

TDG BC ASSETS CORP.

(FORMERLY TDG GOLD CORP.)

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

For the three months ended October 31, 2020

(Unaudited – Expressed in Canadian dollars)

Notice to Reader

These condensed consolidated interim financial statements of TDG BC Assets Corp. (formerly TDG Gold Corp.) have been prepared by management and approved by the sole director of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements.

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian dollars)

		Three months ended October 31,	
	<i>Note</i>	2020	2019
Expenses			
Consulting fees	10	\$ 67,450	\$ 13,000
Exploration and evaluation expenditures	7	488,179	-
Foreign exchange		-	(2,674)
Office expenses		23,329	418
Professional fees		68,549	3,096
Project investigation costs		-	16,291
Loss and comprehensive loss for the period		\$ (647,507)	\$ (30,131)
Basic and diluted loss per share		\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding		74,990,099	25,809,586

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

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Three months ended October 31,	
	2020	2019
Cash flows to operating activities		
Loss for the period	\$ (647,507)	\$ (30,131)
Change in non-cash working capital items:		
Receivables	(11,077)	(311)
Prepaid expenses	41,533	(56,594)
Trade and other payables	117,665	30,395
	<u>(499,386)</u>	<u>(56,641)</u>
Cash flows from (to) financing activities		
Due to Kismet (Note 13)	480,900	-
Share issue costs	-	(1,500)
	<u>480,900</u>	<u>(1,500)</u>
Decrease in cash for the period	(18,486)	(58,141)
Cash, beginning of period	1,822,505	81,834
Cash, end of period	\$ 1,804,019	\$ 23,693
Non-cash investing and financing activities		
Shares issued for exploration and evaluation assets	\$ 180,321	\$ -
Supplementary information		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital	Obligation to issue shares	Deficit	Total
Balance, July 31, 2020	72,128,480	\$ 15,592,011	\$ -	\$ (13,824,077)	\$ 1,767,934
Issuance of shares for exploration and evaluation assets	3,606,424	180,321	-	-	180,321
Loss and comprehensive loss for the period	-	-	-	(647,507)	(647,507)
Balance, October 31, 2020	75,734,904	\$ 15,772,332	\$ -	\$ (14,471,584)	\$ 1,300,748

	Number of shares	Share capital	Obligation to issue shares	Deficit	Total
Balance, July 31, 2019	25,378,282	\$ 13,306,120	\$ 64,000	\$ (13,481,128)	\$ (111,008)
Private placement	1,280,000	62,500	(64,000)	-	(1,500)
Loss and comprehensive loss for the period	-	-	-	(30,131)	(30,131)
Balance, October 31, 2019	26,658,282	\$ 13,368,620	\$ -	\$ (13,511,259)	\$ (142,639)

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

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended October 31, 2020
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

TDG BC Assets Corp. (formerly TDG Gold Corp.) (the “Company”) was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on July 22, 2011. The Company’s head office and registered and records office address is Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6.

The Company is engaged in the identification, acquisition, exploration and, if warranted, development of mineral resource projects in British Columbia. The Company previously held mineral applications in Laos and Myanmar.

On December 11, 2020, the Company completed a reverse take-over transaction whereby Kismet Resources Corp. (“Kismet”) acquired all of the issued and outstanding common shares of the Company by way of a three-cornered amalgamation (“Amalgamation”) between Kismet, the Company, and 1266834 B.C. Ltd. (“Numco”), a wholly-owned subsidiary of Kismet. Immediately prior to the completion of the Amalgamation, Kismet changed its name to TDG Gold Corp. (“New TDG”). Pursuant to the Amalgamation, the Company amalgamated with Numco as one company under the name TDG BC Assets Corp., a wholly owned subsidiary of New TDG (Note 13).

These condensed consolidated interim 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 in the foreseeable future. As at October 31, 2020, the Company had working capital of \$1,105,427. As discussed above, the Company is now a wholly owned subsidiary of New TDG and will be funded and controlled by New TDG moving forward. The continuation of the business as a going concern is dependent upon the Company attaining future profitable operations and the continuing financial support of its shareholder. New TDG has confirmed their intention to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations for the foreseeable future. Management believes that the Company will continue as a going concern and consequently has prepared the financial statements on a going concern basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business operations.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

These condensed consolidated interim financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2020.

2. BASIS OF PRESENTATION (continued)

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the parent company's functional currency as well as being the functional currency for the Company's previously owned Singapore, Laos, and Myanmar subsidiaries.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Recovery of deferred tax assets – Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

The Company has not recorded any deferred tax assets.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Going concern – In the determination of the Company’s ability to meet its ongoing obligations and future contractual commitments management relies on the Company’s planning, budgeting and forecasting process to help determine the funds required to support the Company’s normal operations on an ongoing basis. The key inputs used by the Company in this process include forecasted capital deployment, progress on permitting, results from the exploration of its properties and general industry conditions. Changes in these inputs may alter the Company’s ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern (Note 1).

