A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia and Alberta but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

This Prospectus is not related to a public offering. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

NON-OFFERING PROSPECTUS May 24, 2017

Brigade Resource Corp.
(the "Company")

This Prospectus (the "**Prospectus**") is being filed with the British Columbia and Alberta Securities Commission for the purpose of complying with Policy 2 – *Qualification for Listing* published by the Canadian Securities Exchange (the "**Exchange**").

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the British Columbia and Alberta Securities Commissions for the purpose of providing full public disclosure regarding the acquisition by the Company of all of the securities of Green 2 Blue Energy Corp. ("**TargetCo**"), a private British Columbia company, and the plans to seek a listing on the Canadian Securities Exchange (the "**Listing**"). As no securities are being offered pursuant to this Prospectus, no proceeds will be raised in connection with this Prospectus.

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Company's securities and the extent of issuer regulation. See "Part IV – Risk Factors".

The Company has applied to list its common shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including without limitation, the distribution of the Company's common shares to a minimum number of public shareholders and the Company meeting certain financial and other requirements.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

As of the date of this Prospectus, neither the Company nor TargetCo has any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

BRIGADE RESOURCE CORP.
1518 - 800 West Pender Street
Vancouver, British Columbia
V6C 2V6

CONTENTS

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, assumptions about general business and economic conditions, changes in financial markets generally, the Company's ability to attract and retain skilled staff, government regulation of wood pellet production operations, environmental risks, limitations on insurance coverage and the completion of regulatory approvals. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this Prospectus includes, among other things, proposed expenditures for research and development work for TargetCo's operations, general and administrative expenses, expectations generally regarding completion of the Acquisition, the ability of the Company to raise further capital for corporate purposes and the utilization of the net proceeds of the Concurrent Financing. See "Narrative Description of the Business – Recommendations", "Use of Proceeds" and "Risk Factors" below.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, to those disclosed in any other of the Company's public filings and those about general business and economic conditions, changes in financial markets generally, the Resulting Issuer's ability to attract and retain skilled staff and the Resulting Issuer's capital expenditure program. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "Risk Factors" below. The Company has no specific policies or procedures for updating forward-looking information. Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation, to update any forward-looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking statements.

GLOSSARY OF TERMS

"**$**" means Canadian dollars.

"**Acquisition**" means the share exchange transaction completed on the Effective Date pursuant to the terms of the Acquisition Agreement, whereby the TargetCo Shareholders transferred their TargetCo Shares to the Company at an exchange rate of one TargetCo Share for one Company Share at a deemed price of $0.10 per Company Share.

"**Acquisition Agreement**" means the share exchange agreement dated January 16, 2017 among the Company, TargetCo and the TargetCo Shareholders, a copy of which is available under the Company's profile on SEDAR.

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other, or
(b) each of them is controlled by the same person.

A company is "controlled" by a person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and
(b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that person, or
(b) an Affiliate of that person or an Affiliate of any company controlled by that person.

"**Amalgamation**" means the vertical short form amalgamation of the Company and its wholly-owned subsidiaries Brigadier Exploration Corp. ("Brigadier"), Battalion Capital Corp. ("Battalion") and Hussar Exploration Corp. ("Hussar") whereby Brigadier, Battalion and Hussar amalgamated with the Company. The Amalgamation was approved by the Company's Board of Directors on March 2, 2017 and completed on March 3, 2017.

"**Arrangement**" means the plan of arrangement whereby the Company, being a subsidiary of Voltaire, entered into the Arrangement Agreement. The Arrangement was approved by the Supreme Court of British Columbia on January 5, 2015 and completed on July 6, 2015. Upon closing, the Company became a reporting issuer in Alberta and British Columbia and Brigadier became a wholly-owned subsidiary of the Company.

"**Arrangement Agreement**" means the arrangement agreement dated November 20, 2014 among Voltaire, Brigadier and the Company, in respect of the Arrangement, a copy of which is available under the Company's profile on SEDAR.

"**Associate**" when used to indicate a relationship with a person or company, means:

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
(b) any partner of the person or company;
(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as

trustee or in a similar capacity;

(d) in the case of a person, a relative of that person, including

(i) that person's spouse or child; or

(ii) any relative of the person or of his spouse who has the same residence as that person; but

where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding Company.

"**BCBCA**"	means the *Business Corporations Act* (British Columbia).
"**Board**" or "**Board of Directors**"	means the board of directors of the Company, TargetCo or the Resulting Issuer, as applicable.
"**CEO**"	means Chief Executive Officer.
"**CFO**"	means Chief Financial Officer.
"**Closing**"	means the completion of the Acquisition.
"**Company**"	means Brigade Resource Corp., a reporting issuer in the Provinces of British Columbia and Alberta.
"**Company Shares**"	means the common shares in the capital of the Company.
"**Concurrent Financing**"	means a non-brokered private placement by the Company of 7,500,000 units at a price of $0.10 per unit, each unit consisting of one Company Share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one Company Share for the price of $0.10 per share during the twelve month period following the closing of the financing and thereafter one Company Share for the price of $0.20 per share until the expiry of the period ending twenty-four months from the closing of the financing for gross proceeds of $750,000
"**Effective Date**"	means the date of completion of the Acquisition, being **●.**
"**Escrow Agent**"	means Computershare Investor Services Inc. of Vancouver, British Columbia, Canada, which shall hold the Escrowed Securities in escrow in accordance with the terms of the Escrow Agreement.
"**Escrow Agreement**"	means the escrow agreement to be entered into among the Resulting Issuer, the Escrow Agent and certain shareholders, pursuant to which 31,520,602 Resulting Issuer Shares will be held in escrow pursuant to CSE Policy 2 – *Qualification for Listing*.
"**Escrowed Securities**"	means the 31,520,602 Resulting Issuer Shares that are held in escrow pursuant to the Escrow Agreement.
"**Exchange**"	means the Canadian Securities Exchange.
"**Forward Stock-Split**"	means the forward stock-split to be completed by TargetCo of its issued and outstanding TargetCo Shares immediately prior to the Closing on the basis of one old TargetCo Share for two new TargetCo Shares.
"**Material Adverse Change**" or "**Material**	means with respect to the Company, TargetCo or the Resulting Issuer, as the case may be, any change (including a decision to implement such a change made by the

Adverse Effect"	board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of the Company, TargetCo or the Resulting Issuer, as the case may be, on a consolidated basis.
"**NI 41-101**"	means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.
"**NI 45-106**"	means National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.
"**NI 52-110**"	means National Investment 52-110 – *Audit Committees*, of the Canadian Securities Administrators.
"**Named Executive Officer**" or "**NEO**"	means: (a) the CEO; (b) the CFO; (c) the Corporate Secretary; and (d) the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus, individually, exceeds $150,000 per year; or (e) any additional individuals for whom disclosure would have been provided under (d) except that the individual was not serving as an officer of the issuer at the end of the most recently completed financial year.
"**Principal Regulator**"	means the British Columbia Securities Commission.
"**Resulting Issuer**"	means the Company upon completion of the Acquisition, which is currently known as Brigade Resource Corp.
"**Resulting Issuer Shares**"	means the common shares in the capital of the Resulting Issuer.
"**Stock Option Plan**"	means the incentive stock option plan of the Company, a copy of which is available under the Company's profile on SEDAR.
"**TargetCo**"	means Green 2 Blue Energy Corp., a corporation existing under the laws of the Province of British Columbia.
"**TargetCo Shares**"	means the common shares in the capital of TargetCo.
"**TargetCo Shareholders**"	means the shareholders of TargetCo.
"**Voltaire**"	means Voltaire Services Corp., formerly Salient Corporate Services Inc., a British Columbia company and reporting issuer in British Columbia and Alberta.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company: The Company was incorporated as a wholly-owned subsidiary of Voltaire pursuant to the BCBCA on October 9, 2014 under the name "Brigade Resource Corp.". Its head office is located at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

On November 20, 2014, the Company entered into the Arrangement Agreement with Voltaire and Brigadier. The Arrangement Agreement contemplated the Arrangement whereby the Company would become a reporting issuer in the provinces of Alberta and British Columbia and Brigadier would become a wholly-owned subsidiary of the Company. The Arrangement was approved by the Supreme Court of British Columbia on January 5, 2015 and was completed on July 6, 2015.

Brigadier was incorporated pursuant to the BCBCA on August 13, 2014 under the name "Brigadier Exploration Corp.".

On March 3, 2017, the Company's subsidiaries, Brigadier Exploration Corp., Battalion Capital Corp. and Hussar Exploration Corp. merged with the Company through a vertical short form amalgamation, which was approved by the Company's Board of Directors on March 2, 2017.

The Company's Business: The Company was previously engaged in the business of mineral exploration and the acquisition of mineral property assets in Ontario through its subsidiary, Brigadier. The Company has since terminated all of its mineral property interests and does not carry on an active business.

The Company's present objective is to evaluate potential business opportunities in the renewable energy sector and to become a listed company on the Exchange.

To this end, the Company entered into the Acquisition Agreement with TargetCo, a private British Columbia company incorporated on May 30, 2014. TargetCo is engaged in the production of wood pellets used for generating heat and power, at its facility in Rzeczenica, Poland.

The Acquisition and Acquisition Agreement: The Company entered into a non-binding letter of intent with TargetCo dated December 2, 2016, which described the essential terms and conditions of a proposed reverse-takeover transaction whereby the Company would acquire all of the issued and outstanding common shares in the capital of TargetCo. This non-binding letter of intent was later replaced and superseded by the Acquisition Agreement. The Acquisition was approved by written consent resolutions of each of the Boards of Directors of the respective parties.

The Acquisition will be completed on the Effective Date. We have assumed completion of the Acquisition for the purposes of the disclosure in this Prospectus.

The Company acquired a 100% interest in TargetCo pursuant to, on the terms and subject to the conditions set out in the Acquisition Agreement, a copy of which is available under the Company's profile on SEDAR. Pursuant to the terms of the Acquisition Agreement, upon the Closing of the Acquisition:

(a) TargetCo, as attorney for the TargetCo Shareholders delivered share certificates representing all of the issued and outstanding TargetCo Shares along with duly executed instruments of transfer to the Company;

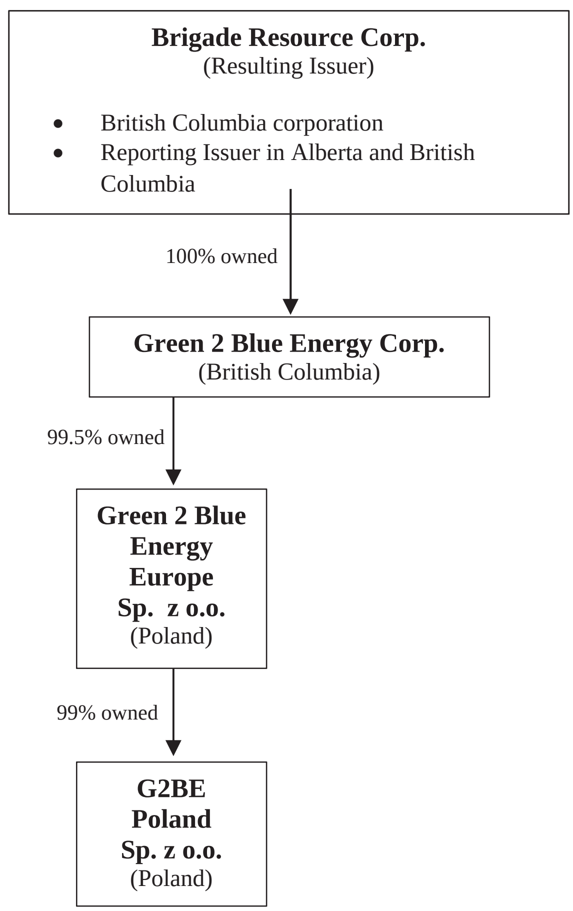
(b) As consideration and in exchange for the TargetCo Shares, the Company issued a corresponding number of Company Shares to the TargetCo Shareholders at a deemed price of $0.10 per Company Share;

(c) The share certificates representing the TargetCo Shareholders' TargetCo Shares were cancelled and a single share certificate was issued to the Company showing that the Company is the sole holder of all of the issued and outstanding TargetCo Shares, being 47,000,002 TargetCo Shares; and

(d) TargetCo became a wholly-owned subsidiary of the Company.

At the Closing, the Company issued an aggregate 47,000,002 Company Shares to the TargetCo Shareholders on the basis of 2 shares of the Company for every share of TargetCo. Upon completion of the Acquisition, the TargetCo Shareholders held approximately 76.96% (66.38% fully diluted) of the issued and outstanding Company Shares and became shareholders of the Resulting Issuer.

Inter-corporate Relationships: The diagram below describes the inter-corporate relationship between the Resulting Issuer and TargetCo post-Acquisition:



Management, Directors and Officers: Upon the completion of the Acquisition, directors and officers of the Resulting Issuer shall be:

Slawek Smulewicz – President, Chief Executive Officer, Director
Michael Young – Chief Financial Officer, Director

Glenn Little – Director
Jon Sherron – Director

Loan to TargetCo: As of May 24, 2017, the Company has loaned TargetCo the principal amount of $174,172.30 (the "**Bridge Loan**") for working capital purposes. The Bridge Loan is due and payable in full by TargetCo on December 5, 2017 and shall bear simple interest at the rate of 5% per annum.

Concurrent Financing: On ●, 2017, the Company completed an equity financing by way of private placement relying on the prospectus and registration exemptions pursuant to NI 45-106 and other applicable laws, rules and regulations to issue 7,500,000 units of the Company at a price of $0.10 per unit to raise gross proceeds of $750,000. Each unit consisted of one Company Share and one common share purchase warrant, each warrant entitling the holder thereof to purchase one Company Share for the price of $0.10 per share during the twelve month period following the closing of the Concurrent Financing and thereafter one Company Share for the price of $0.20 per share until the expiry of the period ending twenty-four months from the closing of the Concurrent Financing.

Funds Available and Use of Available Funds: As at Closing, the estimated consolidated working capital of the Resulting Issuer, being current assets less current liabilities for the Resulting Issuer was $510,000. To the extent that the Resulting Issuer has negative operating cash flow in future periods, the Resulting Issuer may use a portion of the unallocated capital referenced in the table below to fund such negative operating cash flow. The principal purposes for the use of those funds for the next twelve months will be as follows:

Item	Amount ($)
Funds Available:	
Working capital of the Company as at Closing	500,000
Working capital of TargetCo as at Closing	10,000
Total:	**510,000**
Principal Purposes for use of Funds Available:	
Estimated cost of prospectus and CSE listing	100,000
Research, product development and production	210,000
General and administrative costs(1)	100,000
Unallocated working capital	100,000
Total:	**510,000**

Note:
(1) Administrative costs include office rent, management and administration services, miscellaneous office and supplies, transfer agent, legal, accounting and audit expenses.

The Resulting Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of the Resulting Issuer's working capital and proceeds from financing will be subject to the discretion of management.

Summary of Financial Information: The following selected financial information is subject to the detailed information contained in the audited financial statements of the Company, TargetCo and the Resulting Issuer, and notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from and should be read in conjunction with: (i) the Company's audited financial statements for the financial years ended March 31, 2015 and March 31, 2016; (ii) the Company's unaudited interim consolidated financial statements for the period ended December 31, 2016; (iii) TargetCo's audited consolidated financial statements for the financial years ended June 30, 2015 and June 30, 2016; (iv) TargetCo's unaudited interim consolidated financial statements for the period ended December 31, 2016; and (v) the pro forma consolidated interim financial statements of the Resulting Issuer as of December 31, 2016.

As at December 31, 2016	Company ($)	TargetCo ($)	Pro Forma Adjustment ($)
Balance Sheet			
Cash	10,169	4,412	510,000
Total assets	36,814	479,163	730,000
Current liabilities	126,971	534,725	80,000
Total liabilities	126,971	925,834	80,000
Shareholders' equity	(90,157)	(446,671)	650,000

See "Part III – Information Concerning the Resulting Issuer – Pro Forma Consolidated Financial Statements" below.

Risk Factors: An investment in the Resulting Issuer should be considered highly speculative and involves a substantial degree of risk due to the nature of the business of the Resulting Issuer. These risks, uncertainties and other factors, many of which are beyond the control of the Company, TargetCo and the Resulting Issuer that could influence actual results include, but are not limited to: limited operating history, reliance on management, requirements for additional financing, competition, difficulty in forecasting sales, conflicts of interest, litigation, price fluctuation of the Resulting Issuer's securities, no earnings or dividend record, limited market for the Resulting Issuer's securities, intellectual property rights, low barriers to entry, changes in governmental and legal uncertainties, acquisitions, risks related to international operations, protecting intellectual property rights and other factors. See "Risk Factors" below.

Currency: Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

PART I – INFORMATION CONCERNING THE COMPANY

Corporate Structure

Name, Address and Incorporation

Brigade Resource Corp. was incorporated pursuant to the BCBCA on October 9, 2014 as a wholly-owned subsidiary of Voltaire.

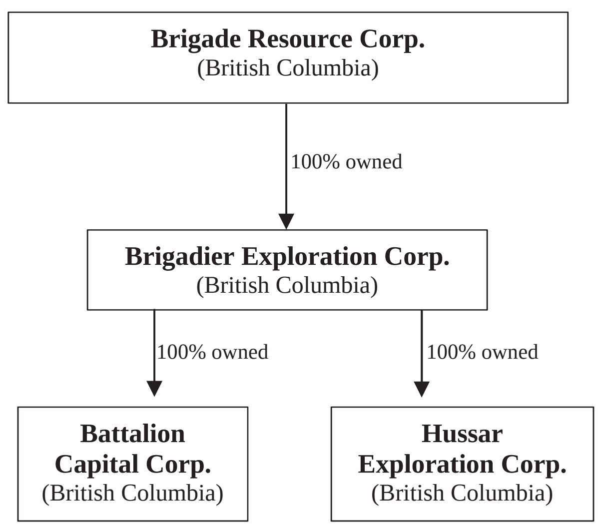
On November 20, 2014, the Company entered into the Arrangement Agreement with Voltaire and Brigadier. The Arrangement Agreement contemplated the Arrangement whereby the Company would become a reporting issuer in the provinces of Alberta and British Columbia and Brigadier would become a wholly-owned subsidiary of the Company. The Arrangement was approved by the Supreme Court of British Columbia on January 5, 2015 and was completed on July 6, 2015.

On March 3, 2017, the Company merged with its subsidiaries Brigadier Exploration Corp., Battalion Capital Corp. and Hussar Exploration Corp. by way of a vertical short form amalgamation. The Amalgamation was approved by the Company's Board of Directors on March 2, 2017.

The Company's head office is located at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

Intercorporate Relationships

Pursuant to the Arrangement Agreement, Brigadier became a wholly-owned subsidiary of the Company. Upon the completion of the Arrangement, the corporate structure of the Company was as follows:



Upon the completion of the Amalgamation, the Company had no subsidiaries.

General Development of the Business

Business of the Company

The Company does not currently carry on an active business, other than entering into the Acquisition Agreement.

History

Private Placement Financings

Subsequent to its incorporation and up to December 16, 2016, the Company completed private seed capital equity financing, raising aggregate gross proceeds of approximately $720,390. The funds were used for general working capital purposes and for the acquisition of mineral properties through several property option agreements (see "Business" below).

At Closing, the Company completed the Concurrent Financing to raise gross proceeds of $750,000 through the issuance of 7,500,000 units at a price of $0.10 per unit, pursuant to available prospectus and registration exemptions under NI 45-106 and other applicable laws, rules and regulations. Each unit consisted of one Company Share and one common share purchase warrant, each warrant entitling the holder thereof to purchase one Company Share for the price of $0.10 per share during the twelve month period following the closing of the Concurrent Financing and thereafter one Company Share for the price of $0.20 per share until the expiry of the period ending twenty-four months from the closing of the Concurrent Financing.

Bridge Loan

Pursuant to the Acquisition Agreement, on January 16, 2017, the Company loaned TargetCo the principal amount of $174,172.30 (the "**Bridge Loan**") for working capital purposes. The Bridge Loan is due and payable in full by TargetCo on December 5, 2017 and shall bear simple interest at the rate of 5% per annum.

Business

The Company was previously engaged in the business of mineral exploration and the acquisition of mineral property assets in Ontario through its subsidiary, Brigadier. To this end, Brigadier entered into the following property option agreements (the "**Property Option Agreements**") with Voltaire:

1. Surprise Lake, dated April 15, 2015;
2. Boyer Lake, dated April 15, 2015;
3. Brooks Lake, dated April 15, 2015; and
4. Joyce River, dated July 27, 2015.

The execution of each of the Property Option Agreements gave the Company the option to acquire a 100% interest in and to the mineral claims comprising each of the above-named properties. Due to challenges in the mining industry, the Company chose not to exercise its options and formally acknowledged the termination of each Property Option Agreement on February 21, 2017.

The Company's present objective is to evaluate potential business opportunities in the renewable energy sector and to become a listed company on the Exchange.

Amalgamation of Subsidiaries

On March 3, 2017, the Company merged with its wholly-owned subsidiaries Brigadier, Battalion and Hussar by way of a vertical short form amalgamation. The Amalgamation was approved by the Company's Board of Directors on March 2, 2017. Upon completion of the Amalgamation, the Company remained as a single corporate entity with no subsidiaries.

Significant Acquisitions and Dispositions

Acquisition of Brigadier

The Company acquired a 100% interest in Brigadier pursuant to, on the terms and subject to the conditions set out in the Arrangement Agreement, a copy of which is available under the Company's profile on SEDAR. Pursuant to the Arrangement Agreement, Brigadier acquired all of the issued and outstanding shares of the Company from Voltaire and the Company acquired all of Brigadier's issued and outstanding common shares in exchange for Company Shares at an exchange rate of one Company share for each common share in the capital of Brigadier. Upon the completion of the Arrangement, Brigadier became a wholly-owned subsidiary of the Company.

Acquisition of TargetCo

The Company acquired a 100% interest in TargetCo pursuant to, and on the terms and subject to the conditions set out in, the Acquisition Agreement, a copy of which is available under the Company's profile on SEDAR. Pursuant to the Acquisition Agreement, the Company issued an aggregate 47,000,002 Company Shares to the TargetCo Shareholders. The Acquisition was approved by a written consent resolution of the Boards of Directors of the respective parties. Upon completion of the Acquisition, the TargetCo Shareholders became securityholders of the Resulting Issuer.

The Acquisition Agreement

The Company entered into a non-binding letter of intent with TargetCo dated December 2, 2016, which described the essential terms and conditions of a proposed reverse-takeover transaction whereby the Company would acquire all of the issued and outstanding common shares in the capital of TargetCo. This non-binding letter of intent was replaced and superseded on January 16, 2017 by the Acquisition Agreement.

The Acquisition Agreement contemplated a share exchange at a ratio of two (2) shares of the Company for every share of TargetCo, pursuant to which the Company acquired all of the issued and outstanding shares of TargetCo on terms more particularly set forth in the Acquisition Agreement.

Upon completion of the Acquisition, the TargetCo Shareholders held 47,000,002 Company Shares. It is expected that 31,520,602 Resulting Issuer Shares will be subject to escrow.

Pre-Acquisition and Post-Acquisition Events

Upon the terms and subject to the conditions set forth in the Acquisition Agreement, the following occurred or shall occur:

1. The Company loaned TargetCo the principal amount of $174,172.30 for working capital purposes;

2. The Company filed a preliminary prospectus with the Principal Regulator;

3. Concurrent with filing a preliminary prospectus with the Principal Regulator, the Company filed the necessary documents with the Exchange to receive conditional approval from the Exchange for the listing of the Resulting Issuer Shares on the Exchange;

4. Upon receiving the preliminary receipt from the Principal Regulator, the preliminary prospectus and preliminary receipt are available on SEDAR under the Company's profile;

5. The Company will file a final prospectus with the Principal Regulator;

6. Upon receiving the final receipt from the Principal Regulator, the final prospectus and the final receipt will be available on SEDAR under the Company's profile;

7. Concurrent with filing the final prospectus with the Principal Regulator, the Company will file the necessary documents with the Exchange to receive final Exchange approval for the listing of the Resulting Issuer Shares on the Exchange;

8. TargetCo shall complete the Forward-Stock Split; and

9. The Company shall close the Concurrent Financing.

Acquisition Events

Upon the terms and subject to the conditions set forth in the Acquisition Agreement, at the Effective Date:

1. TargetCo, as attorney for the TargetCo Shareholders delivered share certificates representing all of the issued and outstanding TargetCo Shares along with duly executed instruments of transfer to the Company;

2. As consideration and in exchange for the TargetCo Shares, the Company issued a corresponding number of Company Shares to the TargetCo Shareholders at a deemed price of $0.10 per Company Share;

3. The share certificates representing the TargetCo Shareholders' TargetCo Shares were cancelled and a single share certificate was issued to the Company showing that the Company is the sole holder of all of the issued and outstanding TargetCo Shares, being 47,000,002 TargetCo Shares; and

4. TargetCo became a wholly-owned subsidiary of the Company.

Dividends or Distributions

The Company has neither declared nor paid any dividends on its common shares since its incorporation. While there are no restrictions in the Company's articles or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has negative operating cash flow and anticipates using all available cash resources to fund working capital, complete the Acquisition and grow the business of the Resulting Issuer. As such, there are no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board of Directors of the Resulting Issuer on the basis of the Resulting Issuer's earnings, financial requirements and other conditions existing at the time such determination is made.

Selected Financial Information and Management's Discussion and Analysis

The Company's Management's Discussion and Analysis provides an analysis of the Company's financial results for the years ended March 31, 2016 and 2015, and the period ending December 31, 2016, and should be read in conjunction with the financial statements of the Company for such periods, and the notes thereto respectively. The Company's financial statements and Management's Discussion and Analysis are attached to this Prospectus as Schedule "A" and Schedule "B", respectively.

Certain information included in the Company's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Caution Regarding Forward-Looking Statements" for further details.

Description of Securities

Common Shares

The Company's authorized capital consists of an unlimited number of Company Shares of which, as of the date of this Prospectus, 6,570,400 are issued and outstanding as fully paid and non-assessable. Holders of the Company Shares are entitled to vote at shareholder meetings and to receive dividends if, as and when declared by the directors. The Company Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Warrants

In connection with a private placement that closed on December 16, 2016, the Company issued 2,238,400 common share purchase warrants. Each warrant entitles the holder thereof to purchase one Company Share at a price of $0.10 per share for the first twelve months from the date of issue and thereafter for the price of $0.20 per share until the expiry of the period ending twenty-four months from the date of issue. Of these warrants, 96,000 were issued to three individuals as a finder's fee.

In connection with the closing of the Concurrent Financing, the Company issued 7,500,000 common share purchase warrants. Each warrant entitles the holder thereof to purchase one Company Share at a price of $0.10 per share during the twelve month period following the closing of the Concurrent Financing and thereafter one Company Share for the price of $0.20 per share until the expiry of the period ending twenty-four months from the closing of the Concurrent Financing.

Stock Option Plan

As of the date of this Prospectus, the Company has no outstanding or unexercised stock options. The Company's Stock Option Plan was adopted on May 22, 2015 and permits the Board from time to time, in its discretion and in accordance with applicable securities laws and Exchange policies, to grant to directors, officers, employees and consultants options to purchase Company Shares, provided that the number of Company Shares reserved for issuance will not exceed 10% of the then issued and outstanding Company Shares. The options are exercisable for a period determined by the Board, so long as the optionee maintains the optionee's position with the Company. The number of Company Shares reserved for issuance to any one individual cannot exceed 5% of the then issued and outstanding shares and the number of Company Shares reserved for issuance to one consultant or person conducting investor relations activities cannot exceed 2% of the then issued and outstanding shares.

Subject to a minimum exercise price of $0.10 per Company Share, the minimum exercise price of an option granted under the Stock Option Plan must not be less than the closing market price of the Company Shares on the trading day immediately preceding the date of grant, less any applicable discount allowed by the Exchange.

Options granted to an optionee who ceases to be a director, officer, employee or consultant for any reason other than death shall be exercisable within a period of 90 days after the date of termination.

Prior Sales

Since May 24, 2016, the Company has issued 56,740,402 Company Shares as follows:

Issue Date	Price Per Security ($)	Number of Company Shares Issued	Proceeds to the Issuer ($)
December 16, 2016	0.10	2,238,400(1)(2)	223,840,00
●, 2017 **[at closing of the Concurrent Financing]**	0.10	7,500,000(3)	750,000
● [the Effective Date]	0.10	47,002,002(4)	--
	Total:	**56,740,402**	**973,840**

Notes:
(1) Issued pursuant to a private placement of units. Each unit consisted of one share and one common share purchase warrant. Each warrant is exercisable for one Company Share at a price of $0.10 per share for the first twelve months from the date of issue and thereafter for the price of $0.20 per share until the expiry of the period ending twenty-four months from the date of issue.
(2) Of the units issued in connection with the private placement in Note 1, 96,000 were issued at a deemed price of $0.10 per unit as part of finder's fee paid to three individuals representing an amount equal to 8% of the units subscribed for by purchasers introduced to the Company by the finder. Each unit was issued on the same terms as the units issued to subscribers under the offering.
(3) Issued pursuant to the Concurrent Financing. Each unit consisted of one Company Share and one common share purchase warrant. Each warrant is exercisable for one Company Share $0.10 per share during the twelve month period following the closing of the Concurrent Financing and thereafter one Company Share for the price of $0.20 per share until the expiry of the period ending twenty-four months from the closing of the Concurrent Financing.
(4) Issued pursuant to the Acquisition to the TargetCo Shareholders at a deemed price of $0.10 per share on the Effective Date.

