NOMAD
ROYALTY

Nomad Royalty Company Ltd.

(formerly Guerrero Ventures Inc.)

Condensed consolidated interim financial statements for the three and nine months ended September 30, 2020 and 2019 (unaudited)

(Expressed in United States dollars)

Invest in fresh thinking

(tabular amounts expressed in thousands of United States dollars)

	Notes	September 30, 2020	December 31, 2019
		$	$
Assets			
Current assets			
Cash		15,028	—
Amounts receivable		712	140
Gold prepay loan	6	7,024	6,842
Other assets		1,298	300
Total current assets		24,062	7,282
Non-current assets			
Gold prepay loan	6	9,583	—
Royalty and stream interests	7	174,006	68,973
Deferred income taxes	5	37,220	—
Total non-current assets		220,809	68,973
Total assets		**244,871**	**76,255**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		3,578	375
Total current liabilities		3,578	375
Non-current liabilities			
Deferred payment liability – host contract	8	8,889	—
Deferred payment liability – conversion option	8	9,379	—
Total non-current liabilities		18,268	—
Total liabilities		21,846	375
Equity			
Common shares	9	215,968	—
Net parent investment	9	—	75,880
Warrants		209	—
Contributed surplus		2,452	—
Retained earnings		4,396	—
Total equity		223,025	75,880
Total liabilities and equity		**244,871**	**76,255**

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

Consolidated statements of income and comprehensive income (unaudited)

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

		Three months ended		Nine months ended	
	Notes	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
		$	$	$	$
Revenue					
Gold and silver sales		6,788	4,276	18,775	12,765
Other revenue		780	—	1,207	—
Total revenue	13	7,568	4,276	19,982	12,765
Cost of sales					
Purchased cost of gold and silver		2,753	3,762	11,732	10,750
Depletion of royalty and stream interests		2,962	454	5,440	1,946
Total costs of sales		5,715	4,216	17,172	12,696
Gross profit		1,853	60	2,810	69
Other operating expenses					
General and administrative expenses		345	615	1,607	1,839
Share-based compensation	10	818	—	2,162	—
Listing expenses	5	—	—	23,492	—
Total other operating expenses		1,163	615	27,261	1,839
Operating income (loss)		690	(555)	(24,451)	(1,770)
Other income (expenses)					
Change in fair value of conversion option	8	(3,075)	—	(8,059)	—
Change in fair value of gold prepay loan	6	1,392	928	4,967	2,267
Finance costs		(308)	—	(392)	—
Foreign exchange gain (loss)		102	—	(54)	—
Total other income (expenses)		(1,889)	928	(3,538)	2,267
Income (loss) before income taxes		(1,199)	373	(27,989)	497
Income tax recovery	5	1,725	—	36,836	—
Net income and comprehensive income		526	373	8,847	497
Earning per share (basic and diluted)	11	0.00	0.00	0.02	0.00
Weighted average number of common shares outstanding					
Basic and diluted	11	515,409,164	327,717,520	422,076,161	327,717,520

Net income and comprehensive income are entirely attributable to the Company's shareholders.

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

(tabular amounts expressed in thousands of United States dollars)

		Three months ended		Nine months ended	
	Notes	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		$	$	$	$
Operating activities					
Net income for the period		526	373	8,847	497
Adjustments for:					
Cost of sales related to gold prepay loan		1,698	3,639	9,972	10,265
Depletion of royalty and stream interests		2,962	454	5,440	1,946
Share-based compensation	10	818	—	2,162	—
Listing expense	5	—	—	22,390	—
Change in fair value of conversion option	8	3,075	(928)	8,059	(2,267)
Change in fair value of gold prepay loan	6	(1,392)	—	(4,967)	—
Deferred income tax recovery	5	(1,915)	—	(37,026)	—
Finance costs		188	—	244	—
Interest received		259	186	871	691
Changes in other assets and liabilities	12	(976)	(2,227)	(372)	(3,782)
Cash provided by operating activities		**5,243**	**1,497**	**15,620**	**7,350**
Investing activities					
Cash acquired	5	—	—	3,149	—
Acquisition of gold prepay loan	6	—	—	(15,500)	(10,000)
Acquisition of royalty and stream interests	7	(1,940)	(18,500)	(11,940)	(37,000)
Cash used in investing activities		**(1,940)**	**(18,500)**	**(24,291)**	**(47,000)**
Financing activities					
Proceeds on issuance of common shares	9	—	—	9,652	—
Share issue expenses	9	(100)	—	(714)	—
Financing fees		(414)	—	(414)	—
Net parent investment		—	17,003	15,175	39,650
Net cash provided by (used in) financing activities		**(514)**	**17,003**	**23,699**	**39,650**
Net increase in cash		**2,789**	**—**	**15,028**	**—**
Cash at beginning of period		**12,239**	**—**	**—**	**—**
Cash at end of period		**15,028**	**—**	**15,028**	**—**

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

(tabular amounts expressed in thousands of United States dollars)

	Notes	Number of common shares outstanding [1]	Common shares	Net parent investment	Warrants	Contributed surplus	Retained Earnings (Deficit)	Total
			$	$	$	$	$	$
Balance as at December 31, 2019		**327,717,520**	**—**	**75,880**	**—**	**—**	**—**	**75,880**
Net income and comprehensive income		—	—	2,485	—	—	6,362	8,847
Net parent investment		—	—	15,175	—	—	—	15,175
Issuance of shares to parent		—	93,540	(93,540)	—	—	—	—
Deemed issuance to investors of Guerrero Ventures Inc. as part of the Reverse Take-over:	5							—
- Common shares		33,282,236	21,737	—	—	—	—	21,737
- Share options		—	—	—	—	1,108	—	1,108
Dividends declared	9	—	—	—	—	—	(1,966)	(1,966)
Issuance of shares – Acquisitions								
- Bonikro Gold Stream	5	68,738,445	38,160	—	—	—	—	38,160
- Yamana Portfolio	5	66,500,000	37,786	—	—	—	—	37,786
- Troilus Gold Royalty	7	5,769,231	6,456	—	209	—	—	6,665
- Valkyrie Royalty Inc.	7	7,399,970	8,906	—	—	—	—	8,906
Issuance of shares – Private placement	5, 9	14,777,778	9,652	—	—	—	—	9,652
Share-based compensation	10							—
- Share options		—	—	—	—	1,010	—	1,010
- Restricted share units		—	—	—	—	724	—	724
- Deferred share units		—	—	—	—	183	—	183
Settlement of restricted share units in common shares	10	341,147	271	—	—	(573)	—	(302)
Share issuance costs, net of income taxes of $ $195,000		—	(540)	—	—	—	—	(540)
Balance as at September 30, 2020		**524,526,327**	**215,968**	**—**	**209**	**2,452**	**4,396**	**223,025**

[1] The shares issued to the parent upon the Reverse Take-over are deemed to have been issued and outstanding since January 1, 2019 for purposes of these unaudited condensed consolidated interim financial statements.

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

	Net parent investment
	$
Balance as at December 31, 2018	**38,886**
Net income and comprehensive income	497
Net parent investment	39,650
Balance as at September 30, 2019	**79,033**

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

Note 1 – Description of Business and Nature of Operations

Nomad Royalty Company Ltd. (formerly Guerrero Ventures Inc.) (“Nomad” or the “Company”) was incorporated on February 20, 1961 in British Columbia, Canada. On January 7, 2020, the Company announced that it has been continued as a federal corporation subject to the provisions of the *Canada Business Corporations Act* (the "Continuance"). The Continuance was approved by the shareholders of the Company at the Company's annual and special shareholder meeting held on August 19, 2019. Prior to the Continuance, the Company was subject to the *Business Corporations Act* (British Columbia).

On May 25, 2020, the Company changed its name from “Guerrero Ventures Inc.” to “Nomad Royalty Company Ltd.”. On May 27, 2020, Nomad completed a reverse take-over (the “RTO”) comprised of two related vend in agreements as well as a concurrent private placement of subscription receipts (the “Transactions”) (see Note 5).

On May 29, 2020, Nomad’s common shares commenced trading on the Toronto Stock Exchange (the “TSX”) under the symbol “NSR”. The Company’s registered office is 1275 Av. des Canadiens de Montréal, Suite 500, Montreal, Québec, H3B 0G4.

