

FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months ended May 31, 2021

(Expressed in Canadian dollars)

Unaudited

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

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars - Unaudited)

	Note	May 31, 2021 \$	November 30, 2020 \$
ASSETS			
Current assets			
Cash		2,024,771	5,066,930
Receivables	4	41,384	108,328
Prepaid expenses and deposits	5	201,331	121,287
Total current assets		2,267,486	5,296,545
Non-current assets			
Advances for exploration and evaluation activities		17,752	40,161
Property, plant and equipment	6	204,217	238,295
Exploration and evaluation assets	7	9,815,667	8,604,289
		10,037,636	8,882,745
TOTAL ASSETS		12,305,122	14,179,290
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	315,060	910,792
SHAREHOLDERS' EQUITY			
Share capital	10	21,872,368	21,384,559
Reserves	10	2,912,905	3,168,691
Deficit		(12,795,211)	(11,284,752)
Total Shareholders' Equity		11,990,062	13,268,498
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,305,122	14,179,290

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

Approved by the Board of Directors on July 22, 2021:

"Simon Marcotte"
Simon Marcotte, Director

"Ron Stewart"
Ron Stewart, Director

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

FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars, except number of shares - Unaudited)

	Three months ended		Six months ended	
	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
	\$	\$	\$	\$
EXPENSES				
Bank charges	509	847	2,000	1,107
Consulting	9 184,250	13,215	400,705	13,215
General and administrative	43,216	4,833	60,657	5,004
Listing expense	4 -	6,882,364	-	6,887,417
Marketing fees	39,392	295,426	727,000	295,426
Professional fees	22,027	-	67,050	-
Regulatory and filing fees	23,561	15,654	43,237	15,654
Share-based compensation	9,10 52,780	94,910	209,810	206,910
Net and comprehensive loss	(365,735)	(7,307,249)	(1,510,459)	(7,424,733)
Basic and diluted loss per common share	(0.00)	(0.19)	(0.02)	(0.24)
Weighted average number of common shares outstanding	81,453,170	38,812,262	81,438,385	31,047,663

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FREEMAN GOLD CORP.

(Formerly Lodge Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, except number of shares - Unaudited)

	Note	Share Capital				Reserves	Deficit	Total shareholders' equity
		Number of shares outstanding	Amount	Share subscriptions				
Balance at November 30, 2019		15,740,000	432,620	-	-	(35,845)	396,775	
Issuance of common shares pursuant to private placement		15,000,000	750,000	-	-	-	750,000	
Share-based compensation prior to RTO transaction		-	-	-	112,000	-	112,000	
Exercise of stock options prior to RTO transaction		3,000,000	262,000	-	(112,000)	-	150,000	
Recognition of equity on RTO transaction		14,257,770	5,988,263	-	504,435	-	6,492,698	
Finder's shares issued on RTO transaction		3,500,000	1,470,000	-	-	-	1,470,000	
Elimination of 113BC shares on RTO		(33,740,000)	-	-	-	-	-	
Replacement of shares of 113BC on RTO		33,740,000	-	-	-	-	-	
Issuance of common shares and warrants pursuant to private placement		4,268,911	1,049,652	-	444,467	-	1,494,119	
Share issuance costs		-	(49,475)	-	-	-	(49,475)	
Issuance of finders' warrants		-	(18,334)	-	18,334	-	-	
Exercise of warrants		13,500	6,022	-	(4,672)	-	1,350	
Share-based compensation		-	-	-	94,910	-	94,910	
Net loss for the period		-	-	-	-	(7,424,733)	(7,424,733)	
Balance at May 31, 2020		55,780,181	9,890,748	-	1,057,474	(7,460,578)	3,487,644	
Issuance of common shares pursuant to private placement		20,690,000	10,345,000	-	-	-	10,345,000	
Share issuance costs		-	(905,325)	-	-	-	(905,325)	
Issuance of finders' warrants		-	(536,002)	-	536,002	-	-	
Issuance of common shares for acquisition of property rights		4,410,273	2,323,342	-	-	-	2,323,342	
Finder's shares issued for acquisition of property rights		260,000	135,200	-	-	-	135,200	
Exercise of stock options		200,000	95,346	-	(75,346)	-	20,000	
Exercise of warrants		60,000	36,250	-	(6,250)	-	30,000	
Share-based compensation		-	-	-	1,656,811	-	1,656,811	
Net loss		-	-	-	-	(3,824,174)	(3,824,174)	
Balance at November 30, 2020		81,400,454	21,384,559	-	3,168,691	(11,284,752)	13,268,498	
Exercise of warrants	10	52,716	36,673	-	(12,315)	-	24,358	
Share issuance costs		-	(2,145)	-	-	-	(2,145)	
Share-based compensation	10	-	-	-	209,810	-	209,810	
Expiry of warrants	10	-	453,281	-	(453,281)	-	-	
Net loss for the period		-	-	-	-	(1,510,459)	(1,510,459)	
Balance at May 31, 2021		81,453,170	21,872,368	-	2,912,905	(12,795,211)	11,990,062	