Shares Subject to Resale Restrictions

The Company Shares issued on December 16, 2016 and on ●, 2017 are subject to a four month hold period expiring on April 16, 2017 and ●, 2017, respectively.

Executive Compensation

The summary compensation table below sets out particulars of compensation paid for the financial years ended March 31, 2015 and March 31, 2016 to the individuals who acted as CEO and CFO during such period. The Company does not have any other NEOs whose total salary and other compensation during such period exceeded $150,000.

For a description of anticipated compensation for NEOs in the twelve months going forward, see "Part III – Information Concerning the Resulting Issuer – Summary Compensation Table".

Compensation Discussion and Analysis

In assessing the compensation of its NEOs, the Company does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board of Directors.

As of the date of this Prospectus, the Company's Board of Directors has not established any benchmark or performance goals to be achieved or met by NEOs, however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

In determining compensation, the Board of Directors considers industry standards, the Company's financial situation as well as the position held by each NEO, the related responsibilities and functions performed by the NEO and individual performance.

The Resulting Issuer is expected to rely solely on the Board to determine compensation to the executive officers. In determining compensation, the Board will consider industry standards, the Resulting Issuer's financial situation as well as the position held by each NEO, the related responsibilities and functions performed by the NEO and individual performance.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including NEOs or directors of the Company or companies they control for the provision of management or consulting services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

The Company may also issue stock options pursuant to its Stock Option Plan. See "Stock Option Plan" above.

Summary Compensation Table

The following table sets out the particulars of compensation paid to the NEOs for the financial years ended March 31, 2015 and March 31, 2016, excluding compensation securities.

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Glenn Little CEO	2016	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2015	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Bao Huo CFO	2016	27,000	Nil	Nil	Nil	Nil	Nil	Nil	27,000
	2015	13,200	Nil	Nil	Nil	Nil	Nil	Nil	13,200

Option-based Awards

The Company did not grant any option-based awards to any NEO during the financial year ended March 31, 2016.

Pension Plan Benefits

The Company does not have any pension plan, retirement plan or any deferred compensation plan.

Termination and Change of Control Benefits

The Company does not have any contract, agreement, plan or arrangement that provides for payment to the NEOs at, following or in connection with any termination (whether voluntary or constructive), resignation, retirement, a change in control of the Company or a change in a NEO's responsibilities.

Director Compensation

During the financial year ended March 31, 2016, the Company paid compensation in the following amounts:

Name	Fees Earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
				Annual incentive plans	Long-term incentive plans			
Jon Sherron	6,000	Nil	Nil	Nil	Nil	Nil	Nil	6,000

Mr. Sherron's compensation was paid in connection with his attendance at meetings of the directors of the Company.

Indebtedness of Directors and Executive Officers

As of the date of this Prospectus, none of the directors and executive officers of the Company or an Associate of such persons is indebted to the Company or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding providing by the Company.

Arm's Length Transaction

The Acquisition was negotiated by the parties dealing at arm's length with each other and in accordance with the policies of the Exchange.

Legal Proceedings

The Company is not a party to any legal proceedings, nor is it aware of any legal proceedings to which any of its property or assets is the subject matter, and it is not aware of any such proceedings known to be contemplated.

Auditor

The auditor of the Company is Charlton & Company, Chartered Accountants, Suite 1735, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9.

Transfer Agent

The transfer agent and registrar for the Company's common shares is Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9.

Material Contracts

Other than the Acquisition Agreement, the Company has not entered into any contracts material to investors.

PART II – INFORMATION CONCERNING TARGETCO

Name, Address and Incorporation

TargetCo was incorporated under the BCBCA on May 30, 2014.

The head office of TargetCo is located at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

TargetCo has two subsidiaries: (i) Green 2 Blue Energy Europe Sp. z o.o. ("G2BEE"), which is 99.5% owned by TargetCo and was incorporated under the laws of Poland on October 13, 2014; and (ii) G2BE Poland Sp. z o.o., which is 99% owned by G2BEE and was incorporated under the laws of Poland on June 28, 2016.

General Development of the Business

TargetCo operates in the renewable energy marketplace and is focused on low cost wood pellet production through the integration of biomass gasification technology.

With its subsidiary G2BEE, TargetCo owns and operates a wood pellet production facility in Rzeczenica, located in north-western Poland.

Across Europe, sustainable energy policies have been driving demand in the manufacturing and production of wood pellets. Wood pellets are created from those portions of trees that have been traditionally discarded as waste. In the pellet manufacturing process, residual sawdust, chips, bark, branches and stems are compacted into small pellets, anywhere from 6 millimeters to 8 millimeters in diameter and 20 millimeters to 30 millimeters in length. Generally, these pellets will be burned as fuel for large scale municipal boilers and energy producers across Europe and the United Kingdom, thereby replacing coal and similar fossil fuels as a primary generator of electricity.

Biomass or wood waste pellets typically composed of saw dust residuals have proven to be a viable renewable energy alternative to conventional fossil fuel for many years now. With the steady decline and retrofit of coal fired facilities over to biomass the global market has grown enormously over recent years and is expected to continue at an 11% compound annual growth rate through 2019.

TargetCo's operation strategically lies 200 kilometers east from the Polish/German border in the dense forest area of North Western Poland. There are shipping port services north-east of the facility in both the city of Gdansk and a port facility with year-round accessibility in Kolobrzeg. G2BEE’s current pellet production line is a customized installation that was designed to G2BEE's specifications by an ISO 9001 certified manufacturer that specializes in the design, fabrication and installation of biomass processing equipment. All components of the production line were manufactured in 2012 for use in this project. The production capacity of the three granulators fluctuates in the range from 3.5 tonnes to as much as 4 tonnes per hour. Current production capacity is up to 1,800 tonnes of pellets per month.

G2BEE analyzes, verifies and certifies its pellets once per day during production hours to ensure it meets all the required energy values and standards for its purchasers. It recently incorporated the ENplus methodology for all of its pellet production. ENplus is a multinational certification standard for wood pellets and considered to be the highest standard of certification in the industry. G2BEE feels this currently provides a competitive advantage over other pellet manufactures in both Europe and North America that are still using older standards.

In addition to developing the ENplus standard in order to regulate the quality of wood pellets, the European Union and major European utility companies are developing certification schemes to ensure the sustainability of wood pellets. In 2013, the European Union promulgated the EU Timber Regulation to prohibit illegal timber from entering the European Union markets. That same year, many of the major European utility companies formed the Sustainable Biomass Partnership (SBP) to harmonize national sustainability standards and develop one universal standard. In furtherance of that goal, SBP has released six standards, each governing a different element of the supply chain.

On November 9, 2016 G2BEE signed its first purchase order contract with Biomasa Partners Sp. z o.o. to start production and delivery of 190 tonnes of residential pellets per month commencing in December 2016, and intends to incrementally ramp up production to 1,800 tonnes per month by October 2017.

To coincide with the closing of its current financing G2BEE is in discussions with other European power companies to supply larger quantities of pellets. Over the next fiscal year TargetCo intends to continue with additional equipment upgrades to increase production capacity up to 2,400 tonnes a month in order to meet its expected ongoing product demand. TargetCo is also looking to expand its use of biomass gasification technology through the further utilization of such technology in its business. To this end TargetCo is currently exploring various options in regards to realizing its biomass gasification technology interests.

History

On December 12, 2014, G2BEE was granted permission (the "Permit") to process up to 220,000 tonnes of biomass per year, from which 205,000 tonnes can be used for the purpose of pellet production and 15,000 tonnes for energy generation. The Permit will remain valid until November 30, 2024. Subsequently, that same month TargetCo acquired and installed its initial pellet mill equipment, allowing for capacity to produce up to 1,800 tonnes a month of residential or commercial wood pellets. Over the next several months, TargetCo started its first residential pellet production on a small scale to focus on perfecting product, including market specifications, analysis, heat values and production line efficiency. In September 2015, the Company slowly increased production, eventually ramping up to approximately 350 tonnes of residential pellet production in the month of December 2015. All pellets were sold to local buyers within 30 days. During the months of January 2016 through October 2016, the company focused on upgrades to its production facility including the purchase and installation of a new high efficiency drying system for its residual sawdust feedstock used in production. In addition to targeting and securing long term purchase orders for larger quantities of wood pellets, while concurrently working on raising additional working capital to expand operations. On November 9, 2016 G2BEE signed its first purchase order contract with Biomasa Partners Sp. z o.o. for up to 1,800 tonnes of pellets per month. G2BEE started production and delivery in December 2016 with 190 tonnes of residential pellets and intends to incrementally ramp up production to 1,800 tonnes per month by October 2017.

Operations

TargetCo is based in Vancouver, British Columbia and operates through three subsidiary companies; see "Intercorporate Relationships" below.

Through its subsidiary G2BEE, TargetCo owns and operates a wood pellet production plant located in Rzeczenica, Poland. The 27,000 square foot facility currently houses a complete production line, a warehouse for raw material and a storage area for finished product. A large area remains available for future expansion plans.

The Company currently leases the 6.67 hectare property it operates on, with a first right of refusal option to purchase the land at a fixed price of 1.823 million polish zloty (PLN) plus value added tax, which is refundable once purchased. Currently, Targetco pays a monthly lease of 25,000 PLN plus value added tax. Purchasing of the premises will provide up to an additional $264,000 (CAD) savings for the next three years due to a special municipal incentive for new entrepreneurs purchasing local premises that focus on the production of goods. These new business owners are freed of the local land tax for a period of three to five years, depending on the number of new jobs created.

G2BEE is strategically located 200 kilometers east from the Polish/German border in the dense forest area of North Western Poland. There are shipping port services north-east of the facility in both the city of Gdansk and a port facility with year-round accessibility in Kolobrzeg.

Competition and Markets

Wood pellets are a popular form of sustainable energy within the European Union because they are regarded as having a smaller carbon footprint than traditional fossil fuels and coal. With the introduction of the EU's Renewable Energy Directive ("RED") in 2009, demand for wood pellets has increased exponentially. With RED, the EU created 20/20/20 targets for the year 2020 which has objectives to: reduce greenhouse gas emissions by 20 percent compared to emission levels in the year 1990, increase renewable energy use to 20 percent, and improve energy efficiency by 20 percent. Each European Union country will have its own individualized target.

In 2016, the wood pellet market in Europe reached a size of 19 million tons per annum ("Mtpa"), while production capacity stood at 23.5 Mtpa, and consists of two largely independent sectors with only limited interaction. The industrial market is focused on large-scale bioenergy generation, while the premium market is focused on small-scale residential and commercial heat generation.

Industrial Markets

The use of pellets for industrial-scale energy generation has not been widely adopted across Europe, with the United Kingdom, Denmark, Belgium and the Netherlands leading the market. Nevertheless, this sector accounted for 51 percent (9.7 Mtpa) of total pellet demand in Europe in 2016. Demand is likely to reach levels of between 12.4 Mtpa and 20.2 Mtpa by 2025, depending on some outstanding political decisions.

However, governments often do not regard large-scale biopower generation as a long-term option, and in the United Kingdom and the Netherlands, support for these plants will begin to end in 2027 and 2028 as things stand currently. Governments should start recognizing the importance of this industry sector that is able to provide baseload power to electricity networks, compensating for an increasing share of intermittent energy sources. Support schemes should be extended at appropriate levels to avoid having most of these large-scale biopower plants become uneconomical.
Supply of pellets to the industrial market from directly within Europe is limited, with only the Baltics and Portugal playing a relevant role. In total, this European production capacity amounts to just 2.6 Mtpa, covering only a small portion of the demand in the industrial market.

Premium Markets

Total demand in Europe has grown steadily and reached around 9.4 Mtpa in 2016. This market segment is expected to continue growing as EU member states work toward achieving their heating and cooling targets under RED. Demand for premium pellets is expected to reach levels of between 10.1 Mtpa and 16.4 Mtpa by 2020 and 2021 as a result.

Currently, most EU member states still have not yet formalized their renewable heat strategies out past 2020 and any demand predictions beyond then is considered speculative in nature. It is clear, though, that biomass heating will continue to play a key role in meeting any future renewable heating targets.
To date, European premium pellet markets have been supplied by small and medium scale pellet mills (average 55,000 Mtpa), often through traders, wholesalers and distributors. This market segment has to cope with considerable overcapacity and low utilization rates across an estimated 20.9 Mtpa of capacity. Exposure to raw material price fluctuations is also of concern for many producers, especially those who are independent, with sawmills increasingly establishing their own pellet production capacity.
Some producers are also concerned about the threat of pellet imports from overseas, as mills in regions such as the Southeast United States and Russia can supply at competitive price levels and, in many cases, have already gained ENPlus certification.

In summary TargetCo's competitive advantages lie in a unique combination of:

- Existing Technologies – The use of biomass gasification technology to significantly reduce the cost of pellet production by providing both power to operate the facility and exhaust heat to dry feedstock. Surplus electricity can be sold to the grid.
- Feedstock Availability – The G2BEE production facility is situated in the dense forest region of Pomeranian, where there are hundreds of wood production facilities and saw mills that have an abundance of sawdust and woodchips available feedstock.
- Low Transportation Cost – The township of Rzeczenica is strategically located in North Eastern Poland and close to the German border and two shipping ports, in Gdansk and Kolobrzeg.
- High Regional Market Demand – European demand for wood pellets is forecasted to increase year over year for the foreseeable future. Approximately 75% of the pellets produced world-wide are used in Europe, while conversely only 51% of the world's pellets are produced in Europe.
- Incentives – Government subsidies and mandates to switch from fossil fuels to clean energy sources.
- Product Standards – The use of ENplus methodology and certification.

According to “BioEnergy International” EU pellet production covered 70% of EU demand in 2015.

Intercorporate Relationships

As of the date of this Prospectus, TargetCo has two subsidiary operating companies: (i) Green 2 Blue Energy Europe Sp. z o.o., which was incorporated under the laws of Poland on October 13, 2014; (ii) G2BE Poland Sp. z o.o., which was incorporated under the laws of Poland on June 28, 2016.

Intellectual Property

TargetCo maintains trade secrets in respect of its biomass drying and wood pellet production procedures. At this time, TargetCo does not have any registered trademarks

Dividends or Distributions

TargetCo has neither declared nor paid any dividends on its common shares since its incorporation.

Selected Financial Information and Management Discussion and Analysis

TargetCo's Management's Discussion and Analysis provides an analysis of TargetCo's financial results for the fiscal year ending June 30, 2016, and should be read in conjunction with the financial statements of TargetCo for such period, and the notes thereto respectively. TargetCo's Management's Discussion and Analysis and financial statements are attached as Schedule "C" and Schedule "D", respectively.

Certain information included in TargetCo's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Caution Regarding Forward-Looking Statements" for further detail.

Description of Securities

Common Shares

TargetCo is authorized to issue an unlimited number of TargetCo Shares of which, as of the date of this Prospectus, 47,000,002 have been issued and are outstanding as fully paid and non-assessable. Holders of TargetCo Shares are entitled to vote at shareholder meetings and to receive dividends if, as and when declared by the directors. The TargetCo Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Incentive Plans

TargetCo has not adopted a stock option plan, however it has adopted an equity compensation plan and established an incentive share pool consisting of 5,000,000 TargetCo Shares reserved for issuance founders of TargetCo and key employees, officers, advisors and partners.

Prior Sales

Since May 24, 2016 TargetCo has issued 3,595,000 TargetCo Shares as follows:

Issue Date	Price Per Security ($)	Number of Company Shares Issued	Proceeds to the Issuer ($)
June 30, 2016	0.10	40,000	4,000
September 29, 2016	0.10	100,000	10,000
November 30, 2016	0.10	250,000	25,000
December 6, 2016	0.10	2,931,300	293,130

Issue Date	Price Per Security ($)	Number of Company Shares Issued	Proceeds to the Issuer ($)
December 15, 2016	0.10	273,700	27,370
	Total:	**3,595,000**	**359,500**

Shares Subject to Resale Restrictions

The TargetCo Shares may not be traded until four months and a day from the later of (i) the date such TargetCo Shares were issued; and (ii) the date that TargetCo becomes a reporting issuer in any province or territory of Canada.

Executive Compensation

The summary compensation table below sets out particulars of compensation paid for the financial years ended June 30, 2014, June 30, 2015 and June 30, 2016 to the individuals who acted as CEO and CFO during such period. TargetCo does not have any other NEOs whose total salary and other compensation during such period exceeded $150,000.

For a description of anticipated compensation for NEOs in the twelve months going forward, see "Part III – Information Concerning the Resulting Issuer – Summary Compensation Table".

Compensation Discussion and Analysis

In assessing the compensation of its NEOs, TargetCo does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board of Directors.

As of the date of this Prospectus, TargetCo's Board of Directors has not established any benchmark or performance goals to be achieved or met by NEOs, however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of TargetCo. The satisfactory discharge of such duties is subject to ongoing monitoring by TargetCo's directors.

In determining compensation, the Board of Directors considers industry standards, TargetCo's financial situation as well as the position held by each NEO, the related responsibilities and functions performed by the NEO and individual performance.

The Resulting Issuer is expected to rely solely on the Board to determine compensation to the executive officers. In determining compensation, the Board will consider industry standards, the Resulting Issuer's financial situation as well as the position held by each NEO, the related responsibilities and functions performed by the NEO and individual performance.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including NEOs or directors of TargetCo, or companies they control for the provision of management or consulting services. Such services are paid for by TargetCo at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Summary Compensation Table

The following table sets out the particulars of compensation paid to the NEOs for the financial years ended June 30, 2014, June 30, 2015 and June 30, 2016.

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plants			
Slawomir	2016	85,500	Nil	Nil	Nil		Nil	Nil	85,500
Smulewicz	2015	42,000	Nil	Nil	Nil		Nil	Nil	42,000

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plants			
President and CEO	2014	3,000	Nil	Nil	Nil		Nil	Nil	3,000
Michael Young CFO	2016	48,000	Nil	Nil	Nil		Nil	Nil	48,000
	2015	--	--	--	--		--	--	--
	2014	--	--	--	--		--	-	--
Ping Shen CFO	2016	Nil	Nil	Nil	Nil		Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil		Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil		Nil	Nil	Nil

Incentive Plan Awards

On February 6, 2015, 100,000 TargetCo Shares were issued from TargetCo's incentive share pool pursuant to its equity compensation plan adopted on the same date.

On March 1, 2016, 1,500,000 TargetCo Shares were issued from TargetCo's incentive share pool pursuant to its equity compensation plan.

On March 4, 2016, 1,050,000 TargetCo Shares were issued from TargetCo's incentive share pool pursuant to its equity compensation plan.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Michael Young CFO	Nil	150,000	Nil
Ping Shen CFO	Nil	10,000	Nil

Pension Plan Benefits

TargetCo does not have any pension plan, retirement plan or any deferred compensation plan.

Termination and Change of Control Benefits

Except as disclosed below, TargetCo does not have any contract, agreement, plan or arrangement that provides for payment to the NEOs at, following or in connection with any termination (whether voluntary or constructive), resignation, retirement, a change in control of TargetCo or a change in a NEO's responsibilities.

On January 1, 2017, TargetCo entered into consulting agreements with its CEO and a company owned by its CFO which provide for the payment of (i) the lesser of 6 months of consulting fees or a lump sum amount equal to the portion of the consulting fee remaining for the term of the agreement in the event of termination other than for cause; or (ii) a lump sum payment equal to the portion of the consulting fee remaining for the remainder of the term of the consulting agreement in the event of a change in voting control of the shares of TargetCo occurs.

Director Compensation

TargetCo has not paid any compensation to any person in their capacity as a director of TargetCo for the financial year ended June 30, 2016. TargetCo did not make any share-based awards to directors, other than directors who are also NEOs as indicated in "Incentive Plan Awards" above.

Indebtedness of Directors and Executive Officers

As of the date of this Prospectus, none of the directors and executive officers of TargetCo or an Associate of such persons are indebted to TargetCo or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding providing by TargetCo.

Arm's Length Transaction

The Acquisition was negotiated by the parties dealing at arm's length with each other and in accordance with the policies of the Exchange. See "Part I – Information Concerning the Company – Acquisition of TargetCo".

Legal Proceedings

TargetCo is not a party to any legal proceedings, nor is it aware of any legal proceedings to which any of its property or assets is the subject matter, and it is not aware of any such proceedings known to be contemplated.

Auditor

The auditor of TargetCo is Saturna Group Chartered Professional Accountants LLP, Suite 1250, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

Transfer Agent and Registrar

TargetCo currently has no transfer agent and registrar for its shares.

Material Contracts

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by TargetCo since the beginning of the last financial year ended June 30, 2016 or entered into before June 30, 2016 that at are still in effect as of the date hereof:

Entered into by TargetCo

1. Consulting Agreement dated January 1, 2017 among Slawomir Smulewicz, 1051208 B.C. Ltd. and TargetCo;
2. Consulting Agreement dated January 1, 2017 among Michael Young, Gold Medal Performance Corp. and TargetCo;
3. Acquisition Agreement dated January 16, 2017 with the Company and the shareholders of TargetCo;

Entered into by Green 2 Blue Energy Europe Sp. z o.o.

4. Loan Agreement dated April 1, 2016 with Slawomir Smulewicz; and
5. Property Lease Agreement dated November 10, 2016 with Monica Piwkowska-Skuza – trustee in bankruptcy of Seeger-Dach Sp. z o.o. in liquidation.

PART III – INFORMATION CONCERNING THE RESULTING ISSUER

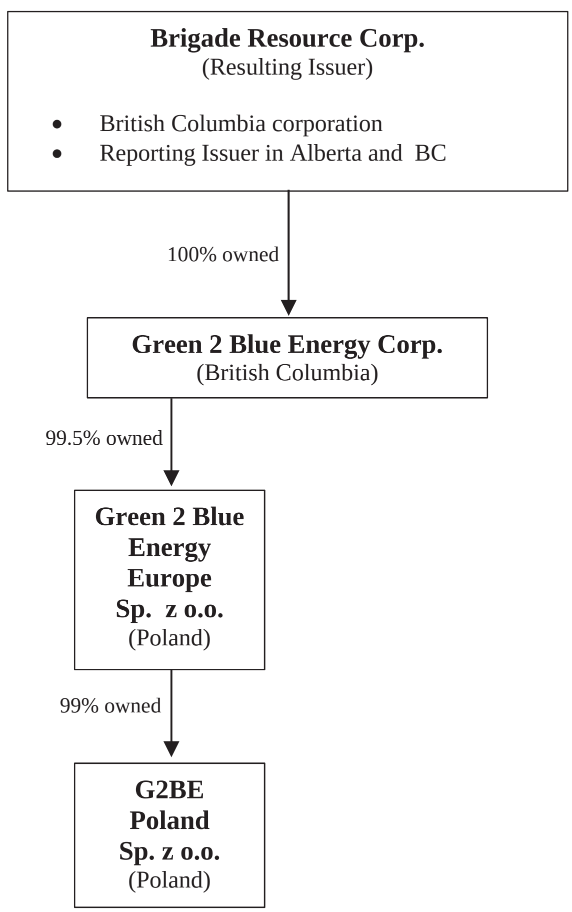
Name, Address and Incorporation

Following completion of the Acquisition, the corporate structure of the Resulting Issuer is the corporate structure of the Company. The Company (then the Resulting Issuer) is named "Green 2 Blue Energy Corp".

The Resulting Issuer's head office is located at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and its registered and records office is located at Lotz & Company, Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

Intercorporate Relationships

The diagram below describes the intercorporate relationship between the Resulting Issuer and its subsidiaries.



Narrative Description of the Business

Upon final Exchange approval, the Resulting Issuer will be a clean technology issuer pursuant to the policies of the Exchange and intends to implement the business plan of TargetCo. See "Part III– Information Concerning the Resulting Issuer - Business Objectives and Milestones" below and "Part II – Information Concerning TargetCo – Narrative Description of the Business" above.

Use of Proceeds

This is a non-offering prospectus. The Resulting Issuer is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company, TargetCo or the Resulting Issuer in connection with the filing of this Prospectus.

Funds Available and Use of Available Funds

As at Closing, the estimated consolidated working capital, being current assets less current liabilities, for the Resulting Issuer was $510,000. To the extent that the Resulting Issuer has negative operating cash flow in future periods, the Resulting Issuer may use a portion of the unallocated capital referenced in the table below to fund such negative operating cash flow. The principal purposes for the use of those funds for the next twelve months will be as follows:

Item	Amount ($)
Funds Available:	
Working capital of the Company as at Closing	500,000
Working capital of TargetCo as at Closing	10,000
Total:	**510,000**
Principal Purposes for use of Funds Available:	
Estimated cost of Prospectus and CSE Listing	100,000
Research, Product Development and Production	210,000
General and Administrative Costs	100,000
Unallocated Working Capital	100,000
Total:	**510,000**

The Resulting Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of the Company's working capital and proceeds from financing will be subject to the discretion of management.

Business Objectives and Milestones

General

Following completion of the Acquisition, the Resulting Issuer's primary business objectives for and milestones for the twelve month period following the completion of the Acquisition are as follows

Objective	Timeline/Comment	Estimated Remaining Cost ($)
File final Prospectus and apply to list Resulting Issuer Shares on the Exchange		100,000
Additional equipment purchase to increase capacity	Month 1 -2	200,000
Increase of feed stock inventory	Month 1 – 5	180,000
Research, Product Development & Production	Month 1 – 12	120,000
	Total:	**600,000**

Specific Timeline

Major Objectives and Expenditures		
Timeline	**Description of Objectives**	**Cost ($)**
Month 1	Purchase deposit on Drying System (up to 2t/h)	27,090
	Purchase deposit on one pellet mill to increase capacity to 2,400 tonnes per month	48,375
	Accounts payable	35,000
	Purchase 3,000 tonnes of feedstock (wet sawdust) for pellets	109,366

Major Objectives and Expenditures		
Timeline	**Description of Objectives**	**Cost ($)**
	OPEX - Cost of increased production, facility upgrade and working capital	120,000
Month 2	Purchase, delivery and installation of drying system	61,900
	Purchase, delivery and installation of additional pellet mill	61,275
Month 5	Purchase additional 2,500 tonnes of feedstock for pellets	70,650
	Contingency	100,000
	Total:	**633,656**

Dividends or Distributions

The Resulting Issuer intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on the Resulting Issuer Shares in the foreseeable future.

Pro Forma Consolidated Financial Information

The following sets forth selected pro forma consolidated financial information of the Company and TargetCo as at December 31, 2016.

	Company ($)	**TargetCo ($)**	**Pro Forma Adjustments ($)**	**Pro Forma ($)**
Balance Sheet				
Current assets	36,814	137,630	730,000	904,444
Total assets	36,814	479,163	730,000	1,245,977
Current liabilities	126,971	534,725	80,000	741,696
Shareholders' equity	(90,157)	(446,671)	650,000	113,172

Description of Securities

Authorized and Issued Share Capital

The Resulting Issuer is authorized to issue an unlimited number of Resulting Issuer Shares of which, as of the date of this Prospectus, and after giving effect to the Acquisition and the Concurrent Financing, 61,070,402 are issued and outstanding as fully paid and non-assessable.

The holders of the Resulting Issuer Shares are entitled to vote at all meetings of shareholders of the Resulting Issuer and to receive dividends if, as and when declared by the directors. The Resulting Issuer Shares are not subject to any future call or assessments and do not have any pre-emptive rights or redemption rights.

See "Part III – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization" and "Fully Diluted Share Capital" below and "Part I – Information Concerning the Company – Description of Securities" above.

Warrants

After giving effect to the Acquisition and the Concurrent Financing, the Resulting Issuer has 9,738,400 outstanding common share purchase warrants, with each warrant entitling the holder thereof to acquire one Resulting Issuer Share.

Listing of Resulting Issuer Shares

The Company has applied to list the Resulting Issuer Shares on the Exchange. Listing will be subject to the Resulting Issuer fulfilling all the listing requirements of the Exchange, including without limitation, the distribution of the Resulting Issuer Shares to a minimum number of public shareholders and the Resulting Issuer meeting certain financial and other requirements.

As at the date of this Prospectus, neither the Company, TargetCo nor the Resulting Issuer have any of their securities listed or quoted, has applied to list or quote any of their securities, and does not intend to apply to list or quote any of their securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group PLC).

Pro Forma Consolidated Capitalization

The following table sets out the share capitalization of the Resulting Issuer:

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of the date of this Prospectus
Common Shares	Unlimited	61,070,402

Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Resulting Issuer:

	Number of Securities Issued or Reserved	% of total issued and outstanding as of the closing of the Transaction
Company Shares issued and outstanding prior to entering into Acquisition Agreement.	6,570,400	9.28%
Company Shares issued pursuant to Concurrent Financing.	7,500,000	10.59%
Company Shares issued at the Closing of the Acquisition.	47,000,002	66.38%
Resulting Issuer Shares to be issued on exercise of outstanding Company share purchase warrants.	9,738,400	13.75%
Total	**70,808,802**	**100%**

Stock Option Plan

The Resulting Issuer will retain the Company's Stock Option Plan. See "Part I – Information Concerning the Company – Stock Option Plan" above.

Escrowed Shares

Under the applicable policies and notices of the Exchange, securities held by certain shareholders of the Resulting Issuer are required to be held in escrow in accordance with the escrow requirements set out in CSE Policy 2 – *Qualification for Listing*.

