# FREEMAN GOLD CORP.
# (FORMERLY LODGE RESOURCES INC.)

## UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
**Amended and Restated**
**(Expressed in Canadian dollars)**

## FOR THE THREE MONTHS ENDED FEBRUARY 29, 2020

**FREEMAN GOLD CORP.**
**(FORMERLY LODGE RESOURCES INC.)**
Consolidated Interim Statement of Financial Position - Unaudited
Amended and Restated
(Expressed in Canadian Dollars)

| As at | Note | February 29, 2020 (Restated – Note 9) | November 30, 2019 |
|---|---|---|---|
| | | **$** | $ |
| **ASSETS** | | | |
| **Current** | | | |
| Cash | | **206,745** | 613,830 |
| GST receivable | | **6,773** | 4,203 |
| Prepaid expenses | 3 | **279,143** | - |
| | | **492,661** | 618,033 |
| **Non-current assets** | | | |
| Exploration and evaluation asset | 4 | **60,208** | 55,208 |
| Advance for acquisition | 1 | **1,300,000** | - |
| **Total assets** | | **1,852,869** | 673,241 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities | 5 | **58,982** | 73,402 |
| Promissory notes | 7 | **-** | 280,000 |
| Flow-through share premium liability | 8 | **50,000** | - |
| Total liabilities | | **108,982** | 353,402 |
| **Shareholders' equity** | | | |
| Share capital | 8 | **1,682,434** | 367,738 |
| Reserves | 8 | **553,052** | 47,447 |
| Subscriptions received | 8 | **266,000** | 49,500 |
| Deficit | | **(757,599)** | (144,846) |
| Total shareholders' equity | | **1,743,887** | 319,839 |
| **Total liabilities and shareholders' equity** | | **1,852,869** | 673,241 |

**Nature of operations and going concern (Note 1)**
**Subsequent events (Note 1 and 10)**

**These amended and restated financial statements were approved by the Board of Directors on June 16, 2020:**

| | |
|---|---|
| *"Steve Mathiesen"* | *"Will Randall"* |
| *Steve Mathiesen, Director* | *Will Randall, Director* |

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

**FREEMAN GOLD CORP.**
**(FORMERLY LODGE RESOURCES INC.)**
Consolidated Interim Statements of Loss and Comprehensive Loss - Unaudited
Amended and Restated
For the three months ended February 29, 2020 and February 28, 2020
(Expressed in Canadian Dollars)

| | Note | **Three months ended February 29, 2020** | Three months ended February 28, 2019 |
|---|---|---|---|
| | | **$** | **$** |
| **EXPENSES** | | | |
| Bank charges and interest | 7 | **15,550** | 48 |
| Operating, general and administrative | | **54,959** | - |
| Professional fees | | **2,600** | 2,928 |
| Regulatory and filing fees | | **9,405** | 16,750 |
| Share-based compensation | 8 | **530,239** | 16,047 |
| **Loss and comprehensive loss** | | **612,753** | 35,773 |
| **Loss per share – basic and diluted** | | **(0.05)** | (0.01) |
| **Weighted average number of common shares outstanding** | | **12,842,453** | 3,825,000 |

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

**FREEMAN GOLD CORP.**
**(FORMERLY LODGE RESOURCES INC.)**
Consolidated Interim Statements of Changes in Shareholders' Equity - Unaudited
Amended and Restated
For the three months ended February 29, 2020 and February 28, 2019
(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital (Restated – Note 9) | Reserves | Obligation to issue shares | Deficit | Total Equity |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| November 30, 2019 | 7,425,000 | 367,738 | 47,447 | 49,500 | (144,846) | 319,839 |
| Issuance of common shares | 6,250,000 | 1,300,000 | - | (49,500) | - | 1,250,500 |
| Share issuance costs – finders' shares | 102,150 | - | - | - | - | - |
| Flow-through share premium liability | - | (50,000) | - | - | - | (50,000) |
| Exercise of agent warrants | 150,620 | 27,972 | (12,910) | - | - | 15,062 |
| Exercise of stock options | 250,000 | 36,724 | (11,724) | - | - | 25,000 |
| Share-based compensation | - | - | 530,239 | - | - | 530,239 |
| Obligation to issue shares | - | - | - | 266,000 | - | 266,000 |
| Loss and comprehensive loss | - | - | - | - | (612,753) | (612,753) |
| **February 29, 2020** | **14,177,770** | **1,682,434** | **553,052** | **266,000** | **(757,599)** | **1,743,887** |
| | | | | | | |
| November 30, 2018 | 3,825,000 | 110,250 | - | - | (28,286) | 81,964 |
| Share-based payments | - | - | 16,047 | - | - | 16,047 |
| Loss and comprehensive loss | - | - | - | - | (116,560) | (116,560) |
| February 28, 2019 | 3,825,000 | 110,250 | 16,047 | - | (144,846) | (18,549) |