The Company had no active operations until the Transactions, which fundamentally changed the Company’s business. The RTO involved the acquisition by Nomad of stream and gold loan assets from Orion Mine Finance Fund II LP, Orion Mine Finance Fund III LP and OMF Fund II (Li) LP (collectively, the “Orion Group”). In addition, Nomad acquired royalties and a contingent payment on the commencement of commercial production of one project from Yamana Gold Inc. and one of its affiliates (collectively, the “Yamana Group”).

Since completion of the Transactions, Nomad is a precious metal royalty and streaming company that purchases rights to a certain percentage of the gold or silver produced from a mine, typically for the life of the mine. Nomad owns a portfolio of 12 royalty, stream and gold loan assets, of which 6 are on currently producing mines.

Note 2 - Basis of Presentation and Statement of Compliance

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. The condensed consolidated interim financial statements also include the condensed combined carve-out interim financial statements of the Orion Fund II Portfolio described below for all periods prior to the Transactions, as these assets are ultimately under common control before and after the Transactions and there has been no substantive change in operations.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value as at the relevant balance sheet date. These condensed consolidated interim financial statements are presented in United States ("US") dollars, which is the Company's functional currency. References to "CAD $" refer to Canadian dollars.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

Accordingly, certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these condensed consolidated interim financial statements should be read in conjunction with Orion Fund II Portfolio's (the acquirer of the RTO) audited combined carve-out financial statements for the year ended December 31, 2019.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Orion Fund II Portfolio's audited combined carve-out financial statements for the year ended December 31, 2019, except for the significant accounting policies described in Note 3.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. The critical judgments and estimates applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 4 of Orion Fund II Portfolio's audited combined carve-out financial statements for the year ended December 31, 2019.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on November 9, 2020.

Basis of presentation prior to the RTO and relationship with Orion Group

The comparative financial information as at December 31, 2019, for the periods ended September 30, 2019 and for the period from January 1, 2020 to May 27, 2020, have been prepared in accordance with IFRS using accounting policies consistent with those applied and disclosed in the Orion Fund II Portfolio's audited combined carve-out financial statements for the year ended December 31, 2019.

Historically, the combined carve-out financial statements have been prepared by management of OMF Fund II SO Ltd. ("OMF SO") in connection with the February 23, 2020 agreement for the proposed sale of a portfolio of investments in mining assets owned by the Orion Group, to Guerrero Ventures Inc. in exchange for common shares of the Company as consideration (the "Orion Vend In Agreement").

Through the Orion Vend In Agreement, Nomad acquired, among other things, the following assets from Orion (referred to herein as the "Orion Fund II Portfolio"):

1. Blyvoor Gold Stream;
2. Woodlawn Silver Stream and Lead Marketing Fee Arrangement;
3. Mercedes and South Arturo Silver Streams; and
4. Premier Gold Prepay Loan.

The above Orion Fund II Portfolio assets were acquired through the purchase of the shares of OMF SO and the direct purchase of Woodlawn Silver Stream from OMF Fund II (Li) LP ("OMF Li"). OMF SO was a holding company whose sole business activity was to hold various stream and other assets. Prior to the completion of the Orion Vend In Agreement, the business of OMF SO was reorganized such that its sole business activity is to hold the Blyvoor Gold Stream, the Mercedes and South Arturo Silver Streams and the Premier Gold Prepay Loan.

The comparative financial information represents the activities, assets and liabilities of the Orion Fund II Portfolio on a "carve-out" basis, rather than representing the legal structure. For all comparative periods presented, the economic activities related to the Orion Fund II Portfolio are combined as they were under common control. Historically, financial statements have not been prepared by the Orion Group for the Orion Fund II Portfolio as they had not been operated as a separate business by the Orion Group. Accordingly, the financial statements for periods prior to the RTO reflect the financial statements for the Orion Fund II Portfolio in a manner consistent with how the Orion Group managed the Orion Fund II Portfolio and as though the Orion Fund II Portfolio had been a separate entity. All material assets and liabilities specifically identified to the Orion Fund II Portfolio and all material revenues and expenses specifically attributable to the Orion Fund II Portfolio and allocations of overhead expenses have been presented in the financial statements for periods prior to the RTO.

Where appropriate, certain transactions and balances have been attributed to the Orion Fund II Portfolio based on specific identification or allocation. This allocation has been completed based on the following general process:

- Receivables and payables: unless balances could be specifically assigned, these are not allocated to the investments.
- Management fee expenses are allocated according to the respective cost of investments.
- Other general and administrative expenses: unless they can be specifically assigned, these are allocated across all investments according to the fair market value of the investments.
- Cash balances: For periods prior to January 1, 2020, the Orion Fund II Portfolio did not maintain its own cash accounts and all historical cash flows were received and paid by the Orion Funds that owned the portfolio of assets. As a result, no cash balances were included in the condensed combined carve-out interim financial statements and the net cash flows were reflected in the Net Parent Investment equity account for periods prior to January 1, 2020.

Net parent investment represents contributions by Orion to the Orion Fund II Portfolio for purposes of investment in the Orion Fund II Portfolio assets less amounts owed to Orion for management fees and other general and administrative expenses and the net cash flows of the Orion Fund II Portfolio from the purchase and sale of metals, as the Orion Fund II Portfolio did not hold its own cash balances as noted above.

The comparative financial information do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had Orion Fund II Portfolio operated as an independent entity and had it presented stand-alone financial statements during the periods presented.

COVID-19

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The spread of COVID-19 around the world in 2020 has caused significant volatility in Canada, U.S. and international markets. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. The Company completed a review of the operating mines on which the Company holds royalty and stream interests to identify the impacts of COVID-19.

Note 3 – Significant Accounting Policies and critical accounting estimates and judgements

Principles of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the group has control. The Company controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Balances, transactions, income and expenses between the Company and its subsidiaries are eliminated on consolidation.

The subsidiaries of the Company, all of which are wholly-owned, and their geographic locations at September 30, 2020 were as follows:

Entity	Jurisdiction
OMF Fund II SO Ltd.	Canada
OMF Fund III (Mg) Ltd.	Canada
Valkyrie Royalty Inc.	British Columbia
Citation Minerals Inc.	British Columbia
Citation International Holdings Inc.	Ontario

Cash and cash equivalents

Cash includes cash on hand and deposits held with banks. Cash equivalents include other highly liquid short-term investments with original maturities of three months or less or that can be redeemed at any time without penalties.

Financial instruments – Financial liabilities

Financial liabilities at amortized cost
This category includes accounts payable and accrued liabilities and deferred payment liability (debt host component), all of which are recognized initially net of any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss
This category includes the conversion option embedded in the deferred payment liability (derivative component), which is initially recognized at fair value and carried subsequently at fair value with changes in fair value recognized in the statement of income. The embedded derivative that constitutes the conversion option is recorded at fair value separately from the host contract, as its economic characteristics and risks are not clearly and closely related to those of the host contract.

Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred income taxes are recognized as a component of net income except to the extent that they relate to items recognized directly in equity or as a component of the other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax laws enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for, if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

Warrants

Share purchase warrants are classified as equity. Incremental costs directly attributable to the issuance of share purchase warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs. Upon exercise, the original consideration is reallocated from warrants to common shares.

Share-based compensation

The Company recognizes share-based compensation expense for all share purchase options, restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”) awarded to employees, officers and directors based on the fair values of the share purchase options, RSUs, PSUs and DSUs at the date of grant. The fair values of share purchase options, RSUs, PSUs and DSUs at the date of grant are expensed over the vesting periods of the share purchase options, RSUs, PSUs and DSUs, respectively, with a corresponding increase to contributed surplus.

The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. Share purchase options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. The fair value of RSUs, PSUs and DSUs is the market value of the underlying shares at the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and the anticipated performance factor for PSUs and recognizes the impact of any revisions to this estimate in the consolidated statement of income.

Any consideration paid on exercise of share options is credited to share capital. The contributed surplus resulting from share-based compensation is transferred to share capital when the options are exercised.

Net income (loss) per share

The earnings per share calculation (“EPS”) is based on the weighted average number of shares outstanding for each period. The basic EPS is calculated by dividing the profit or loss attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the period.

The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The treasury stock method is used to determine the dilutive effect of the share options, RSUs, PSUs and DSUs and the if-converted method is used for the convertible deferred payment. When the Company reports a loss, the diluted net loss per common share is equal to the basic net loss per common share due to the anti-dilutive effect of the outstanding share options, RSUs, PSUs, DSUs and the convertible deferred payment.

Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer (“CEO”) who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Company’s operating segments. The Company manages its business under a single operating segment, consisting of acquiring and managing precious metal and other royalty and stream interests.

Critical accounting estimates and judgements

The critical accounting estimates and judgements used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in the Orion Fund II Portfolio's audited combined carve-out financial statements for the year ended December 31, 2019, except for the following:

Income taxes

The interpretation and application of existing tax laws, regulations or rules in Canada or any of the countries in which the Company's subsidiaries or the mining operations in which the Company holds interests are located or to which deliveries of precious metals are made requires the use of judgment. The likelihood that tax positions taken will be accepted is assessed based on facts and circumstances of the relevant tax position considering all available evidence. Differing interpretation of these laws, regulations or rules could result in an increase in the Company's taxes, or other governmental charges, duties or impositions.

In assessing the probability of realizing deferred income tax assets, the Company makes estimates related to expectations of future taxable income, including the expected timing of reversals of existing temporary differences. Such estimates are based on forecasted cash flows from operations which require the use of estimates and assumptions such as long-term commodity prices and recoverable metal ounces. The amount of deferred income tax assets recognized on the balance sheet could be reduced if the actual taxable income differs significantly from expected taxable income. The Company reassesses its deferred income tax assets at the end of each reporting period.

Note 4 - New Accounting Pronouncements

The following new standard is effective for the first time for the annual periods beginning on or after January 1, 2020 and have been applied in preparing these condensed consolidated interim financial statements:

Amendment to IFRS 3 Business Combinations
The amendments to IFRS 3 clarify the definition of a business and include an optional concentration test to determine whether an acquired set of activities and assets is a business. The Company adopted the amendment to IFRS 3 on January 1, 2020 and applied these amendments to acquisition transactions.

Amendments to IAS 1 Presentation of Financial Statements
The amendments to IAS 1 *Presentation of Financial Statements* provide a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements for general purposes make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Company adopted IAS 1 on January 1, 2020, which did not have impact on the consolidated financial statements disclosures.

New standards and interpretations not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current.

The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Note 5 – Reverse Take-over and Related Transactions

On May 27, 2020, Nomad completed a transaction in connection with the (i) Orion Vend In Agreement entered into among the Company and the Orion Group; and the (ii) Royalty and Contingent Payment Purchase Agreement dated February 23, 2020 (collectively with the Orion Vend In Agreement, the "Vend In Agreements") entered into among the Company and the Yamana Group. The Vend In Agreements involved the acquisition by Nomad of an aggregate of six stream and gold loan assets from the Orion Group for total consideration of $268.3 million (including $221.8 million for the Orion Fund II Portfolio and $46.5 million for the Bonikro Gold Stream) as well as the acquisition of three royalties and a contingent payment on the commencement of commercial production of one project from the Yamana Group for a total consideration of $65 million (the "Yamana Portfolio") (collectively the "RTO Transaction").

In connection with the RTO Transaction, the Company completed a private placement of 14,777,778 subscription receipts for gross proceeds of $9.7 million (CAD $13.3 million) through a syndicate of securities dealers (the "Financing"). A portion of the proceeds from the Financing was used to fund the cash component of the consideration payable to the Yamana Group. Upon completion of the Vend In Agreements, each subscription receipt was automatically exchanged for one common share of the Company.

The Company satisfied the purchase price payable to the Orion Group by issuing 396,455,965 common shares at a price of CAD $0.90 per share. Additionally, the Company satisfied the purchase price of the Yamana Portfolio by issuing 66,500,000 common shares to the Yamana Group at a price of CAD $0.90 per share and by paying $20 million in cash (the "Yamana Cash Consideration"). Pursuant to a Deferred Payment Agreement between the Company and the Yamana Group, the Company will pay $10 million of the Yamana Cash Consideration through a deferred payment (the "Deferred Payment"), which has a two-year term (subject to an early redemption feature) and bears interest at an annual rate of 3%. The principal amount of the deferred payment and interest thereon is convertible, at any time, at the option of the Yamana Group into common shares of the Company at a price of CAD $0.90 per share.

In connection with the RTO Transaction, Nomad, the Orion Group and the Yamana Group entered into an investor rights agreement dated May 27, 2020 (the "IRA") which is governing the relationship of Nomad with the Orion Group and the Yamana Group as shareholders of the Company and providing both the Orion Group and the Yamana Group with nomination rights to the Board of the Directors of the Company, registration rights as well as the right to maintain their respective ownership interest in the Company. Pursuant to the IRA, the common shares of Nomad issued to the Orion Group in the RTO Transaction were subject to a 12-month lockup period while those issued to the Yamana Group were subject to a six-month lockup period.

The RTO Transaction resulted in a reverse take-over of Nomad by the Orion Fund II Portfolio, whereby the Orion Fund II Portfolio was deemed to have acquired control of Nomad through the deemed issuance of 33,282,236 common shares to Nomad's shareholders based on Nomad's net assets as at May 27, 2020. Consequently, these condensed consolidated interim financial statements reflect only the assets, liabilities, operations and cash flows of Orion Fund II Portfolio for dates and periods prior to May 27, 2020 and include Nomad's assets and liabilities since May 27, 2020.

This transaction constitutes a reverse take-over of the Company but does not meet the definition of a business combination under IFRS 3 *Business Combinations*. Accordingly, the reverse take-over transaction was accounted for as an acquisition of assets and assumption of liabilities taking into account the application of IFRS 2 *Share-based Payment*.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

In accordance with IFRS 2, equity instruments issued were recognized at fair value of net assets acquired and services received. Services received by the Company consist in the listing of the Company on the TSX and are measured at the amount of the excess of the fair value of equity instruments, which include the issuance of the Company’s shares and share options to the existing share and option holders over the Company's net assets acquired. The transaction with the Company is thus recognized in substance as if Orion Fund II Portfolio had proceeded to the issuance of shares and share options to acquire the Company’s net assets on May 27, 2020.

As a result of the transactions, the tax bases of Orion Fund II Portfolio assets were increased, creating temporary differences, and these assets became taxable in Canada, for which a deferred tax asset and a corresponding income tax recovery of $35,258,000 was recorded. Deferred tax asset has been recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The acquisition of the Company has been accounted for as follows:

Consideration paid for the deemed acquisition of the Company:	$
33,282,236 common shares deemed issued to the Company's existing shareholders (1)	21,737
2,425,000 share options deemed issued to the Company's existing optionholders (2)	1,108
Transaction costs	1,102
	23,947
Net assets of Guerrero Ventures Inc. deemed acquired as at May 27, 2020:	
Net assets	455
Listing expenses	23,492

(1) Based on the 33,282,236 common shares outstanding as at May 27, 2020. The price of the shares was based on the pricing of the Financing.

(2) Based on the 2,425,000 share options outstanding as at May 27, 2020. The fair value of the share options was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: risk-free interest rate of 0.4%, average projected volatility of 41%, dividend yield of 2.2%, average expected life of share options of 4.2 years for a fair value of the share options of $0.46 per share option.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

The RTO Transaction also led to the acquisitions of the Bonikro Gold Stream and the Yamana Portfolio by the Company, which have been recorded as acquisitions of assets as neither the acquired assets and assumed liabilities constitute businesses under IFRS 3 *Business Combinations*. The net assets of the Bonikro Gold Stream and the Yamana Portfolio acquired were recorded at the fair value of the consideration paid and allocated to the assets and liabilities based on their estimated relative fair values as at May 27, 2020. As such, the consideration paid and the allocation to the net assets acquired, are summarized as follows:

	Bonikro Gold Stream	**Yamana Portfolio**
Consideration paid for the acquisitions:	$	$
68,738,445 common shares issued to Orion Group [(1)]	38,160	—
66,500,000 common shares issued to the Yamana Group [(2)]	—	37,786
Deferred Payment to Yamana – debt host[(3)]	—	8,680
Fair value of conversion option of Deferred Payment to the Yamana Group[(3)]	—	1,320
Cash[(4)]	—	10,000
Nomad’s transaction costs[(5)]	—	177
	38,160	57,963
Assets acquired and liabilities assumed:		
Cash	3,149	—
Royalty and stream interests	35,011	57,963
	38,160	57,963

(1) The fair value of the consideration paid in common shares represents the fair value of the shares based on the pricing of the concurrent private placement minus a discount to take into account the twelve-month restrictions on their sales.

(2) The fair value of the consideration paid in common shares represents the fair value of the shares based on the pricing of the concurrent private placement minus a discount to take into account the six-month restrictions on their sales.