The Escrowed Securities will be held in escrow pursuant to the Escrow Agreement. There are to be 31,520,602 Resulting Issuer Shares held in escrow upon completion of the Listing.

The Exchange escrow agreement provides that the Escrowed Securities are held in escrow pursuant to its terms and the beneficial ownership thereof and may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the Exchange. In the event of the bankruptcy of an escrow shareholder, provided the Exchange does not object, the escrowed shares held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the escrowed shares, which shares will remain in escrow subject to the escrow agreement. In the event of the death of an escrow shareholder, provided the Exchange does not object, the escrowed shares held by the escrow shareholder will be released from escrow.

The following table sets out, as at the date of this Prospectus, the number and percentage of Company Shares held in escrow prior to giving effect to the Acquisition, and the number and percentage of the Resulting Issuer Shares that will be held in escrow after giving effect to the Acquisition, but before giving effect to the initial release of the escrowed Resulting Issuer Shares under the escrow agreement.

		Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
Name and Municipality of Residence of Security holder	**Designation of Class**	**Number of Company shares held in escrow**	**Percentage of class**	**Number of Resulting Issuer Shares to be held in escrow(1)**	**Percentage of class(2)**
Slawomir Smulewicz British Columbia	Common	Nil	Nil	16,700,002	27.35%
Joanna Smulewicz British Columbia	Common	Nil	Nil	6,300,000	10.32%
Michael Young British Columbia	Common	Nil	Nil	4,200,000	6.88%
Slawomir Strojnowski Poland	Common	Nil	Nil	3,000,000	4.91%
Zbigniew Fraszka Poland	Common	Nil	Nil	1,000,000	1.64%
Glenn Little British Columbia	Common	Nil	Nil	290,000	0.47%
Bozena Wojcik Poland	Common	Nil	Nil	30,000	0.049%
Jon Sherron British Columbia	Common	Nil	Nil	600	0.001%
			Total:	**31,520,602**	**51.61%**

Notes:
(1) Escrowed Resulting Issuer Shares will be held by the Transfer Agent. Such escrowed Resulting Issuer Shares will be escrowed per National Policy 46-201 – *Escrow for Initial Public Offerings* and released pursuant to that Policy.
(2) Based on 61,070,402 Resulting Issuer Shares outstanding upon completion of the Acquisition.

The Escrowed Securities

The Escrowed Securities will be held in escrow pursuant to the Escrow Agreement. There are to be 31,520,602 Resulting Issuer Shares to be held in escrow (the " Escrowed Securities "). These will be held in escrow as required by Exchange policy on completion of the Listing.

The Escrowed Securities are to be subject to the release schedule set out in the form of escrow required by s. 1.8 of Policy 8 – Fundamental Changes of the Exchange. Ten (10%) percent of the Escrowed Securities are to be released upon the date of listing on the Exchange and an additional 15% are to be released every 6 months thereafter until all Escrowed Securities have been released (36 months following the date of listing on the Exchange).

The Escrow Agreement provides that the Escrowed Securities are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the Exchange. In the event of the bankruptcy of an escrow shareholder, provided the Exchange does not object, the Escrowed Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the Escrowed Securities which shares will remain in escrow subject to the escrow agreement. In the event of the death of an escrow shareholder, provided the Exchange does not object, the Escrowed Securities held by the escrow shareholder will be released from escrow.

The following table sets forth details of the Escrowed Securities that will be held in escrow after giving effect to the Acquisition:

Name	**No. of Escrowed Securities(1)**	**Offering Percentage (After Giving Effect to the Offering)(2)**
Slawomir Smulewicz	16,700,002	27.35%
Joanna Smulewicz	6,300,000	10.32%
Michael Young	4,200,000	6.88%
Slawomir Strojnowski	3,000,000	4.91%
Zbigniew Fraszka	1,000,000	1.64%
Glenn Little	290,000	0.47%
Bozena Wojcik	30,000	0.049%
Jon Sherron	600	0.001%
Total:	**31,520,602**	**51.61%**

Notes:
(1) Escrowed Securities will be held by the Escrow Agent. Such Escrowed Securities will be escrowed per CSE Policy 2 – *Qualification for Listing* and released pursuant to that Policy.
(2) On a non-diluted basis and assuming 61,070,402 Resulting Issuer Shares outstanding upon completion of the Acquisition.

Shares Subject to Resale Restrictions

The Company Shares issued on December 16, 2016 and ●, 2017 are subject to a four month hold period expiring on April 16, 2017 and ●, 2017, respectively.

Principal Shareholders

To the knowledge of the Resulting Issuer's directors and senior officers, as of the date of this Prospectus, no person is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, the Resulting Issuer Shares carrying more than 10% of all voting rights attached to the outstanding the Resulting Issuer's common shares except the following:

Name	**Number of Resulting Issuer Shares as at the date of this Prospectus**	**Percentage After Giving Effect to the Acquisition**
Joanna Smulewicz(1)	6,300,000	10.32%
Slawomir Smulewicz	16,700,002	27.35%

Note:
(1) Joanna Smulewicz and Slawomir Smulewicz are husband and wife.

Name	**Number of Resulting Issuer Shares Beneficially Owned Directly or Indirectly**	**Percentage of Resulting Issuer Shares Held(1)**	**Percentage of Resulting Issuer Shares Held(2)**
Joanna Smulewicz(3)	6,300,000	10.32%	8.90%

Name	Number of Resulting Issuer Shares Beneficially Owned Directly or Indirectly	Percentage of Resulting Issuer Shares Held(1)	Percentage of Resulting Issuer Shares Held(2)
Slawomir Smulewicz	16,700,002	27.35%	23.58%

Notes:
(1) After giving effect to the Concurrent Financing and completion of the Acquisition; does not include exercise of outstanding Company common share purchase warrants.
(2) On a fully-diluted basis, assuming the exercise of 9,738,400 common share purchase warrants.
(3) Joanna Smulewicz and Slawomir Smulewicz are husband and wife.

Directors, Officers and Promoters

The following table sets out the name, municipality and province of residence, position to be held with the Resulting Issuer, current principal occupation, and the number and percentage of the Resulting Issuer Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's proposed directors and officers following completion of the Acquisition. Each director's term expires on the earlier of the Resulting Issuer's next annual general meeting, or his resignation.

Name and Municipality of Residence	Position to be held with the Resulting Issuer	Principal Occupation for the Past Five Years	Number of Resulting Issuer Shares after Completion of the Acquisition	Percentage of class post-Acquisition
Slawomir Smulewicz	President, CEO and Director	President of Green 2 Blue Energy Corp. from 2014 to the present, and CEO of MicroCoal Technologies Inc. from 2011 to 2014.	16,700,002	27.35%
Michael Young	CFO and Director	Self employed as a consultant/advisor from 1994 to the present, President and CEO of Westridge Resources Inc. from January 2017 to present, CFO, VP Corporate Development for Green 2 Blue Energy Corp from 2015 to present, Sales Executive from May 2015 to July 2015, and alternately President, CFO and CEO for Draft Team Fantasy Sports Inc. between 2012 and 2015.	4,200,000	6.88%
Glenn Little	Director	CEO and director of Brigade Resource Corp. from 2015 to present, CEO, CFO and director of Laguna Blends (formerly Grenadier Resources Corp.) from 2014 to 2015, corporate communications consultant for Axis Energy Corporation from 2006 to 2015, driver for Smithrite Disposal Ltd. from 2013 to 2014, and alternately CEO, CFO, President, director and consultant for Draft Team Fantasy Sports Inc. from 2006 to 2012.	290,000	0.47%
Jon Sherron	Director	From 2004 to the present has been vice president of EDI Inc.	600	0.001%

The directors and officers of the Resulting Issuer as a group beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 26,920,602Resulting Issuer Shares, representing approximately 34.70% of the issued and outstanding Resulting Issuer Shares (on an undiluted basis). Each director's term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.

The Resulting Issuer's audit committee is comprised of Michael Young, Glenn Little and Jon Sherron. There are no other committees of the Board at this time. It is not anticipated that the Resulting Issuer will have any other committees upon the completion of the Acquisition. All compensation and corporate governance matters will be overseen by the Board of Directors of the Resulting Issuer.

The directors and officers will devote their time and expertise as required by the Resulting Issuer, however, it is not anticipated that any director will devote 100% of their time to the activities of the Resulting Issuer.

The Resulting Issuer is expected to enter into consulting agreements with Slawomir Smulewicz for his services as President and CEO, Michael Young, or a company controlled by Michael Young for his services as CFO and Glenn Little for corporate development services. The Resulting Issuer will pay Mr. Smulewicz $12,500 per month, Mr. Young $10,000 per month and Mr. Little $5,000 per month for these services until December 31, 2017.

Directors and Management

Slawomir Smulewicz – President, Chief Executive Officer and Director

Mr. Smulewicz has over 25 years of international experience with demonstrated leadership and teamwork skills. Mr. Smulewicz employs a strategic vision for building complex geographically dispersed businesses and has a proven track record for delivering results. He has served in various executive capacities and as a board member of several European and Canadian companies in both the information technology and industrial sectors.

Mr. Smulewicz founded TargetCo in 2014, which operates through its subsidiaries to supply wood-waste biomass for global sales, trade and energy production.

From 2008-2014 Mr. Smulewicz acted as Vice President of MicroCoal Technologies Inc. (formerly Carbon Friendly Solutions Inc.) and was appointed CEO in 2011. He carried out the transformation of the company from a "carbon credits" business to a technology company. He was also a key leader in the acquisition of a unique global technology for drying coal using microwaves for the company. He was instrumental in developing the technology to a commercial ready phase and successfully completed the first agreement to build a commercial plant in Indonesia in 2013.

Mr. Smulewicz received his Master’s degree in Agriculture & Business Administration Warsaw University of Life Science (SGGW) Warsaw, Poland in 1995. He is fluent in both English and Polish.

Mr. Smulewicz is an independent contractor of TargetCo and will continue as such with the Resulting Issuer and is 46 years of age; it is not anticipated that he will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Michael Young – Chief Financial Officer and Director

Mr. Young has been the Chief Financial Officer and a director of TargetCo since August 2015 and provides his services to TargetCo on a part-time basis. He will devote approximately 50% of his time to the affairs of the Resulting Issuer. In his capacity as Chief Financial Officer, Mr. Young reports to the President of TargetCo regarding all strategic and tactical matters as they relate to budget management, cost-benefit analysis, forecasting needs and securing adequate funding.

Mr. Young has over 20 years of extensive business experience in all facets of corporate development, senior management, sales, marketing, finance and operations, in both the private and public sectors. His experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Young also completed of the Certified Financial Planning (CFP) Program in 2004.

On January 16, 2017 Mr. Young was appointed President and CEO of Westridge Resources Inc., a NEX listed company. From 2011 to 2015, he was President, CFO & Director of DraftTeam Fantasy Sports Inc. a digital entertainment company focused on daily fantasy sports and social gaming. From 2008 to 2010 Mr. Young was Chief Executive Officer and a director of MicroCoal Technologies Inc., formerly Carbon Friendly Solutions Inc. ("CFS") a TSX Venture listed company that develops projects to generate and sell verified emission offsets that reduce or offset CO2 emissions. During his time with CFS, the company raised over $5 million CAD for reforestation projects and other emission offset activities.

Prior to that time, he was a director responsible for corporate development of Stream Communications Network & Media Inc., an Eastern European cable & internet company. During his 6 years, the company grew from start up to 60,000 customers generating over $7 million USD in annual revenues and raised over $12 million USD by way of debt and equity to accomplish growth objectives.

Mr. Young is an independent contractor of TargetCo and will continue as such with the Resulting Issuer and is 54 years of age; it is not anticipated that he will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Glenn Little – Director

Mr. Little, age 61, has been the CEO of the Company since October 2015 and a director of the Company since March 2015. He has also been the President of Brigadier since October 19, 2015 and a director of same since March 10, 2015. He will serve as a director of the Resulting Issuer and devote approximately 75% of his time to its affairs.

Mr. Little brings extensive business, corporate development and public company experience to the board of directors and will help oversee the Resulting Issuer's policy and corporate governance with respect to corporate communications and risk management. He will also act as a member of the Resulting Issuer's Audit Committee.

Mr. Little was the CEO, CFO and a Director of Laguna Blends Inc. (formerly Grenadier Resource Corp.) (CSE: LAG) from December 2014 until October 2015 and previously provided corporate development services for that company from September 2014. He also previously served as CEO, CFO and President of Corporate Development for Intelimax Media Inc. (now Draft Team Fantasy Sports Inc. (CSE: DFS) from 2006 until 2012.

Mr. Little was a founder of Trooper Technologies Inc. (now Stream Communications Network & Media Inc.), a cable television services provider which raised approximately $20 million USD in debt and equity financing, and served as a director for same from 1993 to 2005.

It is expected that Mr. Little will be an independent contractor (consultant) of the Resulting Issuer; it is not anticipated that he will enter into a non-competition or non-disclosure agreement with same.

Jon Sherron

Mr. Sherron, age 46, is a director of the Company and brings more than 20 years of senior management experience in various industries including investments, beverages and real estate. He also holds a Bachelor of Science degree from Montana State University.

From 2009 to present, Mr. Sherron has acted as Vice President of EDI Inc., an investment company which he established, which has a portfolio of funds focused on the commercial real estate industry. His experience in sales, marketing and branding has driven profitable growth for some of the most recognizable brands in the world including SAB Miller, Molson Coors, Constellation and Diageo.

Prior to establishing EDI Inc., Mr. Sherron held management roles at the Gallo Winery and Coors Brewing Company. He was Vice President of a leading beverage distributor and sat on the board of directors of the Montana Beer and Wine Wholesalers Association. He served as a director of Laguna Blends Inc. from June 2014 until September 2015.

Mr. Sherron will serve as a director of the Resulting Issuer and help oversee policy and corporate governance with respect to its corporate communications and risk management. He will also act as a member of the Resulting Issuer's

Audit Committee. He will devote approximately 20% of his time to the affairs of the Resulting Issuer.

Mr. Sherron is not expected to be an independent contractor or employee of the Resulting Issuer and will not enter into a non-competition or non-disclosure agreement with same.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Other Reporting Issuers	Name of Exchange or Market	Position	From	To
Slawomir Smulewicz	MicroCoal Technologies Inc. *Canada*	CSE	CEO, Vice President and Director	October 2011	June 2013
Michael Young	Winston Resources Inc.	CSE	Director	March 2017	Present
	Westridge Resources Inc. *British Columbia*	NEX	President, CEO and Director	January 2017	Present
	Sparrow Ventures Corp. *British Columbia*	NEX	Director	September 2016	Present
	Draft Team Fantasy Sports Inc. (formerly Intelimax Media Inc.) *British Columbia*	OTCQB &CSE (delisted from CSE March 2015)	President	February 2012	February 2015
			CEO	February 2013	May 2013
			CFO	March 2012	February 2015
			Director	April 2006	February 2015
Glenn Little	Laguna Blends Inc. (formerly Grenadier Resource Corp.) *British Columbia*	CSE	CEO, CFO Director	December 2014 December 2014	September 2015 October 2015
Jon Sherron	Boreal Metals Corp. (formerly European Ferro Metals Ltd.) *British Columbia*	CSE (delisted April 12, 2016)	Director	February 2015	Present
	Enfield Exploration Corp. *British Columbia*	CSE	President CFO & Director	February 2016 February 2015	March 2016 Present
	Laguna Blends Inc. (formerly Grenadier Resource Corp.) *British Columbia*	CSE	Director	June 2014	September 2015

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed herein, to the best of the Resulting Issuer's knowledge, no existing or proposed director or officer of the Resulting Issuer, nor any shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the ten years prior to the date hereof has been, a director, CEO or CFO of any corporation (including the Resulting Issuer) that, while that person was acting in the capacity of director or CEO or CFO of that corporation, was the subject of a cease trade order or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days.

Jon Sherron was a director of European Ferro Metals Ltd, now Boreal Metals Corp., when it received a cease trade order from the British Columbia Securities Commission on September 11, 2015 for failure to file the required financial information. The order was revoked on December 1, 2015. Mr. Sherron was also a director of Enfield Exploration Corp. on March 6, 2015 and October 6, 2015 when cease trade orders were issued for failure to file the required financial information. The orders were revoked on March 9, 2015 and October 21, 2015, respectively.

Penalties or Sanctions

To the best of the Resulting Issuer's knowledge, no existing or proposed director or officer of the Resulting Issuer, nor any shareholder holding sufficient securities of the Resulting Issuer to materially affect control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

Except as disclosed herein, to the best of the Resulting Issuer's knowledge, no existing or proposed director or officer of the Resulting Issuer, nor any shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, nor any personal holding company of any such person has, within the ten years before the date of this Prospectus become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

On December 17, 2013, Mr. Little filed a Division 11 Consumer Proposal and a Trustee in Bankruptcy was appointed. The proposal was accepted by the court and creditors on January 1, 2014.

Conflicts of Interest

The directors of the Resulting Issuer are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Resulting Issuer's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Resulting Issuer, its promoters, directors and officers or other members of management of the Resulting Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

Executive Compensation

The summary compensation table sets out particulars of anticipated employment compensation that will be paid to the proposed CEO and CFO of the Resulting Issuer for the twelve month period following the Closing. The Resulting Issuer does not anticipate having any other executive officers whose total salary and other compensation during such period will exceed $150,000.

Compensation Discussion and Analysis

The Resulting Issuer does not have a compensation committee or a formal compensation policy and relies solely on the Board of Directors to determine the compensation of the NEOs. In determining compensation, the Board of Directors considers industry standards and financial situation but does not currently have any formal objectives or criteria. The performance of each NEO is informally monitored by the Board of Directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer. The Resulting Issuer is expected to rely solely on the Board to determine the compensation of the executive officers. In determining compensation, the Board will consider industry standards and the Resulting Issuer's financial situation without any formal objectives or criteria.

Summary Compensation Table

The following table sets out the anticipated compensation of the Resulting Issuer's CEO and CFO for the twelve month period after giving effect to the Acquisition:

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Slawomir Smulewicz President and CEO	2017	Nil	Nil	●(1)	Nil	Nil	Nil	150,000(2)	150,000
Michael Young CFO	2017	Nil	Nil	●1)	Nil	Nil	Nil	120,000(3)	120,000

Notes:

(1) Pursuant to consulting agreements entered into by TargetCo with Mr. Smulewicz and Gold Medal Performance Corp. (see notes 2 and 3 below), 500,000 stock options are to be issued during the term of such consulting agreements at a time and price to be determined by the directors of the Resulting Issuer.

(2) To be paid as consulting fee on a monthly basis to Mr. Smulewicz for his services as CEO of TargetCo.

(3) To be paid as a consulting fee on a monthly basis to Gold Medal Performance Corp., a company controlled by Mr. Young, for Mr. Young's services in his capacity as Chief Executive Officer and Vice President of Corporate Development to the Company.

Please see "Part I – Information Concerning the Company – Executive Compensation Table" for particulars of compensation paid to the NEOs of the Company for the financial years ended March 31, 2015 and March 31, 2016.

Please see "Part II – Information Concerning TargetCo – Executive Compensation Table" for particulars of compensation paid to NEOs of TargetCo for the financial years ended June 30, 2014, June 30, 2015 and June 30, 2016.

Incentive Plan Awards

On March 1, 2016, 1,500,000 TargetCo Shares were issued to Michael Young from TargetCo's incentive share pool pursuant to its equity compensation plan adopted on February 6, 2015.

See "Part II – Information Concerning TargetCo – Incentive Plan Awards" above.

Pension Plan Benefit

The Resulting Issuer does not have any pension or retirement plan or any deferred compensation plan. It is not anticipated that the Resulting Issuer will have any pension or retirement plan or deferred compensation plan in the twelve months following completion of the Acquisition.

Termination and Change of Control Benefit.

Except as disclosed below, the Resulting Issuer does not have any contract, agreement, plan or arrangement that provides for payments to the NEOs at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Resulting Issuer or a change in a NEO's responsibilities. It is not anticipated that the Resulting Issuer will enter into any such agreement with its CEO or CFO in the twelve months following completion of the Acquisition.

The Resulting Issuer is expected to enter into consulting agreements with its CEO, a company controlled by its CFO and Glenn Little (the "Consultants") which provide for the payment of (i) the lesser of 6 months of consulting fees or a lump sum amount equal to the portion of the consulting fee remaining for the term of the agreement to the Consultants in the event of termination other than for cause; or (ii) a lump sum payment to the Consultants equal to the portion of the consulting fee remaining for the remainder of the term of the consulting agreement in the event of a change in voting control of the shares of TargetCo occurs.

Director Compensation

It is currently anticipated that the Resulting Issuer will pay Mr. Sherron $6,000 annually for attending meetings in his capacity as a director.

The Resulting Issuer is expected to enter into consulting agreements with Slawomir Smulewicz for his services as President and CEO, Michael Young, or a company controlled by Michael Young for his services as CFO and Glenn Little for corporate development services. The Resulting Issuer will pay Mr. Smulewicz $12,500 per month, Mr. Young $10,000 per month and Mr. Little $5,000 per month for these services until December 31, 2017.

The Company did not pay any compensation to any of its directors who are not Named Executive Officers for the financial period ended March 31, 2016, with the exception of Jon Sherron as seen in "Part I – Information Concerning the Company - Director Compensation" above.

TargetCo has not paid any compensation to any person in their capacity as a director of TargetCo for the financial year ended June 30, 2016. TargetCo did not make any share-based awards to directors, other than directors who are also NEOs as indicated in "Part II – Information Concerning TargetCo - Incentive Plan Awards" above.

Indebtedness of Directors and Executive Officers

As at the date of this Prospectus none of the directors and executive officers of the Company or TargetCo, or the proposed directors and officers for the Resulting Issuer, or associates of such persons is indebted to the Company, TargetCo or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or TargetCo.

Audit Committee and Corporate Governance

Audit Committee Charter

The text of the Company's audit committee's charter is attached hereto as Schedule "F". It is anticipated that the Resulting Issuer will adopt this charter.

Composition of the Audit Committee

Michael Young	Related	Financially literate(2)
Glenn Little	Related	Financially literate(2)
Jon Sherron	Independent(1)	Financially literate(2)

Notes:
(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Issuer's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

Relevant Education and Experience

Each member of the Resulting Issuer's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Michael Young: Mr. Young has over 20 years of experience with marketing, finance and operations, in both the private and public sectors. His experience includes financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Young also completed of the Certified Financial Planning (CFP) Program in 2004.

Glenn Little: Mr. Little has extensive business, corporate development and public company experience through serving as a director and CFO of several public companies. As such, he is familiar with financial reporting requirements applicable to public companies in Canada.

Jon Sherron. Mr. Sherron has more than 20 years of senior management experience in various industries including investments, beverages and real estate. He is currently the Vice President of EDI Inc., an investment company which he established and which has a portfolio of funds focused on the commercial real estate industry. He is also currently the the CFO to Enfield Exploration Corp.

See "Directors and Officers" above for further details.

Audit Committee Oversight

The Audit Committee was established on ●, 2017 and will, among other things, make recommendations to the Board of Directors to nominate or compensate an external auditor. As of the date of this Prospectus, the Audit Committee has not made any such recommendations for the Board to consider.

Reliance on Certain Exemptions

At no time since the beginning of the fiscal period ended December 31, 2016 has the Company or TargetCo relied on the exemption provided in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemption). It is not anticipated that the Resulting Issuer will rely on any of the above exemptions.

Pre-Approval Policies and Procedures

The audit committee of the Company has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to the prior approval of the audit committee. It is not anticipated that the Resulting Issuer will adopt specific policies and procedures.

External Auditor Service Fees

The aggregate fees billed by the external auditors of the Company and TargetCo for the last two financial years are as follows:

The Company

Fiscal Years Ended	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
March 31, 2015	10,000	Nil	Nil	Nil

Fiscal Years Ended	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
March 31, 2016	12,500	Nil	Nil	Nil

TargetCo

Fiscal Year Ended	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
June 30, 2015	Nil	Nil	Nil	Nil
June 30, 2016	24,000	Nil	Nil	Nil

Corporate Governance Practices

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Resulting Issuer. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Resulting Issuer's general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the "National Guidelines").

Board of Directors

The Board is currently composed of four directors.

The National Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "unrelated" directors. An "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Resulting Issuer, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, the National Guidelines suggest that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

Glenn Little and Jon Sherron are considered by the Board to be "unrelated" within the meaning of the Guidelines. In assessing the Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Other Directorships

The following table sets out the proposed directors of the Resulting Issuer that are currently directors, officers or promoters of other issuers that are reporting issuers in any Canadian jurisdiction.

Name	Reporting Issuer
Michael Young	Westridge Resources Inc. Sparrow Ventures Corp. Winston Resources Inc.
Jon Sherron	Enfield Exploration Corp.

Orientation and Continuing Education

The Board has not adopted formal steps to orient new board members. The Board's continuing education is typically derived from correspondence with the legal counsel of the Company to remain up to date with developments in relevant corporate and securities law matters. It is not anticipated that the board of the Resulting Issuer will adopt formal steps in the twelve months following completion of the Acquisition.

Ethical Business Conduct

The Board has not adopted formal guidelines to encourage and promote a culture of ethical business conduct but does promote ethical business conduct by nominating board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its board members independent of corporate matters. It is not anticipated that the board of the Resulting Issuer will adopt formal guidelines in the twelve months following completion of the Acquisition.

PART IV – RISK FACTORS

The following are certain factors relating to the Acquisition and business of the Resulting Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Resulting Issuer. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Company, TargetCo or the Resulting Issuer which are currently deemed immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer.

General

A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Resulting Issuer's securities prior to purchasing any of the securities.

Risks Related to the Resulting Issuer

Negative Cash Flow for the Foreseeable Future

The Company has no history of earnings or cash flow from operations. Although the Resulting Issuer expects to generate material revenue in the next 12 months, there can be no guarantee that the Resulting Issuer will achieve self-sustaining operations for several years, if at all. To the extent that the Resulting Issuer has negative cash flow in future periods, the Resulting Issuer may need to allocate a portion of its cash reserves to fund such negative cash flow.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Additional financing needs

The Resulting Issuer will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Because of the early stage of the industry in which the Resulting Issuer will operate, the Resulting Issuer expects to face additional competition from new entrants. To become and remain competitive, the Resulting Issuer will require research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer's common shares. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Uninsurable Risks

The business of the Resulting Issuer may not be insurable or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Resulting Issuer.

The market price of the Resulting Issuer’s Common Shares may be subject to wide price fluctuations

The market price of the Resulting Issuer's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer's common shares.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings.

Limited Market for Securities

It is proposed that the Resulting Issuer's common shares will be listed on the Exchange, however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the common shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Variable Revenues / Earnings

The revenues and earnings of the Resulting Issuer may fluctuate from quarter to quarter, which could affect the market price of the Resulting Issuer's Common Shares. Revenues and earnings may vary quarter to quarter as a result of a number of factors, including the timing of releases of new products or services, the timing of substantial sales orders or deliveries, activities of the Resulting Issuer's competitors, cyclical fluctuations related to the evolution of technologies, concentration in the Resulting Issuer's customer base, and possible delays or shortages in component supplies.

Permits and Licenses

The operations of Resulting Issuer may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits will be granted.

Technology

The Resulting Issuer operates in a highly competitive environment where its products and services are subject to technological change and evolving industry standards. The Resulting Issuer's future success depends on its ability to maintain robust equipment and to avoid heavy maintenance leading to reduced output, as well as to deliver enhancements to its existing products and services, accurately predict and respond to technological advances in its industry and its customers' increasingly sophisticated needs. If the Resulting Issuer is unable to respond to evolving industry standards and technological changes, fails or delays to develop products in a timely and cost-effective manner, its products and services may become obsolete, and the Resulting Issuer may be unable to recover its research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

Market Demand for the Product and Services

The Resulting Issuer's success is dependent on its ability to market its products and services. There is no guarantee the Resulting Issuer's products and services will remain competitive. There is no guarantee the Resulting Issuer will be able to respond to market demands. If the Resulting Issuer is unable to effectively develop and expand the market for its products and services, its growth may be adversely affected.

Intellectual Property Rights

The Resulting Issuer could be adversely affected if it does not adequately protect its intellectual property rights. TargetCo does not currently hold any registered trademarks. The Resulting Issuer regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Resulting Issuer's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Resulting Issuer to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Resulting Issuer's copyrights, trademarks and similar proprietary rights, or that the Resulting Issuer will be will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Resulting Issuer believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Resulting Issuer. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

The Resulting Issuer will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose information to competitors.

If the Resulting Issuer is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Resulting Issuer may not generate enough revenue from product sales to justify the cost of development of products and to achieve or maintain profitability.

Low Barriers to Entry and Competition

There is high potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer. There may be larger, better financed companies which may become competition for the Resulting Issuer.

