



Brigadier Gold Limited

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 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 the 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 Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidation financial statements of the Company have been prepared by and are the responsibility of the Company's management.

# BRIGADIER GOLD LIMITED.

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)  
(Unaudited)

	SEPTEMBER 30 2020	DECEMBER 31 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 2,275,209	\$ 250,037
Receivables (Note 3)	42,013	43,220
Prepaid expenses	93,660	295
Convertible note receivable (Note 4)	1	1
	<u>2,410,883</u>	<u>293,553</u>
Investments (Note 5)	9,900	7,500
<b>Total Assets</b>	<b>\$ 2,420,783</b>	<b>\$ 301,053</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 3 & 9)	\$ 93,406	\$ 128,793
<b>Total Liabilities</b>	<b>93,406</b>	<b>128,793</b>
<b>EQUITY</b>		
Share Capital (Note 7)	13,378,041	10,886,795
Share Subscriptions Received	40,000	-
Warrant Reserve	1,507,100	-
Contributed Surplus	5,063,766	4,964,920
Deficit	(17,661,530)	(15,679,455)
<b>Total Equity</b>	<b>2,327,377</b>	<b>172,260</b>
<b>Total Liabilities and Equity</b>	<b>\$ 2,420,783</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 November 23, 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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
Consulting (Note 9)	\$ 204,494	\$ 38,125	\$ 311,947	\$ 82,972
General and administration (Note 9)	26,660	16,977	82,280	46,680
Professional fees (Note 9)	62,556	73,832	115,534	122,739
Exploration and evaluation expenses (Note 6)	568,354	-	618,854	-
Marketing	703,548	-	703,548	-
Share-based compensation	98,846	-	98,846	-
Foreign exchange loss (gain)	(848)	569	(87)	579
Investor relations filing and transfer fees	32,584	12,242	53,553	33,674
<b>Loss before other item</b>	<b>(1,696,194)</b>	<b>(141,745)</b>	<b>(1,984,475)</b>	<b>(286,644)</b>
<b>Other Items</b>				
Recovery on sale of exploration and evaluation property (Note 6)	-	-	-	21,500
Change in fair value of investments (Note 5)	2,400	(3,000)	2,400	(4,500)
<b>Net Loss and Other Comprehensive Loss for the Period</b>	<b>(1,693,794)</b>	<b>(144,745)</b>	<b>(1,982,075)</b>	<b>(269,644)</b>
<b>Loss Per Share, Basic and diluted</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>	<b>\$ (0.05)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>55,041,058</b>	<b>29,007,810</b>	<b>40,185,579</b>	<b>28,143,854</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>NINE MONTHS ENDED SEPTEMBER 30</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Loss for the period	\$ (1,982,075)	\$ (269,644)
Items not affecting cash		
Change in fair value of investments	(2,400)	4,500
Recovery on sale of exploration and evaluation property	-	(21,500)
Share-based compensation	98,846	-
Shares issued for exploration and evaluation asset (Note 6)	30,846	-
Net changes in non-cash operating working capital items:		
Prepaid expenses and receivables	(92,158)	(18,418)
Accounts payable and accrued liabilities	(35,387)	(9,024)
	<b>(1,982,328)</b>	<b>(314,086)</b>
<b>Investing Activities</b>		
Recovery on sale of exploration and evaluation property	-	5,000
	-	5,000
<b>Financing Activities</b>		
Proceeds from issuance of units, net of issue costs	3,967,500	-
Proceeds from exercise of warrants	-	315,800
Share subscriptions received	40,000	(25,589)
	<b>4,007,500</b>	<b>290,211</b>
<b>Change In Cash</b>	<b>2,025,172</b>	<b>(18,875)</b>
<b>Cash, Beginning of Period</b>	<b>250,037</b>	<b>254,200</b>
<b>Cash, End of Period</b>	<b>\$ 2,275,209</b>	<b>\$ 235,325</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
Transfer to contributed surplus from warrants on expiry of warrants	\$ -	\$ 87,130

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	-	-	-	-	(269,644)	(269,644)
Balance September 30, 2019	29,007,810	10,695,700	213,300	4,785,215	(15,453,577)	240,638
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	-	-	-	-	(225,878)	(225,878)
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 SEPTEMBER 30, 2020**  
(Expressed in Canadian Dollars)  
(Unaudited)