(3) The Deferred Payment is a financial instrument, comprising a debt host and a conversion option. The initial carrying amount of $8,680,000 for the debt host represents the residual amount of the Deferred Payment after separating out the $1,320,000 fair value of the embedded conversion option derivative estimated using a Monte-Carlo valuation model to simulate the future CAD to US dollar exchange rate and the Company’s future share price (Note 8).

(4) At closing of the RTO Transaction, $2,241,000 was retained from the Cash Consideration to pay the withholding taxes payable in Brazil related to the gain realized by the Yamana Group. This amount was paid to the Brazilian tax authorities during the second quarter of 2020.

(5) Transaction costs were paid during the three months ended September 30, 2020.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 6 - Gold Prepay Loan

In September 2016, the Orion Fund II Portfolio provided a $42.2 million senior-secured gold prepay facility to Premier Gold Mines Limited (“Premier”). The investment is secured by the assets of the Mercedes mine and the South Arturo mine. Under this arrangement, Orion Fund II Portfolio obtained the right to receive 2,450 ounces (“oz.”) of gold in kind and interest of 6.5% payable quarterly in cash.

On March 4, 2020, Orion Fund II Portfolio increased the principal amount outstanding under its existing gold prepay agreement by $15,500,000 with Premier and extended the maturity date to June 30, 2023 being required to deliver each quarter 2,450 ounces of refined gold to Orion Fund II Portfolio until June 30, 2020, and 1,000 ounces of refined gold thereafter, until an aggregate of 16,900 ounces of refined gold (inclusive of the ounces remaining under the existing gold prepay agreement) have been delivered to the Company. As per the adjustments to the quarterly gold quantity and aggregate gold quantity clause of the agreement ("Threshold Gold Price Clause"), if the quarterly average gold price is greater than $1,650 per ounce, then the aggregate gold quantity deliverable is reduced by 100 ounces of refined gold, effective as of the first day of the next quarter (and if the quarterly average gold price is less than $1,350 per ounce, then the aggregate gold quantity deliverable is increased by 100 ounces of refined gold). As at September 30, 2020, an aggregate of 11,000 ounces of refined gold remained to be delivered under the gold prepay agreement before adjustment to Threshold Gold Price Clause.

	For the three months ended September 30, 2020	**For the nine months ended September 30, 2020**
	$	$
Opening balance	17,172	6,842
Increase in principal of gold prepay loan	—	15,500
Gold deliveries	(1,698)	(9,972)
Interest received	(259)	(730)
Change in fair value	1,392	4,967
Closing balance	**16,607**	**16,607**

Based on the gold delivery schedule, current and non-current portions of the gold prepay loan is as follows:

	September 30, 2020
	$
Total	16,607
Less: current portion	(7,024)
Non-current portion	9,583

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 7 – Royalty and Stream Interests

The following table summarizes the carrying values of the Company's royalty and stream interests as at September 30, 2020:

	Costs			**Accumulated depletion**			**Carrying amount**
	Balance – January 1, 2020	**Additions**	**Balance – September 30, 2020**	**Balance – January 1, 2020**	**Depletion**	**Balance – September 30, 2020**	**Balance – September 30, 2020**
Stream interests							
Blyvoor Gold Stream	37,000	—	37,000	—	—	—	37,000
Woodlawn Silver Stream	19,000	—	19,000	(35)	(367)	(402)	18,598
Mercedes and South Arturo Silver Streams	20,086	—	20,086	(7,078)	(2,003)	(9,081)	11,005
Bonikro Gold Stream	—	35,011	35,011	—	(2,545)	(2,545)	32,466
Total – Stream interests	**76,086**	**35,011**	**111,097**	**(7,113)**	**(4,915)**	**(12,028)**	**99,069**
Royalty interests							
RDM Gold Royalty	—	5,817	5,817	—	(525)	(525)	5,292
Gualcamayo Gold Royalty	—	39,634	39,634	—	—	—	39,634
Suruca Gold Royalty	—	12,512	12,512	—	—	—	12,512
Troilus Gold Royalty	—	8,575	8,575	—	—	—	8,575
Moss Gold Royalty	—	8,924	8,924	—	—	—	8,924
Total – Royalty interests	**—**	**75,462**	**75,462**	**—**	**(525)**	**(525)**	**74,937**
	76,086	**110,473**	**186,559**	**(7,113)**	**(5,440)**	**(12,553)**	**174,006**

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Acquisitions

On July 31, 2020, the Company completed the acquisitions of net smelter return ("NSR") royalty on the Troilus Gold Project. The Company satisfied the purchase price payable to a private vendor by issuing 5,769,231 units of the Company and by paying 1.9 million in cash.

On September 28, 2020, the Company completed the acquisition of Valkyrie Royalty Inc., the owner of a 0.5% to 3% NSR royalty on the Moss Gold Mine by issuing 7,399,970 common shares.

The acquisitions have been recorded as acquisitions of assets as the acquired assets do not constitute businesses under IFRS 3. The assets acquired were recorded at the fair value of the consideration paid and allocated to the assets and liabilities based on their estimated relative fair values. The consideration paid and the allocation to the net assets acquired are summarized as follows:

	Troilus Gold Royalty	Moss Gold Royalty
Consideration paid for the acquisitions:	$	$
5,769,231 common shares issued to private vendor(1)	6,456	—
7,399,970 common shares issued to acquire Valkyrie Royalty Inc. (2)	—	8,906
2,884,616 share purchase warrants issued to private vendor(1)	209	—
Cash	1,869	—
Nomad's transaction costs	41	95
	8,575	9,001
Assets acquired:		
Other assets acquired	—	77
Royalty interests	8,575	8,924
	8,575	9,001

(1) The purchase price was satisfied by the issuance of 5,769,231 units of the Company. Each unit consisted of one common share and one-half of one common share purchase warrant of Nomad. The share purchase warrants entitle the holders to purchase one common share of the Company at a price of CAD $1.75 per common share for a period of 2 years. The warrants are callable by the Company if the daily volume weighted average trading price of the common shares on the TSX exceeds CAD $2.19 for a period of 20 consecutive trading days. The fair value of the share purchase warrants was estimated using the Black-Scholes option pricing model and adjusted to reflect the impact of the callable option by the Company based on the following weighted average assumptions: risk-free interest rate of 0.3%, average projected volatility of 49%, dividend yield of 1.3%, average expected life of warrants of 2 years for a fair value of the share options of CAD $0.10 per share purchase warrant.

(2) The fair value of the consideration paid in common shares is calculated with reference to the closing price of the Company's common shares on the TSX on the business day prior to the date of the issuance.

A brief overview of the above assets is as follows:

Blyvoor Gold Stream
The Blyvoor Gold Stream is a gold stream interest on the Blyvoor Gold Mine in South Africa. The Blyvoor Gold Mine is owned and operated by Blyvoor Gold Capital (Pty.) Ltd. ("Blyvoor Gold") and is in its final construction and restart phase with initial production currently expected to commence in late 2020 or early 2021.

The following is a summary of the material terms of the Blyvoor Gold Stream:

- For the first 300,000 ounces of gold delivered under the stream, a 10% gold stream on the first 160,000 ounces of gold produced within a calendar year, then 5% stream on any additional gold produced within the calendar year;
- following delivery of the first 300,000 ounces of gold, but until the production of the first 10.32 million ounces of gold, a 0.5% stream on the first 100,000 ounces of gold produced in each calendar year; and
- the gold production at the Blyvoor Gold Mine is subject to an ongoing payment of $572 per ounce.

The Blyvoor Gold Stream is secured against the property and assets of Blyvoor Gold.

Woodlawn Silver Stream

The Woodlawn Silver Stream is a silver stream on the Woodlawn Mine located in Australia. The Woodlawn Mine is operated by Heron Resources and has been put into care and maintenance due to COVID-19 from the commissioning stage.