Risks Associated with Brand Development

TargetCo believes that continuing to strengthen its brand is critical to achieving widespread acceptance of the Resulting Issuer, particularly in light of the competitive nature of the Resulting Issuer's market. Promoting and positioning its brand will depend largely on the success of the Resulting Issuer's marketing efforts and the ability of the Resulting Issuer to provide high quality services. In order to promote its brand, the Resulting Issuer will need to increase its marketing budget and otherwise increase its financial commitment to creating and maintaining brand loyalty among consumers. There can be no assurance that brand promotion activities will yield increased revenues or that any such revenues would offset the expenses incurred by the Resulting Issuer in building its brand. If the Resulting Issuer fails to promote and maintain its brand or incurs substantial expenses in an attempt to promote and maintain its brand or if the Resulting Issuer's existing or future strategic relationships fail to promote the Resulting Issuer's brand or increase brand awareness, the Resulting Issuer's business, results of operations and financial condition would be materially adversely affected.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Resulting Issuer intends to acquire businesses, technologies, services or products that the Resulting Issuer believes are strategic. The Resulting Issuer currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Resulting Issuer will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Resulting Issuer may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Resulting Issuer’s business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Resulting Issuer's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services or products might require the Resulting Issuer to obtain additional equity or debt financing, which might not be available on terms favourable to the Resulting Issuer, or at all, and such financing, if available, might be dilutive.

Risks Associated with International Operations

A component of the Resulting Issuer's strategy is to expand internationally. Expansion into the international markets will require management attention and resources. The Resulting Issuer has limited experience in localizing its service, and the Resulting Issuer believes that many of its competitors are also undertaking expansion into foreign markets. There can be no assurance that the Resulting Issuer will be successful in expanding into international markets. In addition to the uncertainty regarding the Resulting Issuer's ability to generate revenues from foreign operations and expand its international presence, there are certain risks inherent in doing business on an international basis, including, among others, regulatory requirements, legal uncertainty regarding liability, tariffs, and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, different accounting practices, problems in collecting accounts receivable, political instability, seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely affect the success of the Resulting Issuer's international operations. To the extent the Resulting Issuer expands its international operations and has additional portions of its international revenues denominated in foreign currencies, the Resulting Issuer could become subject to increased risks relating to foreign currency exchange rate fluctuations. There can be no assurance that one or more of the factors discussed above will not have a material adverse effect on the Resulting Issuer's future international operations and, consequently, on the Resulting Issuer's business, results of operations and financial condition.

Protection and Enforcement of Intellectual Property Rights

The Resulting Issuer regards the protection of its copyrights, service marks, trademarks, trade dress and trade secrets as critical to its future success and relies on a combination of copyright, trademark, service mark and trade secret laws and contractual restrictions to establish and protect its proprietary rights in products and services. The Resulting Issuer has entered into confidentiality and invention assignment agreements with its employees and contractors, and nondisclosure agreements with parties with which it conducts business in order to limit access to and disclosure of its proprietary information. There can be no assurance that these contractual arrangements or the other steps taken by the Resulting Issuer to protect its intellectual property will prove sufficient to prevent misappropriation of the Resulting Issuer's technology or to deter independent third-party development of similar technologies.

To date, TargetCo has not been notified that its technologies infringe the proprietary rights of third parties, but there can be no assurance that third parties will not claim infringement by the Resulting Issuer with respect to past, current or future technologies. The Resulting Issuer expects that participants in its markets will be increasingly subject to infringement claims as the number of services and competitors in the Resulting Issuer's industry segment grows. Any such claim, whether meritorious or not, could be time-consuming, result in costly litigation, cause service upgrade delays or require the Resulting Issuer to enter into royalty or licensing agreements. Such royalty or licensing agreements might not be available on terms acceptable to the Resulting Issuer or at all. As a result, any such claim could have a material adverse effect upon the Resulting Issuer's business, results of operations and financial condition.

Economic Environment

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's future sales and profitability.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Resulting Issuer is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and the trading price of the Resulting Issuer Shares on the stock exchange.

Going Concern Risk

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing equity or debt financing or in achieving profitability from its operations.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Financial Risk Exposures

The Resulting Issuer may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates and has financial risk exposure towards digital currencies. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Resulting Issuer's ability to hedge such risk or use another protection mechanism.

Attracting and keeping senior management and key scientific personnel

The success of the Resulting Issuer depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders.

Accounting Estimates

The Company and TargetCo prepare their financial statements in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS"). Management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses for each year presented. The significant estimates for the Company include testing for impairment of goodwill and provision for warranty. The significant estimates for TargetCo include allowance for doubtful accounts, use life and recoverability of property and equipment, measurement of provisions, valuation of inventory, fair value of derivative liabilities, fair value of share based payments and deferred income tax asset valuation allowances. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain events.

Internal Controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, the system of internal controls over financial reporting is not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.

PART V – OTHER MATTERS

Promoters

Slawomir Smulewicz, the founder of TargetCo and the CEO and a director of the Resulting Issuer has been the promoter of TargetCo since its incorporation. Mr. Smulewicz beneficially owns, or has control over, directly or indirectly, 16,700,002 Resulting Issuer Shares being 27.35% of the issued and outstanding Resulting Issuer Shares on an undiluted basis.

Michael Young is a co-founder of TargetCo and the CFO and a director of the Resulting Issuer. Mr. Young beneficially owns, or has control over, directly or indirectly, 4,200,000 Resulting Issuer Shares being 6.88% of the issued and outstanding Resulting Issuer Shares on an undiluted basis.

Other than as disclosed in this section and under "Executive Compensation" or elsewhere in this Prospectus, no person who was a promoter of the Company or TargetCo within the last two years:

1. received anything of value directly or indirectly from the Company or a subsidiary;

2. sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years;

3. has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

4. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

5. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

6. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

Legal Proceedings and Regulatory Actions

The Company is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated. Management of the Company is not aware that the Company is a party to any legal proceedings or that any such proceedings are known to be contemplated.

TargetCo is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated. Management of TargetCo is not aware that TargetCo is a party to any legal proceedings or that any such proceedings are known to be contemplated.

No penalties or sanctions have been imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory body within the three years immediately preceding the date of this Prospectus. Management of the Company is not aware of any such penalties or sanctions imposed against the Company.

No penalties or sanctions have been imposed against TargetCo by a court relating to provincial, state and territorial securities legislation or by a securities regulatory body within the three years immediately preceding the date of this Prospectus. Management of TargetCo is not aware of any such penalties or sanctions imposed against TargetCo.

The Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus. Management of the Company is not aware of any such settlement agreements entered into by the Company.

TargetCo has not entered into any settlement agreements before a court relating to provincial, state and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus. Management of TargetCo is not aware of any such settlement agreements entered into by TargetCo.

Interest of Management and Others in Material Transactions

Other than as set forth in this Prospectus, management of the Company is not aware of any material interest, direct or indirect, of any director, executive officer, any person or company beneficially owning, controlling or directing, directly or indirectly, more than ten (10%) percent of the Company's outstanding voting securities, or any Associate or Affiliate of the foregoing persons, in any transaction in which the Company has participated within the three years before the date of this Prospectus, that has materially affected or is reasonably expected to materially affect the Company.

Auditor

The auditor of the Resulting Issuer is Saturna Group Chartered Professional Accountants LLP, Suite 1250, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. Saturna Group are independent auditors in accordance with the applicable professional standards.

Registrar and Transfer Agent

The transfer agent and registrar for the Resulting Issuer's common shares is Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9

Material Contracts

Except for contracts made in the ordinary course of business and those mentioned above (See "Part I – Information

Concerning the Company – Material Contracts" and "Part II – Information Concerning TargetCo – Material Contracts"), the Resulting Issuer has not entered into any material contracts.

The material contracts entered into by the Company and TargetCo may be inspected without charge at the registered office of the Resulting Issuer at Suite 1170, 1040 West Georgia Street, Vancouver BC, V6E 4H1 during ordinary business hours until the Closing of the Acquisition and for a period of 30 days thereafter.

Board Approval

The Boards of Directors of the Company and TargetCo have approved the contents of this Prospectus.

PART VI – EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- Charlton & Company, Chartered Accountants; and
- Saturna Group Chartered Professional Accountants LLP.

Interest of Experts

No person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in the Resulting Issuer's property or any associate or affiliate of the Resulting Issuer. As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Resulting Issuer or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer, or as a promoter of the Resulting Issuer or an associate or affiliate of the Resulting Issuer.

PART VII – OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Acquisition that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Transaction.

Financial Statement Disclosure

The following financial information is included herein:

SCHEDULE "A"	Audited Financial Statements of the Company for the financial year ended March 31, 2016 and for the period from incorporation to March 31, 2015, and Unaudited Interim Financial Statements for the period ended December 31, 2016.
SCHEDULE "B"	Management's Discussion and Analysis of the Company for the financial years ended March 31, 2016 and the period ended December 31, 2016.
SCHEDULE "C"	TargetCo Audited Financial Statements for the financial years ended June 30, 2016 and June 30, 2015 and Unaudited Interim Financial Statements for the period ended December 31, 2015.
SCHEDULE "D"	TargetCo Management's Discussion and Analysis for the financial year ended June 30, 2016 and the period ended December 31, 2016.
SCHEDULE "E"	Resulting Issuer Pro Forma Financial Statements as at December 31, 2016.

SCHEDULE "A"

Audited Financial Statements of the Company for the financial year ended March 31, 2016 and for the period from incorporation to March 31, 2015, and Unaudited Interim Financial Statements for the period ended <u>December 31, 2016</u>

See attached.

BRIGADE RESOURCE CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 2016

(Expressed in Canadian Dollars)

charlton

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Brigade Resource Corp.

We have audited the accompanying consolidated financial statements of Brigade Resource Corp., which comprise the consolidated statements of financial position as at March 31, 2016 and for the period from incorporation on October 9, 2014 to March 31, 2015 and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Brigade Resource Corp. as at March 31, 2016 and for the period from incorporation on October 9, 2014 to March 31, 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that Brigade Resource Corp. has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about Brigade Resource Corp.'s ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 29, 2016

BRIGADE RESOURCE CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at		March 31, 2016		March 31, 2015
ASSETS				
Current				
Cash	$	14,742	$	10
Prepaid and deposits (Note 5)		101,922		-
Total current assets		116,664		10
Exploration and evaluation assets (Note 6)		70,000		-
Total assets	$	186,664	$	10
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	87,745	$	4,625
Notes payable (Note 7)		49,500		-
Total liabilities		137,245		4,625
Shareholders' equity				
Share capital (Note 8)		4,332,000		10
Reserves		2,036,405		-
Deficit		(6,318,986)		(4,625)
Total shareholders' equity		49,419		(4,615)
Total liabilities and equity	$	186,664	$	10

Nature of operations and going concern (Note 1)
Commitments (Note 14)
Events after the reporting period (Note 15)

APPROVED BY THE DIRECTORS:

Signed: ***"Glenn Little"***
Director

Signed: ***"Jon Sherron"***
Director

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

BRIGADE RESOURCE CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the year ended March 31, 2016	From incorporation on October 9, 2014 to March 31, 2015
OPERATING EXPENSES		
Exploration and evaluation expenditures	$ 7,353	$ -
Management fees (Note 9)	145,050	-
Office and administrative	17,092	-
Professional fees	70,604	4,625
Filling fees	10,435	-
Rent	9,149	-
Travel expense	1,746	-
Share-based payments (Note 8)	281,805	-
Foreign exchange	942	-
Total operating expenses	(544,176)	(4,625)
Write down of exploration and evaluation assets	(30,000)	-
Merger expense	(5,740,185)	-
Loss and comprehensive loss for the year	$ (6,314,361)	$ (4,625)
Basic and diluted loss per common share	$ (1.40)	$ (2.31)
Weighted average number of common shares outstanding	4,509,863	2,000

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

BRIGADE RESOURCE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the year ended March 31, 2016	From incorporation on October 9, 2014 to March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(6,314,361)	$ (4,625)
Non-cash items:		
Merger expense	5,740,185	-
Share-based payments	281,805	-
Write down of exploration and evaluation assets	30,000	
Changes in non-cash working capital items:		
Prepaid and deposits	(101,922)	-
Accounts payable and accrued liabilities	35,370	4,625
Cash used in operating activities	(328,923)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from private placements	-	10
Cash from acquisition of Brigadier	334,155	-
Exploration and evaluation assets	(40,000)	-
Cash provided by investing activities	294,155	10
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received	49,500	-
Cash provided by financing activities	49,500	-
Change in cash during the year	14,732	10
Cash, beginning of year	10	-
Cash, end of year	14,742	$ 10

There were no significant non-cash transactions for year ended March 31, 2016.

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

BRIGADE RESOURCE CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital				
	Number	Amount	Reserves	Deficit	Total
Balance, October 9, 2014 (incorporation)	2	$ 1	$ -	$ -	$ 1
Private placements	2,000	10	-	-	10
Return of capital	(2)	(1)	-	-	(1)
Loss for the period	-	-	-	(4,625)	(4,625)
Balance, March 31, 2015	2,000	10	-	(4,625)	(4,615)
Shares issued for acquisitions (Note 4)	6,132,000	6,132,000	-	-	6,132,000
Return of capital	(2,000)	(10)	-	-	(10)
Purchase and cancellation of shares (Note 8)	(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 8)	-	-	281,805	-	281,805
Loss for the year	-	-	-	(6,314,361)	(6,314,361)
Balance, March 31, 2016	4,332,000	$ 4,332,000	$ 2,036,405	$ (6,318,986)	$ 49,419

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

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 has not generated revenues from operations. These consolidated 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 March 31, 2016, the Company had a working capital deficit of $20,581 (2015 deficit: $4,615). The Company has incurred negative cash flows from operations, recorded a loss of $6,314,361 for the year ended March 31, 2016, and has a deficit of $6,318,986 as at March 31, 2016 (2015 deficit: $4,625). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company's anticipated operating losses and increasing working capital requirements require that it obtain additional capital to continue operations.

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 consolidated 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 consolidated 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").

These financial statements were approved for issue by the Board of Directors on July 29, 2016.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS 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 revenues and expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

i. Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

2. BASIS OF PREPARATION *(cont'd…)*

Use of estimates and judgments *(cont'd…)*

ii. The valuation of shares issued in non-cash transactions are generally based on the value of goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Critical accounting judgments

i. 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.

ii. 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 consolidated financial statements.

iii. The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiary.

On June 21, 2016, the Board of Directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares, options, warrants and per share amounts has been retrospectively restated for all periods presented unless otherwise stated.

Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. 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 the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	2016 and 2015 Percentage owned
Brigadier Exploration Corp.	Canada	100%
Hussar Exploration Corp.	Canada	100%
Battalion Capital Corp.	Canada	100%

The operating results of subsidiaries acquired during the year are included in the statement of loss and comprehensive loss from the effective date of acquisition. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants, and similar instruments is computed using the treasury stock method. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Available for sale – These assets are non-derivative financial assets designated on initial recognition. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of equity. Cumulative gains or losses recognized in equity are recognized in the statement of operations and comprehensive loss when the asset is derecognized.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables and advances to related parties are classified as loans and receivables. The Company's marketable securities are classified as available-for-sale. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Income taxes *(cont'd…)*

deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

New standards, interpretations and amendments adopted

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not adopted yet by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IAS 27: Amended to restore option to use equity method to account for investments in subsidiaries, joint ventures and associates for annual period beginning on or after January 1, 2016.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard.

(Expressed in Canadian Dollars)

4. 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
Common shares issued – fair value (Note 8)	$	6,132,000

5. PREPAIDS AND DEPOSITS

On October 21, 2015, the Company entered into a First Right of Refusal Agreement (“Agreement”) with West Port Energy, LLC (“WPE”). The Agreement gives the Company the right to acquire up to 70% interest in a gold property located in the southern La Paz County, Arizona (the “Property”) owned by WPE. In consideration, the Company paid US$75,000 (the “Payment”) to WPE included in prepaids and deposits as at March 31, 2016. The Company has until October 20, 2016 (“Closing Date”) to complete Company’s due diligence investigations on WPE and the Property. If the Company proceeds with the Agreement, WPE and the Company will work to complete a definitive agreement and the Payment will be applied towards the final agreed consideration. If the Company decides not to proceed with the Agreement, WPE will refund the Company US$50,000 and retain the balance of US$25,000.

6. EXPLORATION AND EVALUATION ASSETS

Paterson 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.

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

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. Total consideration of $50,000 and 500,000 shares is payable as follows:

- $10,000 and 100,000 common shares upon signing of agreement (paid and common shares issued);
- $10,000 and 100,000 common shares on the second anniversary of the agreement;
- $10,000 and 100,000 common shares on the third anniversary of the agreement;
- $10,000 and 100,000 common shares on the fourth anniversary of the agreement; and
- $10,000 and 100,000 common shares on the fifth anniversary of the agreement.

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.

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.

As of March 31, 2015, Brigadier Exploration Corporation had paid $10,000 and issued 100,000 common shares with a value of $20,000 upon the execution of the option agreement.

During the year ended March 31, 2016, the Company impaired mineral property by $30,000, which is included as a write down of exploration and evaluation properties assets on the consolidated statements of operations 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. Total consideration of $50,000 and 500,000 shares is payable as follows:

- $10,000 and 100,000 common shares upon signing of agreement (paid and common shares issued);
- $10,000 and 100,000 common shares on the second anniversary of the agreement;
- $10,000 and 100,000 common shares on the third anniversary of the agreement;
- $10,000 and 100,000 common shares on the fourth anniversary of the agreement; and
- $10,000 and 100,000 common shares on the fifth anniversary of the agreement.

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Surprise Lake Property *(cont'd…)*

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.

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. Total consideration of $50,000 and 500,000 common shares is payable as follows:

- $10,000 and 100,000 common shares upon signing of agreement (cash paid);
- $10,000 and 100,000 common shares on or before the first anniversary of the agreement;
- $10,000 and 100,000 common shares on or before the second anniversary of the agreement;
- $10,000 and 100,000 common shares on or before the third anniversary of the agreement; and
- $10,000 and 100,000 common shares on or before the fourth anniversary of the agreement.

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.

7. NOTES PAYABLE

On March 29, 2016, the Company entered into three promissory note agreements for a total aggregate of $49,500. The loans bear simple interest at 12% per annum. Interest and principal are payable on March 29, 2018.

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

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 4);
- 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 6)
- 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.

During the period from incorporation on October 9, 2014 to March 31, 2015, the Company:

- The Company completed a non-brokered private placement with Voltaire Service Corp. by issuing 2,000 common shares at a price of $0.005 per common share for total proceeds of $10.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES *(cont'd…)*

c) Stock options

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

The following incentive stock options were outstanding at March 31, 2016:

Number Of shares	Exercise Price	Weighted Average remaining contractual life (years)	Expiry Date
160,000	$1.00	4.14	May 31, 2020
100,000	$1.00	4.58	October 28, 2020
260,000			

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.

During the year ended March 31, 2016, the Company granted 380,000 stock options. The fair value per option calculated using the Black-Scholes option-pricing model was $0.74 for total share-based payment expense recognized in the statement of loss and comprehensive loss of $281,805.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the year:

	March 31, 2016
Risk-free interest rate	0.88% - 1.05%
Expected life of options	5 years
Expected annualized volatility	100%
Dividend yield	0.0%

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

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

During the year ended March 31, 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
Brandenburg Financial Corp. (“BFC”)	Management fees for services provided by the former CEO and new CEO.
Red Fern Consulting Ltd. (“RFC”)	Management fees for services provided by the CFO and supporting staff.

Due to related parties at March 31, 2016 is $60,901 (2015: $nil) owing to directors of the Company or companies controlled by related parties.

a) For the year ended March 31, 2016, the Company paid or accrued $80,000 (2015: $nil) to BFC, a company controlled by the former CEO, for management fees.

b) For the year ended March 31, 2016, the Company paid or accrued $30,000 (2015: $nil) to the CEO and Director of the Company for marketing consulting fees.

c) For the year ended March 31, 2016, the Company paid or accrued $14,550 (2015: $nil) to RFC, a company controlled by the CFO, for management fees.

d) For the year ended March 31, 2016, the Company paid or accrued $17,500 (2015 - $Nil)) to the Corporate Secretary of the Company for management fees.

e) For the year ended March 31, 2016, the Company paid or accrued $3,000 (2015: $nil) to a director of the Company for consulting fees.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personal for the years ended March 31, 216 and 2015 are as follows:

	March 31 2016	2015
Share-based compensation	$ 222,749	$ nil

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2016	2015
Loss for the year	$	(6,314,361)	(4,625)
Computed income taxes (recovery) at statutory rate of 26% (2015 – 26%)	$	(1,641,734)	(1,203)
Net adjustments for deductible and non-deductible items		1,573,565	-
Addition of non-capital losses from subsidiaries		(51,531)	-
Other adjustments		(2,600)	-
Increase in unrecognized deferred income tax assets		122,300	1,203
	$	-	-

(Expressed in Canadian Dollars)

10. INCOME TAXES *(cont'd…)*

The significant components of the Company's deferred income tax assets are as follows:

		2016	2015
Deferred income tax assets:			
Resource pool	$	2,600	-
Non-capital losses carried forward		120,903	1,203
Total unrecognized deferred income tax assets	$	123,503	1,203

At March 31, 2016, the Company has non-capital losses of $465,010 (2015: $202,820) available for carry forward. At March 31, 2016, management considers that it is not "more likely than not" that these losses will be utilized and accordingly no deferred income tax asset has been recognized.

The non-capital losses expire as follows:

	Total
2035	$ 202,820
2036	262,190
Totals	$ 465,010

11. SEGMENTED INFORMATION

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

12. 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 March 31, 2016, the Company had a cash balance of $14,742 (2015: $10) to settle current liabilities of $137,245 (2015 $4,625).

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.

12. 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 $14,742 (2015: $10) 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 March 31, 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.

13. 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.

14. 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.

15. EVENTS AFTER THE REPORTING PERIOD

On May 2, 2016 the Company signed a promissory note agreement for the principal amount of $5,000. The loan bears interest at 12% per annum. Interest and principal are payable on May 2, 2018.

BRIGADE RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR PERIOD ENDED DECEMBER 31, 2016

(Expressed in Canadian Dollars)

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charlton

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INTERIM REVIEW REPORT

To: the Shareholders of
Brigade Resource Corp.

In accordance with our engagement letter dated February 15, 2017, we have reviewed the consolidated interim statement of financial position of Brigade Resource Corp. as at December 31, 2016, the consolidated interim statements of operations and comprehensive loss, the statements of cash flows, and the changes in equity for the nine months period ended December 31, 2016. These condensed consolidated interim financial statements are the responsibility of the Company's management.

We performed our review in accordance with Canadian generally accepted standards for a review of condensed consolidated interim financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these condensed consolidated interim financial statements to be in accordance with International financial reporting standards.

The comparative statements of financial positions as at March 31, 2016 is derived from the audited consolidated financial statements of Brigade Resource Corp. for the year ended March 31, 2016, on which we expressed an opinion without reservation in our report dated July 29, 2016.

This report is solely for the use of the Directors of Brigade Resource Corp. to assist in discharging its obligation to review these interim consolidated interim financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third party, we accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Charlton & Company

Chartered Professional Accountants

Vancouver, BC
February 24, 2017

BRIGADE RESOURCE CORP.

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

As at		December 31, 2016		March 31, 2016
ASSETS				
Current				
Cash	$	10,169	$	14,742
Prepaids and deposits		-		101,922
Loan		20,000		-
Receivables		6,645		-
		36,814		116,664
Exploration and evaluation assets (Note 4)		-		70,000
Total assets	$	36,814	$	186,664
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	126,971	$	87,745
Note payable (Note 5)		-		49,500
		126,971		137,245
Shareholders' equity (deficiency)				
Share capital (Note 6)		4,546,200		4,332,000
Reserves		2,036,405		2,036,405
Deficit		(6,672,762)		(6,318,986)
Total shareholders' equity (deficiency)		(90,157)		49,419
Total liabilities and shareholders' equity	$	36,814	$	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 December 31, 2016	Three months ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015
OPERATING EXPENSES				
Exploration and evaluation expenditures	$ -	$ 765	$ -	$ 7,353
Interest	1,532	-	5,104	-
Management fees	28,250	53,000	74,750	88,000
Office and administrative	19,466	6,969	14,109	11,357
Professional fees	29,377	28,543	33,701	51,677
Filing fees	575	-	17,847	-
Rent	13,621	-	40,893	-
Share-based payments	-	73,645	-	281,805
	(92,821)	(162,922)	(186,404)	(440,192)
OTHER				
Foreign exchange	-	5,382	-	5,382
Impairment of deposit	-	-	(97,372)	-
Write-down of exploration and evaluation asset	-	-	(70,000)	-
Merger expense	-	-	-	(5,740,185)
Loss and comprehensive loss for the period	$ (92,821)	$ (157,540)	$ (353,776)	$ (6,174,995)
Basic and diluted loss per common share	$ (0.02)	$ (0.00)	$ (0.08)	$ (0.31)
Weighted average number of common shares outstanding	4,696,957	30,660,000	4,454,540	19,852,255

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 nine months ended:		December 31, 2016		December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(353,776)	$	(6,174,995)
Items not involving cash:				
Accrued interest		5,104		-
Merger expense		-		5,740,185
Share-based payments		-		281,805
Write-off of exploration and evaluation asset		70,000		-
Impairment of deposit		101,922		-
Changes in non-cash working capital items:				
Accounts Receivables		(6,645)		(8,063)
Accounts payable and accrued liabilities		39,222		(138,059)
Net cash used in operating activities		(144,173)		(299,127)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Brigadier		-		334,155
Exploration and evaluation assets		-		(40,000)
Loan to G2BE		(20,000)		-
Net cash (used in) provided by investing activities		(20,000)		294,155
CASH FLOWS FROM FINANCING ACTIVITIES				
Private placement		129,600		15,000
Loans received		30,000		-
Net cash provided by financing activities		159,600		15,000
Change in cash during the period		(4,573)		10,028
Cash, beginning of period		14,742		10
Cash, end of period	$	10,169	$	10,038

There were no significant non-cash transactions for nine-month period ended December 31, 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				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
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	-	-	281,805	-	281,805
Loss for the period	-	-	-	(6,174,995)	(6,174,995)
Balance, December 31, 2015	6,132,000	6,132,000	281,805	(6,174,995)	249,185
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)
Loss for the period	-	-	-	(143,991)	(143,991)
Balance, March 31, 2016	4,332,000	4,332,000	2,036,405	(6,318,986)	49,419
Shares issued for cash	1,296,000	129,600	-	-	129,600
Notes payable settlement	846,000	84,600	-	-	84,600
Shares issued as finder's fee	96,400	9,640	-	-	9,640
Shares issued costs	-	(9,640)	-	-	(9,640)
Loss for the period	-	-	-	(353,776)	(353,776)
Balance, December 31, 2016	6,570,400	$ 4,546,200	2,036,405	(6,672,762)	$ (90,157)

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

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 December 31, 2016, the Company had a working capital deficit of $90,157. The Company has incurred negative cash flows from operations, recorded a loss of $353,776 for the period ended December 31, 2016, and has a deficit of $6,672,762 as at December 31, 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.

(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
	6,132,000

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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 2016, the Company entered into four promissory note agreements for a total aggregate of $79,500 that were repaid during the period. The loans bore simple interest at 12% per annum. Interest of $5,104 was paid.

(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

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

- On December 16, 2016, the Company Issued 2,238,400 common shares valued at $223,840 consisting of a private placement of $129,600, settlement of notes payable $84,600 and finder's fees of $9,640. Each unit consist of one common share of the Company and one share purchase warrant. Each warrant entices the holder to purchase one additional common share in the capital of the Company at $0.10 per share for a period of 12 months from the closing of the offering and thereafter at $0.20 per share for the following 12 months until expiry on December 16, 2018.

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	(120,000)	1.00
Outstanding and exercisable, March 31, 2016 and September 30, 2016	260,000	$ 1.00

The following incentive stock options were outstanding at December 31, 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
260,000			

(Expressed in Canadian Dollars)

d) Warrants

In connection with a private placement, the Company granted 2,238,400 share purchase warrants. Each Warrant shall entitle the holder to acquire one common share of the Company for a period of two years from the date of issuance of the Warrant with an exercise price of $0.10 per share in the first year, and an exercise price of $0.20 per share in the second year.

	Number		Weighted Average Exercise Price
Outstanding, March 31, 2015	-	$	-
Issued with December 2016 private placement	2,238,400		0.10
Expired/cancelled	-		-
Outstanding and exercisable, March 31, 2016 and December 31, 2016	2,238,400	$	0.10

The following warrants were outstanding at December 31, 2016:

Number Of warramts	Exercise Price	Weighted Average remaining contractual life (years)	Expiry Date
2,238,400	$0.10	1.95	December 16, 2016
2,238,400			

c) 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 during the periods ended December 31, 2016.

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 nine 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 December 31, 2016 is $48,605 (March 31, 2016 - $18,926) owing to directors of the Company or companies controlled by related parties.

During the period ended December 31, 2016, the Company:

a) Paid or accrued management fees of $45,000 (2015 - $45,000) to the CEO and Director of the Company.

b) Paid or accrued management fees of $25,250 (2015 - $8,000) to RFC for CFO of the Company.

c) Paid or accrued management fees of $4,500 (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 December 31, 2016, the Company had a cash balance of $10,169 (March 31, 2016 - $14,742) to settle current liabilities of $126,971 (March 31, 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.

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 $10,169 (March 31, 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 December 31, 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.

11. SUBSEQUENT EVENT

Subsequent to December 31, 2016, the Company signed a share exchange agreement with Green 2 Blue Energy Corp. ("G2BE") whereby the Company will acquire all of the issued and outstanding shares of G2BEin exchange for common shares of the Company. Upon closing, G2BE will be a wholly owned subsidiary of the Company.

The Company intends to issue 47,000,002 to the shareholders of G2BE resulting in G2BE shareholders owning approximately 77% of the Company and would be considered a reverse takeover ("RTO").

