

BRIGADE RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR PERIOD ENDED SEPTEMBER 30, 2016
(Expressed in Canadian Dollars)

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

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

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

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of consolidated interim financial statements by an entity's auditor.

BRIGADE RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

(Unaudited)

As at	September 30, 2016	March 31, 2016
ASSETS		
Current		
Cash	\$ 36,831	\$ 14,742
Prepays and deposits	4,250	101,922
Receivables	4,198	-
Total current assets	45,279	116,664
Exploration and evaluation assets (Note 4)	-	70,000
Total assets	\$ 45,279	\$ 186,664
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 131,478	\$ 87,745
Note payable (Note 5)	73,070	49,500
Total Liabilities	204,548	137,245
Shareholders' equity (deficiency)		
Share capital (Note 6)	4,332,000	4,332,000
Subscription received in advance	64,100	-
Reserves	2,036,405	2,036,405
Deficit	(6,591,774)	(6,318,986)
Total shareholders' equity (deficiency)	(159,269)	49,419
Total liabilities and equity	\$ 45,279	\$ 186,664

Nature of operations and going concern (Note 1)

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

BRIGADE RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE	Three months ended September 30, 2016	Three months ended September 30, 2015	Six months ended September 30, 2016	Six months ended September 30, 2015
OPERATING EXPENSES				
Exploration and evaluation expenditures	\$ -	\$ 6,588	\$ -	\$ 6,588
Management fees	23,250	33,000	46,500	35,000
Office and administrative	5,482	4,388	22,525	4,388
Professional fees	3,693	17,759	6,324	23,134
Filing fees	2,495	-	2,495	-
Rent	13,630	-	27,272	-
Share-based payments	-	208,160	-	208,160
Loss on writing off exploration and evaluation assets	70,000	-	70,000	-
Loss on writing off deposit	97,672	-	97,672	-
Total operating expenses	(216,222)	(269,895)	(272,788)	(277,270)
Merger expense	-	(5,740,185)	-	(5,740,185)
Loss and comprehensive loss for the period	\$ (216,222)	\$ (6,010,080)	\$ (272,788)	\$ (6,017,455)
Basic and diluted loss per common share	\$ (0.05)	\$ (0.21)	\$ (0.06)	\$ (0.42)
Weighted average number of common shares outstanding	4,332,000	28,661,087	4,332,000	14,413,825

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

BRIGADE RESOURCE CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

(Unaudited)

For the six month ended:	September 30, 2016	September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (272,788)	\$ (6,017,455)
Items not involving cash:		
Accrued interest	3,570	-
Merger expense	-	5,740,185
Share-based payments	-	208,160
Writing off exploration and evaluation assets	70,000	-
Writing off deposit	97,672	-
Changes in non-cash working capital items:		
Accounts Receivables	(4,198)	(2,979)
Accounts payable and accrued liabilities	43,733	(4,288)
Cash used in operating activities	(62,011)	(76,377)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Brigadier	-	334,155
Exploration and evaluation assets	-	(40,000)
Cash used in investing activities	-	294,155
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscriptions received in advance	64,100	-
Loans received (Note 7)	20,000	-
Cash provided by financing activities	84,100	-
Change in cash during the period	22,089	217,778
Cash, beginning of period	14,742	10
Cash, end of period	36,831	\$ 217,788

There were no significant non-cash transactions for six month period ended September 30, 2016 and 2015.

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

BRIGADE RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital		Subscription received in advanced	Reserves	Deficit	Total
	Number	Amount				
Balance, March 31, 2015	2,000	\$ 10	-	-	(4,625)	\$ (4,615)
Shares issued for acquisitions	6,132,000	6,132,000	-	-	-	6,132,000
Return of capital	(2,000)	(10)	-	-	-	(10)
Stock options issued	-	-	-	208,160	-	208,160
Loss for the period	-	-	-	-	(6,017,455)	(6,017,455)
Balance, September 30, 2015	6,132,000	6,132,000	-	208,160	(6,022,080)	318,080
Shares issued for acquisitions (Note 3)	-	-	-	-	-	-
Return of Capital	-	-	-	-	-	-
Purchase and cancellation of shares(Note 6)	(1,400,000)	(1,400,000)	-	1,365,000	-	(35,000)
Return of capital(Note 6)	(400,000)	(400,000)	-	389,600	-	(10,400)
Stock options issued (Note 6)	-	-	-	73,645	-	73,645
Loss for the period	-	-	-	-	(296,906)	(296,906)
Balance, March 31, 2016	4,332,000	4,332,000	-	2,036,405	(6,318,986)	49,419
Subscriptions received in advance	-	-	64,100	-	-	64,100
Loss for the period	-	-	-	-	(272,788)	(272,788)
Balance, September 30, 2016	4,332,000	\$ 4,332,000	64,100	2,036,405	(6,591,774)	\$ (159,269)

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

BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Brigade Resource Corp. (the "Company") was incorporated on October 9, 2014 in British Columbia under the Business Corporations Act. The Company is in the business of exploring for and evaluating economically viable mineral resource deposits.