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

**FREEMAN GOLD CORP.**
**(FORMERLY LODGE RESOURCES INC.)**
Consolidated Interim Statements of Cash Flows - Unaudited
For the three months ended February 29, 2020 and February 28, 2019
Amended and Restated
(Expressed in Canadian Dollars)

| | **Three months ended February 29, 2020** | Three months ended February 28, 2019 |
|---|---|---|
| | **$** | $ |
| Cash flows used in operating activities: | | |
| Net and comprehensive loss | **(612,753)** | (35,773) |
| Adjustments for: | | |
| Share-based compensation | **530,239** | 16,047 |
| Changes in non-cash working capital items: | | |
| GST receivable | **(2,570)** | (49) |
| Prepaid expenses | **(279,143)** | (15,000) |
| Accounts payable and accrued liabilities | **(14,420)** | 4,448 |
| Net cash used in operating activities | **(378,647)** | (30,327) |
| Financing activities | | |
| Proceeds from issuance of shares, net | **1,250,500** | - |
| Exercise of agent warrants | **15,062** | - |
| Exercise of stock options | **25,000** | - |
| Promissory notes, net | **(280,000)** | - |
| Subscriptions received | **266,000** | - |
| Net cash provided by financing activities | **1,276,562** | - |
| Investing activities | | |
| Advance for acquisition | **(1,300,000)** | - |
| Exploration and evaluation assets | **(5,000)** | - |
| Net cash used in investing activities | **(1,305,000)** | - |
| Increase in cash | **(407,085)** | (30,327) |
| Cash, beginning | **613,830** | 93,097 |
| Cash, ending | **206,745** | 62,770 |
| Supplemental cash flow information: | | |
| Fair value of agent warrants exercised | **12,910** | - |
| Fair value of stock options exercised | **11,724** | - |
| Flow-through share premium liability | **50,000** | - |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Freeman Gold Corp. (formerly Lodge Resources Inc.) (the "Company") was incorporated in the Province of British Columbia on October 24, 2018, under the Business Corporations Act of British Columbia. The Company is in the business of exploring exploration and evaluation assets. The Company's registered office is Suite 1500 – 1055 W. Georgia Street, Vancouver BC V6E 4N7 and its business office is located at 1570 – 505 Burrard Street, Vancouver, BC V7X 1M5. The Company's share commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "FMAN".

On April 16, 2020, the Company completed the acquisition of all of the shares of 1132144 British Columbia Ltd., the parent company of Lower 48 Resources (Idaho) LLC (collectively, "Lower 48") which had an option to acquire the Lemhi Gold Project located in Lemhi County, Idaho, USA (the "Lemhi Project"). In connection with the acquisition, the Company issued 33,740,000 common shares to the shareholders of Lower 48 in exchange for the common shares of Lower 48 on a one for one basis. The Company's shares are subject to a voluntary release schedule with 17.5% of the shares released on closing, 22.5% to be released six months after closing, 30% to be released nine months after Closing, and the balance to be released 12 months after closing. A finder's fee of 3,500,000 shares has been issued.

Pursuant to the agreement, the Company in December 2019, advanced a total of $1,300,000 to Lower 48, which, with other funds, was utilized by Lower 48 to exercise the option and acquire the Lemhi Project.

These unaudited consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at February 29, 2020, the Company is not able to finance day to day activities through operations and has an accumulated deficit of $757,599. The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

## 2. SUMMARY SIGNIFICANT ACCOUNTING

**Basis of preparation**

*Statement of compliance*

These unaudited consolidated interim financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited interim financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited consolidated interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited consolidated financial statements for the reporting period ended November 30, 2019.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Basis of measurement*

These unaudited consolidated interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The unaudited consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted.

**Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Lodge Minerals Inc., which is incorporated in BC. The results of any subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

**Flow-through shares**

The Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities.

**Leases**

The Company adopted all of the requirements of IFRS 16, effective December 1, 2019. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. There was no material impact on the Company's consolidated financial statements upon the adoption of this new standard.

**Accounting Standards and Interpretations Issued but Not Yet Adopted**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

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

## 3. PREPAID EXPENSES

During the three months ended February 29, 2020, the Company prepaid USD$250,000 ($279,143) in consulting fees to Midam Ventures LLC for consulting services.

