days;
- (ii) The minimum price per share permissible pursuant to applicable securities law and requirements of the TSXV

The agreement is subject to a 3% Gross overriding Royalty ("GOR") with respect to diamonds extracted from the property and a 2% Net Smelter Royalty ("NSR") in respect of any non-diamond minerals discovered on the property. The Company has the right to purchase 50% of the GOR and NSR at any time for cash consideration of \$2,000,000 and \$1,000,000 respectively.

During the period to June 30, 2020, the Company incurred \$10,500 of property evaluation expenses consisting of the preparation of a compliant NI 43-101 report.

#### Northern Ontario properties, Canada

On March 22, 2019, the Company entered into an agreement to sell the Company's 100% interest in certain mineral claims and patents known as the "Ontario Claims" to Prosper Gold Corp that were previously written off. Consideration for the sale of the claims consisted of \$5,000 and 150,000 common shares of Prosper Gold Corp, valued at \$16,500 upon receipt, resulting in a recovery of \$21,500.

### 7. Share Capital

##### a) Authorized share capital

Unlimited number of common shares without par value.

##### b) Issued share capital

#### 2020 Transactions

During the six month period ended June 30, 2020.

##### (i) Private Placement

On June 3, 2020, the Company completed a private placement of 14,000,000 Units at \$0.05 for gross proceeds of \$700,000. Each Unit consists of one common share and one share purchase warrant. Each share purchase warrant can be exercised into once common share at an exercise price of \$0.10 until June 3, 2021.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

### 7. Share Capital (Continued)

#### b) Issued share capital (Continued)

##### 2020 Transactions (Continued)

#### (i) Private Placement (Continued)

The share purchase warrants have been valued at \$152,250 using the Black-Scholes option pricing model with the following assumptions, Exercise price - \$0.10; Volatility - 107%; Risk free rate - 0.0284%; Term: 1 year; annual rate of dividends - \$Nil.

In connection with the private placement the Company also incurred share issuance costs aggregating \$27,110 consisting of finders fees of \$21,035 and filing fees of \$6,075.

- (ii) Issued 500,000 common shares with a fair value of \$25,000 pursuant to the Killala Lake South Diamond Property Option Agreement.

##### 2019 Transactions

- (i) During the year ended December 31, 2019, the Company issued 188,000 common shares upon exercise of broker warrants for proceeds of \$18,800. As a result of the exercise the Company also reallocated \$23,646 of the warrant reserve to share capital.
- (ii) During the year ended December 31, 2019, the Company issued 3,555,000 common shares upon the exercise of share purchase warrants for aggregate proceeds of \$454,500. As a result of the exercise the Company also reallocated \$97,022 of the warrant reserve to share capital.

#### c) Share Purchase Warrants

A summary of changes in share purchase warrants for the six month period ended June 30, 2020 and the year ended December 31, 2019 is presented below:

	SIX MONTHS ENDED		YEAR ENDED	
	JUNE, 2020		DECEMBER 31, 2019	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	-	\$ -	14,700,000	\$ 0.12
Issued	14,000,000	0.10	-	-
Exercised	-	-	(3,555,000)	(0.13)
Expired	-	-	(11,145,000)	(0.11)
Balance, end of period	<u>14,000,000</u>	<u>\$ 0.10</u>	<u>-</u>	<u>\$ -</u>

As at June 30, 2020, the 14,000,000 share purchase warrants have an average remaining life of 0.92 years.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

### 7. Share Capital (Continued)

#### d) Broker warrants

A summary of changes in broker warrants for the six month period ended June 30, 2020 and the year ended December 31, 2019 is presented below:

	SIX MONTHS ENDED JUNE 30, 2020		YEAR ENDED DECEMBER 31, 2019	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	-	\$ -	188,000	\$ 0.10
Issued	-	-	-	-
Exercised	-	-	(188,000)	0.10
Balance, end of period	-	\$ -	-	\$ -

As at June 30, 2020 and December 31, 2019, there were no broker warrants outstanding.

### 8. Share Based Payments

#### Stock Options

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option to a maximum of 10 years, the period of time during which the options may vest, unless otherwise required by applicable securities law, stock exchange and other regulatory requirements, and when they become exercisable, as well as the option exercise price, which shall not be less than the prevailing price permitted by the TSX-V. The Directors determine the recipients of, and nature and size of, share-based payment awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

A summary of changes in stock options for the six months ended June 30, 2020 and the year ended December 31, 2019 is presented below:

	SIX MONTHS ENDED JUNE 30, 2020		YEAR ENDED DECEMBER 31, 2019	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	-	\$ -	730,000	\$ 0.20
Granted	-	-	-	-
Forfeited	-	-	(730,000)	(0.20)
Balance, end of period	-	\$ -	-	\$ -

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## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 8. Share Based Payments (Continued)

#### Stock Options (Continued)

During the year ended December 31, 2019, 730,000 stock options were cancelled upon the resignation of directors and consultants.

As at June 30, 2020 and December 31, 2019, there were no stock options outstanding.