The Company's corporate head office is Suite 2502, 1211 Melville Street, Vancouver British Columbia, V6E 0A7. The Company's records office is 1820-925 W Georgia Street, Vancouver, British Columbia V6C 3L2.

The Company's condensed consolidated interim financial statements are presented in Canadian dollars.

The Company has not generated revenues from operations. These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2016, the Company had a working capital deficit of \$159,269. The Company has incurred negative cash flows from operations, recorded a loss of \$272,788 for the period ended September 30, 2016, and has a deficit of \$6,591,774 as at September 30, 2016. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

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

Basis of Consolidation and Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. 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 condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

Use of Estimates and Judgments

The preparation of these condensed consolidated interim 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 the reported expenses during the period. Actual results could differ from these estimates.

Critical Accounting Estimates

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd...)

Use of Estimates and Judgments (cont'd...)

Critical Accounting Judgments

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

From time to time, certain claims, suits, and complaints may arise in the ordinary course of operations against the Company which require management to make certain estimates, judgments, and assumptions about the suit. In the opinion of management, any provisions related to such claims, if any, will be accrued when the claims meet the recognition criteria for contingent liabilities. Management is not aware of any material contingent liabilities which require recording in the condensed consolidated interim financial statements.

New standard not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended September 30, 2016:

IFRS 9	New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets(i)
IFRS11 (Amendment)	Amendment to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business. (ii)

(i) Effective for annual periods beginning on or after January 1, 2018

(ii) Effective for annual periods beginning on or after January 1, 2016

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

3. ASSET ACQUISITION

On November 20, 2014, the Company entered into an Arrangement Agreement (the "Arrangement") with Voltaire Services Corp. ("Voltaire"), the shareholders of the Company and Brigadier Exploration Corp. ("Brigadier"). Voltaire is a reporting issuer in the provinces of Alberta and British Columbia.

On July 6, 2015, the shareholders of the Company, Brigade and Voltaire executed the Arrangement whereby the Company acquired all of the issued and outstanding capital stock of Brigadier from Voltaire in consideration for securities of the Company on a one-for-one basis.

The estimated fair value of 6,132,000 common shares issued by the Company to Brigadier shareholders for the acquisition was \$6,132,000. The transaction was accounted for as an asset acquisition of exploration and evaluation assets and related assets and liabilities using the purchase method, rather than as a business combination, as the net assets acquired did not represent a separate business. The total purchase price of \$6,132,000 was allocated to the fair value of the net assets of Brigadier as follows:

Cash	334,155
Receivables	3,000
Due from related parties	12,500
Exploration and evaluation assets	60,000
Accounts payable and accrued liabilities	(17,850)
Merger expense	5,740,185
Return of capital	10
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	6,132,000
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BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Patterson Lake Property

On September 24, 2014, the Company entered into a purchase option agreement with Voltaire to acquire a 100% interest in certain mining claims in the Paterson Property located in the District of Kenora, Ontario for a total consideration of \$150,000 and by the issuance of 460,000 common shares payable in five installment payments.

On February 10, 2015, the purchase option agreement was terminated by mutual agreement of the parties. The Company had paid \$12,500 and issued 340,000 common shares with a value of \$34,000 upon the execution of the option agreement. On March 14, 2016, Voltaire returned the 400,000 common shares to the Company with 60,000 common shares as settlement for the cash of \$12,500 paid. The Company cancelled and returned the common shares to treasury.

During the period ended September 30, 2016, management decided not to continue with the Patterson Lake Property and wrote-off the balance to the statement of loss and comprehensive loss.

Brooks Lake Property

On April 15, 2015, and amended June 15, 2016, the Company entered into a purchase option agreement with Voltaire to acquire a 100% interest in certain mining claims located in the Township of Brooks Lake in the District of Kenora, Ontario. The property is subject to a 2% net smelter royalty ("NSR"). The Company may purchase 1% of the NSR at any time for \$1,000,000.

During the period ended September 30, 2016, management decided not to continue with the Brooks Lake Property and wrote-off the balance to the statement of loss and comprehensive loss.

Boyer Lake Property

On April 25, 2015, the Company entered into a purchase option agreement with Voltaire to acquire a 100% interest in certain mining claims located in the Township of Boyer Lake in the District of Kenora, Ontario for a total consideration of \$50,000 and by the issuance of 500,000 common shares payable in five installment payments.