	SHARE CAPITAL		SHARE SUBSCRIPTIONS RECEIVED	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
Issuance of common shares in private placement	13,461,538	3,500,000	-	-	-	-	3,500,000
Share issuance costs	-	(205,390)	-	-	-	-	(205,390)
Fair value of warrants issued in private placement	-	(1,354,850)	-	1,354,850	-	-	-
Issuance of common shares pursuant to exploration and evaluation property finders fees agreement	15,800	5,846	-	-	-	-	5,846
Share based compensation arising on stock option grants	-	-	-	-	84,758	-	84,758
Share based compensation arising on grant of restricted share units	-	-	-	-	14,088	-	14,088
Subscriptions received pursuant to exercise of warrants	-	-	40,000	-	-	-	40,000
Loss for the period	-	-	-	-	-	(1,982,075)	(1,982,075)
<b>Balance September 30, 2020</b>	<b>58,560,148</b>	<b>\$ 13,378,041</b>	<b>\$ 40,000</b>	<b>\$ 1,507,100</b>	<b>\$ 5,063,766</b>	<b>\$ (17,661,530)</b>	<b>\$ 2,327,377</b>

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

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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") was incorporated under the Corporations Act (Ontario) and was continued into British Columbia under the Business Corporations Act (British Columbia) on June 19, 2020. The Company is listed on the TSX Venture Exchange under the symbol BRG. 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 November 20, 2023 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 \$1,982,075 for the nine month period ended September 30, 2020 (nine months ended September 30, 2019 - loss of \$269,644) and had an accumulated deficit of \$17,661,530 at September 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 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 NINE MONTHS ENDED SEPTEMBER 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 NINE MONTHS ENDED SEPTEMBER 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
Share subscriptions received	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 NINE MONTHS ENDED SEPTEMBER 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 Company operates an employee stock option plan and a restricted share unit award plan. The plans allow Company employees, directors and consultants to acquire shares of the Company and are equity award plans. The fair value of equity awards 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 equity awards granted are measured at grant date and each tranche is recognized on a graded basis over the period during which the awards vest. The fair value of the equity award is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the equity award was granted. At the end of each reporting period, the amount recognized as an expense for unvested equity awards is adjusted to reflect the actual number of equity awards that are expected to vest.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 equity awards granted to non-employees is measured at the earlier of the completion of performance and the date the awards 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 NINE MONTHS ENDED SEPTEMBER 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

	SEPTEMBER 30 2020	DECEMBER 31 2019
Anchor Gold Limited – 500,000 Common Shares*	\$ -	\$ -
Prosper Gold Corp – 15,000 Common Shares**	9,900	7,500
	<u>\$ 9,900</u>	<u>\$ 7,500</u>

As at September 30, 2020, the Company recorded \$6,650 (December 31, 2019: - \$9,050) as a change in fair value of investments from the original cost base.

\* 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). On September 8, 2020, Prosper Gold Corp consolidated its share capital on the basis of 1 new common share for 10 old common shares.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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

Exploration and Evaluation Expenses	SEPTEMBER, 30 2020	DECEMBER 31 2019
Killala Lake South Diamond Property, Canada	\$ 50,500	\$ -
Picachos Gold-Silver Property, Mexico	568,354	
Northern Ontario Properties, Canada	-	-
	<u>\$ 618,854</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 lamporoite pipe drilled within the area of interest which produces more than 10 commercial sized diamonds.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 September 30, 2020, the Company incurred \$10,500 of property evaluation expenses consisting of the preparation of a compliant NI 43-101 report.

#### Picachos Gold-Silver Property, Mexico

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 (the "Agreement") to acquire the property.

The purchase consideration consists of cash payments of US\$275,000, the issuance of 4,000,000 common shares and completing US\$3,850,000 of exploration expenditures as follows:

##### a) Cash Payments

- US\$ 35,000 upon execution of the LOI
- US\$ 25,000 on or before August 4, 2022;
- US\$ 40,000 on or before August 4, 2023;
- US\$ 75,000 on or before August 4, 2024;
- US\$100,000 on or before August 4, 2025.

