

PACE METALS LTD.

(formerly Brigadier Gold Limited)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended

September 30, 2024

(Unaudited - 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 Pace Metals Ltd. (the "Company") for the nine months ended September 30, 2024, have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Pace Metals Ltd. (formerly Brigadier Gold Limited)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	September 30 2024	December 31 2023
ASSETS		
Current		
Cash	\$ 43,381	\$ 115,638
Restricted cash (Note 4)	-	28,750
Receivables	11,333	8,343
Prepaid expenses	2,363	967
Total Assets	\$ 57,077	\$ 153,698
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 452,127	\$ 326,576
Total Liabilities	452,127	326,576
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share Capital (Note 6)	19,941,442	19,941,442
Warrant Reserve (Note 6)	292,184	292,184
Contributed Surplus (Note 6)	8,023,379	8,023,379
Deficit	(28,652,055)	(28,429,883)
Total Equity (Deficiency)	(395,050)	(172,878)
Total Liabilities and Shareholders' Equity (Deficiency)	\$ 57,077	\$ 153,698

Nature of operations and Going Concern (Note 1)
 Commitments (Note 11)
 Subsequent Event (Note 12)

The consolidated financial statements were approved and authorized for issue by the Board of Directors on November 14, 2024. They were signed on the Company's behalf by:

"Robert Birmingham"
Director

"Garry Clark"
Director

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

Pace Metals Ltd. (formerly Brigadier Gold Limited)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses				
Consulting (Note 7)	-	99,645	80,000	421,345
Exploration and evaluation expenses (Note 5)	-	207,020	10,226	3,500,715
Foreign exchange loss	(1,765)	3,083	2,563	424
General and administration	491	7,712	2,997	26,390
Management fees (Note 7)	9,750	30,000	49,750	90,000
Marketing	-	25,000	-	96,567
Professional fees	642	4,184	34,130	18,201
Shareholder communication, filing and transfer agent fees	3,929	8,337	43,133	37,870
	(13,047)	(384,981)	(222,799)	(4,191,512)
Loss on disposal of E&E asset	-	-	-	-
Interest income	-	-	627	-
Loss and Comprehensive Loss for the Period	(13,047)	(384,981)	(222,172)	(4,191,512)
Loss Per Share, basic and diluted	(0.003)	(0.09)	(0.052)	(1.13)
Weighted Average Number of Common Shares Outstanding	4,258,760	4,258,760	4,258,760	3,710,744

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

Pace Metals Ltd. (formerly Brigadier Gold Limited)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30	
	2024	2023
Cash Provided By (Used In):		
Operating Activities		
Loss for the period	\$ (222,172)	\$ (4,191,512)
Items not affecting cash:		
Shares issued for exploration and evaluation expense	-	3,200,250
Net changes in non-cash operating working capital items:		
Receivables	(2,990)	(8,627)
Prepaid expenses and receivables	(1,396)	(1,549)
Accounts payable and accrued liabilities	125,552	(69,941)
	<u>(101,007)</u>	<u>(1,071,379)</u>
Financing Activities		
Proceeds from shares issued in private placement (Note 6)	-	716,833
Proceeds from sale of GIC	28,750	-
	<u>28,750</u>	<u>716,833</u>
Change In Cash	(72,257)	(354,546)
Cash, Beginning of Period	<u>115,638</u>	<u>494,461</u>
Cash, End of Period	<u>\$ 43,381</u>	<u>\$ 139,916</u>

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

Pace Metals Ltd. (formerly Brigadier Gold Limited)
Condensed Interim Consolidated Statements of Changes in Shareholders Equity (Deficiency)
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Warrant Reserve	Contributed Surplus	Deficit	Total Equity
	Shares	Amount				
		\$	\$	\$	\$	\$
December 31, 2022	2,592,990	15,792,012	-	8,547,909	(24,102,143)	237,778
Shares issued for acquisition of 1000196193 Ontario Ltd. (Note 5)	1,166,666	2,975,000	-	-	-	2,975,000
Shares issued for finder's fee (Note 5)	81,667	208,250	-	-	-	208,250
Shares issued for E&E property option (Note 5)	6,667	17,000	-	-	-	17,000
Shares issued for private placement	370,817	778,716	-	-	-	778,716
Share issuance costs	-	(94,832)	32,950	-	-	(61,882)
FV warrants issued private placement	-	(259,234)	259,234	-	-	-
Shares issued on exercise of RSU's	40,000	524,530	-	(524,530)	-	-
Loss for the period	-	-	-	-	(4,191,512)	(4,191,512)
September 30, 2023	4,218,807	19,941,442	292,184	8,023,379	(28,293,655)	(36,650)
December 31, 2023	4,258,760	19,941,442	292,184	8,023,379	(28,429,883)	(172,878)
Loss for the year	-	-	-	-	(222,172)	(222,172)
September 30, 2024	4,258,760	19,941,442	292,184	8,023,379	(28,652,055)	(395,050)