The following is a summary of the material terms of the Woodlawn Silver Stream Agreement:

- The stream amount on payable silver is as follows:
    - 80% of the number of ounces of payable silver contained in the product until 2,150,000 ounces of refined silver have been sold and delivered;
    - thereafter, 40% of the number of ounces of payable silver contained in the product until 3,400,000 ounces of refined silver have been sold and delivered;
    - thereafter, 25% of payable silver for the remaining life of mine after; and
    - subject to an ongoing payment of 20% of the prevailing silver market price for each ounce of silver acquired.
- The stream amount on payable zinc is as follows:
    - Silver stream based on payable zinc where the amount of zinc is converted to silver at a rate of 170.2 ounces of silver per metric tonne of zinc;
    - zinc stream rate of 0.30% until 140 tonnes of payable zinc have been delivered, thereafter, 1.15% until 910 tonnes of payable zinc delivered (in the aggregate), thereafter, 2.25% until 4,200 tonnes of payable zinc have been delivered (in the aggregate), and thereafter, 0.75% of payable zinc for the remaining life of the mine; and
    - subject to an ongoing payment of 20% of prevailing silver market price.

As part of the stream arrangement, the Company is entitled to a marketing fee equal to 0.2% fee payable on each tonne of payable lead contained in the project lead concentrates of the Woodlawn mine until such time as the fees has been paid for and in respect of 100,000 tonnes of payable lead.

The Woodlawn Silver Stream is secured by, among other things, a security interest in all of the present and after acquired property of the seller.

Mercedes and South Arturo Silver Streams

The Mercedes and South Arturo Silver Stream is a silver stream interest on the Mercedes Mine and South Arturo Mine, which are located in Mexico and Nevada (USA), respectively. The Mercedes Mine is wholly-owned and operated by Premier Gold Mines Limited (“Premier Gold”) while the South Arturo Mine is 60% owned by Nevada Gold Mines LLC, a joint venture between Barrick Gold Corporation and Newmont Corporation, and 40% by Premier Gold. Both mines are currently in production.

The following is a summary of the material terms of the Mercedes and South Arturo Silver Stream:

- Delivery of (i) 100% on the silver production from the Mercedes Mine and 100% on the silver production from the South Arturo Mine attributable to Premier Gold (40% attribution), until a total of 3.75 million ounces of refined silver have been delivered; and (ii) after a total of 3.75 million ounces of refined silver have been delivered, the delivery will be reduced to 30%;
- minimum annual delivery of 300,000 ounces of refined silver until the cumulative delivery of 2.1 million ounces; and
- subject to an ongoing cash purchase price equal to 20% of the prevailing silver market price.

The Mercedes and South Arturo Silver Stream is secured by, among other things, a continuing security interest and a second-ranking encumbrance.

Bonikro Gold Stream

The Bonikro Gold Stream is a gold stream on the Bonikro Gold Mine located in Côte d'Ivoire. The Bonikro Gold Mine is operated by Allied Gold Corp.

The following is a summary of the material terms of the Bonikro Gold Stream:

- Delivery of 6% of refined gold in respect of each lot, until both (i) 650,000 ounces of refined gold have been outturned following the closing date of the stream agreement; and (ii) 39,000 ounces of refined gold have been delivered;
- thereafter, 3.5% of refined gold in respect of each lot, until both (i) 1,300,000 ounces of refined gold have been outturned; and (ii) 61,750 ounces of refined gold have been delivered;
- thereafter, 2% of refined gold in respect of each lot; and
- subject to an ongoing payment at the lesser of $400 per ounce and the gold market price on the business day immediately preceding the date of delivery.

The Bonikro Gold Stream is secured by first ranking security over all present and after acquired property of the seller and the guarantors party under the Bonikro Gold Stream agreement dated October 7, 2019.

Deliveries under the Bonikro Gold Stream were settled on a net cash basis as opposed to physical settlement until the beginning of June 2020. Since then, the Company has been receiving physical delivery of gold.

RDM Gold Royalty

The RDM Gold Royalty consists of a NSR royalty on the RDM Gold Mine, which is located in Brazil. The RDM Gold Mine is operated by Mineração Riacho dos Machados, a wholly-owned Brazilian subsidiary of Equinox Gold Corp. (the company resulting from the combination of

Equinox Gold Corp. and Leagold Mining Corporation pursuant to an arrangement that became effective on March 10, 2020) and is currently in production.

The details of the RDM Gold Royalty are as follows:

- 1% NSR royalty on the revenue related to the sale of gold; and
- 2% NSR royalty on the revenue related to sale of mineral products which originates in any other minerals (base metals); and
- payable on a semi-annual basis in February and August of every year.

Gualcamayo Gold Royalty

The Gualcamayo Gold Royalty consists of a NSR royalty on the Gualcamayo Mine which is situated in Argentina and is currently operated by Mineros S.A. The oxides component of the Gualcamayo Mine is in production. The deep carbonates project ("DCP") component of the mine is at the pre-feasibility study stage of development.

The details of the Gualcamayo Gold Royalty, including the DCP commercial production payment, are as follows:

- 2% NSR royalty based on the production from the oxides, excluding the first 396,000 ounces (estimated at 275,000 ounces from January 1, 2020, onwards) of gold contained in product produced from the non-DCP component of the mine; the maximum aggregate amount payable under the Gualcamayo Gold Royalty is capped at $50 million;
- 1.5% NSR royalty on production from the DCP in perpetuity; and
- DCP commercial production payment of $30 million upon commencement of the DCP commercial production whereby the Company is entitled to be paid by Mineros Chile S.A. the DCP commercial production payment within five business days of commencement of the DCP commercial production. The Gualcamayo DCP component of the mine has not declared commercial production as at September 30, 2020.

Suruca Gold Royalty

The Suruca Gold Royalty consists of a 2% NSR royalty on the Suruca gold deposit upon which the Suruca Project is being developed. The Suruca Project is located in Brazil. The Suruca Project is a gold development project operated by Mineração Maracá Indústria e Comércio S.A., the owner of the Chapada Copper-Gold Mine and a subsidiary of Lundin Mining Corporation. The Suruca Project is not yet in production.

Troilus Gold Royalty

The Troilus Gold Royalty consists of a 1% NSR royalty on all metals and minerals produced from 81 mining claims and one surveyed mining lease comprising the Troilus Gold Project. The Troilus Gold Project is an advanced gold exploration project located within the Frotêt-Evans Greenstone Belt in Québec, Canada and operated by Troilus Gold Corp.

Moss Gold Royalty

The Moss Gold Royalty consists of a 0.5% to 3% NSR Royalty on all metals and minerals produced from specific claims within the Moss Gold Mine as follows:

- a 1.0% NSR Royalty on certain patented lode claims with no other royalty within the Moss Gold Mine;
- a 0.5% overriding NSR Royalty on all production within the Moss Gold Mine derived from certain patented load claims with other royalty interests; and
- a 3% NSR on any and all production derived from 63 unpatented lode claims within the Moss Gold Mine and on public lands within one mile of Moss Gold Mine's outside perimeter of the present claim boundary.

The Moss Gold Mine is located in Arizona, U.S.A., and has been producing since 2018 by the operator Northern Vertex Mining Corp.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 8 – Deferred Payment Liability

Pursuant to the terms of the Deferred Payment described in Note 5, the Company exercised the option to pay up to $10 million of the Yamana Cash Consideration through a deferred payment, which has a term of two years (subject to early redemption features), bears interest at an annual rate of 3%, payable on a quarterly basis, and is convertible at any time, in whole or in part, at the option of the Yamana Group, into Nomad's common shares at a price of CAD $0.90 per common share. Nomad may pay the Deferred Payment in full at the end of one year, subject to an additional payment by Nomad equal to 5% of the deferred cash payment.

The Deferred Payment is a compound financial instrument, comprising a debt host ("Deferred Payment Liability") and a conversion and early redemption options portion ("Conversion option"), and they are presented in their entirety as financial liabilities in the consolidated interim balance sheets. The initial carrying amount of $8,680,000 for the debt host represents the residual amount of the Deferred Payment after separating out the $1,320,000 fair value of the embedded Conversion option derivative estimated using a Monte-Carlo valuation model to simulate the future CAD to US dollar exchange rate and the Company's future share price. The Monte-Carlo valuation model also takes into consideration assumptions related to timing and probability of occurrence.

	Debt host	**Conversion option**	**Total**
	$	$	$
Balance as at January 1, 2020	—	—	—
Deferred Payment to the Yamana Group (Note 5)	8,680	1,320	10,000
Change in fair value of Conversion option	—	8,059	8,059
Finance costs [1]	313	—	313
Interest paid	(104)	—	(104)
Balance as at September 30, 2020	**8,889**	**9,379**	**18,268**

[1] Finance costs are calculated by applying the effective interest rate of 10.4% to the debt host.