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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)

#### Picachos Gold-Silver Property, Mexico (Continued)

##### b) Share Consideration

The issuance of common shares as follows:

- 250,000 common shares on or before August 4, 2021;
- 500,000 common shares on or before August 4, 2022;
- 750,000 common shares on or before August 4, 2023;
- 1,000,000 common shares on or before August 4, 2024;
- 1,500,000 common shares on or before August 4, 2025.

##### b) Exploration expenditures

- US\$ 100,000 on or before August 4, 2021;
- US\$ 500,000 on or before August 4, 2022;
- US\$ 750,000 on or before August 4, 2023;
- US\$ 1,000,000 on or before August 4, 2024;
- US\$ 1,500,000 on or before August 4, 2024.

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) above.

The agreement is subject to a 2% net smelter royalty on production from the property.

The Company has also entered into a finders fee agreement with respect to the above agreement and shall compensate the finder with up to 1,084,401 common shares, with a deemed value \$325,320 (\$0.30 deemed value per share) over the term of the option agreement as follows:

- 15,800 common shares on regulatory approval of the Agreement (issued with a fair value of \$5,846);
- 25,000 common shares on or before August 4, 2021;
- 60,765 common shares on or before August 4, 2022;
- 69,793 common shares on or before August 4, 2023;
- 100,393 common shares on or before August 4, 2024;
- 97,572 common shares on or before August 4, 2025;

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### 6. Mineral Property Interests (Continued)

#### Picachos Gold-Silver Property, Mexico (Continued)

50,000 common shares upon receiving a resource estimate containing a minimum of 350,000 ounces of gold;  
213,645 upon completion of a feasibility study;  
451,433 upon commencement of commercial production.

Payment of the finder's fee is dependent upon the Company keeping the option agreement in good standing, and other milestone events.

During the period ended September 30, 2020, the Company has recorded \$47,685 in option costs, \$5,846 pursuant to the finders fee agreement, and \$514,823 of evaluation costs on the property.

#### 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 nine month period ended September 30, 2020.

#### (i) Private Placements

##### *June 3, 2020, 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 consisted of one common share and one share purchase warrant. Each share purchase warrant can be exercised into one common share at an exercise price of \$0.10 until June 3, 2021.

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 - 0.284%; 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.

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### 7. Share Capital (Continued)

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

##### 2020 Transactions (Continued)

#### (i) Private Placements (Continued)

##### *July 24, 2020 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 consisted of one common share and one share purchase warrant. Each share purchase warrant can be exercised into one common share at an exercise price of \$0.40 until July 24, 2021.

The share purchase warrants have been valued at \$1,354,850 using the Black-Scholes option pricing model with the following assumptions, Exercise price -\$0.40; Volatility -163%; Risk free rate - 0.238%; Term: 1 year; annual rate of dividends - \$Nil.

In connection with the private placement the Company also incurred share issuance costs aggregating \$205,390 consisting of finders' fees of \$186,678 and filing fees of \$18,712.

- (ii) Issued 500,000 common shares with a fair value of \$25,000 pursuant to the Killala Lake South Diamond Property Option Agreement.
- (iii) Issued 15,800 common shares with a fair value of \$5,846 pursuant to the Picacho Gold Silver Property finders fee 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 Subscriptions Received

During the period ended September 30, 2020, the company received \$40,000 for the exercise of 400,000 share purchase warrants at \$0.10. The share purchase warrants were issued pursuant to the June 3, 2020 private placement and are subject to a hold period which expires October 3, 2020. Subsequent to the period end the Company issued 400,000 common shares.

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### 7. Share Capital (Continued)

#### d) Share Purchase Warrants

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

	NINE MONTHS ENDED SEPTEMBER 30, 2020		YEAR ENDED DECEMBER 31, 2019	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	-	\$ -	14,700,000	\$ 0.12
Issued	<b>27,461,538</b>	<b>0.25</b>	-	-
Exercised	-	-	(3,555,000)	(0.13)
Expired	-	-	(11,145,000)	(0.11)
Balance, end of period	<u><b>27,461,538</b></u>	<u><b>\$ 0.25</b></u>	<u>-</u>	<u>\$ -</u>

As at September 30, 2020, the following share purchase warrants are outstanding:

EXERCISE PRICE	NUMBER OUTSTANDING	NUMBER EXERCISABLE	EXPIRY DATE
\$ 0.10	13,600,000	-	June 3, 2021
<u>\$ 0.40</u>	<u>13,461,538</u>	<u>-</u>	<u>July 24, 2021</u>

Subsequent to the period end the Company issued 3,625,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$362,500.