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

Pace Metals Ltd. (formerly Brigadier Gold Limited)
Notes to the Condensed Interim Consolidated Financial Statements
For the Nine Months Ended September 30, 2024
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Pace Metals Ltd. (formerly 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 (“TSX-V”) under the symbol BRG. The address of the Company’s registered office is 300 Bellevue Centre, 235 – 15th Street, West Vancouver, BC, V7T 2X1.

These condensed interim consolidated financial statements 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 condensed interim consolidated financial statements have been prepared using the assumption the Company is 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 has reported successive operating losses and has limited capital resources. The Company will require additional funding to continue operations for the next 12 months. The successive operating losses, together with the challenges of securing requisite funding have resulted in material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern. These 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.

2. Basis of Presentation

(a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim consolidated financial statements were approved by the Board of Directors on November 14, 2024.

(b) Basis of presentation

These 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.

Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity’s financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. All inter-company transactions and balances have been eliminated upon consolidation. The Company’s subsidiaries are as follows:

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries; 1000196193 Ontario Ltd., an active entity which holds the Nemaska2

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For the Nine Months Ended September 30, 2024
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lithium property and two wholly-owned inactive subsidiaries; 1848246 Ontario Inc. and Incahusai Exploraciones S.A., (Argentina).

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

Significant accounting judgments and estimates

The preparation of these 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 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 items involving key judgment and estimates:

Significant judgments

Going concern

These condensed interim consolidated 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.

Significant estimates

Share-based payments

The Company uses the Black-Scholes valuation model to determine the fair value of options and compensatory warrants granted to employees and non-employees under share-based payment arrangements, where appropriate. In estimating fair value, management is required to make certain assumptions and estimates such as the expected term of the instrument, volatility of the Company's future share price, risk free rates, future dividend yields and estimated forfeitures at the initial grant date, by reference to the underlying terms of the instrument, and the Company's experience with similar instruments. Changes in assumptions used to estimate fair value could result in materially different results.

3. Significant Accounting Policies

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended December 31, 2023.

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New standards, interpretations and amendments to existing standards not yet effective

There are no new standards or amendments to standards and interpretations issued by the IASB that are not yet effective that would be expected to have a material impact on the condensed interim consolidated financial statements of the Company.

4. Restricted Cash

Restricted cash represents collateral in respect of the corporate credit card facility with a financial institution.

5. Mineral Property Expenditures

	Nine Months Ended	
	September 30 2024	September 30 2023
	\$	\$
Killala Lake South Diamond Property, Canada	-	25,700
Nemaska2 Lithium Property, Canada ¹	10,226	3,451,075
Property investigation costs	-	23,940
	<u>10,226</u>	<u>3,500,715</u>

¹ The Nemaska2 Lithium and Nemaska2 Lithium Extension Properties are contiguous mineral claims, the costs incurred for which are combined in these financial statements

Nemaska2 Lithium Property, Canada

On March 13, 2023, the Company completed the acquisition of 1000196193 Ont. Ltd. In accordance with IFRS3 Business Combinations, the acquisition of 1000196193 Ontario Ltd. was accounted for as an asset acquisition as, prior to the acquisition, the activities of 1000196193 Ontario Ltd. did not meet the definition of a business.

Pursuant to the terms of the acquisition, the Company issued 1,166,667 common shares with a fair value of \$2,975,000 to the shareholders of 1000196193 Ontario Ltd. and made a cash payment of \$20,000 to 1000196193 Ont. Ltd. The Company paid a finder's fee of 81,667 common shares with a fair value of \$208,250 in connection with the acquisition.

The total consideration paid for the acquisition was:

	Consideration
	\$
Shares issued	3,183,250
Cash	20,000
Acquisition costs	18,632
	<u>3,221,882</u>

1000196193 Ontario Ltd.'s net assets that were acquired by the Company were allocated as follows:

	Allocation
	\$
E&E Expenditures	3,221,882
	<u>3,221,882</u>

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1000196193 Ontario Ltd. holds the right (as amended during May 2024 for a cash payment of \$5,000 (paid)) to acquire a 100% undivided interest in Nemaska2 Property, subject to a 2% NSR, by making aggregate cash payments to the optionor of \$115,000, including \$20,000 within seven days of the effective date of the agreement (paid); \$20,000 within seven days following approval of the acquisition by the TSXV (paid); \$25,000 prior to September 30; \$50,000 prior to December 31, 2025; and by incurring exploration expenditures of minimum \$100,000 prior to December 31, 2025. Under the terms of the option agreement, the Company has agreed to make a one-time payment in the amount of \$1,000,000, in cash or shares in the event a report compliant with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* establishes mineral resources valued over \$100,000,000 with respect to the Nemaska2 property. During October 2024, the Company provided notice of its intent to cancel the Nemaska2 option.