From a liquidity perspective, the maximum amount that could be paid, if the Deferred Payment is not converted prior to maturity, is $10 million or $10.5 million if Nomad elects to pay the Deferred Payment in full at the end of year one, plus the 3% interest on the $10 million nominal amount.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 9 – Share Capital

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares having no par value and an unlimited number of preference shares issuable in one or more series. As at September 30, 2020, no preference shares were outstanding.

Changes in the Company's common shares issued and outstanding for the nine months ended September 30, 2020 were as follows:

	Number of shares	Amount
		$
Balance as at January 1, 2020 - Shares issued to the Orion Group as part of the RTO (a)[(1)]	327,717,520	93,540
Common shares deemed issued to the Company's existing shareholders prior to the RTO (a)	33,282,236	21,737
Shares issued in consideration for the acquisition of the Bonikro Gold Stream (Note 5)	68,738,445	38,160
Shares issued in consideration for the acquisition of the Yamana Portfolio (Note 5)	66,500,000	37,786
Shares issued in consideration for the acquisition of the Troilus Gold Royalty (Note 7)	5,769,231	6,456
Shares issued in consideration for the acquisition of Valkyrie Royalty Inc. (Note 7)	7,399,970	8,906
Shares issued in connection with the Financing (b)	14,777,778	9,652
Shared issued in settlement of restricted share units (Note 10)	341,147	271
Share issue expense, net of income taxes of $194,540 (b)	—	(540)
Balance as at September 30, 2020	**524,526,327**	**215,968**

(1) Corresponds to the parent's net investment at the time of the RTO Transaction due to the use of the continuity of interest method of accounting. For purposes of these financial statements, these shares are deemed to have been outstanding since January 1, 2019.

(a) Reverse take-over

On May 27, 2020 and as described in Note 5, the transaction between the Orion Group and the Company was considered to be a reverse take-over of the Company by Orion Portfolio Fund II whereby Orion Portfolio Fund II has acquired control of the Corporation through the deemed issuance of 33,282,236 common shares to the Company's existing shareholders. The price of the shares issued was based on the pricing of the Financing at CAD $0.90 per common share for an amount of $21,737,000. As part of the RTO Transaction, 327,717,520 common shares were issued to the Orion Group.

(b) *Private placement*

On May 27, 2020 and as described in Note 5, concurrently with the RTO Transaction and to fund a portion of the Yamana Cash Consideration, Nomad completed a private placement and issued 14,777,778 common shares at a price of CAD $0.90 per common share, for total gross proceed of $9,652,000 (CAD $13,300,000). The Company incurred $694,000 as share issue expense, including commission of the underwriters. Officers of the Company participated in the Financing for a total consideration of $376,000 (CAD $518,000) under the same terms as other investors.

Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that the Company can continue to maximize returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Company defines capital as total equity attributable to common shareholders. Capital is managed by the Company's management and governed by the Board of Directors.

On August 17, 2020, the Company entered into a credit agreement for a $50 million revolving credit facility (the "Facility") with an option to increase to $75 million, subject to satisfaction of certain conditions. The Facility is secured by all of the Company's assets and has an 18-month term, extendable through mutual agreement between Nomad and the lenders. Drawn funds will bear interest at a US base rate or LIBOR rate plus applicable margins between 2.25% and 4.25% depending on the Company's leverage ratio. The Facility is also subject to a standby fee of 0.73125% to 0.95625% depending on the Company's leverage ratio. Deferred financing costs, classified as *Other assets* and related to the Facility amounted to $414,000 and are amortized over the term of the Facility. For the three and nine months ended September 30, 2020, amortization of $35,000 was recorded as *Finance costs.* As at September 30, 2020, no amount was drawn under the Facility. In connection with the Facility, the Company is subject to certain covenants. As at September 30, 2020, the Company is in compliance with all covenants under the Facility.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 10 – Share-based compensation

On April 14, 2020, the Shareholders of the Company approved a share purchase option plan (the "Nomad Option Plan"), a share unit plan (the "Nomad Share Unit Plan"), and a deferred share unit plan (the "Nomad DSU Plan") (together, the "Plans"). The Plans became effective upon the listing of the common shares of the Company on the TSX, on May 29, 2020.

The Plans permit the issuance of options to purchase common shares ("Option"), restricted share units ("RSU"), performance share units ("PSU") and deferred share units ("DSU") which, together with the Company's other share compensation arrangements, may not exceed 10% of the Company's issued and outstanding common shares as at the date of the grant. No participant will be able to hold Options, RSUs, PSUs or DSUs with respect to such number of common shares that would exceed 5% of the number of common shares issued and outstanding. In addition, within any one-year period, the number of common shares issued to insiders of the Company under the Plans, cannot exceed 10% of the common shares then issued and outstanding.

Share options

The Company established the Nomad Option Plan, an equity-settled plan, whereby the Company's Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The exercise price of an Option, determined by the Board of Directors, is not less than the closing price of the common shares on the TSX on the last trading day preceding the grant date. The duration and the vesting period are determined at the discretion of the Company's Board of Directors. However, the expiry date may not exceed 10 years after the grant date.

The Nomad Option Plan replaced the Guerrero Ventures Inc.'s share purchase option plan (the "Guerrero Option Plan") following the completion of the RTO Transaction. The 2,425,000 options outstanding under the Guerrero Option Plan continue to be exercisable.

Set out below are summaries of options granted under the Nomad Option Plan and the Guerrero Option Plan:

	Number of Options	**Weighted average exercise price per share**
		CAD $
Options outstanding as at January 1, 2020	—	—
Options deemed issued upon the RTO (Note 5)	2,425,000	0.20
Granted	7,706,000	1.02
Options outstanding as at September 30, 2020	10,131,000	0.83
Options exercisable as at September 30, 2020	7,425,000	0.82

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

A summary of the Company's Options as of September 30, 2020 is as follows:

Exercise Price	Number of Options outstanding	Number of Options exercisable	Weighted Average Remaining Contractual Life (in years)
(CAD $)			
0.20	2,425,000	2,425,000	3.8
0.90	5,000,000	5,000,000	3.9
1.23	2,523,300	—	4.7
1.50	182,700	—	4.8
	10,131,000	**7,425,000**	**4.1**

The Company expenses the fair value of the Options that are expected to vest, over the vesting period, using the Black-Scholes option pricing model to estimate the fair value at the date of grant. The model requires the use of subjective assumptions, including expected share price volatility. Expected volatility is determined by benchmarking comparable situations for companies that are similar to the Company. The weighted average fair value of share purchase Options granted, and principal assumptions used in applying the Black-Scholes option pricing model are as follows:

	For the nine months ended September 30, 2020
Black-Scholes weighted average assumptions	
Grant date share price and exercise price	C$0.99
Expected dividend yield	2.1 %
Expected volatility	40 %
Risk-free interest rate	0.4 %
Expected Option life, in years	4.4
Weighted average fair value per Option granted	$0.27

The fair value of the Options is recognized as compensation expense over the vesting period. For the three and nine months ended September 30, 2020, the total share-based compensation related to options amounted to $115,000 and $1,010,000 respectively (2019 – nil) and is classified under *Share-based compensation*.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Restricted and performance share units

The Company established the Nomad Share Unit Plan, whereby the Company's Board of Directors may, from time to time, grant RSUs and PSUs to officers, employees and consultants of the Company.

Each RSU and PSU entitles the participant to receive, at the Company's discretion, one common share, its cash equivalent or a combination of common share and cash. The Company intends to settle these RSU and PSU in the form of common shares and therefore, the Nomad Share Unit Plan is considered an equity-settled plan. At the time of granting RSUs or PSUs under the Nomad Share Unit Plan, the Board of Directors determines, in its sole discretion, any vesting conditions, settlement period or other conditions applicable to such grant; and in case of PSUs determine the level of attainment of the performance objectives which must be attained for any PSUs to be earned.

RSUs give the holder the right to receive a specified number of common shares at the specified vesting date. Compensation expense related to RSUs is recognized over the vesting period based upon the fair value of the Company's common shares on the grant date and the awards that are expected to vest. The fair value is calculated with reference to the closing price of the Company's common shares on the TSX on the business day prior to the date of grant and is adjusted in function of the applicable terms for the performance based components, when applicable. On the settlement date, one common share is issued for each RSU, after deducting any income taxes payable on the benefit earned by the RSU holder that must be remitted by the Company to the tax authorities.

Participants may elect to defer the settlement of RSUs and PSUs to a later date but not later than the expiry date of such RSUs and PSUs.