Determination of functional currency - In accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates” management determined that the functional currency of the parent company as well as the Company’s previously owned Singapore, Laos, and Myanmar subsidiaries is the Canadian dollar.

Valuation of shares – The value of common shares issued has primarily been determined based on recent financings of the Company. Where there is a share transaction with shareholders acting in the capacity as shareholders and the value of the shares was not readily determinable, the value was based on the value of item acquired or settled.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended July 31, 2020.

New standards, interpretations, and amendments not yet effective

There are no new standards that will have any significant effect on the Company.

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended October 31, 2020

(Unaudited - Expressed in Canadian dollars)

4. CASH

	October 31, 2020	July 31, 2020
Canadian dollar denominated deposits held in Canada	\$ 1,801,066	\$ 1,819,517
US dollar denominated deposits held in Canada	2,953	2,988
Total	\$ 1,804,019	\$ 1,822,505

5. RECEIVABLES

	October 31, 2020	July 31, 2020
Amounts due from the Government of Canada pursuant to goods and services input tax credits	\$ 30,198	\$ 19,121
Total	\$ 30,198	\$ 19,121

6. PREPAID EXPENSES

	October 31, 2020	July 31, 2020
Prepaid exploration and evaluation expenditures	\$ 5,000	\$ 63,783
Prepaid insurance	17,250	-
Total	\$ 22,250	\$ 63,783

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended October 31, 2020
(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Oxide Peak	Baker-Shasta	Total
As at July 31, 2020	\$ 15,000	\$ -	\$ 15,000
Additions	180,321	-	180,321
As at October 31, 2020	\$ 195,321	\$ -	\$ 195,321

Oxide Peak Property

On December 22, 2019, the Company entered into an option and joint venture agreement with ArcWest Exploration Inc. ("ArcWest") pursuant to which the Company can earn up to an 80% interest in the Oxide Peak property located in the Toodoggone region of British Columbia.

Pursuant to the agreement, the Company issued ArcWest 3,606,424 common shares valued at \$180,321 on August 19, 2020 (Note 9).

The Company can earn an initial 60% interest in the Oxide Peak property (the "First Option") by fulfilling the following terms:

1. Cash payments as follows:
 - o \$15,000 on signing (paid);
 - o \$15,000 on or before December 31, 2020 (paid); and
 - o \$25,000 on exercise of the First Option.
2. Incurring \$2,400,000 of exploration expenditures as follows:
 - o \$400,000 by December 31, 2020 (incurred);
 - o An additional \$500,000 by December 31, 2021; and
 - o An additional \$1,500,000 by December 31, 2022.

Upon exercise of the First Option, the Company can earn an additional 20% interest for a total 80% interest (the "Second Option") by electing to complete a preliminary economic assessment within two years of exercising the Second Option.

Following the exercise or lapse of the Second Option, the parties will form a joint venture to hold and operate the Oxide Peak property, and each party will fund the costs associated with the Oxide Peak property proportionate to their respective interest. If a party does not contribute its share of the costs, the other party may contribute the shortfall, in which case, the interest of each party in the Oxide Peak property will be adjusted in accordance with a dilution formula. Should the Company's or ArcWest's interest be diluted to less than 10%, then that interest will convert to a 2% net smelter return ("NSR") royalty, of which 1% of the NSR royalty can be bought back for a \$2,000,000 cash payment at any time.

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended October 31, 2020
(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Baker-Shasta, Mets, and Bot Projects

On July 7, 2020, the Company entered into an asset purchase agreement with Talisker Resources Ltd. ("Talisker") pursuant to which the Company can acquire a 100% interest in the Baker-Shasta, Mets, and Bot projects located in the Toadoggone region of British Columbia.

Pursuant to the agreement, the Company completed the acquisition through the issue of 18,973,669 common shares of New TDG on December 11, 2020 (Note 13).

Exploration and evaluation expenditures incurred during the three months ended October 31, 2020 and 2019 are as follows:

	Three months ended October 31,	
	2020	2019
Oxide Peak		
Consulting	\$ 206,828	\$ -
Travel	21,242	-
Baker-Shasta, Mets, and Bot		
Consulting	250,086	-
Travel	10,023	-
Total	\$ 488,179	\$ -

8. TRADE AND OTHER PAYABLES

	October 31, 2020	July 31, 2020
Trade and other payables in Canada	\$ 223,784	\$ 131,490
Amounts due to related parties (Note 10)	46,356	20,985
Total	\$ 270,140	\$ 152,475

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended October 31, 2020
(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL

a) Authorized share capital

The authorized share capital is comprised of an unlimited number of common shares without par value.

b) Issued share capital

During the three months ended October 31, 2020, the Company completed the following:

- On August 19, 2020, the Company issued ArcWest 3,606,424 common shares valued at \$180,321 pursuant to an agreement on the Oxide Peak property (Note 7).