In conjunction with the RTO, the Company announced a non-brokered private placement whereby up to 7,500,000 units will be issued at a value of $0.10 per unit for gross proceeds up to $750,000. Each unit will consist of one common share and one share purchase warrant exercisable at $0.10 for 12 months and thereafter $0.20 for an additional 12 months.

SCHEDULE "B"

Management's Discussion and Analysis of the Company for the financial year ended March 31, 2016 and the period ended December 31, 2016

See attached.

BRIGADE RESOURCE CORP.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

Introduction

This management's discussion and analysis (MD&A) of Brigade Resource Corp. is the responsibility of management and covers the year ended March 31, 2016. The MD&A takes into account information available up to and including July 29, 2016 and should be read together with the consolidated audited financial statements and accompanying notes for the year ended March 31, 2016.

Throughout this document the terms *we, us, our, the Company* and *Brigade* refer to Brigade Resource Corp. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of July 29 2016, the date the Board of Directors approved the consolidated financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com

Effectively on June 21, 2016, the Company consolidated its common share capital, whereby each five old shares are equal to one new share without par value. On the effective date, the Company's 21,660,000 issued and outstanding common shares were consolidated on a new-for-five-old basis, yielding 4,332,000 post-consolidation common shares issued and outstanding. The number of issued and outstanding shares, options, warrants and per share amounts has been retrospectively restated for all periods presented unless otherwise stated.

Forward-Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Reserves and Resources

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately.

Description of Business

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects.

Performance Summary

On October 21, 2015, the Company appointed Brian Thurston to the board of directors and appointed Glenn Little as the Chief Executive Officer to replace Karl Antonius who resigned as director and Chief Executive Officer. The Company also announced a private placement of up to 666,667 units ("Units") at a price of $0.75 per Unit for aggregate gross proceeds of up to $500,000. Each Unit will consist of one common share (the "Shares") and one share purchase warrant exercisable to purchase one Share at a price of $2.00 per Share for the first 12 months from the date of issue, followed by $2.50 per Share for the subsequent 12 months, with an expiry date of 24 months from the date of issue.

On October 21, 2015, the Company entered into a First Right of Refusal Agreement ("Agreement") with West Port Energy, LLC ("WPE"). The Agreement gives the Company the right to acquire up to 70% interest in a gold property located in the southern La Paz County, Arizona (the "Property") owned by WPE. In consideration, the Company paid US$75,000 (the "Payment") to WPE included in prepaids and deposits as at March 31, 2016. The Company has until October 20, 2016 ("Closing Date") to complete Company's due diligence investigations on WPE and the Property. If the Company proceeds with the Agreement, WPE and the Company will work to complete a definitive agreement and the Payment will be applied towards the final agreed consideration. If the Company decides not to proceed with the Agreement, WPE will refund the Company US$50,000 and retain the balance of US$25,000.

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
Common shares issued – fair value	6,132,000

Exploration Summary

During the year, the Company entered into option agreements to acquire the Brooks Lake, Surprise Lake and Boyer Lake properties located in Kenora, Ontario, and the Joyce Lake property located in Red Lake, Ontario. The Company has not yet commenced exploration activities on these properties.

During the year ended March 31, 2016, the Company wrote down exploration and evaluation asset of $30,000 relating to the impairment in the Boyer Lake Property.

The Company previously entered into a purchase option agreement with Voltaire to acquire the Paterson Property located in the District of Kenora, Ontario, for a total consideration of $150,000 and the issuance of 460,000 common shares payable in five installment payments. The purchase option agreement was terminated by mutual agreement of the parties. The Company had paid 12,500 and issued 340,000 common shares 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.

Selected Annual Financial Information

The financial information as at and for the year ended March 31, 2016 has been prepared in accordance with IFRS.

	Year ended March 31, 2016	From incorporation on October 9, 2014 to March 31, 2015
Total income	$ -	$ -
Comprehensive loss for the year	6,314,361	4,625
Basic and diluted loss per share	1.40	2.31
Total assets	186,664	10
Working capital (deficiency)	20,581	(4,615)

Results of operations for the year ended March 31, 2016 compared to 2015

The net loss for the year ended March 31, 2016 is $6,314,361 (2015 - $4,625). Significant individual items contributing to the comprehensive loss are as follows:

- Exploration and evaluation expenditures of $7,353 (2015 - $Nil) relating to consulting fees on mineral properties.
- Professional fees of $70,604 (2015 - $4,625) relating to preparation of prospectus for listing on the Canadian Securities Exchange and review of financial statements.
- Management fees of $145,050 (2015 - $Nil) relates to fees for the CEO, CFO, former CEO and directors.
- Share-based payments of $281,805 (2015 - $Nil) corresponding to the Black-Scholes valuation of 380,000 stock options issued to Directors, Officers and consultants.
- Office and administrative fees of $17,092 (2015 - $Nil) relating to general office costs.
- Merger expense of $5,740,185 relating to the acquisition of Brigadier Exploration Corp.
- Write down of exploration and evaluation asset of $30,000 relating to the impairment in the Boyer Lake Property.

Liquidity and Capital Resources

Brigade's exploration and evaluation asset activities do not provide a source of income and the Company therefore has a history of losses and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

The Company has financed its operations to date primarily through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares.

Operating activities: The Company does not generate any revenues and generally does not receive any cash from operating activities. Net cash used in operating activities during the year ended March 31, 2016 was $328,923 (2015 - $Nil).

Investing activities: Net cash provided by investing activities during the year ended March 31, 2016 was $294,155 (2015 - $10) primarily due to the cash available in Brigadier upon acquisition.

Financing activities: Net cash provided by financing activities during the year ended March 31, 2016 was $49,500 (2015 - $Nil) which were loans received.

The consolidated financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Summary of Quarterly Results

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	From incorporation on October 9, 2014 to March 31, 2015
Total assets	$ 186,664	$ 257,477	$ 334,167	$ 610	$ 10
Working capital (deficiency)	(20,581)	149,185	218,080	(11,990)	(4,615)
Shareholder's equity	49,419	249,185	318,080	(11,990)	(4,615)
Comprehensive loss	139,366	157,540	6,010,080	7,375	4,625
Loss per share	0.03	0.03	1.05	3.69	0.46

The increase in comprehensive loss in the quarter ended September 30, 2015 is primarily due to the merger expense with Brigadier Exploration Corp.

Results of operations for the three month period ended March 31, 2016 compared to 2015

The net loss for the three month period ended March 31, 2016 is $139,366 (2015 - $4,625). Significant individual items contributing to the comprehensive loss are as follows:

- Professional fees of $18,926 (2015 - $4,625) relating to preparation of prospectus for listing on the Canadian Securities Exchange and review of financial statements.
- Management fees of $57,050 (2015 - $Nil) relates to fees for the CEO, CFO and directors.
- Office and administrative fees of $27,066 (2015 - $Nil) relating to general office costs.
- Write down of exploration and evaluation asset of $30,000 relating to the impairment in the Boyer Lake Property.

Contractual Obligations

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.

Subsequent Events

On May 2, 2016 the Company signed a promissory note agreement for the principal amount of $5,000. The loan bears interest at 12% per annum. Interest and principal are payable on May 2, 2018.

Off Statement of Financial Position Arrangements

At March 31, 2016, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Capital Resources

The Company will continue to seek capital through public markets by issuing common shares pursuant to private placements. 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.

Outstanding Share Data

As at the date of the report the Company had 4,332,000 common shares issued and outstanding.

The following incentive stock options were outstanding at the date of this report:

Number Of shares	Exercise Price	Weighted Average remaining contractual life (years)	Expiry Date
160,000	$1.00	4.14	May 31, 2020
100,000	$1.00	4.58	October 28, 2020
260,000			

Related Party Transactions

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

During the year ended March 31, 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
Brandenburg Financial Corp. ("BFC")	Management fees for services provided by the former CEO and new CEO.
Red Fern Consulting Ltd. ("RFC")	Management fees for services provided by the CFO and supporting staff.

Due to related parties at March 31, 2016 is $60,901 (2015 - $Nil) owing to directors of the Company or companies controlled by related parties.

a) For the year ended March 31, 2016, the Company paid or accrued $80,000 (2015 - $Nil) to BFC, a company controlled by the former CEO, for management fees.

b) For the year ended March 31, 2016, the Company paid or accrued $30,000 (2015 - $Nil) to the CEO and Director of the Company for marketing consulting fees.

c) For the year ended March 31, 2016, the Company paid or accrued $14,550 (2015 - $Nil) to RFC, a company controlled by the CFO, for management fees.

d) For the year ended March 31, 2016, the Company paid or accrued $17,500 (2015 - $Nil)) to the Corporate Secretary of the Company for management fees.

e) For the year ended March 31, 2016, the Company paid or accrued $3,000 (2015 - $Nil) to a director of the Company for consulting fees.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personal for the years ended March 31, 216 and 2015 are as follows:

	March 31 2016	2015
Share-based compensation	$ 222,749	$ nil

Proposed Transactions

The Company has no planned or proposed transactions as of the date of this report.

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 March 31, 2016, the Company had a cash balance of $14,742 to settle current liabilities of $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.

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 credit risk is primarily attributable to its liquid financial assets including cash. 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 March 31, 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.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks (non-inclusive) faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek gold and precious metals. While gold has recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and the commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

New standards, interpretations and amendments adopted

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New standard not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not been adopted yet by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IAS 27: Amended to restore option to use equity method to account for investments in subsidiaries, joint ventures and associates for annual period beginning on or after January 1, 2016.
- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in Notes 2 of its consolidated financial statements for the year ended March 31, 2016. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of estimates and significant judgments

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

Critical accounting estimates

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The valuation of shares issued in non-cash transactions are generally based on the value of goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

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 consolidated financial statements.

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

Further Information

Additional information about the Company is at the Canadian disclosure website www.sedar.ca

BRIGADE RESOURCE CORP.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED DECEMBER 31, 2016

Introduction

This management's discussion and analysis (MD&A) of Brigade Resource Corp. is the responsibility of management and covers the nine month period ended December 31, 2016. The MD&A takes into account information available up to and including February 21, 2017 and should be read together with the condensed consolidated interim financial statements and accompanying notes for the period ended December 31, 2016.

Throughout this document the terms *we, us, our, the Company* and *Brigade* refer to Brigade Resource Corp. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of February 21, 2017, the date the Board of Directors approved the consolidated financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com

Effectively on June 21, 2016, the Company consolidated its common share capital, whereby each five old shares are equal to one new share without par value. On the effective date, the Company's 21,660,000 issued and outstanding common shares were consolidated on a new-for-five-old basis, yielding 4,332,000 post-consolidation common shares issued and outstanding. The number of issued and outstanding shares, options, warrants and per share amounts has been retrospectively restated for all periods presented unless otherwise stated.

Forward-Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Reserves and Resources

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately.

Description of Business

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects.

Exploration Summary

During the period ended December 31, 2016, the management decided not to continue with the Brooks Lake, Boyer Lake and Surprise Lake Properties and wrote off the balances to the statement of loss and comprehensive loss.

Selected Financial Information

The financial information as at and for the period ended December 31, 2016 has been prepared in accordance with IFRS.

Period ended		December 31, 2016		December 31, 2015
Total income	$	-	$	-
Comprehensive loss for the period		353,776		6,174,995
Basic and diluted loss per share		0.08		0.31
Total assets		36,814		257,477
Working capital (deficiency)		(90,157)		149,185

Results of Operations

During the period ended December 31, 2016, the Company incurred a comprehensive loss of $353,776 (2015 - $6,174,995) Significant individual items contributing to the comprehensive loss are as follows:

- Management fees increased to $74,750 (2015 - $88,000) relating to fees for the CEO, CFO, Corporate Secretary and director.
- Office and administrative fees increased to $14,109 (2015 - $11,357) primarily relating to fees for computer supplies and transfer agent.
- Professional fees decreased to $33,701 (2015 - $51,677) as the Company completed acquisition.
- Rent expense increased to $40,893 (2015 - $Nil) as the Company moved offices and signed a 12 month lease for $4,500 per month.
- Share-based payment of $Nil (2015 - $281,805) corresponding to the Black-Scholes valuation of $380,000 stock options issued to Directors, Officers and consultants.

Summary of Quarterly Results

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Total assets	$ 36,814	$ 45,279	$ 175,052	$ 186,664
Working capital (deficiency)	(90,157)	(159,269)	(67,047)	(20,581)
Shareholder's equity	(90,157)	(159,269)	2,953	49,419
Comprehensive loss	353,776	272,788	56,566	139,366
Loss per share	0.08	0.06	0.02	0.03

	December 31, 2015	September 30, 2015	June 30, 2015	From incorporation on October 9, 2014 to March 31, 2015
Total assets	$ 257,477	$ 334,167	$ 610	$ 10
Working capital (deficiency)	149,185	218,080	(11,990)	(4,615)
Shareholder's equity	249,185	318,080	(11,990)	(4,615)
Comprehensive loss	83,895	6,017,455	7,375	4,625
Loss per share	0.00	0.74	0.74	0.46

The increase in comprehensive loss in the quarter ended September 30, 2015 is primarily due to the merger expense with Brigadier Exploration Corp.

Liquidity and Capital Resources

Brigade's exploration and evaluation asset activities do not provide a source of income and the Company therefore has a history of losses and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

The Company has financed its operations to date primarily through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares.

Operating activities: The Company does not generate any revenues and generally does not receive any cash from operating activities. Net cash used in operating activities during the period ended December 31, 2016 was $144,173.

Financing activities: Net cash provided by investing activities during the period ended December 31, 2016 was $159,600 primarily due to the loans received and subscriptions received in advance.

The condensed consolidated interim financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Contractual Obligations

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.

Off Statement of Financial Position Arrangements

At December 31, 2016, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Capital Resources

The Company will continue to seek capital through public markets by issuing common shares pursuant to private placements. 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.

Outstanding Share Data

As at the date of the report the Company had 6,570,400 common shares issued and outstanding.

The following incentive stock options were outstanding at the date of this report:

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
260,000			

The following warrants were outstanding at December 31, 2016:

Number Of warrants	Exercise Price	Weighted Average remaining contractual life (years)	Expiry Date
2,238,400	$0.10	1.95	December 16, 2018
2,238,400			

Related Party Transactions

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

During the period ended December 31, 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 December 31, 2016 is $48,605 (March 31, 2016 - $18,926) owing to directors of the Company or companies controlled by related parties.

During the period ended December 31, 2016, the Company:

a) Paid or accrued management fees of $45,000 (2015 - $45,000) to the CEO and Director of the Company.

b) Paid or accrued management fees of $nil (2015 - $30,000) to the former CEO and Director of the Company.

a) Paid or accrued management fees of $25,250 (2015 - $8,000) to RFC for CFO of the Company.

b) Paid or accrued management fees of $4,500 (2015 - $Nil) to a director of the Company.

c) Recorded share-based compensation of $nil (2015- $222,749 for stock options granted and vested to directors and officers of the Company.

SUBSEQUENT EVENT

Subsequent to December 31, 2016, the Company signed a share exchange agreement with Green 2 Blue Energy Corp. ("G2BE") whereby the Company will acquire all of the issued and outstanding shares of G2BEin exchange for common shares of the Company. Upon closing, G2BE will be a wholly owned subsidiary of the Company.

The Company intends to issue 47,000,002 to the shareholders of G2BE resulting in G2BE shareholders owning approximately 77% of the Company and would be considered a reverse takeover ("RTO").

In conjunction with the RTO, the Company announced a non-brokered private placement whereby up to 7,500,000 units will be issued at a value of $0.10 per unit for gross proceeds up to $750,000. Each unit will consist of one common share and one share purchase warrant exercisable at $0.10 for 12 months and thereafter $0.20 for an additional 12 months.

Proposed Transactions

The Company has no planned or proposed transactions as of the date of this report.

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 December 31, 2016, the Company had a cash balance of $10,169 (March 31, 2016 - $14,742) to settle current liabilities of $126,971 (March 31, 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.

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 credit risk is primarily attributable to its liquid financial assets including cash. 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 December 31, 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.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

New standards, interpretations and amendments adopted

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 December 31, 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.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in Notes 2 of its condensed consolidated interim financial statements for the period ended December 31, 2016. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our condensed consolidated interim financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of estimates and significant 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.

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.

SCHEDULE "C"

TargetCo Audited Financial Statements for the financial years ended June 30, 2016 and June 30, 2015 and Unaudited Interim Financial Statements for the period ended December 31, 2016

See attached.

GREEN 2 BLUE ENERGY CORP.

Consolidated Financial Statements

Years Ended June 30, 2016 and 2015

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Green 2 Blue Energy Corp.

We have audited the accompanying consolidated financial statements of Green 2 Blue Energy Corp. which comprise the statements of financial position as at June 30, 2016 and 2015, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Green 2 Blue Energy Corp. as at June 30, 2016 and 2015 and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2(d) of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Green 2 Blue Energy Corp. to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

May 4, 2017

GREEN 2 BLUE ENERGY CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2016 $	June 30, 2015 $
Assets		
Current assets		
Cash	5,244	15,856
Accounts receivable (Note 5)	18,920	49,434
Inventory (Note 6)	7,871	58,069
Prepaid expenses	11,985	17,076
Total current assets	44,020	140,435
Non-current assets		
Property and equipment (Note 7)	398,230	484,991
Total assets	442,250	625,426
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 12)	463,466	168,601
Current portion of loans payable (Note 8)	32,830	–
Convertible debt - related party, net of unamortized discount of $22,073 and $nil, respectively (Note 10)	24	–
Due to related parties (Note 12)	5,160	997
Current portion of obligations under finance lease (Note 9)	29,674	56,426
Derivative liabilities (Note 11)	26,085	451,341
Total current liabilities	557,239	677,365
Non-current liabilities		
Loans payable (Note 8)	32,042	–
Obligations under finance lease (Note 9)	341,117	358,423
Convertible debt - related party, net of unamortized discount of $nil and $215,124, respectively (Note 10)	–	90,986
Total liabilities	930,398	1,126,774
Shareholders' deficit		
Share capital	1,304,137	270,000
Share-based payment reserve	376,846	–
Deficit	(2,160,069)	(658,167)
Accumulated other comprehensive income (loss)	(9,846)	6,380
Total Green 2 Blue Energy Corp. shareholders' deficit	(488,932)	(381,787)
Non-controlling interest	784	(119,561)
Total shareholders' deficit	(488,148)	(501,348)
Total liabilities and shareholders' deficit	442,250	625,426

Going concern (Note 2(c))
Commitment (Note 15)
Subsequent events (Note 20)

Approved and authorized for issuance by the Board of Directors on May 4, 2017:

/s/ "Slawomir Smulewicz"	*/s/ "Michael Young"*
Slawomir Smulewicz, Director	Michael Young, Director

(The accompanying notes are an integral part of these consolidated financial statements)

GREEN 2 BLUE ENERGY CORP.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year Ended June 30, 2016 $	Year Ended June 30, 2015 $
Sales	201,018	80,229
Cost of sales	(180,020)	(71,109)
Gross profit	20,998	9,120
Operating Expenses		
Consulting and management fees (Note 12)	513,000	102,000
Depreciation	98,196	54,785
Foreign exchange loss (gain)	(29,524)	9,871
General and administrative	305,036	202,156
Professional fees	52,478	41,636
Travel	9,213	56,243
Wages and benefits	78,017	53,133
Total operating expenses	(1,026,416)	(519,824)
Net loss before other income (expense)	(1,005,418)	(510,704)
Other income (expense)		
Accretion of discount on convertible debt (Note 10)	(244,130)	(70,923)
Change in fair value of derivative liabilities (Note 11)	87,451	(231,986)
Gain (loss) on settlement of debt	(292,962)	66,692
Interest expense	(67,698)	(24,183)
Total other income (expense)	(517,339)	(260,400)
Net loss for the year	(1,522,757)	(771,104)
Less: net loss attributable to the non-controlling interest	20,855	120,225
Net loss attributable to Green 2 Blue Energy Corp.	(1,501,902)	(650,879)
Foreign currency translation adjustments	(16,226)	6,380
Comprehensive loss attributable to Green 2 Blue Energy Corp.	(1,518,128)	(644,499)
Basic and diluted loss attributable to Green 2 Blue Energy Corp.	(0.10)	(0.10)
Weighted average number of common shares outstanding used in the calculation of net loss attributable to Green 2 Blue Energy Corp. per common share basic and diluted	14,573,389	6,352,878

(The accompanying notes are an integral part of these consolidated financial statements)

GREEN 2 BLUE ENERGY CORP.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Common Shares Number	Common Shares Amount $	Share-based Payment Reserve $	Deficit $	Accumulated Other Comprehensive Income (Loss) $	Non-controlling Interest $	Total Shareholders' Deficit $
Balance June 30, 2014	5,000,001	50,000	–	(7,288)	–	–	42,712
Issuance of common shares for cash	2,000,000	150,000	–	–	–	–	150,000
Issuance of common shares for services	700,000	70,000	–	–	–	–	70,000
Contribution from non-controlling interest	–	–	–	–	–	664	664
Net loss	–	–	–	(650,879)	–	(120,225)	(771,104)
Other comprehensive income	–	–	–	–	6,380	–	6,380
Balance, June 30, 2015	7,700,001	270,000	–	(658,167)	6,380	(119,561)	(501,348)
Issuance of common shares for cash	1,645,000	164,500	–	–	–	–	164,500
Issuance of common shares for services	3,450,000	345,000	–	–	–	–	345,000
Issuance of common shares for settlement of related party debt	550,000	55,000	–	–	–	–	55,000
Conversion of convertible debt and derivative liabilities to common shares	6,100,000	610,000	376,846	–	–	–	986,846
Issuance of common shares to acquire non-controlling interest	3,000,000	(140,363)	–	–	–	140,363	–
Cancellation of founder's shares	(2,500,000)	–	–	–	–	–	–
Contribution from non-controlling interest	–	–	–	–	–	837	837
Net loss	–	–	–	(1,501,902)	–	(20,855)	(1,522,757)
Other comprehensive loss	–	–	–		(16,226)	–	(16,226)
Balance, June 30, 2016	19,945,001	1,304,137	376,846	(2,160,069)	(9,846)	784	(488,148)

(The accompanying notes are an integral part of these consolidated financial statements)

GREEN 2 BLUE ENERGY CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended June 30, 2016 $	Year Ended June 30, 2015 $
Operating activities		
Net loss	(1,522,757)	(771,104)
Items not affecting cash:		
Accretion of discount on convertible debt	244,130	70,923
Change in fair value of derivative liabilities	(87,451)	231,986
Depreciation	98,196	54,785
Gain (loss) on settlement of debt	292,962	(66,692)
Share-based compensation	345,000	70,000
Changes in non-cash operating working capital:		
Accounts receivable	30,514	(49,434)
Inventory	50,198	(58,069)
Prepaid expenses	5,091	(7,076)
Accounts payable and accrued liabilities	294,865	165,601
Due to related parties	40,000	(12,882)
Net cash used in operating activities	(209,252)	(371,962)
Investing activities		
Purchase of property and equipment	(29,927)	(20,485)
Net cash used in investing activities	(29,927)	(20,485)
Financing activities		
Repayment of finance lease obligations	(25,566)	(104,442)
Contributions from non-controlling interest	–	664
Proceeds from loans payable	78,989	–
Repayment of loans payable	(14,117)	–
Proceeds from convertible debt to a related party	51,079	346,110
Repayment of convertible debt to a related party	(10,092)	(40,000)
Proceeds from common shares issued	164,500	150,000
Net cash provided by financing activities	244,793	352,332
Effects of exchange rate changes on cash	(16,226)	6,380
Decrease in cash	(10,612)	(33,735)
Cash, beginning of year	15,856	49,591
Cash, end of year	5,244	15,856

Supplemental Cash Flow Information (Note 16)

(The accompanying notes are an integral part of these consolidated financial statements)

1. Corporate Information

Green 2 Blue Energy Corp. (the "Company") was incorporated on May 30, 2014 under the laws of British Columbia. The Company manufactures, markets and distributes softwood pellets and shavings for consumer and industrial customers and arranges transactions between buyers and sellers of alternative energy products. The address of the Company's registered office is at Suite 415, 1040 West Georgia Street, Vancouver, BC.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These consolidated financial statements include the accounts of the Company and its subsidiaries: (i) Green 2 Blue Energy Europe Sp. z.o.o. ("G2BE Europe"), incorporated in Poland in October 2014 and is 99.5% owned by the Company; (ii) G2BE Services PTE Ltd. ("G2BE Services"), incorporated in Singapore and is wholly owned by the Company; and (iii) G2BE Poland Sp z o.o. ("G2BE Poland"), incorporated in Poland and is owned 49% by the Company and 51% by the President of the G2BE Europe.

All significant intercompany transactions have been eliminated on consolidation.

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The Company's functional currencies are:

Green 2 Blue Energy Corp.	Canadian dollars
G2BE Europe	Polish zloty
G2BE Services	US dollars
G2BE Poland	Polish zloty

(c) Use of Estimates and Judgments

The preparation of these 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 period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities.

Significant areas of estimation include the allowance for doubtful accounts, useful life and recoverability of property and equipment, measurement of provisions, valuation of inventory, fair value of derivative liabilities, fair value of share-based payments, and deferred income tax asset valuation allowances.

2. Basis of Presentation (continued)

(c) Use of Estimates and Judgments (continued)

The Company's policy for property and equipment requires judgment in determining whether the present value of future expected economic benefits exceeds capitalized costs. The policy requires management to make certain estimates and assumptions about future economic benefits related to its operations. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of capitalized cost is unlikely, the capitalized cost is written off to the consolidated statement of operations.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Going Concern

These consolidated financial statements have been 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 June 30, 2016, the Company had negative cash flows from operations, had a working capital deficit of $513,219, and had an accumulated deficit of $2,160,069. Furthermore, the Company defaulted on a lease obligation and incurred a net loss of $1,501,902 during the year ended June 30, 2016. To obtain future profitability, the Company will need to increase the volume of production and sales, and is reliant on the co-operation on creditors to pay outstanding amounts on a timely basis. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on a timely basis or on terms that are acceptable to the Company. These factors, current market conditions, and inability to secure new assets to date, however, indicate the existence of a material uncertainty that casts significant doubt on the ability of the Company to continue as a going concern or in its present form. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

3. Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Accounts Receivable

Accounts receivable is comprised of amounts due from customers for purchases of the Company's products and is recorded net of allowance for doubtful accounts. Factors such as current economic conditions, historical information, and reasons for any accounts being past due are all considered when determining whether to write off accounts receivable.

(c) Inventory

Inventory is comprised of raw material and finished goods, which are valued at the lower of cost and net realizable value. Costs are determined using the weighted average basis for raw materials and manufactured goods and first-in-first-out for goods purchased for resale. Net realizable value is determined on the basis of anticipated sales proceeds less the estimated selling expenses. Inventory is reviewed at least annually for impairment due to slow moving or obsolescence.

3. Summary of Significant Accounting Policies (continued)

(d) Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation and impairment charges, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be reliably measured. All other expenditures are charged to operating expenses as incurred.

When major components of property and equipment have different useful lives, they are accounted for as separate items. Depreciation of property and equipment is based on the estimated useful lives of the assets using the following rates:

Forklifts	14% declining balance
Furniture and fixtures	5 years straight-line
Technical equipment and machinery	5 years straight-line
Vehicles	4 years straight-line

(e) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired:

- an intangible asset with an indefinite useful life;
- an intangible asset not yet available for use; and
- goodwill acquired in a business combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill and intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Summary of Significant Accounting Policies (continued)

(f) Leases

The Company leases assets for administrative purposes. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment by the Company of whether the arrangement conveys a right to use the asset. Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. Otherwise, leases are classified as operating leases.

Operating lease expense is recognized on a straight-line basis over the lease term.

Finance lease payments are recorded at the present value at the inception of the lease and apportioned at each disbursement date between financing costs and the lease liability using the implicit interest rate of the lease. They are presented in property and equipment, and obligations under finance lease in the consolidated statement of financial position.

(g) Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, derivative liabilities, and obligations under finance lease.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term.

Financial instruments in this category are recognized at fair value and subsequently carried at fair value. Gains and losses arising from changes in fair value are recorded in the consolidated statement of operations in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except if they are expected to be realized beyond 12 months of the consolidated statement of financial position date, where they are classified as non-current. Cash is classified as fair value through profit or loss.

(ii) Held-to-maturity investments: Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

(iii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale investments are recognized at fair value and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss. Available-for-sale investments are classified as current except if they are expected to be realized beyond 12 months of the consolidated statement of financial position date, where they are classified as non-current. The Company does not have any assets classified as available-for-sale.

3. Summary of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

(iv) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses. Accounts receivable are classified as loans and receivables.

(v) Non-derivative financial liabilities: The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, and obligations under finance lease.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(vi) Financial liabilities designated at fair value through profit or loss include derivatives, including separated derivatives are also classified as held for trading and recognized at fair value with change in fair value recognized in earnings unless they are designate as effective hedging instruments. Fair value changes on financial liabilities classified as fair value through profit or loss are recognized in the consolidated statement of operations. The Company's financial liabilities designated at fair value through profit or loss include derivative liabilities.

(h) Impairment of Financial Assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(i) Revenue Recognition

Revenue is recognized when title and risk of loss is passed to the customer, reliable estimates can be made of relevant deductions, the sales price to the customer is fixed and determinable and collection of the resulting receivable is reasonably assured. Revenue is measured based on the customer’s sales price. Gross revenue is reduced by discounts, credits, allowances, and product returns. Generally, revenue is recognized when the risks and rewards are transferred to the customer based on shipping terms negotiated in sales contracts.