Set out below are summaries of RSUs granted under the Nomad Share Unit Plan:

	Number of RSUs	**Weighted average intrinsic value at grant date**
		CAD $
RSUs outstanding as at January 1, 2020	—	—
Granted	2,035,750	1.10
Settled	(722,850)	1.08
RSUs outstanding as at September 30, 2020	1,312,900	1.12
RSUs vested as at September 30, 2020	—	—

The fair value of the RSUs is recognized as compensation expense over the vesting period. For the three and nine months ended September 30, 2020, the total share-based compensation related to RSUs amounted to $295,000 and $724,000 respectively (2019 – nil) and is classified under *Share-based compensation*. During the three and nine months ended September 30, 2020, respectively 222,850 and 722,850 RSUs were settled (2019 – nil). As at September 30, 2020, an amount of $93,000 is recorded as income taxes payable representing the amount to be remitted by the Company to the tax authorities.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Deferred share units

The Company established the Nomad DSU Plan, whereby the Company may, from time to time, grant DSUs to non-executive directors of the Company. These directors may elect to receive all or part of the retainer fees payable to them as a member of the Board of Directors in DSUs. DSUs expire on the business day that is immediately preceding December 31 of the calendar year following the calendar year during which the non-executive director ceases to be a director of the Company and the Company may, at its sole discretion, settle the DSUs by delivering common shares, making a cash equivalent payment or a combination of common shares and cash. DSUs have the same value as common shares. Once they cease to be a member of the Board of Directors, the Company intends to settle these DSU in the form of common shares and therefore, the Nomad DSU Plan is considered an equity-settled plan.

DSUs give the holder the right to receive a specified number of common shares at the specified vesting date. Compensation expense related to DSUs is recognized over the vesting period based upon the fair value of the Company's common shares on the grant date and the awards that are expected to vest. The fair value is calculated with reference to the closing price of the Company's common shares on the TSX on the business day prior to the date of grant. On the settlement date, one common share is issued for each DSU, after deducting any income taxes payable on the benefit earned by the director that must be remitted by the Company to the tax authorities.

Set out below are summaries of DSUs granted under the Nomad DSU Plan:

	Number of DSUs	**Weighted average intrinsic value at grant date**
		CAD $
DSUs outstanding as at January 1, 2020	—	—
Granted	673,800	1.30
DSUs outstanding as at September 30, 2020	673,800	1.30
DSUs vested as at September 30, 2020	—	—

The fair value of the DSUs is recognized as compensation expense over the vesting period. For three and nine months ended September 30, 2020, the total share-based compensation related to DSUs amounted to $162,000 and $183,000 (2019 – nil) and is classified under *Share-based compensation*.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 11 – Net income (loss) per share

Basic income (loss) per share is based on net income (loss) attributable to the common shareholders and is calculated based upon the weighted average number of common shares outstanding during the periods presented. For comparative purposes, the Company's common shares issued to the parent under the RTO Transaction, have been assumed to be outstanding as of the beginning of each period presented, including periods prior to the RTO Transaction.

For the three and nine months ended September 30, 2020, all potentially dilutive common shares are deemed to be antidilutive as their impact would increase the net income (loss) per share thus diluted net income (loss) per share is equal to the basic net income (loss) per share.

Note 12 – Supplemental cash flow information

	Three months ended		**Nine months ended**	
	September 30, 2020	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Changes in other assets and liabilities				
Amounts receivable	(657)	—	(679)	—
Other assets	(370)	(2,197)	(540)	(3,773)
Accounts payable and accrued liabilities	51	(30)	847	(9)
	(976)	(2,227)	(372)	(3,782)

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 13 – Segment disclosure

The chief operating decision-maker organizes and manages the business under a single operating segment, consisting of acquiring and managing precious metal and other royalty and stream interests. All of the Company's assets and revenues are attributable to this single operating segment.

Geographic revenues

Geographic revenues from the sale of metals received or acquired from in-kind royalties, streams and other interests are determined by the location of the mining operations giving rise to the royalty or stream interests.

For the nine months ended September 30, 2020 and 2019, royalty and stream interest revenues were earned from the following jurisdictions:

	Revenue for the nine months ended September 30, 2020					
	Gold Streams	**Silver Streams**	**Royalties**	**Gold Prepay Loan**	**Total**	
	$	$	$	$	$	%
North America	—	3,453	—	9,992	13,445	67 %
South America	—	—	780	—	780	4 %
Africa	4,603	—	—	—	4,603	23 %
Australia	—	1,154	—	—	1,154	6 %
	4,603	4,607	780	9,992	19,982	100 %

	Revenue for the nine months ended September 30, 2019					
	Gold Streams	**Silver Streams**	**Royalties**	**Gold Prepay Loan**	**Total**	
	$	$	$	$	$	%
North America	—	2,419	—	10,346	12,765	100 %
	—	2,419	—	10,346	12,765	100 %

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Geographic net assets

The following table summarizes the royalty and stream interests, as at September 30, 2020 and December 31, 2019, based on the jurisdictions of the mining properties:

	As at September 30, 2020				
	Gold Streams	**Silver Streams**	**Royalties**	**Total**	
	$	$		$	%
North America	—	11,005	17,499	28,504	16 %
South America	—	—	57,438	57,438	33 %
Africa	69,466	—	—	69,466	40 %
Australia	—	18,598	—	18,598	11 %
	69,466	29,603	74,937	174,006	100 %

	As at December 31, 2019				
	Gold Streams	**Silver Streams**	**Royalties**	**Total**	
	$	$		$	%
North America	—	13,008	—	13,008	19 %
Africa	37,000	—	—	37,000	54 %
Australia	—	18,965	—	18,965	27 %
	37,000	31,973	—	68,973	100 %

Note 14 - Fair Value Measurements

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions. For some assets and liabilities, observable market transactions or market information might be available.

For other assets and liabilities, observable market transactions and market information might not be available. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Gold prepay loan - Transfer between Level 3 and Level 2

During the nine months ended September 30, 2020, the Company transferred the gold prepay loan from Level 3 to Level 2. The gold prepay loan is measured at fair value at each reporting date based on the forward pricing curves for gold contracts (observable market data - Level 2) and cash flows are discounted using a Yield-to-Maturity rate. Due to the marginal sensitivity of the Yield-to-Maturity rate in the fair value calculation, the Yield-to-Maturity rate is not a significant unobservable input and the gold prepay loan is considered a Level 2 instrument based on the fair value hierarchy.

Level 3 instrument: Conversion option – deferred payment

The Deferred Payment is a compound financial instrument, comprising a debt host (“Deferred Payment Liability”) and a conversion and early redemption option portion

The Conversion Option embedded in the Deferred Payment described in Note 8 is measured at fair value at each reporting date and is classified as Level 3 within the fair value hierarchy. The fair value of the Conversion Option is estimated using a Monte-Carlo valuation model to simulate the future CAD to US dollar exchange rate using multiple scenarios for the Company’s future share price. The Monte-Carlo valuation model takes also into consideration assumptions related to timing and probability of occurrence reflected through estimated future volatilities.

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at September 30, 2020 are shown below:

	Valuation technique	**Significant unobservable Inputs**	**Input**	**Sensitivity of the input to fair value**
Conversion Option – Deferred Payment	Monte-Carlo	Volatility of share price	51%	Absolute value of 5% increase would result in an increase in fair value by $45,000.

Fair values of remaining financial assets and liabilities

Financial instruments that are not measured at fair value on the consolidated balance sheets are represented by cash, accounts payable and accrued liabilities and the deferred payment liability (debt host). The fair values of cash and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The fair value of the deferred payment liability approximates its carrying value as there were no significant changes in economic and risks parameters since the issuance of the instruments on May 27, 2020.

Note 15 - Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's performance.

Due to its activities the Company is exposed to a variety of financial risks, which include direct exposure to market risks (which includes commodity price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Management designs strategies for managing some of these risks, which are summarized below. The Company's executive management ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies approved by the Board of Directors and risk appetite.

(a) Market Risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates or other price risk, will affect the value of the Company's financial instruments. The Company is exposed to the following market risks:

Foreign Exchange Risk

The Company undertakes certain transactions denominated in Canadian dollars, including certain operating expenses. Financial instruments that impact the Company's net income due to currency fluctuations include cash and cash equivalents, amounts receivables and accounts payable and accrued liabilities denominated in Canadian dollars. Based on the Company's Canadian dollar denominated monetary assets and monetary liabilities as at September 30, 2020, a 5% increase (decrease) of the value of the Canadian dollar relative to the United States dollar would not have a material impact on net loss.

