

Condensed Interim Financial Statements of

**Thunderbird Entertainment Group Inc.**

**(Formerly Golden Secret Ventures Ltd.)**

Three and nine months ended September 30, 2018 and 2017

(Expressed in Canadian dollars)

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim financial statements of Thunderbird Entertainment Group Inc. (formerly Golden Secret Ventures Ltd.) (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim financial statements.

**Thunderbird Entertainment Group Inc.**  
**(Formerly Golden Secret Ventures Ltd.)**  
**Condensed Interim Statements of Financial Position**  
(Expressed in Canadian dollars)  
(Unaudited)

|                                     | <b>September 30,<br/>2018</b> | December 31,<br>2017 |
|-------------------------------------|-------------------------------|----------------------|
| <b>Assets</b>                       |                               |                      |
| Current assets                      |                               |                      |
| Cash                                | \$ 2,551,396                  | \$ 2,501,221         |
| Amounts receivable                  | 2,744                         | 1,738                |
| Prepaid expenses                    | 1,450                         | -                    |
| <b>Total assets</b>                 | <b>\$ 2,555,590</b>           | <b>\$ 2,502,959</b>  |
| <b>Liabilities and equity</b>       |                               |                      |
| Current liabilities                 |                               |                      |
| Amounts payable                     | \$ 9,456                      | \$ 17,136            |
| Equity                              |                               |                      |
| Share capital (Note 3)              | 7,488,034                     | 7,348,034            |
| Equity reserve                      | 643,180                       | 250,896              |
| Deficit                             | (5,585,080)                   | (5,113,107)          |
| Total equity                        | 2,546,134                     | 2,485,823            |
| <b>Total liabilities and equity</b> | <b>\$ 2,555,590</b>           | <b>\$ 2,502,959</b>  |

Nature of operations (Note 1)

Subsequent events (Note 1, 3, 7)

Approved by the Board of Directors and authorized for issue on November 29, 2018:

\_\_\_\_\_  
"Jennifer McCarron"                      Director

\_\_\_\_\_  
"Mark Miller"                              Director

**Thunderbird Entertainment Group Inc.**  
**(Formerly Golden Secret Ventures Ltd.)**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)  
(Unaudited)

|   | Three months ended<br>September 30, |                    | Nine months ended<br>September 30, |                    |
|---|-------------------------------------|--------------------|------------------------------------|--------------------|
|   | 2018                                | 2017               | 2018                               | 2017               |
| <b>Expenses</b>   |                                     |                    |                                    |                    |
| Advisory and consulting   | \$ 27,500                           | \$ 22,500          | \$ 72,500                          | \$ 74,400          |
| Office and administration   | 3,174                               | 3,031              | 9,262                              | 9,232              |
| Professional fees   | 4,500                               | 6,614              | 8,390                              | 16,699             |
| Regulatory and transfer agent   | 17,392                              | 2,119              | 24,616                             | 8,493              |
| Share-based compensation (Note 3)   | -                                   | -                  | 392,284                            | -                  |
|   | <b>(52,566)</b>                     | <b>(34,264)</b>    | <b>(507,052)</b>                   | <b>(108,824)</b>   |
| Finance income  | 12,775                              | 7,723              | 35,079                             | 31,500             |
|   | <b>12,775</b>                       | <b>7,723</b>       | <b>35,079</b>                      | <b>31,500</b>      |
| <b>Net loss and comprehensive loss</b>                                      | <b>\$ (39,791)</b>                  | <b>\$ (26,541)</b> | <b>\$ (471,973)</b>                | <b>\$ (77,324)</b> |
| Basic and diluted loss per share  | <b>\$ (0.00)</b>                    | <b>\$ (0.00)</b>   | <b>\$ (0.01)</b>                   | <b>\$ (0.00)</b>   |
| Weighted average number of common shares<br>outstanding - basic and diluted | <b>33,299,252</b>                   | 29,299,252         | <b>33,233,076</b>                  | 29,299,252         |

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

**Thunderbird Entertainment Group Inc.**  
**(Formerly Golden Secret Ventures Ltd.)**  
**Condensed Interim Statements of Shareholders' Equity**  
(Expressed in Canadian dollars)  
(Unaudited)

|                                 | Share capital |              | Equity<br>reserve | Deficit        | Total equity |
|---------------------------------|---------------|--------------|-------------------|----------------|--------------|
|                                 | Shares issued | Amount       |                   |                |              |
| <b>At December 31, 2016</b>     | 29,299,252    | \$ 7,208,034 | \$ 250,896        | \$ (5,004,635) | \$ 2,454,295 |
| Net loss and comprehensive loss | -             | -            | -                 | (77,324)       | (77,324)     |
| <b>At September 30, 2017</b>    | 29,299,252    | 7,208,034    | 250,896           | (5,081,959)    | 2,376,971    |
| Exercise of warrants            | 2,000,000     | 140,000      | -                 | -              | 140,000      |
| Net loss and comprehensive loss | -             | -            | -                 | (31,148)       | (31,148)     |
| <b>At December 31, 2017</b>     | 31,299,252    | 7,348,034    | 250,896           | (5,113,107)    | 2,485,823    |
| Exercise of warrants            | 2,000,000     | 140,000      | -                 | -              | 140,000      |
| Share-based compensation        | -             | -            | 392,284           | -              | 392,284      |
| Net loss and comprehensive loss | -             | -            | -                 | (471,973)      | (471,973)    |
| <b>At September 30, 2018</b>    | 33,299,252    | \$ 7,488,034 | \$ 643,180        | \$ (5,585,080) | \$ 2,546,134 |