(j) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

3. Summary of Significant Accounting Policies (continued)

(k) Income Taxes

Income tax comprises current and deferred income tax. Current income tax and deferred income tax are recognized in the consolidated statement of operations except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor the consolidated statement of operations.

Recognition of deferred income tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable income will be available against which the deferred income tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred income tax assets. The Company recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

(l) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same. As at June 30, 2016, the Company has 441,938 (2015 – 6,122,202) potentially dilutive shares.

(m) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statement of operations. For the years ended June 30, 2016 and 2015, comprehensive income (loss) consists of foreign currency translation gains and losses.

(n) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(o) Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after July 1, 2016 or later periods.

The following new IFRSs that have not been early adopted in these consolidated financial statements will not have a material effect on the Company's future results and financial position:

i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9);
ii) IFRS 15, *Revenue from Contracts with Customers* (New); and
iii) IFRS 16, *Leases* (New).

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Green 2 Blue Energy Europe Sp. z.o.o.

On October 13, 2014, Green 2 Blue Energy Europe Sp. z.o.o. ("G2BE Europe") was incorporated and 100 shares were issued. The Company acquired 60 shares of G2BE Europe for $997 (PLN$3,000) while the President of G2BE Europe owned 16 shares and two unrelated individuals owned the remaining 24 shares. On July 3, 2015, the President of G2BE Europe and the two unrelated individuals sold all of their shares in G2BE Europe to a company controlled by the President of G2BE Europe.

On August 14, 2015, the Company acquired an additional 39 shares of G2BE Europe from a company controlled by the President of G2BE Europe in exchange for 3,000,000 common shares of the Company. Refer to Note 13(b). Upon the acquisition of the additional 39 shares, G2BE Europe became a 99% owned subsidiary of the Company. The Company recorded the fair value of the shares issued of $300,000 and debited the Company's equity for the consideration paid over the carrying amount of non-controlling interest of $440,363.

On September 30, 2015, G2BE Europe converted debt of $443,437 (PLN$1,250,000) owed to the Company into 100 newly issued common shares of G2BE Europe. Of this amount, $1,774 (PLN$5,000) was converted to shares and the remaining $441,663 (PLN$1,245,000) was converted into Reserve Capital. As at June 30, 2016, there are 200 common shares of G2BE Europe outstanding, of which 199 common shares are owned by the Company and 1 common share is owned by a company controlled by the President and a director of G2BE Europe. All intercompany amounts have been eliminated.

5. Accounts Receivable

	June 30, 2016 $	June 30, 2015 $
Trade accounts receivable	8,764	30,296
GST and VAT receivable	10,156	12,831
Related party receivable (Note 12)	–	6,307
	18,920	49,434

(Expressed in Canadian dollars)

6. Inventory

	June 30, 2016 $	June 30, 2015 $
Raw materials	4,512	11,246
Finished goods	3,359	46,823
	7,871	58,069

7. Property and Equipment

	Fixed Assets Under Construction $	Forklift $	Furniture and Fixtures $	Technical Equipment and Machinery $	Vehicles $	Total $
Cost:						
Balance, June 30, 2014	–	–	–	–	–	–
Additions	–	3,504	–	517,189	19,083	539,776
Foreign currency translation adjustments	–	7	–	1,060	39	1,106
Balance, June 30, 2015	–	3,511	–	518,249	19,122	540,882
Additions	27,167	–	2,760	–	–	29,927
Dispositions	–	–	–	–	(18,898)	(18,898)
Foreign currency translation adjustments	–	(42)	–	(6,085)	(224)	(6,351)
Balance, June 30, 2016	27,167	3,469	2,760	512,164	–	545,560
Accumulated depreciation:						
Balance, June 30, 2014	–	–	–	–	–	–
Additions	–	208	–	55,384	1,104	56,696
Foreign currency translation adjustments	–	(3)	–	(786)	(16)	(805)
Balance, June 30, 2015	–	205	–	54,598	1,088	55,891
Additions	–	507	138	96,517	4,111	101,273
Disposals	–	–	–	–	(5,112)	(5,112)
Foreign currency translation adjustments	–	(25)	–	(4,610)	(87)	(4,722)
Balance, June 30, 2016	–	687	138	146,505	–	147,330
Carrying amounts:						
Balance, June 30, 2015	–	3,306	–	463,651	18,034	484,991
Balance, June 30, 2016	27,167	2,782	2,622	365,659	–	398,230

During the year ended June 30, 2016, depreciation of $3,077 (2015 - $1,911) was included in inventory. As at June 30, 2016, included in technical equipment and machinery are assets under finance lease with an original cost of $494,297 (2015 - $500,169) and accumulated amortization of $140,408 (2015 - $52,045). During the year ended June 30, 2016, amortization expense includes $88,974 (2015 - $52,045) related to assets under finance leases.

(Expressed in Canadian dollars)

8. Loans Payable

(a) As at June 30, 2016, the Company owed $16,415 (PLN$50,000) (2015 - $nil) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on July 31, 2016. As at June 30, 2016, accrued interest of $1,007 (PLN$3,066) (2015 - $nil) was included in accounts payable and accrued liabilities.

(b) As at June 30, 2016, the Company owed $16,415 (PLN$50,000) (2015 - $nil) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on May 31, 2017. As at June 30, 2016, accrued interest of $89 (PLN$270) (2015 - $nil) was included in accounts payable and accrued liabilities.

(c) As at June 30, 2016, the Company owed $8,207 (PLN$25,000) (2015 - $nil) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on October 31, 2017. As at June 30, 2016, accrued interest of $353 (PLN$1,075) (2015 - $nil) was included in accounts payable and accrued liabilities.

(d) As at June 30, 2016, the Company owed $23,835 (PLN$72,600) (2015 - $nil) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017. As at June 30, 2016, accrued interest of $293 (PLN$894) (2015 - $nil) was included in accounts payable and accrued liabilities.

9. Obligations Under Finance Lease

	June 30, 2016 $	June 30, 2015 $
Impuls-Leasing Polska Sp. z o.o., equipment lease repayable in monthly installments, due in December 2020, secured by specific technical equipment and machinery. The interest rate underlying the obligation in the finance lease is 26% per annum. As at June 30, 2016, the Company was in violation of the terms of the lease. Subsequent to June 30, 2016, the Company entered into an amended lease agreement.	370,791	396,873
Impuls-Leasing Polska Sp. z o.o., vehicle lease repayable in monthly installments, due in March 2019, secured by the vehicle. The interest rate underlying the obligation in the finance lease is 5% per annum. During the year ended June 30, 2016, the lease was terminated and the vehicle was returned to the lessor.	–	17,976
	370,791	414,849
Less: current portion	(29,674)	(56,426)
Non-current portion	341,117	358,423

10. Convertible Debt – Related Party

On October 13, 2014, the Company entered into a loan agreement with the President of the Company. Pursuant to the agreement, the President of the Company will advance up to $300,000 to the Company. Advances will bear interest at 5% per annum and mature on October 30, 2016 or such later date at the sole discretion of the President of the Company. The loan is convertible at the holder's option at any time prior to the maturity date at the lower of: (i) $0.05 per share; and (ii) the price of the common shares most recently issued by the borrower. On February 9, 2015, the parties entered into an amendment to the loan agreement whereby the credit limit referred to in the loan agreement was increased by $100,000 to $400,000.

(Expressed in Canadian dollars)

10. Convertible Debt – Related Party (continued)

The conversion feature failed to meet equity classification and will be accounted for as a derivative liability and accounted for separately from the host instrument. The principal balance will be accounted for at amortized cost, and the embedded derivative liability is measured at fair value with changes in value being recorded in the consolidated statement of operations.

During the year ended June 30, 2016, the Company received advances of $51,079 (2015 - $346,110). The Company recorded a derivative liability related to the convertible debt equal to the estimated fair value of the conversion feature of $51,079 (2015 - $286,047) with an equivalent discount on the convertible debenture. During the year ended June 30, 2016, the Company repaid $10,092 (2015 - $40,000) of the convertible debt and $9,908 (2015 - $nil) of interest.

On January 31, 2016, the Company issued 6,100,000 common shares with a fair value of $610,000 to the President of the Company and the wife of the President of the Company upon the conversion of $305,000 of the convertible debt, resulting in a loss on settlement of debt of $305,000. On March 30, 2016, the Company issued 200,000 common shares with a fair value of $20,000 to the President of the Company to settle $20,000 of the convertible debt.

During the year ended June 30, 2016, the Company recognized accretion expense of $244,130 (2015 - $70,923). As at June 30, 2016, the Company had $22,097 (2015 - $306,110) of convertible debt outstanding, net of discount of $22,073 (2015 - $215,124) resulting in a carrying value of $24 (2015 - $90,896).

11. Derivative Liabilities

The conversion feature described in Note 10 failed to meet equity classification and, as a result, is accounted for as a derivative liability separately from the host debt instrument. The fair value of the conversion feature (derivative liability) is revalued at each reporting date and the fair value changes will be recorded in the consolidated statement of operations.

The table below sets forth a summary of changes in the fair value of the Company’s Level 3 financial liabilities:

	June 30, 2016 $	June 30, 2015 $
Balance at the beginning of year	451,341	–
Original discount limited to proceeds of notes	51,079	286,047
Conversion of derivative liabilities	(376,846)	–
Extinguishment of derivative liabilities upon settlement of convertible debt	(12,038)	(66,692)
Change in fair value of derivative liabilities	(87,451)	231,986
Balance at the end of the year	26,085	451,341

During the year ended June 30, 2016, the Company recorded a gain of $87,451 (2015 – loss of $231,986) on the change in fair value of the derivative liabilities.

The Company uses the Black-Scholes option pricing model to calculate the fair values of the derivative liabilities. The following table shows the weighted average assumptions used in the calculations:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
As at issuance date	168%	0.97%	0%	2.05
As at June 30, 2015	149%	0.53%	0%	1.34
As at June 30, 2016	168%	0.49%	0%	0.33

12. Related Party Transactions

During the year ended June 30, 2016, the Company was engaged in the following related party transactions:

(a) During the year ended June 30, 2016, the Company recorded consulting and management fees of $85,500 (2015 - $42,000) to the President of the Company and $48,000 (2015 - $nil) to the Chief Financial Officer of the Company.

(b) As at June 30, 2016, the Company owed $142,537 (2015 - $45,997) to the President of the Company, of which $141,540 (2015 - $45,000) was included in accounts payable and accrued liabilities.

(c) As at June 30, 2016, the Company owed $33,717 (2015 - $nil) to the Chief Financial Officer of the Company, of which $28,717 (2015 - $nil) was included in accounts payable and accrued liabilities.

(d) As at June 30, 2016, the Company was owed $nil (2015 - $6,307 (PLN$18,983)) from the President of G2BE Europe, which was included in accounts receivable.

(e) As at June 30, 2016, the Company owed $2,312 (PLN$7,041) (2015 - $1,095 (PLN$3,296)) to a director of G2BE Europe, which was included in accounts payable and accrued liabilities.

13. Share Capital

<u>*Common Shares*</u>

The Company is authorized to issue an unlimited number of common shares without par value.

Issued during the year ended June 30, 2016:

(a) On August 14, 2015, the Company issued 800,000 common shares with a fair value of $80,000, of which 600,000 common shares with a fair value of $60,000 was issued to the President of G2BE Europe and 200,000 common shares with a fair value of $20,000 was issued to a director of G2BE Europe, for the provision of services.

(b) On August 14, 2015, the Company issued 3,000,000 common shares of the Company with a fair value of $300,000 pursuant to a share exchange agreement. Pursuant to the agreement, the Company received 39 common shares of the issued and outstanding shares of the Company's subsidiary, G2BE Europe.

(c) On August 21, 2015, the Company issued 500,000 common shares at $0.10 per share for proceeds of $50,000.

(d) On September 16, 2015, the Company issued 400,000 common shares at $0.10 per share for proceeds of $40,000.

(e) On January 31, 2016, the Company issued a total of 6,100,000 common shares to the President of the Company and the wife of the President of the Company upon the conversion of $305,000 of the convertible debt described in Note 10.

(f) On March 1, 2016, the Company issued 1,500,000 common shares with a fair value of $150,000 for the provision of services by the Chief Financial Officer of the Company.

(g) On March 1, 2016, the Company cancelled 2,500,000 common shares of the Company held by the President of the Company for no consideration as a result of a repricing of common shares issued to the President on June 9, 2014 for $0.01 per share.

(h) On March 4, 2016, the Company issued 1,050,000 common shares with a fair value of $105,000 of which 800,000 common shares with a fair value of $80,000 was issued to the President of G2BE Europe and 250,000 common shares with a fair value of $25,000 was issued to a director of G2BE Europe, for the provision of services.

13. Share Capital (continued)

Issued during the year ended June 30, 2016 (continued):

(i) On March 30, 2016, the Company issued a total of 200,000 common shares to the President of the Company and the wife of the President of the Company upon the settlement of $20,000 of the convertible debt described in Note 10.

(j) On March 31, 2016, the Company issued 350,000 common shares to settle $35,000 of advances outstanding to the Chief Financial Officer of the Company.

(k) On April 29, 2016, the Company issued 705,000 common shares at $0.10 per share for proceeds of $70,500, of which 150,000 common shares for proceeds of $15,000 were issued to the Chief Financial Officer of the Company.

(l) On May 4, 2016, the Company issued 100,000 common shares with a fair value of $10,000 for the provision of services.

(m) On June 30, 2016, the Company issued 40,000 common shares at $0.10 per share for proceeds of $4,000.

Issued during the year ended June 30, 2015:

(n) On October 30, 2014, the Company issued 1,000,000 common shares at $0.05 per share for proceeds of $50,000 to the President of the Company.

(o) On January 31, 2015, the Company issued 1,000,000 common shares at $0.10 per share for proceeds of $100,000.

(p) On February 6, 2015, the Company issued 700,000 common shares with a fair value of $70,000 for the provision of services, of which 100,000 common shares with a fair value of $10,000 was issued to the wife of the President of the Company, 100,000 common shares with a fair value of $10,000 was issued to the former CFO of the Company, 100,000 common shares with a fair value of $10,000 to the President of G2BE Europe, and 50,000 common shares with a fair value of $5,000 to a director of G2BE Europe for services rendered.

14. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2015.

15. Commitment

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters other than disclosed below. Management services provided are on a month-to-month basis.

(a) On June 30, 2016, the Company entered into a credit agreement to secure a revolving credit facility of up to $2,000,000. Subsequent to June 30, 2016, the agreement was terminated and no funding was received. The Company had provided a non-refundable deposit of $13,030, which as of the date of these consolidated financial statements has not been returned and has been expensed as incurred.

(Expressed in Canadian dollars)

15. Commitment (continued)

(b) The Company has entered into a lease for equipment until December 31, 2020. The Company's future minimum lease payments for the equipment leases are as follows:

	$
Fiscal year ending June 30, 2017	67,166
Fiscal year ending June 30, 2018	97,983
Fiscal year ending June 30, 2019	97,983
Fiscal year ending June 30, 2020	97,983
Fiscal year ending June 30, 2021	48,991
Total:	410,106

16. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The Company categorizes its financial assets measured at the fair value into one of three different levels depending on the observation of the inputs used in the measurement. As at June 30, 2016, the Company has financial instruments in Level 1 and Level 3 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, June 30, 2016 $
Cash	5,244	–	–	5,244
Derivative liabilities	–	–	(26,085)	(26,085)
	5,244	–	(26,085)	(20,841)

There were no transfers between levels during the year.

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities with active markets.

Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or lability, either directly (as prices) or indirectly (derived from prices), and

Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

The fair values of other financial instruments, which include accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, amounts due to related parties, and obligations under finance lease, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and accounts receivable. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

16. Financial Instruments and Risk Management (continued)

(b) Credit Risk (continued)

Amounts receivable consists of trade receivables and input tax credits. The following table represents the customers that represented 10% or more of total trade receivables as of June 30:

	2016	2015
Customer A	65%	59%
Customer B	0%	18%
Customer C	0%	16%

The following table represents the customers that represented 10% or more of total revenue for the year ended June 30:

	2016	2015
Customer A	11%	33%
Customer B	6%	16%
Customer C	20%	14%
Customer D	25%	0%
Customer E	11%	0%

Currency Risk

The Company's functional currencies are the Canadian dollar, US dollar, and Polish zloty. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and some operating expenses are denominated in Canadian dollars. The Company's revenue and a large portion of operating expenses are denominated in Polish zloty. If the Polish zloty depreciates compared to the Canadian dollar, revenue would decrease in Canadian dollars. A 10% change in the foreign currency exchange rate would have an impact of $29,200 on net loss. The Company manages its exposure to foreign currency fluctuations by maintaining foreign currency bank accounts to offset foreign currency payables where possible. Management relies on the natural hedge created by this matching process and thus has chosen not to otherwise hedge its foreign exchange risk. Significant balances as expressed in Polish zloty are as follows:

	June 30, 2016 PLN$	June 30, 2015 PLN$
Cash	14,099	24,726
Accounts receivable	26,695	148,795
Prepaid expenses	19,852	13,122
Accounts payable and accrued liabilities	(705,578)	(267,733)
Obligations under finance lease	(1,129,430)	(1,248,795)
Net Polish zloty liabilities	(1,774,362)	(1,329,885)

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

(Expressed in Canadian dollars)

16. Financial Instruments and Risk Management (continued)

(e) Liquidity and Funding Risk (continued)

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

As at June 30, 2016	Carrying amount $	Contractual cash flows $	1 year or less $	1 - 5 years $
Trade and other payables	463,446	463,446	463,446	–
Obligations under finance lease	370,791	410,105	67,166	342,939
	834,237	873,551	530,612	342,939

17. Supplemental Cash Flow Information

	2016 $	2015 $
Non-cash investing and financing activities:		
Beneficial conversion feature on convertible debt	–	286,047
Property and equipment financed under capital lease	–	519,291
Shares issued to settle convertible debt	610,000	–
Shares issued to settle related party debt	55,000	–
Supplemental disclosures:		
Interest paid	9,908	–
Income taxes paid	–	–

18. Segmented Information

The Company has one operating segment which is manufacturing, marketing, and distributing softwood pellets and shavings for consumer and industrial customers. The Company has operations in Canada and Poland.

The geographic distribution of non-current assets is as follows:

	Canada $	Poland $	Total $
June 30, 2016			
Property and equipment	2,622	395,608	398,230

	Canada $	Poland $	Total $
June 30, 2015			
Property and equipment	–	484,991	484,991

All of the Company's revenue during years ended June 30, 2016 and 2015 was generated in Poland.

(Expressed in Canadian dollars)

19. Income Taxes

The Company operates in Canada, Singapore, and Poland and is subject to statutory income tax rates of 26%, 17%, and 19%, respectively. The income tax provision differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net income (loss) before taxes as follows:

	2016 $	2015 $
Statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(390,495)	(169,229)
Tax effect of:		
Permanent differences and other	231,677	(7,478)
Difference in tax rates between foreign jurisdictions	22,202	18,098
Change in unrecognized deferred income tax assets	136,616	158,609
Income tax provision	–	–

The significant components of the Company's deferred income taxes are as follows:

	2016 $	2015 $
Deferred income tax assets		
Non-capital losses carried forward	266,058	147,990
Property and equipment	29,167	10,619
Total deferred income tax assets	295,225	158,609
Unrecognized deferred income tax assets	(295,225)	(158,609)
Net deferred income tax assets	–	–

As at June 30, 2016, the Company has non-capital losses carried forward of $1,178,298 in Canada, Singapore, and Poland which are available to offset future years' taxable income. These losses expire as follows:

	$
2035	638,799
2036	539,499
	1,178,298

20. Subsequent Events

(a) On September 29, 2016, the Company issued 100,000 common shares at $0.10 per share for proceeds of $10,000.

(b) On December 7, 2016, the Company and the President sold their interests in G2BE Poland to the Company's wholly-owned subsidiary, G2BE Europe. At that time, G2BE Poland became wholly-owned by the Company's wholly-owned subsidiary. On March 6, 2017, G2BE Europe acquired an additional 50% interest in G2BE Poland.

(c) On November 30, 2016, the Company issued 250,000 common shares at $0.10 per share for proceeds of $25,000.

(d) On January 17, 2017, the Company entered into a share exchange agreement (the "Agreement") with Brigade Resource Corp. ("Brigade"). Under the terms of the Agreement, Brigade will acquire all of the issued and outstanding common shares of the Company in exchange for 47,000,002 common shares of Brigade. As the shareholders of the Company will hold a majority of the common shares of Brigade and will continue its existing business, the Company is considered to have acquired Brigade on an accounting basis, and the transaction will be accounted for as a reverse takeover.

GREEN 2 BLUE ENERGY CORP.

Condensed Consolidated Financial Statements

December 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

GREEN 2 BLUE ENERGY CORP.
Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2016 $	June 30, 2016 $
	(unaudited)	
Assets		
Current assets		
Cash	4,412	5,244
Accounts receivable (Note 4)	95,030	18,920
Inventory (Note 5)	14,070	7,871
Prepaid expenses	24,118	11,985
Total current assets	137,630	44,020
Non-current assets		
Property and equipment (Note 6)	341,533	398,230
Total assets	479,163	442,250
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	351,782	463,466
Current portion of loans payable (Note 7)	115,256	32,830
Convertible debt - related party, net of unamortized discount of $nil and $22,073, respectively (Note 9)	–	24
Due to related parties (Note 11)	5,672	5,160
Current portion of obligations under finance lease (Note 8)	62,015	29,674
Derivative liabilities (Note 10)	–	26,085
Total current liabilities	534,725	557,239
Non-current liabilities		
Loans payable (Note 7)	95,760	32,042
Obligations under finance lease (Note 8)	295,349	341,117
Total liabilities	925,834	930,398
Shareholders' deficit		
Share capital	1,659,637	1,304,137
Share-based payment reserve	376,846	376,846
Deficit	(2,485,130)	(2,160,069)
Accumulated other comprehensive income (loss)	2,081	(9,846)
Total Green 2 Blue Energy Corp. shareholders' deficit	(446,566)	(488,932)
Non-controlling interest	(105)	784
Total shareholders' deficit	(446,671)	(488,148)
Total liabilities and shareholders' deficit	479,163	442,250

Going concern (Note 2(d))
Commitments (Note 15)
Subsequent events (Note 17)

Approved and authorized for issuance by the Board of Directors on May 12, 2017:

/s/ "Slawomir Smulewicz"   */s/ "Michael Young"*

Slawomir Smulewicz, Director   Michael Young, Director

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

GREEN 2 BLUE ENERGY CORP.
Condensed Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended December 31, 2016 $	Three Months Ended December 31, 2015 $	Six Months Ended December 31, 2016 $	Six Months Ended December 31, 2015 $
Sales	24,351	135,576	24,351	202,554
Cost of sales	20,091	127,803	20,091	181,456
Gross profit	4,260	7,773	4,260	21,098
Operating Expenses				
Consulting and management fees (Note 11)	106,630	1,500	106,630	115,000
Depreciation	23,263	22,950	47,197	48,041
Foreign exchange loss (gain)	1,589	678	–	(28,446)
General and administrative	50,551	93,294	92,382	196,589
Professional fees	18,583	1,123	23,816	14,681
Travel	13,138	140	17,816	3,344
Wages and benefits	6,738	27,766	15,215	53,430
Total operating expenses	220,492	147,451	303,056	402,639
Net loss before other income (expense)	(216,232)	(139,678)	(298,796)	(381,541)
Other income (expense)				
Accretion of discount on convertible debt (Note 9)	(17,767)	(18,924)	(22,073)	(35,195)
Change in fair value of derivative liabilities (Note 10)	22,153	14,636	26,085	74,209
Interest expense	(21,672)	(11,689)	(31,166)	(23,357)
Total other income (expense)	(17,286)	(15,977)	(27,154)	15,657
Net loss for the period	(233,518)	(155,655)	(325,950)	(365,884)
Less: net loss attributable to the non-controlling interest	547	691	889	20,015
Net loss attributable to Green 2 Blue Energy Corp.	(232,971)	(154,964)	(325,061)	(345,869)
Foreign currency translation adjustments	25,589	(3,057)	11,927	(30,151)
Comprehensive loss attributable to Green 2 Blue Energy Corp.	(207,382)	(158,021)	(313,134)	(376,020)
Basic and diluted loss attributable to Green 2 Blue Energy Corp.	(0.01)	(0.01)	(0.02)	(0.03)
Weighted average number of common shares outstanding used in the calculation of net loss attributable to Green 2 Blue Energy Corp. per common share basic and diluted	20,973,389	12,400,001	20,459,739	11,159,784

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

GREEN 2 BLUE ENERGY CORP.
Condensed Consolidated Statements of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)
(Unaudited)

	Common Shares Number	Common Shares Amount $	Share-based Payment Reserve $	Deficit $	Accumulated Other Comprehensive Income (Loss) $	Non-controlling Interest $	Total Shareholders' Deficit $
Balance, June 30, 2015	7,700,001	270,000	–	(658,167)	6,380	(119,561)	(501,348)
Issuance of common shares for cash	900,000	90,000	–	–	–	–	90,000
Issuance of common shares for services	800,000	80,000	–	–	–	–	80,000
Issuance of common shares to acquire non-controlling interest	3,000,000	(140,363)	–	–	–	140,363	–
Net loss	–	–	–	(345,869)	–	(20,015)	(365,884)
Other comprehensive income	–	–	–		(30,151)	–	(30,151)
Balance, December 31, 2015	**12,400,001**	**299,637**	**–**	**(1,004,036)**	**(23,771)**	**787**	**(727,383)**
Balance, June 30, 2016	19,945,001	1,304,137	376,846	(2,160,069)	(9,846)	784	(488,148)
Issuance of common shares for cash	623,700	62,370	–	–	–	–	62,370
Issuance of common shares for conversion of related party debt	1,865,000	186,500	–	–	–	–	186,500
Issuance of common shares for conversion of debt	1,066,300	106,630	–	–	–	–	106,630
Net loss	–	–	–	(325,061)	–	(889)	(325,950)
Other comprehensive loss	–	–	–		11,927	–	11,927
Balance, December 31, 2016	**23,500,001**	**1,659,637**	**376,846**	**(2,485,130)**	**2,081**	**(105)**	**(446,671)**

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

GREEN 2 BLUE ENERGY CORP.

Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Six Months Ended December 31, 2016 $	Six Months Ended December 31, 2015 $
Operating activities		
Net loss for the period	(325,950)	(365,884)
Items not affecting cash:		
Accretion of discount on convertible note	22,073	35,195
Change in fair value of derivative liabilities	(26,085)	(74,209)
Depreciation	47,197	48,041
Share-based compensation	–	80,000
Changes in non-cash operating working capital:		
Accounts receivable	(76,110)	(3,384)
Inventory	(6,199)	54,393
Prepaid expenses	(12,133)	3,636
Accounts payable and accrued liabilities	(5,053)	171,822
Due to related party	166,928	5,000
Net cash used in operating activities	(215,332)	(45,390)
Investing activities		
Proceeds from sale of equipment	–	–
Purchase of property and equipment	–	(31,879)
Net cash used in investing activities	–	(31,879)
Financing activities		
Repayment of finance lease obligations	(3,151)	(14,640)
Proceeds from loans payable	152,737	10,521
Repayment of loans payable	(24,898)	–
Proceeds from convertible debt	20	–
Repayment of convertible debt	(2,033)	–
Proceeds from common shares issued	62,370	90,000
Proceeds from convertible notes payable to a related party	–	25,532
Net cash provided by financing activities	185,045	111,413
Effects of exchange rates on cash	29,455	(30,151)
Increase (decrease) in cash	(832)	3,993
Cash, beginning of year	5,244	15,856
Cash, end of year	4,412	19,849
Non-cash investing and financing activities:		
Shares issued to settle debt	106,630	–
Shares issued to settle related party debt	186,500	–
Supplemental Information		
Interest paid	–	–
Income tax paid	–	–

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

1. Corporate Information

Green 2 Blue Energy Europe Corp. (the "Company") was incorporated on May 30, 2014 under the laws of British Columbia. The Company manufactures, markets, and distributes softwood pellets and shavings for consumer and industrial customers and arranges transactions between buyers and sellers of alternative energy products. The address of the Company's registered office is at Suite 415, 1040 West Georgia Street, Vancouver BC.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These condensed consolidated financial statements include the accounts of the Company and its subsidiaries: (i) Green 2 Blue Energy Europe Sp. z.o.o. ("G2BE Europe"), incorporated in Poland in October 2014 and is 99.5% owned by the Company; (ii) G2BE Services PTE Ltd. ("G2BE Services"), incorporated in Singapore and is wholly owned by the Company; and (iii) G2BE Poland Sp z o.o. ("G2BE Poland"), incorporated in Poland and is owned 99% by the Green 2 Blue Energy Europe.

All significant intercompany transactions have been eliminated on consolidation.

(b) Basis of Measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The Company's functional currency is Canadian dollars. G2BE Europe's and G2BE Poland's functional currency is Polish zloty. G2BE Services' functional currency is US dollars.

(c) Use of Estimates and Judgments

The preparation of these condensed 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 condensed consolidated financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities.