#### e) Broker warrants

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

	NINE MONTHS ENDED SEPTEMBER 30, 2020		YEAR ENDED DECEMBER 31, 2019	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	-	\$ -	<b>188,000</b>	<b>\$ 0.10</b>
Issued	-	-	-	-
Exercised	-	-	<u>(188,000)</u>	<u>0.10</u>
Balance, end of period	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

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

# BRIGADIER GOLD LIMITED.

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### 8. Share Based Payments

#### i) 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 nine months ended September 30, 2020 and the year ended December 31, 2019 is presented below:

	NINE MONTHS ENDED SEPTEMBER 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	4,400,000	0.35	-	-
Forfeited	-	-	(730,000)	(0.20)
Balance, end of period	<u>4,400,000</u>	<u>\$ 0.35</u>	<u>-</u>	<u>\$ -</u>

On September 18, 2020, the Company granted 4,400,000 stock options exercisable at \$0.35 until September 18, 2022 to Directors, Officers and consultants. The stock options vest on March 18, 2021. The stock options have been valued at \$1,344,000 using the Black-Scholes option pricing model with the following assumptions, Exercise price - \$0.35; Volatility - 215%; Risk free rate - 0.235%; Term: 2 years; annual rate of dividends - \$Nil. During the three and nine month period ended September 30, 2020, the Company recorded \$84,578 of share based compensation in respect of the grant.

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

As at September 30, 2020, the following stock options were outstanding:

EXERCISE PRICE	NUMBER OUTSTANDING	NUMBER EXERCISABLE	EXPIRY DATE
<u>\$ 0.35</u>	<u>4,400,000</u>	<u>-</u>	<u>September 18, 2022</u>

# BRIGADIER GOLD LIMITED.

## FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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)

#### ii) Restricted Share Unit Award Plan

On August 26, 2020, the Company adopted a Restricted Share Unit Award Plan ("RSU Plan"), whereby the maximum number of common shares reserved for issuance under the RSU Plan combined with all of the Company's other security based compensation arrangements including the Company's Stock Option Plan shall not exceed 10% of the Company's outstanding shares.

On September 18, 2020, the Company granted 1,335,601 RSU's to certain consultants, a director and an officer of the Company. The RSU's vest on September 18, 2021 and expire on September 18, 2023. The RSU's have been valued at \$467,460 based on the market price of the Company's shares on the grant date. During the three and nine month period ended September 30, 2020, the Company recorded \$14,088 of share based compensation in respect of the grant.

As at September 30, 2020, the following RSU's were outstanding:

<u>EXERCISE PRICE</u>	<u>NUMBER OUTSTANDING</u>	<u>NUMBER EXERCISABLE</u>	<u>EXPIRY DATE</u>
<u>\$ -</u>	<u>1,335,601</u>	<u>-</u>	<u>September 18, 2023</u>

### 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 nine and three months ended September 30, 2020, the Company recorded \$76,311 and \$44,672 (nine and three months ended September 30, 2019 - \$37,372 and \$17,525) of consulting fees in relation to services provided by the directors of the Company. As at September 30, 2020, \$Nil (December 31, 2019 - \$Nil) is included in accounts payable and accrued liabilities.
- (ii) On May 7, 2019, a new Chief Financial Officer ("CFO") was appointed. During the nine and three months ended September 30, 2020 the Company recorded \$24,000 and \$7,500 respectively (nine and three months ended September 30, 2019 - \$6,500 and \$3,000) of professional fees in relation to services provided by the Chief Financial Officer of the Company. As at September 30, 2020 - \$6,000 (December 31, 2019 - \$4,000) was payable to the CFO.
- (iii) On June 24, 2020, a new Corporate Secretary was appointed. During the nine and three months ended September 30, 2020, the Company recorded \$15,000 and \$15,000 respectively (nine and three months ended September 30-, 2019 \$Nil and \$Nil) of administrative fees in relation to services provided by the Corporate Secretary of the Company. As at September 30, 2020 - \$Nil (December 31, 2019 - \$Nil) was payable to the Corporate Secretary.