In addition, the fair value of the Deferred Payment's Conversion Option is affected by the Canadian dollar exchange rate. A 5% increase in the foreign exchange rate would result in a decrease in income before income taxes of $447,000.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash-flows associated with the instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk on financial assets is primarily related to cash, which bear interest at variable rates. However, as these investments come to maturity within a short period of time, the impact would likely be not significant. Other financial assets are not exposed to interest rate risk because they bear interest at fixed rates.

The Company's exposure to interest rate risk fluctuation on the fair value of the Gold prepay loan and the Conversion option is not significant, as the interest rate was fixed at inception.

Other Price Risk

The Company is exposed to other price risk arising from the impact of changes in the price of the Company's common shares on the fair value on the Conversion Option on the Deferred Payment. As described in Note 14, the Monte-Carlo model provides with multiple scenarios for the Company's common share price. A decrease (increase) of 5% in the Company's common share price would decrease (increase) income before income taxes by $1,016,000. The Company is also exposed to changes in the price of gold on the Gold prepay loan. A decrease (increase) of 5% in the spot gold prices would decrease (increase) income before income taxes by $770,000.

(b) Credit Risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument, leading to a financial loss. Credit risk arises from cash, trade receivables and the gold prepay loan. To mitigate exposure to credit risk on financial assets, the Company has established policies to limit the concentration of credit risk and to ensure counterparties demonstrate minimum acceptable credit worthiness. The Company closely monitors its financial assets and as such does not have any significant concentration of credit risk. The Company reduces its credit risk by investing its cash with Canadian recognized financial institutions and Canadian chartered banks.

In the case of the gold prepay loan, the impact of credit risk is factored in the discount rate used in the fair value calculation and the effect is not material.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

(c) *Liquidity Risk*

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands. The Company manages the liquidity risk by continuously monitoring actual and projected cash flows, taking into account the requirements related to its investment in stream and royalty interests and matching the maturity profile of financial assets and liabilities. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and cash equivalents and the amount available under the Facility. As at September 30, 2020, the Company had cash of $15,028,000 and working capital of $20,484,000. The Board of Directors reviews and approves any material transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investment or divestitures. The Company also manages liquidity risk through the management of its capital structure described in Note 9.

The following table summarizes the timing associated with the Company's remaining contractual payments relating to its financial liabilities as at September 30, 2020. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay (assuming that the Company is in compliance with all of its obligations). The table includes both interest and principal cash flows.

					As at September 30, 2020
			Estimated payment date		
	Carrying amount	**Maturity**	**Remaining of 2020**	**2021**	**2022**
Financial liabilities	$		$	$	$
Accounts payable and accrued liabilities	3,578	Within 90 days	3,578	—	—
Deferred Payment Liability – debt host	8,889	May 2022	—	—	10,000
Interest on Deferred Payment Liability	—	Up to May 2022	75	300	121
Deferred Payment Liability – Conversion option	9,379	Up to May 2022	—	—	—
	21,846		3,653	300	10,121

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Note 16 - Commitments

The following table summarizes the Company's commitments to pay for gold and silver to which it has the contractual right pursuant to the associated agreements:

	Attributable Payable Production to be Purchased		**Per Ounce Cash Payment**		**Term of Agreement**	**Date of Contract**
Stream interests	**Gold**	**Silver**	**Gold**	**Silver**		
Blyvoor Gold Stream	10%	—	Lesser of spot price or $572	—	Expires at 10,320,000 oz. delivered	Aug. 2018
Woodlawn Silver Stream	—	80%	—	20% of spot price	10 years after mining activity ceases	Aug. 2017 and Oct. 2019
Mercedes and South Arturo Silver Streams	1,000 oz. per quarter	100%	—	20% of spot price	40 years from Jan. 31, 2019	Jan. 2019 and Mar. 2020
Bonikro Gold Stream	6%	—	Lesser of spot price or $400	—	Life of mine	Oct. 2019

Refer to Note 7 for specific delivery terms of each stream agreement.

Note 17 - Related Party Transactions

Prior to the RTO Transaction on May 27, 2020 (Note 5) and separation of the Orion Fund II Portfolio as a stand-alone public entity, the Orion Fund II Portfolio was managed and operated in the normal course of business by the Orion Group along with other Orion Group operations and not as a separate business.

Transactions with related parties prior to RTO Transaction

Orion Fund II Portfolio had an agreement with Orion Merchant Services LLC ("OMS"), a related party. As part of this agreement OMS provided services including but not limited to logistical support, customs clearance, negotiation of transportation contracts and assistance with services incidental to the purchase and sale of physical metal transactions. As part of this agreement, Orion Fund II Portfolio paid fees to OMS for amounts of $54,000 for the period from January 1, 2020 to May 27, 2020 ($84,000 and $251,000 for the three and nine months ended September 30, 2019, respectively).

The Orion Fund II Portfolio had appointed Orion Mine Finance Management II Limited, an exempted company incorporated under the laws of Bermuda, as its investment manager (the "Investment Manager") in which capacity it was responsible for managing the overall business affairs of Fund II. As part of this agreement, Orion Fund II Portfolio paid the Investment Manager $922,000 for the period from January 1, 2020 to May 27, 2020 ($491,000 and $1,472,000 for the three and nine months ended September 30, 2019, respectively).

These expenses were included in general and administrative expenses in the consolidated statement of income (loss) and comprehensive income (loss).

Additional transactions with related parties are described under Notes 9 and 10 to these condensed consolidated interim financial statements.

(tabular amounts expressed in thousands of United States dollars, except per share amounts)

Key management compensation

Key management includes directors (executive and non-executive) and the executive management team. The compensation paid or payable to key management for employee services is presented below:

	For the three months ended September 30, 2020	**For the nine months ended September 30, 2020**
	$	$
Salaries and short-term employee benefits	—	—
Share-based compensation	785	2,128
	785	**2,128**

For the 12-month period following the completion of the RTO Transaction, senior executives have agreed to forego the cash payment of their respective salaries with such amount to be paid instead in Nomad RSUs, to be granted on a quarterly basis. Therefore, there were no key management salaries for the three and nine months ended September 30, 2020 and the value of the salaries paid in Nomad RSUs are included in share-based compensation representing $169,000 and $234,000 for the three months ended September 30, 2020 and for the period from May 27, 2020 to September 30, 2020, respectively.

Key management employees are subject to employment agreements which provide for payments on termination of employment without cause or following a change of control providing for payments of twice base salary and bonus and certain vesting acceleration clauses on RSUs, PSUs, DSUs and share options.

Note 18 - Proposed acquisition of Coral Gold Resources Ltd.

On August 23, 2020, Nomad entered into a definitive arrangement agreement with Coral Gold Resources Ltd. (“Coral”), whereby the Company intends to acquire all of the outstanding common shares of Coral pursuant to a statutory plan of arrangement under the *Business Corporations Act* (British Columbia). Coral shareholders will be entitled to receive, for each Coral share held, consideration consisting of CAD $0.05 in cash and 0.80 of a unit of the Company, comprised of one common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share at a price of CAD $1.71 for a period of two years following the effective date of the proposed Coral acquisition. If the daily volume-weighted average trading price of the Company's common shares on the TSX exceeds the warrant exercise price by at least 25% for any period of 20 consecutive trading days starting one year from the effective date of the proposed Coral acquisition, the Company will have the right to give notice in writing to the holders of the warrants that the warrants will expire 30 days following such notice, unless exercised prior thereto. Each stock option to acquire common shares of Coral will be subject to accelerated vesting in accordance with Coral’s stock option plan, and the option holders are expected to enter into option exercise and termination agreements with Coral prior to closing of the proposed Coral acquisition. Coral is a precious metals royalty company with assets in Nevada, U.S.A. Coral’s primary asset is a 1.00% to 2.25% sliding scale NSR Royalty on the Robertson property located in Nevada, U.S.A. The proposed Coral acquisition is expected to close on or about November 19, 2020, subject to the approval of at least two thirds of Coral's shareholders and a simple majority of minority shareholders, the court, TSX Venture Exchange and TSX approvals, and other conditions.

Note 19 - Subsequent events

Dividends

On November 9, 2020, the Board of Directors of the Company declared a quarterly dividend of CAD $0.005 per common share payable on January 15, 2021 to shareholders of record as of the close of business on December 31, 2020.