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

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS****(Expressed in Canadian dollars - Unaudited)**

	Six months ended	
	May 31, 2021	May 31, 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(1,510,459)	(7,424,733)
Items not affecting cash:		
Listing expense	-	6,887,417
Share-based compensation	209,810	206,910
Changes in non-cash working capital items:		
Receivables	66,944	(15,866)
Prepaid expenses	(80,044)	(48,789)
Due to former shareholders	-	(10,000)
Accounts payable and accrued liabilities	(665,187)	(317,424)
Cash used in operating activities	(1,978,936)	(722,485)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired on RTO transaction	-	199,821
Transaction costs incurred in connection with RTO	-	(228,101)
Purchase of equipment and vehicles	(9,060)	-
Expenditures for exploration and evaluation assets	(1,076,376)	(1,978,923)
Cash used in investing activities	(1,085,436)	(2,007,203)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	-	2,244,119
Share issuance costs	(2,145)	(49,475)
Repayment of advances	-	(266,000)
Proceeds from exercise of stock options	-	150,000
Proceeds from exercise of warrants	24,358	1,350
Advance received on RTO transaction	-	1,300,000
Cash provided by financing activities	22,213	3,379,994
Change in cash during the period	(3,042,159)	650,306
Cash, beginning of period	5,066,930	541
Cash, end of period	2,024,771	650,847
Supplemental Cash Flow Information:		
Evaluation and exploration expenditures included in accounts payable	69,455	-
Evaluation and exploration expenditures included in property, plant and equipment	43,138	-
Advances for exploration and evaluation expenditures	22,409	-
Shares issued in connection with RTO	-	7,458,263

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

FREEMAN GOLD CORP.

(Formerly Lodge Resources Inc.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

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 shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "FMAN".

On April 16, 2020, (the "Closing Date"), the Company completed a share exchange transaction (the "RTO") with 1132144 B.C. Ltd. ("113BC"), the parent company of Lower 48 Resources Inc. ("Lower 48 BC") and Lower 48 Resources (Idaho) LLC ("Lower 48"), whereby the Company acquired all of the issued and outstanding common shares of 113BC through the issuance of 33,740,000 common shares of the Company, subject to escrow terms (see Note 10) to 113BC's shareholders. Additionally, the Company issued 3,500,000 common shares as finder fee shares to an arm's length finder that facilitated the RTO. Prior to the Closing Date, 14,257,770 common shares of the Company were outstanding. Following the Closing Date, 51,497,770 common shares of the Company were outstanding, with 66% of the Company's shares held by shareholders of 113BC.

Management determined that the RTO transaction constituted a reverse acquisition for accounting purposes whereby 113BC acquired the Company. For accounting purposes, 113BC is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these condensed consolidated interim financial statements. As 113BC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed consolidated interim financial statements at their historical carrying values. The Company's results of operations are included from the Closing Date. The comparative figures are those of 113BC prior to the reverse acquisition.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at May 31, 2021, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$12,795,211. The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations and generate funds therefrom. 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.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

2. BASIS OF PRESENTATION**a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with *International Accounting Standard 34 - Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. As such, these condensed consolidated interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the years ended November 30, 2020 and 2019.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on July 22, 2021.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Functional and presentation currency

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, and its wholly-owned subsidiaries including Lodge Minerals Inc., 113BC, Lower 48 BC and Lower 48 (see Notes 1 and 3). Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

e) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

FREEMAN GOLD CORP.