### 9. Related Party Transactions

Related party transactions reflected in these consolidated financial statements are as follows:

Key management personnel includes directors and officers of the Company.

- (i) During the six and three months ended June 30, 2020, the Company recorded \$44,639 and \$29,339 (six and three months ended June 30, 2019 - \$19,847 and \$10,347) of consulting fees in relation services provided to the Company by the directors of the Company. As at June 30, 2020, \$6,814 (December 31, 2019 - \$Nil) is included in accounts payable and accrued liabilities was payable to the CEO.
- (ii) On May 7, 2019, a new Chief Financial Officer ("CFO") was appointed. During the six and three months ended June 30, 2020 the Company recorded \$13,000 and \$4,200 respectively (six and three months ended June 30, 2019 - \$3500 and \$3,500) of professional fees in relation services provided to the Chief Financial Officer of the Company. As at June 30, 2020 - \$4,000 (December 31, 2019 - \$4,000) was payable to the CFO.
- (iii) The former Chief Financial Officer was an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the six and three months ended June 30, 2020 the Company incurred \$Nil and \$Nil (six and three months ended June 30, 2019 - \$10,620 and \$3,575) for accounting services rendered by MSSI. As at June 30, 2020 - \$Nil (December 31, 2019, - \$Nil) was payable to MSSI.

### 10. Capital Management

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. The Company defines capital to be the components of equity. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There were no externally imposed capital requirements to which the Company is subject as at June 30, 2020. The Company continues to evaluate various options in order to maintain the capital requirements imposed by Policy 2.5 of TSX Venture Exchange. There can be no assurance that the Company's financing activities will be successful or sufficient.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 11. Financial Instruments and Risk Management

The carrying values of cash, receivables, convertible note receivable and accounts payable and accrued liabilities are considered representative of their respective fair values due to their short term period to maturity.

Investments have been recorded at fair market value

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk is the carrying value of cash, receivables and convertible note receivable.

Substantially all of the Company's cash is held with major financial institutions in Canada, and management believes the exposure to credit risk with such institutions is not significant.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of the business of the Company.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 10, in normal circumstances. Further information regarding liquidity risk is set out in note 1. The Company is exposed to liquidity risk.

#### Interest rate risk

The Company had no significant exposure at June 30, 2020, to interest rate risk through its financial instruments.

#### Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

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### 11. Financial Instruments and Risk Management (Continued)

#### Currency risk

The Company's currency risk arises primarily with fluctuations in the United States dollar. The Company is nominally exposed to currency risk.

### 12. Segmented Information

The Company has one reportable segment, being the exploration of mineral resource properties in Canada. The Company has entered into certain other transactions as outlined in Notes 13 (Proposed Transaction – Terminated) and Note 14 (Subsequent Events)

### 13. Proposed Transactions -Terminated

On August 19, 2019, the Company entered into definitive agreements, as amended on November 25, 2019 and which will expire on April 30, 2020, with respect to its investments in CBD Group Asia Limited ("CGA") and Natural Source Group Pte Limited ("NSG"), which transactions were together with a concurrent private placement offering, proposed to constitute the Corporation's change of business from mineral exploration to an investment issuer (the "Proposed COB"). CGA is a Hong Kong company focused on product distribution and strategic investment in Asian Cannabidiol ("CBD") markets. During April 2020 given the state of the capital markets, the Company determined that it was in the best interests of the Company not to complete the Proposed COB. The CGA investment agreement and NSG subscription agreement were terminated in accordance with their terms.

#### *The CGA Transaction*

Following completion of the CGA investment, the Company was to own 50% of CGA and would have the ability to acquire a total of up to a total 75% of the common shares of as described below.

#### *Terms of the CGA Investment Agreement*

In accordance with the terms of the investment agreement dated August 13, 2019, among the Company, CGA and James Foster (the "CGA Investment Agreement"), the Company had agreed to acquire on closing:

- (i) 550,000 CGA common shares, at a price per CGA common share of CAD \$1.00, for total subscription proceeds of CAD \$550,000; and
- (ii) 450,000 CGA common shares from James Foster (the Chief Executive officer of CGA and NSG)

Consideration for the above comprised the issuance of 2,000,000 common shares in the capital of the Company, combined with the subscription of 550,000 CGA common shares, would have resulted in the Company and Mr. James Foster each owning 50% of the CGA common shares on closing of the CGA transaction.

Further, the Company would acquire at closing secured, convertible debentures of CGA in the principal amount of CAD \$700,000, which would be convertible into CGA common shares at a price of CAD \$1.00 per CGA common share (the "CGA Debentures"), and CGA would grant to the Company an option to purchase up to 1,300,000 CGA common shares for total proceeds of CAD \$1,300,000.

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## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 13. Proposed Transactions (Continued)

#### *The CGA Transaction (Continued)*

The CGA Investment Agreement also provided board nomination rights to both CGA and the Company, as well as a right of first refusal in favor of the Company with respect to any proposed investment by CGA in companies involved in the CBD space in Asia.