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**Thunderbird Entertainment Group Inc.**  
**(Formerly Golden Secret Ventures Ltd.)**  
Condensed Interim Statements of Cash Flows  
(Expressed in Canadian dollars)  
(Unaudited)

|  | Nine months ended September 30, |                     |
|--|---------------------------------|---------------------|
|  | <b>2018</b>                     | 2017                |
| <b>Operating activities</b>                      |                                 |                     |
| Net loss   | \$ (471,973)                    | \$ (77,324)         |
| Adjusted for:                                    |                                 |                     |
| Share-based compensation                         | 392,284                         | -                   |
| Changes in non-cash working capital items:       |                                 |                     |
| Prepaid expenses                                 | (1,450)                         | (1,475)             |
| Amounts receivable                               | (1,006)                         | 4,269               |
| Amounts payable                                  | (7,680)                         | (17,815)            |
| Cash used in operating activities                | <b>(89,825)</b>                 | <b>(92,345)</b>     |
| <b>Financing activities</b>                      |                                 |                     |
| Exercise of warrants                             | 140,000                         | -                   |
| Cash provided by financing activities            | <b>140,000</b>                  | <b>-</b>            |
| Increase (decrease) in cash and cash equivalents | 50,175                          | (92,345)            |
| Cash and cash equivalents, beginning of period   | 2,501,221                       | 2,472,755           |
| <b>Cash and cash equivalents, end of period</b>  | <b>\$ 2,551,396</b>             | <b>\$ 2,380,410</b> |

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

# Thunderbird Entertainment Group Inc. (Formerly Golden Secret Ventures Ltd.)

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2018 and 2017

(Expressed in Canadian dollars)

(Unaudited)

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### 1. NATURE OF OPERATIONS

The Company was incorporated on April 25, 1969, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "GGS". The Company's registered and records office is located at 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7.

The Company has not generated significant revenues from operations. As at September 30, 2018, the Company had working capital of \$2,546,134, representing funds available to cover on-going operating costs. The Company has incurred negative cash flows from operations, recorded a loss of \$471,973 for the nine months ended September 30, 2018, and has an accumulated deficit of \$5,585,080 as at September 30, 2018. 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. Management believes that the Company will have adequate funds from existing working capital to meet corporate and administrative obligations over the next twelve months.

In October 2018, the Company acquired 100% of the shares of Thunderbird Entertainment Inc. ("Thunderbird") via a reverse take-over (the "Transaction"). The Transaction was effected by way of a Plan of Arrangement under which security holders of Thunderbird exchanged their securities for securities of the Company. Prior to effecting the share exchange, the Company consolidated its issued and outstanding common shares on a 10:1 basis. The Company acquired 100% of the issued and outstanding shares of Thunderbird in consideration for the issuance of 36,660,561 post-consolidation common shares and 1,054,000 preferred shares convertible into 351,333 post-consolidation common shares of the Company. Under this Transaction, the Company changed its name to Thunderbird Entertainment Group Inc. ("TEG") and will carry on the current business of Thunderbird.

The post-consolidation shares of TEG were reinstated for trading on the TSX-V on November 2, 2018. At the time of completion of the Transaction, there were 46,429,263 post-consolidation shares issued and outstanding.

### 2. BASIS OF PRESENTATION

#### (a) *Statement of compliance*

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements, except as described below. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements.

#### (b) *Recent accounting standards*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The Company recently adopted IFRS 9 starting January 1, 2018. IFRS 9 is the new standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company has determined that there is no impact of adoption of IFRS 9 on its financial statements and no prior period amounts were restated.

# Thunderbird Entertainment Group Inc.

## (Formerly Golden Secret Ventures Ltd.)

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2018 and 2017

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### 3. EQUITY

#### (a) Authorized

Unlimited common shares with no par value

#### (b) Issued and fully paid common shares

During the nine months ended September 30, 2018, 2,000,000 common shares were issued pursuant to the exercise of warrants for proceeds of \$140,000.

During the year ended December 31, 2017, 2,000,000 common shares were issued pursuant to the exercise of warrants for proceeds of \$140,000.

As at September 30, 2018, 33,299,252 common shares were issued and outstanding (December 31, 2017: 31,299,252).

#### (c) Share options

The Company has adopted an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with TSX-V requirements, grant non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options less any discount, if applicable.