During the period ended September 30, 2016, management decided not to continue with the Boyer Lake Property and wrote-off the balance to the statement of loss and comprehensive loss.

Surprise Lake Property

On April 15, 2015 and amended June 15, 2016, the Company entered into a purchase option agreement with Jerrold Williamson to acquire a 100% interest in certain mining claims located in the District of Kenora, Ontario.

During the period ended September 30, 2016, management decided not to continue with the Surprise Lake Property and wrote-off the balance to the statement of loss and comprehensive loss.

Joyce Lake Property

On July 21, 2015, the Company entered into a purchase option agreement with Voltaire to acquire a 100% interest in certain mining claims located in the District of Red Lake, Ontario.

During the period ended September 30, 2016, management decided not to continue with the Joyce Lake Property and wrote-off the balance to the statement of loss and comprehensive loss.

5. NOTES PAYABLE

During the period ended September 30, 2016, the Company entered into four promissory note agreements for a total aggregate of \$69,500. The loans bear simple interest at 12% per annum. Interest and principal are payable on March 29, 2018. As of September 30, 2016, the Company accrued interest of \$3,570 included in note payable.

BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

There were no common shares issued during the six month period ended September 30, 2016 and 2015.

During the year ended March 31, 2016, the Company:

- On July 6, 2015, the Company Issued 6,132,000 common shares at a value of \$1.00 per common shares for the acquisition of Brigadier (Note 3);
- On July 6, 2015, the Company cancelled and returned 2,000 common shares at a value of \$0.005 per common share to the treasury;
- On March 29, 2016, the Company cancelled and returned 400,000 common shares at a value of \$1.00 per common share to the treasury (Note 7);
- On March 29, 2016, the Company purchased 1,400,000 common shares at a value of \$1.00 from the former CEO of the Company for a price of \$0.025 per common share. The common shares were cancelled and returned to treasury.

c) Stock options

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2015	-	\$ -
Granted	380,000	1.00
Expired/cancelled	<u>(120,000)</u>	<u>1.00</u>
Outstanding and exercisable, March 31, 2016 and September 30, 2016	<u>260,000</u>	<u>\$ 1.00</u>

The following incentive stock options were outstanding at September 30, 2016:

Number Of shares	Exercise Price	Weighted Average remaining contractual life (years)	Expiry Date
160,000	\$1.00	3.92	May 31, 2020
100,000	\$1.00	4.33	October 28, 2020
<u>260,000</u>			

d) Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each stock option may be no less than the greater of \$0.10 per share and the closing market price of the Company's shares on the trading day immediately preceding the date of grant of the option, less any applicable discount allowed by the stock exchange on which the shares are traded, as calculated on the date of grant.

The Company did not grant any stock options or warrants during the periods ended September 30, 2016 and 2015.

BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

These consolidated financial statements include the financial statements of the Company and its 100% owned subsidiary Brigadier Exploration Corp.

During the six month period ended September 30, 2016, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Glenn Little	Management fees for services provided by the CEO.
Red Fern Consulting Ltd. ("RFC")	Management fees for services provided by the CFO and supporting staff.
Jon Sherron	Management fees for services provided by the director.

Due to related parties at September 30, 2016 is \$101,540 (2015 - \$3,150) owing to directors of the Company or companies controlled by related parties.

During the six month period ended September 30, 2016, the Company:

- Paid or accrued management fees of \$30,000 (2015 - \$30,000) to the CEO and Director of the Company.
- Paid or accrued management fees of \$13,500 (2015 - \$5,000) to RFC for CFO of the Company.
- Paid or accrued management fees of \$3,000 (2015 - \$Nil) to a director of the Company.

8. SEGMENTED INFORMATION

The Company operates in one industry segment, the mining industry, and one geographical segment, Canada.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2016, the Company had a cash balance of \$36,831 (March 2016 - \$14,742) to settle current liabilities of \$204,548 (March 2016 - \$137,245).

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance on-going exploration of its properties, such capital to be derived from the exercise of outstanding warrants and the completion of other equity financings.

BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial risk factors (cont'd...)

Liquidity risk (cont'd...)

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit risk is \$36,831 (March 2016 - \$14,742) consisting of the balance of cash and cash equivalent. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash and restricted cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at September 30, 2016, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Price risk

The resource industry is heavily dependent upon the market price of the resources being extracted. There is no assurance that, even if commercial quantities of resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be extracted at a profit. Factors beyond control of the Company may affect the marketability of any resources discovered. The price of oil has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. CAPITAL MANAGEMENT

The Company considers capital to be the elements of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its mineral property interests. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

BRIGADE RESOURCE CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian Dollars)

11. COMMITMENTS

On February 1, 2016, the Company entered into a lease agreement with Brian Boyle for a monthly rent of \$4,500. The term of the lease is 12 months.