On July 24, 2019, the Company advanced CAD \$25,000 to CGA in the form of an unsecured convertible note (forming part of the \$550,000 subscription proceeds) which would automatically convert into common shares pursuant to the terms of the CGA Investment Agreement upon closing of the Proposed COB

#### *The NSG Transaction*

The Company and NSG entered into a subscription agreement dated August 13, 2019, pursuant to which the Company agreed to subscribe for 2,000,000 common shares of NSG at a price per common share of USD \$0.10, for total investment proceeds of USD \$200,000. Under the terms of the subscription agreement, NSG granted to the Company an exclusive right to source CBD products through its investment partners for a percentage of revenues derived from the sale by NSG of such CBD products and brands.

#### *Private Placement*

In connection with the Proposed COB, the Company would complete a non-brokered private placement offering of units, on a post-consolidated basis for aggregate gross proceeds of a minimum of CAD \$2,000,000, with each unit comprising one common share of the Company and one-half of one common share purchase warrant, for a price of \$0.20 per unit. Each whole purchase warrant would be exercisable in one common share of the Company for a price of \$0.30 per common share for a period of one year. The Company intended to complete a share consolidation on the basis of up to one post-consolidated common share for every one and one half (1.5) pre-consolidation common share.

#### *Transfer of Listing to Canadian Securities Exchange*

Upon closing of the Proposed COB and subject to receipt of approvals of the TSX-V for the delisting of the common shares of the Company from the TSX-V (the "TSX-V Delisting"), and the CSE for the listing of the common shares on the CSE (the "CSE Listing"), the listing of common shares would be transferred from the TSX-V to the CSE. The TSX-V Delisting was subject to the Company receiving approval from the TSX-V and the CSE Listing was subject to the Company receiving approval from the CSE.

### 14. Subsequent Events

Subsequent to the period end the Company has entered into the following transactions:

- (i) On July 1, 2020, the Company entered into an agreement with Benchmark Point Governance Corp for administrative and corporate secretarial services. The agreement is for a term of six months and is will automatically renew unless terminated in writing by either party. Compensation pursuant to the agreement is \$5,000 per month.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)

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### 14. Subsequent Events (Continued)

#### (ii) Exploration and Evaluation Asset – Picachos Property

On July 6, 2020, the Company entered into a binding letter of intent (“LOI”) for an option to acquire a 100% interest in the 3,954 hectare Picachos Gold-Silver Property, centered over the historic “Viva Zapata” National Mineral Reserve, Sinaloa, Mexico. On August 4, 2020, the binding LOI was superseded with a Definitive Agreement to acquire the property.

To acquire a 100% interest in 4 contiguous mineral claims comprising the Picachos Property, the Company will provide staged consideration to Minera Camargo over a 5-year period consisting of cash payments totalling US\$275,000; share issuances totaling 4,000,000 common shares of the Company; and cumulative exploration expenditures of US\$3,850,000.

Brigadier will also make payments to Minera Camargo for Picachos development milestones as to:

- i) 1,000,000 common shares of the Company upon delineating a mineral resource estimate containing a minimum of 350,000 ounces of gold in the inferred category (based on the then current Canadian Institute of Mining definitions);
- ii) US\$725,000 and 1,000,000 common shares of the Company upon completion of a feasibility study recommending the construction of a mine on the Property; and
- iii) US\$2,000,000 upon commencement of commercial production.

The Company may, at its option, issue common shares in lieu of one half of the cash payments to be made pursuant to each of ii) and iii).

A 2% NSR will be retained by Minera Camargo.

The agreement is subject regulatory approval.

Subsequent to the period end the Company paid US\$35,000, being a non-refundable initial payment which forms part of the consideration to be paid pursuant to the LOI to the Optionor.

The Company has also entered into a finders fee agreement with respect to the above agreement and shall compensate the finder up to \$325,320 which will be settled in either cash or by the issuance of up to 1,084,400 common shares with a deemed value of \$0.30 over the term of the option agreement. Payment of the finder’s fee is dependent upon the Company keeping the option agreement in good standing, and other milestone events.

#### (iii) Private placement

On July 24, 2020, the Company closed a non-brokered private placement of 13,461,538 Units at a price of \$0.26 per Unit for gross proceeds of up to \$3,500,000. Each Unit is comprised of one common share in the capital of the Company and one Common Share purchase warrant (each a “Warrant”). Each Warrant entitles the holder thereof to purchase one Common Share for \$0.40 for a period of one year from the date of issuance. In connection with the offering the Company paid a total of \$186,678 in cash finders fees to non-related qualified finders.

# **BRIGADIER GOLD LIMITED.**

## **FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 and 2019 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Canadian Dollars) (Unaudited)**

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### **14. Subsequent Events** (Continued)

#### (iii) Private placement (Continued)

All securities issued under the Offering, including securities issuable on exercise thereof, are subject to a hold period expiring four months and one day from the date of issuance. Proceeds from the Offering will be used to fund exploration of the Company's exploration projects as well as for marketing and general working capital purposes.