(Formerly Lodge Resources Inc.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

2. BASIS OF PRESENTATION

e) Significant accounting estimates and judgments (continued)

(i) Critical accounting estimates

Valuation of options and warrants

The fair value of common share purchase options and warrants granted is determined at the issue date using the Black-Scholes pricing model. The fair value of common shares issued for finders' fees are based on the closing price of the transaction those fees pertain to.

Current and deferred taxes

The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. Management provides for such differences where known based on its best estimate of the probable outcome of these matters.

(ii) Critical accounting judgments

Assessment of transactions as asset acquisitions or business combinations

Management has had to apply judgment relating to the reverse takeover transaction between 113BC and the Company with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

Going Concern

Presentation of the condensed consolidated interim financial statements as a going concern assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Functional Currency

In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Impairment of exploration and evaluation assets

Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

f) 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.

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

3. REVERSE TAKEOVER TRANSACTION

Pursuant to the RTO transaction, on April 16, 2020, the Company issued 33,740,000 shares in exchange for all the issued and outstanding shares of 113BC, whereby 113BC and its subsidiaries Lower 48 BC and Lower 48 became wholly owned subsidiaries of the Company. For accounting purposes, the acquisition was considered a reverse takeover whereby the Company was deemed to be the acquiree and 113BC the acquirer. The Company did not meet the definition of a business, therefore the acquisition is outside of the scope of *IFRS 3 Business Combinations*, instead, the RTO was accounted for under *IFRS 2 Share-based Payments*. Accordingly, no goodwill or intangible assets were recorded with respect to the RTO transaction.

Under this basis of accounting, the consolidated entity is considered to be a continuation of the Company, with the net identifiable assets of the Company deemed to have been acquired by 113BC at fair value as at April 16, 2020.

For purposes of the RTO, the consideration paid and the fair value of the net assets (liabilities) of the Company at April 16, 2020 is as follows:

Net assets (liabilities) of the Company acquired (assumed)	April 16, 2020
	\$
Cash	199,821
Prepaid expenses and GST receivable	296,725
Exploration assets	55,208
Receivable from 113BC	1,300,000
Accounts payable and accrued liabilities	(282,372)
Advances payable	(266,000)
Net assets (liabilities) aquired (assumed)	1,303,382
Consideration paid	\$
Common shares issued (1)	5,988,263
Finder's shares issued	1,470,000
Warrants and stock options issued	504,435
Total consideration paid	7,962,698
Add: Professional fees incurred for RTO	228,101
Purchase price	8,190,799
Listing expense	6,887,417

- (1) The fair value of common shares of the Company issued as consideration was determined based on the fair value of the 14,257,770 common shares outstanding prior to the RTO Transaction of \$0.42 per common share.

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

4. RECEIVABLES

	May 31, 2021	November 30, 2020
	\$	\$
Goods and services tax receivable	41,384	102,353
Other receivables	-	5,975
Total receivables	41,384	108,328

5. PREPAID EXPENSES AND DEPOSITS

	May 31, 2021	November 30, 2020
	\$	\$
Marketing	166,490	89,689
Insurance	8,470	22,989
Regulatory and filing fees	18,207	-
Rent	4,597	-
Other	3,567	8,609
Total prepaid expenses and deposits	201,331	121,287

6. PROPERTY, PLANT AND EQUIPMENT

	Equipment \$	Vehicles \$	Total \$
Cost			
Balance at November 30, 2020	56,499	197,797	254,296
Additions	620	8,440	9,060
Balance at May 31, 2021	57,119	206,237	263,356
Amortization			
Balance at November 30, 2020	2,265	13,736	16,001
Additions (Note 7)	9,468	33,670	43,138
Balance at May 31, 2021	11,733	47,406	59,139
Net book value			
Balance at November 30, 2020	54,234	184,061	238,295
Balance at May 31, 2021	45,386	158,831	204,217

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

7. EXPORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets for the six months ended May 31, 2021 and the year ended November 30, 2020 are as follows:

Period ended May 31, 2021	Lemhi		
	\$		
Property acquisition costs			
Balance at December 1, 2020			5,260,586
Additions			4,986
			5,265,572
Exploration and evaluation costs			
Balance at December 1, 2020			3,343,703
Costs incurred during period:			
Amortization of equipment and vehicles (Note 6)			43,138
Assaying and sampling			396,016
Camp and accommodations			4,361
Drilling			85,833
Fees and taxes			4,530
Geological			566,947
Metallurgy			105,567
			4,550,095
Balance at May 31, 2021			9,815,667
Year ended November 30, 2020	Comstock	Lemhi	Total
	\$	\$	\$
Property acquisition costs			
Balance at December 1, 2019	-	451,072	451,072
Additions	25,000	4,809,514	4,834,514
Impairment	(25,000)	-	(25,000)
	-	5,260,586	5,260,586
Exploration and evaluation costs			
Balance at December 1, 2019	-	29,957	29,957
Costs incurred during year:			
Assaying and sampling	-	120,967	120,967
Camp and accommodations	-	71,112	71,112
Amortization of equipment and vehicles	-	16,001	16,001
Drilling	-	2,389,753	2,389,753
Geological	144,599	715,913	860,512
Impairment	(144,599)	-	(144,599)
	-	3,343,703	3,343,703
Balance at November 30, 2020	-	8,604,289	8,604,289

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

7. EXPORATION AND EVALUATION ASSETS (Continued)**Comstock Property**

The Company's wholly owned subsidiary, Lodge Minerals Inc., entered into an option agreement (the "Comstock Option") dated October 31, 2018, with an arm's-length party to acquire 100% of mineral claims located in British Columbia, known as the Comstock Property. Pursuant to the Comstock Option, the Company, was required to issue common shares and make certain payments and expenditures. The optionor retained a 2% net smelter return royalty ("NSR") and the Company had the option to 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. The Company issued 100,000 common shares with a fair value of \$10,000, cash payments of \$15,000 and incurred the minimum of \$100,000 in exploration expenditures required by the option agreement. During the year ended November 30, 2020, the Company decided not to continue with the purchase of the option and recorded an impairment of \$169,599 on the property in the statement of loss and comprehensive loss for the year ended November 30, 2020.

Lemhi Property

On October 16, 2019, the Company entered into an option agreement to acquire 100% of the rights and interest in certain mining claims located in Lemhi County, Idaho for USD \$1,615,000 (\$1,872,002) (paid).

On August 19, 2019, the Company entered into an option agreement to acquire a 100% interest in an additional 46 unpatented mining claims located in Lemhi County, Idaho. In order to exercise the option, the Company is required to make the following payments:

- i) USD \$75,000 within 3 days of the effective date (paid - \$101,475);
- ii) USD \$50,000 on or before the first anniversary of the effective date (paid – \$67,531);
- iii) USD \$50,000 on or before the second anniversary of the effective date;
- iv) USD \$50,000 on or before the third anniversary of the effective date;
- v) USD \$75,000 on or before the fourth anniversary of the effective date;
- vi) USD \$75,000 on or before the fifth anniversary of the effective date;
- vii) USD \$75,000 on or before the sixth anniversary of the effective date; and
- viii) USD \$550,000 on or before the seventh anniversary of the effective date.

On September 8, 2020, the Company acquired and extinguished a back-in right from Yamana Gold Inc. ("Yamana") over the Lemhi Project for the issuance of 4,035,273 common shares with a fair value of \$2,098,342. In connection with the transaction the Company issued finder's fees consisting of 260,000 common shares of the Company with a fair value of \$135,200.