Nemaska2 Lithium Extension Property, Canada

On March 20, 2023 and subsequently amended, the Company entered into a property option agreement to acquire a 100% undivided interest in the Nemaska2 Lithium Extension Property (“Nemaska2 Extension”), James Bay Quebec. Under the terms of the option agreement, the Company, subject to a 2% NSR in favor of the optionor, must pay an aggregate of \$250,000, including a cash payment of \$10,000 within fourteen days of the effective date of the option agreement (paid); a cash payment of \$20,000 within ninety days of the effective date of the option agreement (paid); a cash payment of \$20,000 within 180 days of the effective date of the option agreement (not paid) and cash payments of \$100,000 on each of the first, and second anniversaries of the effective date of the option agreement. Under the terms of the option agreement, the Company agrees to make a one-time cash payment to the optionor of \$1,000,000, in the event a 43-101 compliant mineral resource valued over \$100,000,000 or more is established with respect to the Property. During May 2024, the Company provided notice of its intent to cancel the Nemaska2 Extension option.

Cost expensed for the Nemaska2 property were as follows:

	Nine Months Ended	
	September 30 2024	September 30 2023
	\$	\$
Acquisition costs		
Acquisition of 1000196193 Ontario Ltd.	-	3,221,882
Option payments	5,000	40,000
	5,000	3,261,882
Exploration expenditures		
Assays	4,429	12,956
Geological	-	123,668
Consulting, reports and mapping	797	52,569
	5,226	189,193
	10,226	3,451,075

Killala Lake South Diamond Property, Canada

On May 11, 2020, the Company entered into an option 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.

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The option payments consist of cash payments of \$110,000 and the issuance of 53,333 common shares as follows:

a) Cash Payments

- \$15,000 within 5 days of the effective date of the agreement (May 11, 2020) (paid);
- \$15,000 on or before the first (paid), second (paid) and third anniversaries (paid \$7,500) from May 11, 2020; and
- \$50,000 on or before the fourth anniversary of receipt of regulatory approval.

b) Share Consideration

- The issuance of 16,667 common shares within 10 business days of receipt of TSX-V approval of the agreement (issued, with a value of \$25,000);
- The issuance of 6,667 common shares on or before the first (issued, with value of \$22,000), second (issued, with value of \$5,000) and third (issued, with value of \$17,000) anniversaries of receipt of regulatory approval.
- The issuance of 16,667 common shares on or before the fourth anniversary of receipt of regulatory approval.

The Company also agreed to issue additional common shares upon achieving certain milestones as follows:

- The issuance of 33,333 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 33,333 common shares upon completion of a positive bankable feasibility study commissioned by the purchaser;
- The issuance of 16,667 common shares for each kimberlite or lamproite pipe drilled within the area of interest which produces more than 10 commercial sized diamonds.

On August 29, 2023 the Company terminated the Killala Lake South Diamond Property option agreement.

Costs expensed on the property were as follows:

	Nine Months Ended	
	September 30	September 30
	2024	2023
	\$	\$
Acquisition costs		
Option Payments	-	24,500
Exploration expenditures		
Geological consulting	-	1,200
Reports and mapping	-	-
Recovery	-	-
	<u>-</u>	<u>25,700</u>

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6. Share Capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

During the nine months ended September 30, 2024 the Company issued no shares.

During the year ended December 31, 2023, the Company issued:

- (i) 1,166,667 shares with a fair value of \$2,975,000 for the acquisition of 1000196193 Ontario Ltd. (Nemaska2 Property);
- (ii) 81,667 shares with a fair value of \$208,250 for finder's fee in connection with the acquisition of 1000196193 Ontario Ltd.;
- (iii) 6,667 shares in connection with the Killala Lake option agreement with a fair value of \$17,000;
- (iv) Issued 370,817 units at \$2.10 per unit for gross proceeds of \$778,716. Each unit is comprised of one common share and one common share unit warrant exercisable at \$4.50 for a period of twelve months from the date of issuance. The unit warrants were allocated a fair value of \$259,234. The Company paid a total of \$44,899 in cash fees and other share issue costs of \$16,983 and issued 20,364 broker warrants with a fair value of \$32,950. Each broker warrant is exercisable at \$2.10 for a period of twelve months from the date of issuance. The fair value of unit warrants and broker warrants was determined using the Black-Scholes option pricing model assuming: a life expectancy of one year, a risk-free interest rate of 4.10% – 4.25%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 172.54% - 174.78%;
- (v) Issued 40,000 shares on the exercise of RSUs resulting in a transfer from contributed surplus to share capital of \$524,530.