During the nine months ended September 30, 2018, the Company granted an aggregate of 1,550,000 share options to directors, officers, consultants and charitable organizations at a price of \$0.32 per share, exercisable until March 14, 2028. Using the Black-Scholes option pricing model, the grant date fair value was \$392,284, or \$0.25 per option, using the following assumptions:

|                         | 2018     |
|-------------------------|----------|
| Risk-free interest rate | 2.35%    |
| Expected life (years)   | 10 years |
| Annualized volatility   | 75.00%   |
| Dividend rate           | 0.00%    |

Following is a summary of changes in share options outstanding:

|   | Share options<br>outstanding | Weighted average<br>exercise price |
|---|------------------------------|------------------------------------|
| Balance, December 31, 2016 and 2017, September 30, 2017 | 1,550,000                    | \$ 0.05                            |
| Granted   | 1,550,000                    | 0.32                               |
| Balance, September 30, 2018                             | 3,100,000                    | \$ 0.19                            |

# Thunderbird Entertainment Group Inc.

## (Formerly Golden Secret Ventures Ltd.)

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2018 and 2017

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#### 3. EQUITY (continued)

##### (c) Share options (continued)

The following table summarizes information about share options outstanding and exercisable at September 30, 2018:

| Outstanding and exercisable | Exercise price | Expiry date    |
|-----------------------------|----------------|----------------|
| 1,550,000                   | \$ 0.05        | March 9, 2026  |
| 1,550,000                   | 0.32           | March 14, 2028 |
| 3,100,000                   | \$ 0.19        |                |

Subsequent to September 30, 2018, 20,000 share options were exercised for proceeds of \$10,000 and 75,000 share options were exercised for proceeds of \$150,000.

Subsequent to September 30, 2018, the Company announced a share option grant of an aggregate of 90,000 share options pursuant to an Investor Relations contract at a price of \$2 per share exercisable up to 5 years.

##### (d) Warrants

Following is a summary of changes in warrants outstanding:

|   | Warrants outstanding | Weighted average exercise price |
|---|----------------------|---------------------------------|
| Balance, December 31, 2016 and September 30, 2017 | 5,000,000            | \$ 0.07                         |
| Exercised   | (2,000,000)          | 0.07                            |
| Balance, December 31, 2017                        | 3,000,000            | 0.07                            |
| Exercised   | (2,000,000)          | 0.07                            |
| Balance, September 30, 2018                       | 1,000,000            | \$ 0.07                         |

The following table summarizes information about warrants outstanding and exercisable at September 30, 2018:

| Outstanding and exercisable | Exercise price | Expiry date   |
|-----------------------------|----------------|---------------|
| 1,000,000                   | \$ 0.07        | March 3, 2019 |

Subsequent to September 30, 2018, 5,696 warrants were exercised for proceeds of \$11,392.

#### 4. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

Key management personnel compensation for the nine months ended September 30, 2018, included \$202,469 related to share options granted to directors and officers (2017: \$nil).

# **Thunderbird Entertainment Group Inc.** **(Formerly Golden Secret Ventures Ltd.)**

## **Notes to the Condensed Interim Financial Statements**

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### **5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### **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 primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk on its amounts receivable is minimal since GST is refundable from the Canadian Government.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Historically, the Company's source of funding has been either the issuance of equity securities for cash, primarily through private placements, or loans from its directors and/or companies controlled by its directors. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant funding from these sources.

#### **Foreign currency risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

### **6. CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support its exploration and development expenditures and to sustain future development of the business. The capital structure of the Company consists of share and working capital. There were no changes in the Company's approach to capital management during the period and the Company is not subject to any restrictions on its capital.

# Thunderbird Entertainment Group Inc.

## (Formerly Golden Secret Ventures Ltd.)

### Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2018 and 2017

(Expressed in Canadian dollars)

(Unaudited)

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#### 7. SUBSEQUENT EVENTS

In October 2018, the Company acquired 100% of the shares of Thunderbird Entertainment Inc. ("Thunderbird") via a reverse take-over (the "Transaction"). The Transaction was effected by way of a Plan of Arrangement under which security holders of Thunderbird exchanged their securities for securities of the Company. Prior to effecting the share exchange, the Company consolidated its issued and outstanding common shares on a 10:1 basis. The Company acquired 100% of the issued and outstanding shares of Thunderbird in consideration for the issuance of 36,660,561 post-consolidation common shares and 1,054,000 preferred shares convertible into 351,333 post-consolidation common shares of the Company. Under this Transaction, the Company changed its name to Thunderbird Entertainment Group Inc. ("TEG") and will carry on the current business of Thunderbird.

The post-consolidation shares of TEG were reinstated for trading on the TSX-V on November 2, 2018. At the time of completion of the Transaction, there were 46,429,263 post-consolidation shares issued and outstanding.

Subsequent to September 30, 2018, 95,000 share options were exercised for proceeds of \$103,750.

Subsequent to September 30, 2018, 5,696 warrants were exercised for proceeds of \$11,392.

Subsequent to September 30, 2018, the Company announced a share option grant of an aggregate of 90,000 share options pursuant to an Investor Relations contract at a price of \$2 per share exercisable up to 5 years.