Significant areas of estimation include the allowance for doubtful accounts, useful life and recoverability of property and equipment, measurement of provisions, valuation of inventory, fair value of derivative liabilities, fair value of share-based payments, and deferred income tax asset valuation allowances.

The Company's policy for property and equipment requires judgment in determining whether the present value of future expected economic benefits exceeds capitalized costs. The policy requires management to make certain estimates and assumptions about future economic benefits related to its operations. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of capitalized cost is unlikely, the capitalized cost is written off to the consolidated statement of operations.

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(c) Use of Estimates and Judgments (continued)

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Going Concern

These condensed consolidated financial statements have been 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 December 31, 2016, the Company had a negative cash flow from operations, had a working capital deficit of $397,095, and had an accumulated deficit of $2,485,130. Furthermore, the Company defaulted on a lease obligation, and incurred a net loss of $325,061 during the six months ended December 31, 2016. To obtain future profitability, the Company will need to increase the volume of production and sales, and is reliant on the co-operation on creditors to pay outstanding amounts on a timely basis. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on a timely basis or on terms that are acceptable to the Company. These factors, current market conditions, and inability to secure new assets to date, however, indicate the existence of a material uncertainty that casts significant doubt on the ability of the Company to continue as a going concern or in its present form. These condensed consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

3. Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after July 1, 2016 or later periods.

The following new IFRSs that have not been early adopted in these consolidated financial statements will not have a material effect on the Company's future results and financial position:

i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9);

ii) IFRS 15, *Revenue from Contracts with Customers* (New); and

iii) IFRS 16, *Leases* (New).

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated financial statements.

4. Accounts Receivable

	December 31, 2016 $	June 30, 2016 $
Trade accounts receivable	82,206	8,764
GST and VAT receivable	12,824	10,156
	95,030	18,920

(Expressed in Canadian dollars)

5. Inventory

	December 31, 2016 $	June 30, 2016 $
Raw materials	10,804	4,512
Finished goods	3,266	3,359
	14,070	7,871

6. Property and Equipment

	Furniture and Fixtures $	Fixed Assets Under Construction $	Technical Equipment and Machinery $	Forklift $	Total $
Cost:					
Balance, June 30, 2016	2,760	27,167	512,164	3,469	545,560
Foreign currency translation adjustments	–	(753)	(14,196)	(95)	(15,044)
Additions	–	–	–	–	–
Dispositions	–	(106)	–	–	(106)
Balance, December 31, 2016	2,760	26,308	497,968	3,374	530,410
Accumulated amortization:					
Balance, June 30, 2016	138	–	146,505	687	147,330
Foreign currency translation adjustments	–	–	(5,899)	(27)	(5,926)
Additions	276		46,951	246	47,473
Balance, December 31, 2016	414	–	187,557	906	188,877
Carrying amounts:					
Balance, June 30, 2016	2,622	27,167	365,659	2,782	398,230
Balance, December 31, 2016	2,346	26,308	310,411	2,468	341,533

During the six months ended December 31, 2016, depreciation of $276 (2015 - $301) was included in inventory. As at December 31, 2016, included in technical equipment and machinery are assets under finance lease with an original cost of $480,596 (June 30, 2016 - $494,297) and accumulated amortization of $179,769 (June 30, 2016 - $140,408). During the six months ended December 31, 2016, amortization expense includes $43,254 (2015 - $44,487) related to assets under finance leases.

7. Loans Payable

(a) As at December 31, 2016, the Company owed $nil (June 30, 2016 - $16,415 (PLN$50,000)) to an unrelated third party, which was unsecured, bore interest at 10% per annum, and was due on July 31, 2016. As at December 31, 2016, accrued interest of $1,429 (PLN$4,477) (June 30, 2016 - $1,007 (PLN$3,066)) was included in accounts payable and accrued liabilities.

7. Loans Payable (continued)

(b) As at December 31, 2016, the Company owed $15,960 (PLN$50,000) (June 30, 2016 - $16,415 (PLN$50,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on May 31, 2017. As at December 31, 2016, accrued interest of $891 (PLN$2,790) (June 30, 2016 - $89 (PLN$270)) was included in accounts payable and accrued liabilities.

(c) As at December 31, 2016, the Company owed $7,980 (PLN$25,000) (June 30, 2016 - $8,207 (PLN$25,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on October 31, 2017. As at December 31, 2016, accrued interest of $746 (PLN$2,336) (June 30, 2016 - $353 (PLN$1,075)) was included in accounts payable and accrued liabilities.

(d) As at December 31, 2016, the Company owed $50,466 (PLN$158,100) (June 30, 2016 - $23,835 (PLN$72,600)) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017. As at December 31, 2016, accrued interest of $1,043 (PLN$3,269) (June 30, 2016 - $293 (PLN$894)) was included in accounts payable and accrued liabilities.

(e) As at December 31, 2016, the Company owed $57,456 (PLN$180,000) (June 30, 2016 - $nil) to an unrelated third party, which is secured by 600,000 shares of the Company that were pledged by a shareholder, bears interest at 4.81% per annum, and due on July 31, 2018. As at December 31, 2016, accrued interest of $749 (PLN$2,348) (June 30, 2016 - $nil) was included in accounts payable and accrued liabilities.

(f) As at December 31, 2016, the Company owed $38,304 (PLN$120,000) (June 30, 2016 - $nil) to an unrelated third party, which is secured by 600,000 shares of the Company that were pledged by a shareholder, bears interest at 4.81% per annum, and due on July 31, 2018. As at December 31, 2016, accrued interest of $500 (PLN$1,566) (June 30, 2016 - $nil) was included in accounts payable and accrued liabilities.

(g) As at December 31, 2016, the Company owed $7,980 (PLN$25,000) (June 30, 2016 - $nil) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017. As at December 31, 2016, accrued interest of $97 (PLN$305) (June 30, 2016 - $nil) was included in accounts payable and accrued liabilities.

(h) As at December 31, 2016, the Company owed $12,870 (PLN$40,000) (June 30, 2016 - $nil) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017.

(i) As at December 31, 2016, the Company owed $20,000 (June 30, 2016 - $nil) to an unrelated third party, which is unsecured, bears interest at 5% per annum, and due on December 22, 2017.

8. Obligations Under Finance Lease

On October 1, 2014, the Company entered into an agreement to lease machinery used in the production of pellets. During the six months ended December 31, 2016, the Company amended the terms of the lease. The equipment lease is classified as a finance lease. The interest rate underlying the obligation in the finance lease is 26% per annum.

(Expressed in Canadian dollars)

8. Obligations Under Finance Lease (continued)

The following is a schedule by years of future minimum lease payments under the remaining finance lease together with the present value of the net minimum lease payments as of December 31, 2016:

Year ending June 30:	$
2017	38,181
2018	95,267
2019	95,267
2020	95,267
2021	47,633
Net minimum lease payments	371,615
Residual value	48,060
Less: amount representing interest payments	(62,311)
Present value of net minimum lease payments	357,364
Less: current portion	(62,015)
Non-current portion	295,349

9. Convertible Note Payable – Related Party

On October 13, 2014, the Company entered into a loan agreement with the President of the Company. Pursuant to the agreement, the President of the Company will advance up to $300,000 to the Company. Advances will bear interest at 5% per annum and mature on October 30, 2016 or such later date at the sole discretion of the President of the Company. The loan is convertible at the holder's option at any time prior to the maturity date at the lower of: (i) $0.05 per share; or (ii) the price of the common shares most recently issued by the borrower. On February 9, 2015, the parties entered into an amendment to the loan agreement whereby the credit limit referred to in the loan agreement was increased by $100,000 to $400,000.

The conversion feature failed to meet equity classification and was accounted for as a derivative liability and accounted for separately from the host instrument. The principal balance was accounted for at amortized cost, and the embedded derivative liability was measured at fair value with changes in value recorded in the consolidated statement of operations.

During the year ended June 30, 2016, the Company received advances of $51,079 (2015 - $346,110). The Company recorded a derivative liability related to the convertible debt equal to the estimated fair value of the conversion feature of $51,079 (2015 - $286,047) with an equivalent discount on the convertible debenture. During the year ended June 30, 2016, the Company repaid $10,092 (2015 - $40,000) of the convertible debt and $9,908 (2015 - $nil) of interest.

On January 31, 2016, the Company issued 6,100,000 common shares with a fair value of $610,000 to the President of the Company and the wife of the President of the Company upon the conversion of $305,000 of the convertible debt, resulting in a loss on settlement of debt of $305,000. On March 30, 2016, the Company issued 200,000 common shares with a fair value of $20,000 to the President of the Company to settle $20,000 of the convertible debt.

On October 30, 2016, the note matured and the remaining outstanding balance was transferred to a non-interest bearing, due on demand related party advance.

During the six months ended December 31, 2016, the Company recognized accretion expense of $22,073 (2015 - $35,195). As at December 31, 2016, the Company had $nil (June 30, 2016 - $22,097) of convertible debt outstanding, net of discount of $nil (June 30, 2016 - $22,073) resulting in a carrying value of $nil (June 30, 2016 - $24).

(Expressed in Canadian dollars)

10. Derivative Liabilities

The conversion feature described in Note 9 failed to meet equity classification and, as a result, was accounted for as a derivative liability separately from the host debt instrument. The fair value of the conversion feature (derivative liability) was revalued at each reporting date and the fair value changes recorded in the consolidated statement of operations.

The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial liabilities:

	Six Months Ended December 31, 2016 $	Year Ended June 30, 2016 $
Balance at the beginning of period	26,085	451,341
Original discount limited to proceeds of notes	–	51,079
Conversion of derivative liabilities	–	(376,846)
Extinguishment of derivative liabilities upon settlement of convertible debt	–	(12,038)
Change in fair value of derivative liabilities	(26,085)	(87,451)
Balance at the end of the period	–	26,085

During the six months ended December 31, 2016, the Company recorded a gain on the change in fair value of the derivative liabilities of $26,085 (2015 – $74,209).

The Company uses the Black-Scholes option pricing model to calculate the fair values of the derivative liabilities. The following table shows the weighted average assumptions used in the calculations:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
As at issuance date	168%	0.97%	0%	2.05
As at June 30, 2016	168%	0.49%	0%	0.33
As at December 31, 2016	–	–	–	–

11. Related Party Transactions

(a) During the six months ended December 31, 2016, the Company recorded management fees of $nil (2015 - $24,000) to the President of the Company and $nil (2015 - $nil) to the Chief Financial Officer of the Company.

(b) As at December 31, 2016, the Company owed $8,522 (June 30, 2016 - $142,537) to the President of the Company, of which $1,637 (June 30, 2016 - $141,540) was included in accounts payable and accrued liabilities.

(c) As at December 31, 2016, the Company owed $6,360 (June 30, 2016 - $33,717) to the Chief Financial Officer of the Company, of which $6,360 (June 30, 2016 - $28,717) was included in accounts payable and accrued liabilities.

(d) As at December 31, 2016, the Company was owed $1,213 (PLN$3,800) (June 30, 2016 - $nil) from the President of G2BE Europe.

(e) As at December 31, 2016, the Company owed $1,777 (PLN$5,566) (June 30, 2016 - $2,312 (PLN$7,041)) to a director of G2BE Europe, which was included in accounts payable and accrued liabilities.

(f) As at December 31, 2016, the Company owed $1,492 (PLN$4,674) (June 30, 2016 - $nil) to the President of G2BE Europe, which was included in accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

12. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

Issued during the six months ended December 31, 2016:

(a) On September 29, 2016, the Company issued 100,000 common shares at a price of $0.10 per share for proceeds of $10,000.

(b) On November 30, 2016, the Company issued 250,000 common shares at a price of $0.10 per share for proceeds of $25,000.

(c) On December 6, 2016, the Company issued 1,650,000 common shares to the President of the Company at $0.10 per share to settle debt of $165,000.

(d) On December 6, 2016, the Company issued 215,000 common shares to the Chief Financial Officer of the Company at $0.10 per share to settle debt of $21,500.

(e) On December 6, 2016, the Company issued 1,066,300 common shares to at $0.10 per share to settle debt of $106,630.

(f) On December 15, 2016, the Company issued 273,700 common shares at a price of $0.10 per share for proceeds of $27,370.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2016.

14. Commitments

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters other than disclosed below. Management services provided are on a month-to-month basis.

(a) The Company has entered into a lease for equipment until December 31, 2020. The Company's future minimum lease payments for the equipment leases are as follows:

Fiscal year ending June 30, 2017	$	38,181
Fiscal year ending June 30, 2018		95,267
Fiscal year ending June 30, 2019		95,267
Fiscal year ending June 30, 2020		95,267
Fiscal year ending June 30, 2021		47,633
Total:	$	371,615

(Expressed in Canadian dollars)

14. Commitments (continued)

(b) On November 2, 2016, the Company entered into an agreement to lease equipment until August 1, 2020. The Company made an initial payment of $5,336 (PLN$16,718) and agreed to pay $2,677 (PLN$8,387) per month. The lease is secured by a cash deposit of $19,152 (PLN$60,000) together with a promissory note guaranteed by a shareholder of the Company.

(c) On November 9, 2016, the Company entered into an agreement for the purchase of feed stock and sale wood pellets for an indefinite period. Pursuant to the agreement, the Company will purchase feed stock from the supplier and sell wood pellets to the supplier. The sale price of the wood pellets will be based on the purchase price of the feed stock and guarantees a fixed margin of production. The agreement may be terminated by either party with 3 months' notice.

15. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The Company categorizes its financial assets measured at the fair value into one of three different levels depending on the observation of the inputs used in the measurement. As at December 31, 2016, the Company has financial instruments in Level 1 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2016 $
Cash	4,412	–	–	4,412

There were no transfers between levels during the year.

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities with active markets.

Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or lability, either directly (as prices) or indirectly (derived from prices), and

Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

The fair values of other financial instruments, which include accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, and obligations under finance lease, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and accounts receivables. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

15. Financial Instruments and Risk Management (continued)

(b) Credit Risk (continued)

Amounts Receivable

Amounts receivable consists of trade receivables and input tax credits. The following table represents the customers that represented 10% or more of total trade receivables as of:

	December 31, 2016	June 30, 2016
Customer A	12%	65%
Customer B	37%	0%
Customer C	43%	0%

The following table represents the customers that represented 10% or more of total revenue for the six months ended December 31:

	2016	2015
Customer A	0%	11%
Customer B	99%	25%
Customer C	0%	11%
Customer D	0%	20%

(c) Currency Risk

The Company's functional currencies are the Canadian dollar, US dollar, and Polish zloty. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and some operating expenses are denominated in Canadian dollars. The Company's revenue and a large portion of operating expenses are denominated in Polish zloty. If the Polish zloty depreciates compared to the Canadian dollar, revenue would decrease in Canadian dollars. A 10% change in the foreign currency exchange rate would have an approximate impact of $30,000 on net loss. The Company manages its exposure to foreign currency fluctuations by maintaining foreign currency bank accounts to offset foreign currency payables where possible. Management relies on the natural hedge created by this matching process and thus has chosen not to otherwise hedge its foreign exchange risk. Significant balances as expressed in Polish zloty are as follows:

	December 31, 2016 PLN$	June 30, 2016 PLN$
Cash	1,295	14,099
Accounts receivable	257,538	26,695
Prepaid expenses	47,461	19,852
Accounts payable and accrued liabilities	(881,824)	(705,578)
Loans payable	(598,418)	-
Obligations under finance lease	(1,119,560)	(1,129,430)
Net Polish zloty liabilities	(2,293,508)	(1,774,362)

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(Expressed in Canadian dollars)

15. Financial Instruments and Risk Management (continued)

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

As at December 31, 2016	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 Years $
Trade and other payables	351,782	351,782	351,782	–
Obligations under finance lease	357,364	371,615	85,814	285,801
	709,146	723,397	437,596	285,801

16. Segmented Information

The Company has one operating segment which is manufacturing, marketing, and distributing softwood pellets and shavings for consumer and industrial customers. The Company has operations in Canada and Poland. The geographic distribution of non-current assets is as follows:

	Canada $	Poland $	Total $
December 31, 2016			
Property and equipment	2,346	339,187	341,533

	Canada $	Poland $	Total $
June 30, 2016			
Property and equipment	2,622	395,608	398,230

All of the Company's revenue during the three and six month periods ended December 31, 2016 and 2015 was generated in Poland.

17. Subsequent Events

(a) On December 7, 2016, the Company and the President sold their interests in G2BE Poland to the Company's wholly-owned subsidiary, G2BE Europe. At that time, G2BE Poland became wholly-owned by the Company's wholly-owned subsidiary. On March 6, 2017, G2BE Europe acquired an additional 50% interest in G2BE Poland.

(b) Commencing on January 1, 2017, the Company entered into an agreement to lease property for an indefinite period in exchange for 25,000 PLN per month plus VAT and utilities. The lease is secured by equipment owned by the Company's subsidiary and a vehicle owned by a shareholder.

(c) Commencing on January 1, 2017, the Company entered into an agreement for the purchase of electricity for the period of one year. Pursuant to the agreement the Company will purchase an estimated total of 4000 MWh at a price of PLN$210.90/MWh.

17. Subsequent Events (continued)

(d) On January 17, 2017, the Company entered into a share exchange agreement (the "Agreement") with Brigade Resource Corp. ("Brigade"). Under the terms of the Agreement, Brigade will acquire all of the issued and outstanding common shares of the Company in exchange for 47,000,002 common shares of Brigade. As the shareholders of the Company will hold a majority of the common shares of Brigade and will continue its existing business, the Company is considered to have acquired Brigade on an accounting basis, and the transaction will be accounted for as a reverse takeover.

SCHEDULE "D"

TargetCo Management's Discussion and Analysis for the financial year ended June 30, 2016 and the period ended December 31, 2016

TargetCo Management Discussion and Analysis for the financial year ended June 30, 2016.

Introduction

This management's discussion and analysis (MD&A) of TargetCo is the responsibility of management and covers the year ended June 30, 2016. The MD&A takes into account information available up to and including May 12, 2017 and should be read together with the audited consolidated financial statements and accompanying notes for the year ended June 30, 2016.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies applied in the consolidated financial statements are based on IFRS issued and outstanding as of May 12, 2017, the date the Board of Directors approved the consolidated financial statements. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Description of Business

TargetCo was incorporated on May 30, 2014 under the laws of British Columbia. The Company manufactures, markets and distributes softwood pellets and shavings for consumer and industrial customers and arranges transactions between buyers and sellers of alternative energy products.

Selected Annual Information

	Year Ended June 30,	
	2016	**2015**
Revenue	$ 201,018	$ 80,229
Cost of goods sold	180,020	71,109
Operating expenses		
Consulting	$ 513,000	$ 102,000
General and administrative	305,036	202,156
Other income (expense)		
Accretion of discount on convertible debt	(244,130)	(70,923)
Change in fair value of conversion feature	87,451	(231,986)
(Loss) gain on settlement of debt	(292,962)	66,692
Interest expense	(67,698)	(24,183)
Net loss attributable to Green 2 Blue Energy	(1,501,902)	(650,879)
Basic and diluted loss per share	(0.10)	(0.10)
Total current assets	44,020	140,435
Total assets	442,250	625,426
Total current liabilities	557,239	677,365
Total liabilities	930,398	1,126,774
Cash dividends	–	–

Results of Operations for the Years Ended June 30, 2016 and 2015

Revenues for the year ended June 30, 2016 were $201,018, compared to $80,229 for the year ended June 30, 2015. This increase was the result of an increase in operations.

Cost of sales for the year ended June 30, 2016 were $180,020, compared to $71,109 for the year ended June 30, 2015. This increase was the result of an increase in revenues and production.

Operating expenses for the year ended June 30, 2016 were $1,026,416, compared to $519,824 for the year ended June 30, 2015. The significant differences in expenditures were as follows:

- Consulting expenses were $513,000 during the year ended June 30, 2016, compared to $102,000 during the year ended June 30, 2015. Consulting expenditures increased as a result of an increased number of consultants receiving shares for services.

- General and administrative expenses were $305,036 during the year ended June 30, 2016, compared to $202,156 during the year ended June 30, 2015. This increase was a result of a general increase in operations.

During the years ended June 30, 2016 and 2015, TargetCo charged accretion expense in respect to a convertible note to the consolidated statement of operations in the amount of $244,130 and $70,923, respectively. The increase in accretion expense was the result of a convertible note being outstanding for the full year ended June 30, 2016 as opposed to part of the year for the year ended June 30, 2015.

During the year ended June 30, 2016, TargetCo recorded a gain on the change in the fair value of a derivative liability associated with a conversion feature on a convertible note in the amount of $87,451 compared to a loss on the change in the fair value of the conversion feature of $231,986 during the year ended June 30, 2015.

During the year ended June 30, 2016, TargetCo incurred interest expense of $67,698 compared to $24,183 during the year ended June 30, 2015. The increase in interest expense was the result of a convertible note being outstanding for the full year ended June 30, 2016 as opposed to part of the year for the year ended June 30, 2015.

As a result of the foregoing, TargetCo recorded a comprehensive loss for the year ended June 30, 2016 of $1,518,128, as compared to a comprehensive loss of $644,499 for the year ended June 30, 2015.

Outstanding Share Data

As of the date of this MD&A, TargetCo has 23,500,001 common shares issued and outstanding.

Capital Resources

TargetCo manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of TargetCo consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve and deficit.

TargetCo manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

TargetCo is not subject to externally imposed capital requirements.

Liquidity

Since our inception, we have incurred significant operating losses. We anticipate that we will continue to incur losses for at least the next several years. As a result, we will need additional capital to fund our operations, which we may obtain from additional financings, debt and operations revenue or other sources. To date, we have financed our operations primarily through the issuance of our common shares, notes and loans payable and advances from related parties.

As at June 30, 2016, we had total assets of $442,250 compared with $625,426 as at June 30, 2015. The decrease in assets is attributed to an decrease in current assets of $96,415 which is primarily from a decrease in receivables and inventory, together with a decrease in property and equipment of $86,761. TargetCo had a cash balance of $5,244 and a working capital deficit of $513,219 at June 30, 2016, compared with a cash balance of $15,856 and a working capital deficit of $536,930 at June 30, 2015.

Operating Activities: Net cash used in operating activities were $209,252 during the year ended June 30, 2016 as compared to $371,962 during the year ended June 30, 2015.

Investing Activities: Net cash used in investing activities during the year ended June 30, 2016 was $29,927 for the purchase of property and equipment, which is comparable to the net cash used in investing activities during the year ended June 30, 2015 of $20,485 for the purchase of property and equipment.

Financing Activities: Net cash provided by financing activities during the year ended June 30, 2016 was $244,793 as compared to $352,332 during the year ended June 30, 2015. TargetCo raised proceeds from loans and convertible debt of $130,068 and repaid $24,209 during the year ended June 30, 2016 as compared to proceeds of $346,110 and repayments of $40,000 during the year ended June 30, 2015. TargetCo also repaid finance lease obligations of $25,566 during the year ended June 30, 2016 compared with $104,442 during the year ended June 30, 2015. During the year ended June 30, 2016, TargetCo received cash proceeds of $164,500 from the issuance of common shares as compared to $150,000 during the year ended June 30, 2015.

These consolidated financial statements have been 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 June 30, 2016, the Company had a negative cash flow from operations, had a working capital deficit of $513,219, and had an accumulated deficit of $2,160,069. Furthermore, the Company defaulted on a lease obligation, and incurred a net loss of $1,501,902 during the year ended June 30, 2016. To obtain future profitability, the Company will need to increase the volume of production and sales, and is reliant on the co-operation on creditors to pay outstanding amounts on a timely basis. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. TargetCo's strategy is to mitigate risks and uncertainties and to execute a business plan aimed at revenue growth and managing operating expenses and working capital requirements. Failure to implement this plan could have a material adverse effect on TargetCo's financial condition and results of operations.

Related Party Transactions

During the years ended June 30, 2016 and 2015, TargetCo was engaged in the following related party transactions:

a) During the year ended June 30, 2016, TargetCo recorded consulting and management fees of $85,500 (2015 - $42,000) to the President of TargetCo and $48,000 (2015 - $nil) to the Chief Financial Officer of TargetCo.

b) As at June 30, 2016, TargetCo owed $142,537 (2015 - $45,997) to the President of TargetCo, of which $141,540 (2015 - $45,000) was included in accounts payable and accrued liabilities.

c) As at June 30, 2016, TargetCo owed $33,717 (2015 - $nil) to the Chief Financial Officer of TargetCo, of which $28,717 (2015 - $nil) was included in accounts payable and accrued liabilities.

d) As at June 30, 2016, TargetCo was owed $nil (2015 - $6,307 (PLN18,983)) from the President of G2BE Europe, which was included in accounts receivable.

e) As at June 30, 2016, TargetCo owed $2,312 (PLN7,041) (2015 - $1,095 (PLN3,296)) to a director of G2BE Europe, which was included in accounts payable and accrued liabilities.

Off Balance Sheet Arrangements

TargetCo has no material off Balance Sheet arrangements.

Financial Instruments and Risk Management

TargetCo is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

TargetCo categorizes its financial assets measured at the fair value into one of three different levels depending on the observation of the inputs used in the measurement.

As at June 30, 2016, TargetCo has financial instruments in Level 1 and Level 3 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, June 30, 2016 $
Cash	5,244	–	–	5,244
Derivative liabilities	–	–	(26,085)	(26,085)
	5,244	–	(26,085)	(20,841)

There were no transfers between levels during the periods.

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities with active markets.

Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or lability, either directly (as prices) or indirectly (derived from prices), and

Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

The fair values of other financial instruments, which include accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, and obligations under finance lease, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. TargetCo's exposure to credit risk is in its cash and accounts receivable. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts receivable consists of trade receivables and input tax credits. The following table represents the customers that represented 10% or more of total trade receivables as of June 30:

	2016	2015
Customer A	65%	59%
Customer B	0%	18%
Customer C	0%	16%

The following table represents the customers that represented 10% or more of total revenue for the year ended June 30:

	2016	2015
Customer A	11%	33%
Customer B	6%	16%
Customer C	20%	14%
Customer D	25%	0%
Customer E	11%	0%

(c) Currency Risk

TargetCo's functional currencies are the Canadian dollar, US dollar, and Polish Zloty. Currency risk is the risk that the fair value of TargetCo's financial instruments will fluctuate because of changes in foreign currency exchange rates. TargetCo's head office and some operating expenses are denominated in Canadian dollars. TargetCo's revenue and a large portion of operating expenses are denominated in Polish Zloty. If the Polish Zloty depreciates compared to the Canadian dollar, revenue would decrease in Canadian dollars. A 10% change in the foreign currency exchange rate would have an impact of $29,200 on net loss. TargetCo manages its exposure to foreign currency fluctuations by maintaining foreign currency bank accounts to offset foreign currency payables where possible. Management relies on the natural hedge created by this matching process and thus has chosen not to otherwise hedge its foreign exchange risk. Significant balances as expressed in Polish Zloty are as follows:

		June 30, 2016		June 30, 2015
Cash	PLN	14,099	PLN	24,726
Accounts receivable		26,695		148,795
Prepaid expenses		19,852		13,122
Accounts payable and accrued liabilities		(705,578)		(267,733)
Finance leases		(1,129,430)		(1,248,795)
Net Polish liabilities	PLN	(1,774,362)	PLN	(1,329,885)

(d) Interest Rate Risk

TargetCo's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of TargetCo's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. TargetCo's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact TargetCo's ability to raise capital through equity markets under acceptable terms and conditions.

As at June 30, 2016	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 Years $
Trade and other payables	463,446	463,446	463,446	–
Obligations under finance lease	370,791	410,105	67,166	342,939
	834,237	873,551	530,612	342,939

Critical Accounting Estimates

The preparation of TargetCo's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities.

Significant areas of estimation include:

i) The useful life and recoverability of long-lived assets:

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of TargetCo's property and equipment in the future.

The assessment of any impairment of property and equipment, including intangible assets, is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, timing of cash flows, the useful lives of assets, and their related salvage values.

ii) Allowance for doubtful accounts:

TargetCo's method of establishing an allowance for doubtful accounts is estimated and recorded based upon management's assessment both of historical data as well as other pertinent information relative to the receivables in question. The information gathered will result in a specific bad debt expense for accounts which management considers being uncollectible and recorded in the period in which this determination is made.

iii) Provisions:

Management's judgment is required to determine amounts to be recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions. Provisions are the best estimate of the expenditure required to settle the obligation at the reporting date.

iv) Inventory valuation:

In order to determine whether the inventory is properly stated at the lower of cost or net realizable value, management reviews the amount of inventory on hand, the product life and estimates the time required to sell such inventory taking into account current and expected market conditions and competition. A reserve for inventory, if recorded, primarily consists of all or a portion of the inventory which is not expected to be sold, based on the specific facts and circumstances.

v) Recognition of deferred income tax assets:

Related deferred income tax assets and deferred income tax liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their respective tax basis based on the enacted or substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and the expected usage of existing tax pools and credits, and accordingly can affect the amount of the deferred income tax assets and liabilities calculated at a point in time. These differences could materially impact earnings.

vi) The valuation of share-based payments:

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

vii) The inputs used in the valuation of derivative liabilities:

The fair value of derivative liabilities related to conversion features are measured using a Black-Scholes model. Measurement inputs include share price on measure date, conversion price of the note, expected volatility, actual and expected life of the debt, expected dividends based on the dividend yield at the date of the valuation, and the risk-free interest rate. The expected life of the debt is based on the stated term of the debt.

Significant Accounting Policies

TargetCo's significant accounting policies are summarized in Note 3 to the audited consolidated financial statements for the years ended June 30, 2016 and 2015.