During the three months ended October 31, 2019, the Company completed the following:

- On September 30, 2019, the Company completed a private placement through the issuance of 1,280,000 common shares at a price of \$0.05 per share for gross proceeds of \$64,000, all of which was received in fiscal 2019 and recorded as an obligation to issue shares as at July 31, 2019. The Company incurred \$1,500 of share issue costs.

10. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the three months ended October 31, 2020 and 2019 were as follows:

		Three months ended October 31,	
		2020	2019
Consulting fees			
Golden Oak	(1)	\$ 29,000	\$ -
Thomas Morgan	(2)	30,000	-
John-Paul Dau	(3)	-	5,000
Total		\$ 59,000	\$ 5,000

- (1) Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by Dan O'Brien, the Chief Financial Officer, and Doris Meyer, the Corporate Secretary, of the Company. Golden Oak provides the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.
- (2) Thomas Morgan & Co Ltd. ("Thomas Morgan") is controlled by Fletcher Morgan, the Chief Executive Officer of the Company.
- (3) John-Paul Dau is the former President of the Company.

TDG BC ASSETS CORP. (FORMERLY TDG GOLD CORP.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended October 31, 2020
(Unaudited - Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (continued)

Amounts due to related parties

As at October 31, 2020, the Company owed \$46,356 (July 31, 2020 – \$20,985) to related parties as follows: \$21,000 to Thomas Morgan for fees, \$21,000 to Golden Oak for fees, and \$4,144 to Fletcher Morgan and \$212 to Golden Oak, for the reimbursement of expenses. All amounts owed are unsecured and non-interest bearing.

11. SEGMENTED INFORMATION

IFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation.

All of the Company’s capital assets are located in Canada as at October 31, 2020 and July 31, 2020.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (“FVTOCI”); or at amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

		October 31, 2020	July 31, 2020
Cash	FVTPL	\$ 1,804,019	\$ 1,822,505
Receivables	Amortized cost	-	-
Trade and other payables	Amortized cost	270,140	152,475

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The carrying values of receivables and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value of cash was determined based on Level 1 of the fair value hierarchy.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended July 31, 2020.

13. SUBSEQUENT EVENTS

On December 11, 2020, the Company completed a reverse take-over transaction whereby Kismet acquired all of the issued and outstanding common shares of the Company by way of a three-cornered amalgamation (the "Amalgamation") between Kismet, the Company, and Numco. Kismet issued the shareholders of the Company 25,244,928 common shares or one post-consolidated Kismet share for every three shares of the Company.

Immediately prior to the completion of the Amalgamation, the issued and outstanding common shares of Kismet were consolidated on the basis of two pre-consolidation Kismet shares for every one post-consolidation Kismet share, and Kismet changed its name to TDG Gold Corp. ("New TDG").

On completion of the Amalgamation, the former shareholders of the Company own more shares of New TDG than the former shareholders of Kismet and accordingly the Amalgamation has been treated as a reverse take-over transaction with the financial statements of the Company being the continuing financial statements of New TDG.

Pursuant to the Amalgamation, the Company amalgamated with Numco as one company under the name TDG BC Assets Corp., a wholly owned subsidiary of New TDG.

Concurrent with the Amalgamation, New TDG completed a private placement through the issuance of 3,645,000 non-flow-through units at a price of \$0.30 per non-flow-through unit and 6,917,907 flow-through units at a price of \$0.425 per flow-through unit for gross proceeds of \$4,033,610. Each non-flow-through unit and each flow-through unit consists of one common share and one-half of one share purchase warrant. Each share purchase warrant is exercisable into one common share of New TDG at an exercise price of \$0.45 until December 11, 2023. New TDG issued 487,135 non-flow-through units to an arm's length finder in connection with the concurrent financing. All securities issued pursuant to the concurrent financing are subject to a hold period prescribed under Canadian securities laws expiring on April 12, 2021.

During the three months ended October 31, 2020, the Company received proceeds of \$480,900 towards the concurrent financing which has been recorded as due to Kismet as at October 31, 2020. Subsequent to October 31, 2020, the Company received the remainder of the proceeds of the concurrent financing of \$3,552,710.

Also, concurrent with the Amalgamation, New TDG issued 18,973,699 common shares to Talisker to acquire the Baker-Shasta, Mets, and Bot projects (Note 7).

As a result of the Amalgamation, the common shares of New TDG began trading on the TSX Venture Exchange on December 18, 2020 under the ticker symbol TDG.