(Expressed in Canadian dollars)

## 4. EXPORATION AND EVALUATION ASSET

The Company's wholly owned subsidiary, Lodge Minerals Inc., entered into an Option Agreement ("Option") dated October 31, 2018, with an arms-length party to acquire 100% of mineral claims located in British Columbia, known as the Comstock Property. Pursuant to the Option, the Company, shall issue common shares and make payments and expenditures as follows:

| Date | Number of Shares | Cash Payments | Minimal Expenditures |
|---|---|---|---|
| | | $ | $ |
| Paid on signing Option | - | 5,000 (paid) | - |
| June 21, 2019 | - | - | 25,000 (incurred) |
| Listing Date, November 7, 2019 | 100,000 (issued) | 10,000 (paid) | - |
| 1st Anniversary | 100,000 | - | 75,000 |
| 2nd Anniversary | 100,000 | 20,000 | 100,000 |
| 3rd Anniversary | 100,000 | 30,000 | 100,000 |
| 4th Anniversary | 200,000 | 250,000 | 300,000 |
| TOTAL | 600,000 | 315,000 | 600,000 |

The optionor has retained a 2% net smelter return royalty ("NSR") and the Company may acquire 1% of the NSR by paying a one-time sum of $1,000,000 at any time prior to the commencement of commercial production on the property.A continuity of the Company's exploration and evaluation assets is as follows:

| | **February 29, 2020** | November 30, 2019 |
|---|---|---|
| | **$** | $ |
| Acquisition costs: | | |
| Balance, beginning of year | **25,000** | 5,000 |
| Additions | **-** | 20,000 |
| Balance, end of year | **25,000** | 25,000 |
| | | |
| Deferred exploration expenditures: | | |
| Balance, beginning of year | **30,208** | - |
| Assays | **-** | 3,433 |
| Consulting | **-** | 2,000 |
| Equipment rental | **-** | 5,895 |
| Labour and services | **-** | 18,880 |
| Permitting | **5,000** | - |
| Balance, end of year | **35,208** | 30,208 |
| | **60,208** | 55,208 |

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | **February 29, 2020** | November 30, 2019 |
|---|---|---|
| | **$** | $ |

| | | |
|---|---|---|
| Accounts payable | **40,893** | 58,004 |
| Accrued liabilities | **17,999** | 15,338 |
| | **58,982** | 73,402 |

## 6. RELATED PARTY TRANSACTIONS

*Key management compensation*
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. The Company entered into the following transactions with related parties during the three months ended February 29, 2020 and February 28, 2019.

| | **Three months ended February 29, 2020** | Three months ended February 28, 2019 |
|---|---|---|
| | **$** | $ |
| Consulting fees paid to a company controlled by CEO | **6,000** | - |
| Office expenses paid to a company controlled by CEO | **300** | - |
| Consulting fees paid to a company controlled by CFO | **4,500** | - |
| Office rent paid to a company controlled by CFO | **1,500** | - |
| | **12,300** | - |

The Company recognized share-based compensation of $461,079 (February 28, 2019 - $16,047) for related parties during the three months ended February 29, 2020. Consulting fees and office rent and expenses are recognized in Operating, general and administrative in the consolidated interim statement of loss and comprehensive loss.

## 7. PROMISSORY NOTES

On November 26, 2019, the Company borrowed $280,000 in the form of unsecured promissory notes, which are interest bearing at 3% per annum, waived subsequently and payable upon the completion of the Company's financing. In December 2019, the Company borrowed an additional $500,000 in the form of an unsecured promissory note and recognized $15,000 interest expense. All promissory notes have been fully repaid as at February 29, 2020.

## 8. SHARE CAPITAL

*Authorized share capital*
Unlimited number of common shares without par value

*Common Shares*
On October 24, 2018, the Company issued 1,800,000 common shares at $0.005 per share to a director and a company controlled by a director for gross proceeds of $9,000.

On November 29, 2018, the Company issued 2,025,000 common shares at $0.05 per share for gross cash proceeds of $101,250, of which 840,000 were issued to directors and a company controlled by a director.

On January 21, 2019, the Company executed an escrow agreement (the "Escrow Agreement"), whereby all common shares issued to related parties are subject to escrow requirements. Pursuant to the Escrow Agreement, the shares will be released pro rata to such shareholders as to 10% on the date of final notice and

(Expressed in Canadian dollars)

15% every six months thereafter over a 36-month period. The escrowed shares are subject to the direction and determination of the CSE. Specifically, escrowed shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the CSE. As at November 30, 2019, 2,421,000 shares were held in escrow.

**8. SHARE CAPITAL** (continued)

On November 8, 2019, the Company issued 100,000 common shares for the Comstock Property (Note 3).