Future Changes Accounting Policies

Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after July 1, 2016 or later periods.

The following new IFRSs that have not been early adopted in these consolidated financial statements will not have a material effect on TargetCo's future results and financial position:

i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9)

ii) IFRS 15, *Revenue from Contracts with Customers*

iii) IFRS 16, *Leases*

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on TargetCo's financial statements.

TargetCo Management's Discussion and Analysis for the period ended December 31, 2016.

Introduction

This management's discussion and analysis (MD&A) of TargetCo is the responsibility of management and covers the six months ended December 31, 2016. The MD&A takes into account information available up to and including May 12, 2017 and should be read together with the unaudited interim consolidated financial statements and accompanying notes for the six months ended December 31, 2016.

The unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies applied in the unaudited interim consolidated interim financial statements are based on IFRS issued and outstanding as of May 12, 2017, the date the Board of Directors approved the unaudited interim consolidated financial statements. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Description of Business

TargetCo was incorporated on May 30, 2014 under the laws of British Columbia. The Company manufactures, markets and distributes softwood pellets and shavings for consumer and industrial customers and arranges transactions between buyers and sellers of alternative energy products.

Summary of Quarterly Results

	Six Months Ended December 31,	
	2016	**2015**
Revenue	$ 24,351	$ 202,554
Cost of goods sold	20,091	181,456
Operating expenses		
Consulting	$ 106,630	$ 115,000
General and administrative	92,382	196,589
Accretion of discount on convertible debt	22,073	35,195
Change in fair value of conversion feature	(26,085)	(74,209)
Interest expense	31,166	23,357
Net loss attributable to Green 2 Blue Energy	(325,061)	(345,869)
Basic and diluted loss per share	(0.02)	(0.03)
Total current assets	137,630	89,783
Total assets	479,163	577,484
Total current liabilities	534,725	912,237
Total liabilities	925,834	1,304,867
Cash dividends	–	–

Results of Operations for the Six Months Ended December 31, 2016 and 2015

Revenues for the six months ended December 31, 2016 were $24,351, compared to $202,554 for the six months ended December 31, 2015. This decrease was the result of a decrease in operations as a result of decreased financing available for production.

Cost of sales for the six months ended December 31, 2016 were $20,091, compared to $181,456 for the six months ended December 31, 2015. This decrease was the result of a decrease in revenues and production.

Operating expenses for the six months ended December 31, 2016 were $303,056, compared to $402,639 for the six months ended December 31, 2015. The significant differences in expenditures were as follows:

- Consulting expenses were $106,630 during the six months ended December 31, 2016, compared to $115,000 during the six months ended December 31, 2015. Consulting expenditures were comparable between the two periods;

- General and administrative expenses were $92,382 during the six months ended December 31, 2016, compared to $196,589 during the six months ended December 31, 2015. This decrease was primarily a result of a decrease in third party services from $90,230 during the six months ended December 31, 2015 to $31,723 during the six months ended December 31, 2016. The decrease in third party services and other administrative expenses was the result of a decrease in operations by TargetCo's subsidiary;

- Wages and benefits were $15,215 during the six months ended December 31, 2016, compared to $53,430 during the six months ended December 31, 2015. This decrease was primarily a result of a decrease in operations by Target Co's subsidiary which resulted in lower wages and benefits paid to employees;

- Professional fees were $23,816 during the six months ended December 31, 2016 compared to $14,681 during the six months ended December 31, 2015 to reflect the increase in accounting, audit, and legal services incurred by Target Co.

During the six months ended December 31, 2016 and 2015, TargetCo charged accretion expense in respect to a convertible note to the consolidated statement of operations in the amount of $22,073 and $35,195, respectively.

During the six months ended December 31, 2016 and 2015, the Company recorded a gain on the change in the fair value of a derivative liability associated with a conversion feature in a convertible note in the amount of $26,085 and $74,209, respectively.

During the six months ended December 31, 2016, TargetCo incurred interest expense of $31,166 compared to $23,357 during the six months ended December 31, 2015. This increase was the result of having a larger balance owing on a convertible note outstanding during the period ended December 31, 2016.

As a result of the foregoing, TargetCo recorded a comprehensive loss for the six months December 31, 2016 of $313,134, as compared to a comprehensive loss of $376,020 for the six months ended December 31, 2015.

Outstanding Share Data

As of the date of this MD&A, TargetCo has 23,500,001 common shares issued and outstanding.

Capital Resources

TargetCo manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of TargetCo consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve and deficit.

TargetCo manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

TargetCo is not subject to externally imposed capital requirements.

Liquidity

Since our inception, we have incurred significant operating losses. We anticipate that we will continue to incur losses for at least the next several years. As a result, we will need additional capital to fund our operations, which we may obtain from additional financings, debt and operations revenue or other sources. To date, we have financed our operations primarily through the issuance of our common shares, notes and loans payable and advances from related parties.

As at December 31, 2016, we had total assets of $479,163 compared with $442,250 as at June 30, 2016. The increase in assets is attributed to an increase in receivables offset by a decrease in property and equipment. TargetCo had a cash balance of $4,412 and a working capital deficit of $397,095 at December 31, 2016, compared with a cash balance of $5,244 and a working capital deficit of $513,219 at June 30, 2016. The decrease in working capital deficit was primarily a result of an increase in loans payable.

Operating Activities: Net cash used in operating activities were $215,332 during the six months ended December 31, 2016 as compared to $45,390 during the six months ended December 31, 2015.

Investing Activities: There was no cash provided by or used in investing activities during the six months ended December 31, 2016. During the six months ended December 31, 2015, the Company purchase property and equipment in the amount of $31,879.

Financing Activities: Net cash provided by financing activities increased from $111,413 during the six months ended December 31, 2015 to $185,045 during the six months ended December 31, 2016. This increase was a result of an increase in proceeds from loans payable.

The consolidated financial statements have been prepared on a going concern basis, which assumes that TargetCo will be able to realize its assets and discharge its liabilities in the normal course of business. As of December 31, 2016, TargetCo did not yet have positive cash flow from operations and had an accumulated deficit of $2,485,130. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. TargetCo's strategy is to mitigate risks and uncertainties and to execute a business plan aimed at revenue growth and managing operating expenses and working capital requirements. Failure to implement this plan could have a material adverse effect on TargetCo's financial condition and results of operations.

Related Party Transactions

During the six months ended December 31, 2016, TargetCo was engaged in the following related party transactions:

a) During the six months ended December 31, 2016, TargetCo recorded management fees of $Nil (2015 - $24,000) to the President of TargetCo and $Nil (2015 - $Nil) to the Chief Financial Officer of TargetCo.

b) As at December 31, 2016, TargetCo owed $8,522 (June 30, 2016 - $142,537) to the President of TargetCo, of which $1,637 (June 30, 2016 - $141,540) was included in accounts payable and accrued liabilities.

c) As at December 31, 2016, TargetCo owed $6,360 (June 30, 2016 - $33,717) to the Chief Financial Officer of TargetCo, of which $6,360 (June 30, 2016 - $28,717) was included in accounts payable and accrued liabilities.

d) As at December 31, 2016, TargetCo was owed $1,213 (PLN$3,800) (June 30, 2016 - $nil) from the President of G2BE Europe.

e) As at December 31, 2016, TargetCo owed $1,777 (PLN$5,566) (June 30, 2016 - $2,312 (PLN$7,041)) to a director of G2BE Europe, which was included in accounts payable and accrued liabilities.

f) As at December 31, 2016, TargetCo owed $1,492 (PLN$4,674) (June 30, 2016 - $nil) to the President of G2BE Europe, which was included in accounts payable and accrued liabilities.

Off Balance Sheet Arrangements

TargetCo has no material off Balance Sheet arrangements.

Financial Instruments and Risk Management

TargetCo is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(f) Fair Values

TargetCo categorizes its financial assets measured at the fair value into one of three different levels depending on the observation of the inputs used in the measurement.

As at December 31, 2016, TargetCo has financial instruments in Level 1 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2016 $
Cash	4,412	–	–	4,412

There were no transfers between levels during the period.

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities with active markets.

Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or lability, either directly (as prices) or indirectly (derived from prices), and

Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

The fair values of other financial instruments, which include accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, and obligations under finance lease, approximate their carrying values due to the relatively short-term maturity of these instruments.

(g) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. TargetCo's exposure to credit risk is in its cash and accounts receivable. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts receivable consists of trade receivables and input tax credits. The following table represents the customers that represented 10% or more of total trade receivables as of:

	December 31, 2016
Customer A	12%
Customer B	37%
Customer C	43%

The following table represents the customers that represented 10% or more of total revenue for the six months ended December 31:

	2016	2015
Customer A	0%	11%
Customer B	99%	25%
Customer C	0%	11%
Customer D	0%	20%

(h) Currency Risk

TargetCo's functional currencies are the Canadian dollar, US dollar, and Polish Zloty. Currency risk is the risk that the fair value of TargetCo's financial instruments will fluctuate because of changes in foreign currency exchange rates. TargetCo's head office and some operating expenses are denominated in Canadian dollars. TargetCo's revenue and a large portion of operating expenses are denominated in Polish Zloty. If the Polish Zloty depreciates compared to the Canadian dollar, revenue would decrease in Canadian dollars. A 10% change in the foreign currency exchange rate would have an impact of $30,000 on net loss. TargetCo manages its exposure to foreign currency fluctuations by maintaining foreign currency bank accounts to offset foreign currency payables where possible. Management relies on the natural hedge created by this matching process and thus has chosen not to otherwise hedge its foreign exchange risk. Significant balances as expressed in Polish Zloty are as follows:

		December 31, 2016
Cash	PLN	1,295
Accounts receivable		257,538
Prepaid expenses		47,461
Accounts payable and accrued liabilities		(881,824)
Loans payable		(598,418)
Obligations under finance lease		(1,119,560)
Net Polish liabilities	PLN	(2,293,508)

(i) Interest Rate Risk

TargetCo's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of TargetCo's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(j) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. TargetCo's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact TargetCo's ability to raise capital through equity markets under acceptable terms and conditions.

As at December 31, 2016	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 Years $
Trade and other payables	351,782	351,782	351,782	–
Obligations under finance lease	357,364	371,615	85,814	285,801
	709,146	723,397	437,596	285,801

Critical Accounting Estimates

The preparation of TargetCo's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities.

Significant areas of estimation include:

viii) The useful life and recoverability of long-lived assets:

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of TargetCo's property and equipment in the future.

The assessment of any impairment of property and equipment, including intangible assets, is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, timing of cash flows, the useful lives of assets, and their related salvage values.

ix) Allowance for doubtful accounts:

TargetCo's method of establishing an allowance for doubtful accounts is estimated and recorded based upon management's assessment both of historical data as well as other pertinent information relative to the receivables in question. The information gathered will result in a specific bad debt expense for accounts which management considers being uncollectible and recorded in the period in which this determination is made.

x) Provisions:

Management's judgment is required to determine amounts to be recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions. Provisions are the best estimate of the expenditure required to settle the obligation at the reporting date.

xi) Inventory valuation:

In order to determine whether the inventory is properly stated at the lower of cost or net realizable value, management reviews the amount of inventory on hand, the product life and estimates the time required to sell such inventory taking into account current and expected market conditions and competition. A reserve for inventory, if recorded, primarily consists of all or a portion of the inventory which is not expected to be sold, based on the specific facts and circumstances.

xii) Recognition of deferred income tax assets:

Related deferred income tax assets and deferred income tax liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their respective tax basis based on the enacted or substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and the expected usage of existing tax pools and credits, and accordingly can affect the amount of the deferred income tax assets and liabilities calculated at a point in time. These differences could materially impact earnings.

xiii) The valuation of share-based payments:

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

xiv) The inputs used in the valuation of derivative liabilities:

The fair value of derivative liabilities related to conversion features are measured using a Black-Scholes model. Measurement inputs include share price on measure date, conversion price of the note, expected volatility, actual and expected life of the debt, expected dividends based on the dividend yield at the date of the valuation, and the risk-free interest rate. The expected life of the debt is based on the stated term of the debt.

Significant Accounting Policies

TargetCo's significant accounting policies are summarized in Note 3 to the audited consolidated financial statements for the years ended June 30, 2016 and 2015.

Future Changes Accounting Policies

Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2017 or later periods.

The following new IFRSs that have not been early adopted in these consolidated financial statements will not have a material effect on TargetCo's future results and financial position:

iv) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9)

v) IFRS 15, *Revenue from Contracts with Customers*

vi) IFRS 16, *Leases*

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on TargetCo's financial statements.

SCHEDULE "E"

Resulting Issuer Pro Forma Financial Statements as at December 31, 2016

See attached.

GREEN 2 BLUE ENERGY CORP.

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

(UNAUDITED – PREPARED BY MANAGEMENT)

(Expressed in Canadian Dollars)

GREEN 2 BLUE ENERGY CORP.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016 (UNAUDITED)

(expressed in Canadian Dollars)

	BRIGADE RESOURCE CORP.	GREEN 2 BLUE ENERGY CORP.	PRO FORMA ADJUSTMENTS	NOTE 3	PRO FORMA COMBINED
ASSETS					
Current Assets					
Cash	$ 10,169	$ 4,412	$ 750,000	(a)	$ 764,581
Accounts receivable	6,645	95,030	-		101,675
Loan receivable	20,000	-	(20,000)	(d)	-
Prepaid expenses	-	24,118	-		24,118
Inventory	-	14,070	-		14,070
	36,814	137,730	730,000		904,444
Non-Current Assets					
Property, plant and equipment	-	341,533	-		341,533
Total Assets	$ 36,814	$ 479,163	$ 730,000		$ 1,245,977
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	$ 126,971	$ 351,782	$ 100,000	(c)	$ 578,753
Due to related parties	-	5,672	-		5,672
Current portion of loans payable	-	115,256	(20,000)	(d)	95,256
Obligations under finance lease	-	62,015	-		62,015
	126,971	534,725	80,000		741,696
Non-Current					
Loans payable	-	95,760	-		95,760
Obligations under finance lease	-	295,349	-		295,349
Total Liabilities	126,971	925,834	80,000		1,132,805
Shareholders' Equity					
Common shares	4,546,200	1,659,637	(3,239,160)	(a),(b), (c)	2,966,677
Contributed surplus	2,036,405	376,846	(2,036,405)	(b)	376,846
Warrants	-		-		
Deficit	(6,672,762)	(2,485,130)	5,925,565	(b)	(3,232,327)
Accumulated and other comprehensive income	-	2,081	-		2,081
Total Green 2 Blue Energy stockholders' deficit	(90,157)	(446,566)	650,000		113,277
Non-controlling interest	-	(105)	-		(105)
	(90,157)	(446,671)	650,000		113,172
Total Liabilities and Shareholders' Equity	$ 36,814	$ 479,163	$ 730,000		$ 1,245,977

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

GREEN 2 BLUE ENERGY CORP.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016 (UNAUDITED)

(expressed in Canadian Dollars)

	BRIGADE RESOURCE CORP.	GREEN 2 BLUE ENERGY CORP.	PRO FORMA ADJUSTMENTS	NOTE 3	PRO FORMA COMBINED
Sales	$ -	$ 22,462	$ -		$ 22,462
Cost of sales	-	18,400	-		18,400
	-	4,062	-		4,062
OPERATING EXPENSES					
Consulting and management	74,750	173,630	-		248,380
Depreciation	-	71,653	-		71,653
Foreign exchange loss	-	1,638	-		1,638
General and administrative expenses	72,849	171,681	-		244,530
Legal and professional fees	33,701	57,891	-		91,592
Listing expense	-	-	747,197	(b)	747,197
Travel	-	23,685	-		23,685
Wages and benefits	-	21,682	-		21,682
Total loss before other items	(181,300)	(517,798)	(747,197)		(1,446,295)
OTHER					
Interest expense	(5,140)	(57,724)	-		(62,828)
Impairment of deposit	(97,372)	-	-		(97,372)
Write-down of exploration and evaluation asset	(70,000)	-	-		(70,000)
Accretion expense	-	(32,159)	-		(32,159)
Change in fair value of derivative	-	22,926	-		22,926
Gain on settlement of debt	-	(292,962)	-		(292,962)
Net loss	(353,776)	(877,717)	(747,197)		(1,978,690)
Less: net loss attributable to NCI	-	1,435	-		1,435
Net loss attributable to Green 2 Blue Energy Corp.	(353,776)	(876,282)	(747,197)		(1,977,255)
Other Comprehensive Income					
Foreign currency translation	-	23,576	-		23,576
Total comprehensive loss	$ (353,776)	$ (852,706)	$ (747,197)		$ (1,953,679)
Basic and diluted loss per share					$ (0.04)
Weighted average number of shares outstanding (note 5)					54,989,878

GREEN 2 BLUE ENERGY CORP.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED MARCH 31, 2016 (UNAUDITED)

(expressed in Canadian Dollars)

	BRIGADE RESOURCE CORP.	GREEN 2 BLUE ENERGY CORP.	PRO FORMA ADJUSTMENTS	NOTE 3	PRO FORMA COMBINED
Sales	$ -	$ 201,018	$ -		$ 201,018
Cost of sales	-	180,020	-		180,020
	-	20,998	-		20,998
OPERATING EXPENSES					
Consulting and management	145,050	513,000	-		658,050
Depreciation	-	98,196			98,196
Exploration and evaluation expenditures	7,353	-	-		7,353
Foreign exchange (gain) loss	942	(29,524)			(28,582)
General and administrative expenses	36,676	305,036	-		341,712
Legal and professional fees	70,604	52,478	-		123,082
Listing expense	-	-	747,197	(b)	747,197
Share-based payments	281,805	-	-		281,805
Travel	1,746	9,213			10,959
Wages and benefits		78,017			78,017
Total loss before other items	(544,176)	(1,005,418)	(747,197)		(2,296,791)
OTHER					
Interest expense	-	(67,698)	-		(67,698)
Merger expense	(5,740,185)	-	-		(5,740,185)
Write-down of exploration and evaluation asset	(30,000)	-	-		(30,000)
Accretion expense	-	(244,130)	-		(244,130)
Change in fair value of derivative	-	87,451	-		87,451
Gain on settlement of debt	-	(292,962)	-		(292,962)
Net loss	(6,314,361)	(1,522,757)	(747,197)		(8,584,315)
Less: net loss attributable to NCI	-	20,855	-		20,855
Net loss attributable to Green 2 Blue Energy Corp.	(6,314,361)	(1,501,902)	(747,197)		(8,563,460)
Other Comprehensive Income					
Foreign currency translation	-	(16,266)	-		(16,266)
Total comprehensive loss	$ (6,314,361)	$ (1,518,168)	$ (747,197)		$ (8,579,726)
Basic and diluted loss per share					$(0.21)
Weighted average number of shares outstanding (note 5)					40,978,778

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

1. Proposed Transaction

Brigade Resource Corp. ("Brigade") and Green 2 Blue Energy Corp. ("G2B") have entered into a share exchange agreement dated January 17, 2017 (the "Transaction"), pursuant to which Brigade will acquire all of the issued and outstanding capital stock, being 47,000,002 common shares, of G2B in consideration for the issuance of 47,000,002 common shares of Brigade.

On closing of the Transaction, Brigade will have 53,570,402 common shares outstanding, and the former shareholders of G2B will hold 87.74% of Brigade. Accordingly, G2B is considered to have acquired Brigade with the transaction being accounting for as a reverse takeover of Brigade by G2B shareholders (the "RTO").

Closing of the Transaction is subject to a number of conditions, including regulatory acceptance, shareholder approval, completion of the Brigade share consolidation and appointment of new directors and officers of Brigade. The Transaction cannot close until, among other conditions, the parties conclude their respective due diligence review and required shareholder and regulatory approval is obtained. There can be no assurance that the Transaction will be completed.

2. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements ("pro forma financial statements") of Brigade give effect to the Transaction as described above. In substance, the Transaction involves G2B shareholders obtaining control of Brigade. The pro forma financial statements give effect to the acquisition of G2B outstanding common shares by Brigade as a reverse takeover that does not constitute a business for accounting purposes. G2B is deemed to be the acquiring company and its assets, liabilities, equity and historical operating results are included at their historical carrying values. The net assets of Brigade will be recorded at fair value as at the Transaction date with any excess recorded as a listing expense. All of Brigade's deficit and other equity balances prior to the Transaction are eliminated.

The pro forma financial statements are not intended to reflect the financial position that will exist following the Transaction, nor the statement of loss and comprehensive loss that may be obtained in the future. Actual amounts recorded should the Transaction take place will likely differ from those recorded in the pro forma financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the pro forma financial statements.

The pro forma financial statements are presented in Canadian dollars. The accompanying pro forma condensed consolidated financial statements have been compiled from and include:

(a) An unaudited pro forma consolidated statement of financial position as at December 31, 2016 combining the unaudited condensed consolidated interim statement of financial position of Brigade as at December 31, 2016 with the unaudited consolidated interim statement of financial position of G2B as at December 31, 2016, giving effect to the transaction as if it occurred on December 31, 2016;

(b) an unaudited pro forma consolidated statement of loss and comprehensive loss combining the unaudited condensed consolidated interim statement of loss and comprehensive loss of Brigade for the nine-month period ended December 31, 2016 with the constructed interim consolidated statement of comprehensive loss of G2B for the nine-month period ended December 31, 2016, giving effect to the transaction as if it occurred on April 1, 2015. The unaudited interim consolidated statement of comprehensive loss of G2B for the nine-month period ended December 31, 2016 was compiled from addition of the unaudited interim consolidated statement of comprehensive loss of G2B for the six months ended December 31, 2016 and the twelve months ended June 30, 2016, less the unaudited interim consolidated statement of comprehensive loss of G2B for the nine months ended March 31, 2016; and

(c) an unaudited pro forma consolidated statement of loss and comprehensive loss combining the audited consolidated statement of loss and comprehensive loss of Brigade for the year ended March 31, 2016 with the audited consolidated statement of comprehensive loss of G2B for the year ended June 30, 2016, giving effect to the transaction as if it occurred on April 1, 2015

(expressed in Canadian dollars)

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been presented on the above basis to ensure that the unaudited pro forma consolidated financial statements reflect the RTO financial statements for a period that is no more than 93 days from Brigade's period end, as required pursuant to pro forma presentation requirements contained in Canadian securities legislation.

These unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. These pro forma financial statements do not contain all of the information required for annual financial statements. Accordingly, they should be read in conjunction with the most recent annual and interim financial statements of both Brigade and G2B.

The accounting policies used in the preparation of the pro forma financial statements are those set out in the audited financial statements of Brigade for the year ended December 31, 2016. In preparing the pro forma financial statements, a review was undertaken to identify differences between Brigade's accounting policies and those of G2B that could have a material impact of the pro forma financial statements. No material differences were noted. On closing of the Transaction, Brigade will adopt the accounting policies set out G2B's financial statements.

The pro forma adjustments and allocations of the purchase price of Brigade by G2B as a reverse takeover are based in part on estimates of the fair value of the assets acquired and liabilities assumed. The final allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual assets and liabilities of Brigade that exists as of the date of completion of the acquisition.

3. Pro Forma Adjustments and Assumptions

The pro forma financial statements incorporate the following pro forma assumptions:

(a) As required under the Transaction, Brigade will undertake a non-brokered private placement of up to 7,500,000 common shares at $0.10 per share for gross proceeds of $750,000.

(b) As consideration for the outstanding shares of G2B, Brigade will issue 47,000,002 common shares to G2B shareholders valued at $657,040. As a result of the RTO, the pro-forma condensed consolidated statement of financial position has been adjusted for the elimination of Brigade's share capital, reserves and accumulated deficit within shareholders' equity, and a listing expense of $747,197 has been recognized. This reflects the difference between the estimated fair value of G2B shares to Brigade shareholders less the fair value of net assets of Brigade acquired.

The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

Purchase Price	
47,000,002 common shares	$ 657,040
Total Purchase Price	$ 657,040
Allocation of Purchase Price	
Cash	$ 10,169
Loan receivable	20,000
Taxes recoverable	6,645
Accounts and accrued liabilities	(126,971)
Charge related to public company listing	747,197
	$ 657,040

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Brigade net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the unaudited pro-forma condensed consolidated financial information and that those differences may be material.

(expressed in Canadian dollars)

(c) The total cash transaction costs which are expected to be incurred for the reverse asset acquisition amounts to $100,000 which includes accounting, legal, and regulatory fees. These costs have been accrued and allocated to share issuance costs.

(d) The $20,000 advance from Brigade to G2B is eliminated upon consummation of the Transaction.

4. Pro Forma Share Capital

As a result of the Transaction, the share capital as at December 31, 2016 in the pro forma financial statements is comprised of the following:

Authorized
Unlimited common shares, without par value

	Note	Number of Shares	Share Capital	Contributed Surplus
Opening balance of Brigade		6,570,400	$ 4,546,200	$ 2,036,405
Shares issued for cash at $0.10	3(a)	7,500,000	750,000	-
Common stock of G2B	3(b)	47,000,002	1,659,637	376,846
Equity issued per reverse takeover of Brigade	3(b)	47,000,002	657,040	-
Elimination of pre-acquisition share capital amounts of Brigade and common stock of G2B	3(b)	(47,000,002)	(4,546,200)	(2,036,405)
Share issuance costs	3(c)	-	(100,000)	-
Pro Forma Share Capital		61,070,402	$2,966,677	$ 376,846

5. Pro Forma Loss Per Share

The following table sets forth the computation of pro forma basic and diluted loss per share for the nine months ended December 31, 2016 and for the year ended March 31, 2016:

	Nine months ended December 31, 2016	Year ended March 31, 2016
Numerator		
Pro-Forma net loss for the period	$ (1,977,255)	$ (8,563,460)
Denominator		
Basic and Diluted – weighted average number of shares outstanding	54,989,878	40,978,778
Pro-Forma Loss Per Share – Basic and Diluted	$(0.04)	$(0.21)

6. Green 2 Blue Energy Financial Information

The unaudited consolidated financial statement of financial position of Green 2 Blue Energy for the 9 months ended December 31, 2016 and for the year ended June 30, 2016 include an overlapping period from April 1, 2016 to June 30, 2016. The following table presents the unaudited figures included in the overlapping period:

(expressed in Canadian Dollars)		**Three Months Ended June 30, 2016**
Sales	$	(1,889)
Cost of sales		1,691
		(198)
OPERATING EXPENSES		
Consulting and management		67,000
Depreciation		24,456
Foreign exchange loss		1,638
General and administrative expenses		79,299
Legal and professional fees		34,075
Travel		5,869
Wages and benefits		6,467
Total Operating Expenses		(218,804)
OTHER		
Interest expense		(26,558)
Accretion expense		(10,086)
Loss on settlement of debt		(292,962)
Change in fair value of derivative		(3,159)
Net loss		(551,767)
Less: net loss attributable to NCI		546
Net loss attributable to Green 2 Blue Energy Corp.		(551,221)
Other Comprehensive Income		
Foreign currency translation		11,649
Total comprehensive loss	$	(539,572)

SCHEDULE "F"

Audit Committee Charter

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

(a) *Number of Members*. The Audit Committee must be comprised of a minimum of three directors of the Company.

(b) *Chair*. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.

(c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

(a) *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.

(b) *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.

(c) *Notice to Auditors*. The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.

(d) *Minutes*. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

(a) *Selection of the external auditor*. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

(b) *Scope of Work*. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

(c) *Compensation*. Recommend to the Board the compensation to be paid to the external auditors.

(d) *Replacement of Auditor*. If necessary, recommend the replacement of the Auditor to the Board of Directors.

(e) *Approve Non-Audit Related Services*. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.

(f) *Responsibility for Oversight*. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

(g) *Resolution of Disputes*. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

(a) *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

(b) *Review of Interim Financial Statements*. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.

(c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.

(d) *Auditor Reports and Recommendations*. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

(a) *Internal Control*. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

(b) *Financial Management*. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

(c) *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

(d) *Litigation*. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

(e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

(a) *Accounting, Auditing and Internal Control Complaints*. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

(b) *Employee Complaints*. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

(a) *Auditor*. The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.

(b) *Independent Advisors*. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

(a) the Auditor's independence;

(b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;

(c) the reappointment and termination of the Auditor;

(d) the adequacy of the Company's internal controls and disclosure controls;

(e) the Audit Committee's review of the annual and interim consolidated financial statements;

(f) the Audit Committee's review of the annual and interim management discussion and analysis;

(g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and

(h) all other material matters dealt with by the Audit Committee.

CERTIFICATE OF THE COMPANY

Dated: May 24, 2017

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia and Alberta.

"Glenn Little"	*"Bennett Liu"*
GLENN LITTLE	BENNETT LIU
President and Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

"Glenn Little"	*"Jon Sherron"*
GLENN LITTLE	JON SHERRON
Director	Director

ON BEHALF OF TARGETCO

"Slawomir Smulewicz"	*"Michael Young"*
SLAWOMIR SMULEWICZ	MICHAEL YOUNG
President and Chief Executive Officer	Chief Financial Officer and VP Corporate Development

ON BEHALF OF THE BOARD OF DIRECTORS OF TARGETCO

"Slawomir Smulewicz"	*"Michael Young"*
SLAWOMIR SMULEWICZ	MICHAEL YOUNG
Director	Director

PROMOTERS

"Slawomir Smulewicz"	*"Michael Young"*
SLAWOMIR SMULEWICZ	MICHAEL YOUNG