Share Purchase Warrants

A summary of changes in share purchase warrants is presented below:

	Number	Weighted average exercise price \$
Balance, December 31, 2022	-	-
Issued	370,817	4.50
Balance, December 31, 2023	370,817	4.50
Expired	(370,817)	4.50
Balance, September 30, 2024	-	-

Pace Metals Ltd. (formerly Brigadier Gold Limited)
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Broker warrants

A summary of changes in broker warrants is presented below:

	<u>Number</u>	<u>Weighted average exercise price</u> \$
Balance, December 31, 2022	-	-
Issued	20,364	2.10
Balance, December 31, 2023	20,364	2.10
Expired	(20,364)	2.10
Balance, September 30, 2024	-	-

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 is presented below:

	<u>Number</u>	<u>Weighted average exercise price</u> \$
Balance, December 31, 2022 and 2023	25,000	6.60
Expired	(20,000)	6.00
Balance, September 30, 2024	5,000	9.00

As at September 30, 2024, the following stock options were outstanding:

<u>Exercise Price</u> \$	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Expiry Date</u>
9.00	5,000	5,000	June 9, 2026

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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 subject to maximum vesting and expiry dates up to 3-years.

A summary of changes in Restricted Share Units is presented below:

	Number	Weighted average exercise price
		\$
Balance, December 31, 2022	57,853	9.00
Exercised	(40,000)	9.00
Expired	(17,853)	9.00
Balance, December 31, 2023 and September 30, 2024	-	-

7. Related Party Transactions

Key management personnel include directors and officers of the Company.

Related party transactions for the nine-month periods ended September are as follows:

	2024	2023
	\$	\$
Director fees (included in Consulting)	40,000	94,500
Management fees	49,750	90,000
Consulting fees	40,000	90,000
Total compensation to related parties for the year	129,750	274,500

As at September 30, 2024, there was \$350,281 (December 31, 2023; \$242,093) payable to related parties included in accounts payable and accrued liabilities.

8. 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 shareholders’ 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, 2024. There were no changes to the management of capital in the year ended September 30, 2024.

9. Financial Instruments and Risk Management

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

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).

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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, restricted cash, and receivables. Substantially all of the Company's cash and restricted cash is held with major financial institutions in Canada and receivables consist of GST refunds from the Canadian government. 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 8, 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, 2024, 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 operates only in Canada and has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in Canadian dollars. The functional currency of the Company and its subsidiaries is the Canadian dollar. Foreign currency risk is related to the exposure of financial instruments denominated in currencies other than Canadian dollars. As of September 30, 2024, a 10% appreciation (depreciation) in the United States dollar against the Canadian dollar, with all other variables held constant, would not result in any significant impact on the Company's profit or loss for the year.

10. Segmented Information

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

Pace Metals Ltd. (formerly Brigadier Gold Limited)
Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian Dollars)

11. Commitments

On October 30, 2020, the Company appointed a new Chief Operating Officer (“COO”)(now COO, CFO and Corporate Secretary). 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 CAD\$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 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.

12. Subsequent Event

On October 29, 2024 the Company entered into a non-binding letter of intent (LOI) with Compton Mining Corp., pursuant to which the Company intends to acquire all of issued and outstanding securities of Compton in exchange for common shares of the Company in an exchange ratio that is expected to be 1:1.

The proposed transaction is subject to:

- Requisite regulatory approval, including the approval of the TSX Venture Exchange;
- Customary closing conditions, including the approval of the directors (and as required, the shareholders) of each of the Company and Compton of the definitive agreement and completion of due diligence investigations to the satisfaction of each of the Company and Compton;
- The additional conditions described below.

The legal structure for the proposed transaction will be confirmed after the parties have considered all applicable tax, securities law and accounting efficiencies.

Prior to or concurrently with closing, subject to shareholder approval, the Company will undertake a share consolidation on the basis of one post consolidation share for every two pre consolidation shares.

Prior to or concurrent with the completion of the proposed transaction, \$93,875 (U.S.) and \$237,625 of debt, owing to current non-arm's-length individuals to the Company, shall be released and extinguished from accounts payable.

Compton is a resource mining company focused on exploration and development of its Electrode property located in the Red Lake mining district of northern Ontario.