On November 8, 2019, the Company closed an Initial Public Offering (the "IPO") consisting of 3,500,000 common shares at $0.10 per share for gross proceeds $350,000. The Company paid a $28,000 cash commission of 8% of the gross proceeds from the IPO and $50,512 in corporate finance fees, legal fees, and other expenses. In addition, the Company granted a non-transferable option (the "Agent's Warrants") to purchase 280,000 common shares equal to 8% of the securities sold in the IPO at an exercise price of $0.10 per share, expiring on November 8, 2021. The fair value of the Agent's Warrants under the Black-Scholes Option Pricing Model was $24,000, recorded as a share issuance cost. The fair value of the Agent's Warrants was estimated using the Black-Scholes Option Pricing Model using current market assumptions: Expected life of two years, expected volatility of 167%, dividend yield 0% and a risk-free interest rate of 1.58%.

On December 5, 2019, the Company issued 150,620 common shares for proceeds of $15,062 from the exercise of agent warrants.

On December 17, 2019, the Company issued 6,000,000 common shares at $0.20 per share for proceeds of $1,200,000 from a private placement. There were 102,150 common shares issued at $0.20 as finder's fees in relation to this private placement.

On December 30, 2019, the Company issued 250,000 flow-through common shares for proceeds of $100,000. The flow-through common shares issued were issued at a premium in recognition of the tax benefits accruing to the shareholders. The flow-through premium was calculated to be $50,000.

During the period ended February 28, 2020, the Company issued 250,000 common shares at $0.10 per share for proceeds of $25,000 from the exercise of stock options. Pursuant to the exercise, the Company reclassified $11,724 from reserves to share capital.

*Obligation to issue shares*
During the three months ended February 29, 2020, the Company received $266,000 for share subscriptions that have not yet closed.

*Warrants*
The following is a summary of the Company's warrants as at February 29, 2020:

| | Number | Weighted average exercise price | Weighted average life (years) |
|---|---|---|---|
| | | $ | |
| Balance, November 30, 2018 | - | - | - |
| Issued | 280,000 | 0.10 | - |
| Balance, November 30, 2019 | 280,000 | 0.10 | 1.94 |
| Exercised | (150,620) | 0.10 | - |
| Balance, February 29, 2020 | 129,380 | 0.10 | 1.69 |

(Expressed in Canadian dollars)

## 8. SHARE CAPITAL (continued)

*Stock options*

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the day before the date of grant for a period of up to ten years from the date of grant.

During the period ended February 29, 2020, the Company granted 1,150,000 stock options exercisable at $0.485 per share, comprised of 1,000,000 stock options to an officer of the Company, expiring January 23, 2025 and 150,000 stock options to a consultant, expiring February 3, 2025. The fair value of the stock options granted during the period using the Black-Scholes Options Pricing Model was $530,239.

| | Number | Weighted average exercise price | Weighted average life (years) |
|---|---|---|---|
| | | $ | |
| Balance, November 30, 2018 | - | - | - |
| Granted | 500,000 | 0.10 | - |
| Balance, November 30, 2019 | 500,000 | 0.10 | 3.96 |
| Granted | 1,150,000 | 0.485 | - |
| Exercised | (250,000) | 0.10 | - |
| Balance, February 29, 2020 | 1,400,000 | 0.42 | 4.69 |

The fair value of the stock options granted for the three months ended February 29, 2020 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

| | **February 29, 2020** | November 30, 2019 |
|---|---|---|
| Risk-free interest rate | **1.28%-1.43%** | 1.89% |
| Estimated life (years) | **5** | 4.85 |
| Expected volatility | **175%** | 181% |
| Expected dividend yield | **0%** | 0% |
| Forfeiture rate | **0%** | 0% |

## 9. RESTATEMENT TO THE FINANCIAL STATEMENTS

The consolidated interim financial statements of the Company as at February 29, and for the period then ended have been restated to correct material errors and omissions in its prior filing. The Company discovered the deficiencies in the accounting information subsequent to the filing and issuance of the financial statements. The interim financial statements for the periods ended February 29, 2020 have been prepared using the most complete information currently available. Below are the restated:

Consolidated Interim Statement of Financial Position

Flow-through share premium liability was increased by $50,000 due to the appropriate accounting for flow-through shares issued during the period ended February 29, 2020.

Share capital was decreased by $50,000 from $1,732,434 to $1,682,434 due to the appropriate accounting for flow-through shares issued during the period ended February 29, 2020.

Consolidated Interim Statements of Changes in Shareholders' Equity

Share capital was decreased by $50,000 from $1,732,434 to $1,682,434 due to the appropriate accounting for flow-through shares issued during the period ended February 29, 2020.

## 10. SUBSEQUENT EVENT

*Covid-19*

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Corporation cannot determine their financial impact at this time.