On September 15, 2020, the Company acquired 100% ownership of the Moon #100 and Moon #101 unpatented mining claims ("Moon Claims"), located within the Lemhi project for cash consideration of \$199,950 (US \$150,000) and the issuance of 375,000 common shares of the Company with a fair value of \$225,000.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2021	November 30, 2020
	\$	\$
Accounts payable (Note 9)	315,060	859,100
Accrued liabilities	-	51,692
	315,060	910,792

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2021 and May 31, 2020

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9. 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 senior corporate officers. The Company entered into the following transactions with related parties during the six months ended May 31, 2021, and 2020:

Period ended	May 31, 2021	May 31, 2020
	\$	\$
Consulting fees paid to the former CEO	-	2,100
Consulting fees paid to a company controlled by the CEO	100,000	84,750
Consulting fees paid to a company controlled by the former CFO	-	4,320
Consulting fees paid to the CFO and to a company controlled by the CFO	159,000	-
Consulting and equipment rental fees paid to the VP, Exploration	95,440	-
Consulting fees paid to the VP, Development	24,000	4,000
Consulting fees paid to a company controlled by a director	-	84,750
Share-based compensation paid to officers and directors	172,044	112,000
	550,484	291,920

Consulting fees paid to related parties in the amount of \$169,500 are included in listing expense in the condensed consolidated interim statement of loss and comprehensive loss for the period ended May 31, 2020.

Included in accounts payable at May 31, 2021 is \$Nil (November 30, 2020 - \$35,556) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

10. SHARE CAPITAL**a) Authorized share capital**

Unlimited number of common shares without par value.

b) Common share transactions

During the six-month period ended May 31, 2021, the Company issued 52,716 common shares for proceeds of \$24,358 pursuant to the exercise of 52,716 warrants and reclassified \$12,315 from reserves to share capital.

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

10. SHARE CAPITAL (Continued)**c) Warrants**

The following is a summary of the Company's warrant transactions for the six months ended May 31, 2021:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance at November 30, 2020	5,803,341	0.49
Exercised	(52,716)	0.46
Expired	(4,270,451)	0.50
Balance at May 31, 2021	1,480,174	0.48

Warrants outstanding at May 31, 2021 are as follows:

Exercise Price (\$)	Number of Shares	Expiry Date
0.10	80,880	November 8, 2021
0.50	1,399,294	July 28, 2022
	1,480,174	

The weighted average remaining life of warrants is 1.12 years.

d) 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 date of grant for a period of up to ten years from the date of grant.

The following is a summary of the Company's stock options for the period ended May 31, 2021:

	Number of Options	Weighted Average Exercise Price \$
Balance at May 31, 2021 and November 30, 2020	5,140,000	0.57
Exercisable at May 31, 2021	5,140,000	0.57

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May 31, 2021 and May 31, 2020

(Expressed in Canadian dollars, unless otherwise noted - Unaudited)

10. SHARE CAPITAL (Continued)**d) Stock Options (continued)**

The fair value of the stock options granted during the period ended May 31, 2021, and 2020 was estimated using the Black-Scholes pricing model with the following assumptions:

	May 31, 2021	May 31, 2020
Risk-free interest rate	N/A	1.02%
Expected life of options	N/A	5 years
Annualized volatility	N/A	125.00%
Dividend rate	N/A	0%

During the six-month periods ended May 31, 2021, and 2020, the Company incurred \$209,810 and \$206,910, in share-based compensation expense related to the vesting of stock options.

Stock options outstanding at May 31, 2021 are as follows:

Exercise Price (\$)	Number of Shares Issuable on Exercise	Expiry Date
0.49	1,000,000	January 23, 2025
0.49	150,000	February 3, 2025
0.60	2,690,000	May 27, 2025
0.60	1,300,000	October 6, 2025
	5,140,000	

The weighted average remaining life of stock options is 4.03 years.

11. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash and accounts payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no debt or interest-bearing assets and therefore has minimal interest rate risk.

FREEMAN GOLD CORP.**(Formerly Lodge Resources Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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11. FINANCIAL INSTRUMENTS (Continued)

Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution and amounts receivable from the Government of Canada. As such, the Company's credit exposure is minimal.

Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. At May 31, 2021, the Company has US dollar denominated assets of \$147,254 and US dollar denominated liabilities of \$2,197. Based on this net US dollar exposure, at May 31, 2021, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's gain or loss by \$14,056.

The carrying values of the Company's financial assets and liabilities at May 31, 2021 and November 30, 2020, approximate their fair values due to their short-term nature.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity. The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

13. SUBSEQUENT EVENTS

On June 4, 2021, the Company cancelled 1,790,000 stock options with exercise prices ranging from \$0.485 to \$0.60 for those consultants who were no longer providing services to the Company.