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### 9. Related Party Transactions (Continued)

- (iv) During the nine and three months ended September 30, 2020, the Company recorded \$41,576 (nine and three months ended September 30, 2019 - \$Nil) in respect of share based compensation arising from the granting of stock options and issuance of restricted stock units to Directors and Officers of the Company.
- (v) The former Chief Financial Officer of the Company was an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the nine and three months ended September 30, 2020 the Company incurred \$Nil and \$Nil (nine and three months ended September 30, 2019 - \$10,620 and \$Nil) for accounting services rendered by MSSI. As at September 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 September 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.

### 11. Financial Instruments and Risk Management

The carrying values of cash, receivables, convertible note receivable and accounts payable accrued liabilities and share subscriptions received, 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.

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

#### 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 as at September 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.

#### Currency risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN\$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in the Picachos Gold Silver Property in Mexico, and all payments pursuant to the Property Option Agreement are denominated in the US Dollar ("USD\$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at September 30, 2020, a 1% strengthening in the USD relative to the CDN\$ increases future cashflows by approximately \$90,000, accordingly changes in the value of the US\$ can have a significant impact on the future estimated cash flows arising to complete the acquisition and future development of the property.

### 12. Segmented Information

The Company has one operating segment, being the acquisition of exploration and evaluation assets. The Company's accounting policy with respect to exploration and evaluation assets is to expense all costs as incurred.

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### 12. Segmented Information (Continued)

During the nine and three month periods ended September 30, 2020, the Company incurred \$568,354 and \$568,354 respectively (nine and three months ended September 30, 2019 – \$Nil and \$Nil respectively) of acquisition and exploration expenditures on its Mexican Property, and \$50,500 and \$Nil (nine and three month period ended September 30, 2019 - \$Nil and \$Nil respectively) on its Canadian Property. All other expenses incurred in the nine month periods to September 30, 2020 and 2019 were incurred in Canada. As at September 30, 2020 and December 31, 2019, all of the Company's assets and liabilities are located in Canada.

### 13. Proposed Transactions -Terminated

On August 19, 2019, the Company entered into definitive agreements, as amended on November 25, 2019 and which were terminated on April 24, 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 markets. On April 24, 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.

### 14. Subsequent Events

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

- i) On October 30, 2020, the Company entered into a Management Services Agreement with the President and Chief Executive Officer ("CEO") of the Company, Mr. Ranjeet Sundher. The agreement provides for the CEO to receive annual compensation of USD\$120,000, discretionary bonuses, and participation in the equity-based compensation plans adopted by the Company. Remuneration is to be reviewed annually.

The agreement may be terminated without cause at any time by the Company, by delivering to the CEO written notice stipulating the date of termination, and by paying a lump sum settlement in an amount equal to 200% of the effective compensation at the time of termination.

- i) On October 30, 2020, the Company appointed a new Chief Operating Officer ("COO"), Mr. Steve Vanry. The Company also entered into a Management Services Agreement with 677185 BC Ltd, (the "Consultant"), an entity controlled by the COO. The agreement provides for annual compensation of USD\$90,000, discretionary bonuses, and participation in the equity-based compensation plans adopted by the Company. Remuneration is to be reviewed annually. The agreement also provides for an incentive signing bonus to be paid in common shares of the equivalent to 1% of the outstanding share capital of the company at the effective date of the agreement to be paid to the Consultant or the COO at the discretion of the Consultant.

On October 30, 2020, the Company issued 600,000 Common shares with a fair value of \$168,000 in full settlement of the signing bonus.

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### 14. Subsequent Events (Continued)

The agreement may be terminated without cause at any time by the Company, by delivering to the Consultant written notice stipulating the date of termination, and by paying a lump sum settlement in an amount equal to 200% of the effective compensation at the time of termination.

- iii) Subsequent to the period end the Company issued 3,625,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$362,500.