

FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months ended February 28, 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	February 28, 2021 \$	November 30, 2020 \$
ASSETS			
Current assets			
Cash		2,954,102	5,066,930
Receivables	4	141,402	108,328
Prepaid expenses and deposits	5	78,747	121,287
Total current assets		3,174,251	5,296,545
Non-current assets			
Advances for exploration and evaluation activities		43,752	40,161
Property, plant and equipment	6	217,104	238,295
Exploration and evaluation assets	7	9,275,594	8,604,289
		9,536,450	8,882,745
TOTAL ASSETS		12,710,701	14,179,290
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	407,684	910,792
SHAREHOLDERS' EQUITY			
Share capital	10	21,419,086	21,384,559
Reserves	10	3,313,407	3,168,691
Deficit		(12,429,476)	(11,284,752)
Total Shareholders' Equity		12,303,017	13,268,498
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,710,701	14,179,290

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on April 14, 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	
	February 28, 2021	February 29, 2020
	\$	\$
EXPENSES		
Bank charges	1,491	260
Consulting	9 216,455	-
General and administrative	17,441	171
Marketing fees	687,608	-
Professional fees	45,023	5,053
Regulatory and filing fees	19,676	-
Share-based compensation	9,10 157,030	112,000
Net and comprehensive loss	(1,144,724)	(117,484)
Basic and diluted loss per common share	(0.01)	(0.00)
Weighted average number of common shares outstanding	81,423,272	27,471,374

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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 Subscription Advances				
Balance at November 30, 2019		15,740,000	432,620	-	-	(35,845)	396,775	
Issuance of common shares pursuant to private placement		11,995,000	599,750	-	-	-	599,750	
Funds received in advance of share issuance		-	-	150,250	-	-	150,250	
Share-based compensation		-	-	-	112,000	-	112,000	
Loss for the period		-	-	-	-	(117,484)	(117,484)	
Balance at February 29, 2020		27,735,000	1,032,370	-	112,000	(153,329)	1,141,291	
Issuance of common shares pursuant to private placement		3,005,000	150,250	(150,250)	-	-	-	
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	
Issuance of common shares pursuant to private placement		20,690,000	10,345,000	-	-	-	10,345,000	
Share issuance costs		-	(954,800)	-	-	-	(954,800)	
Issuance of finders' warrants		-	(554,336)	-	554,336	-	-	
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		73,500	42,272	-	(10,922)	-	31,350	
Share-based compensation		-	-	-	1,751,721	-	1,751,721	
Net loss		-	-	-	-	(11,131,423)	(11,131,423)	
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	36,672	-	(12,314)	-	24,358	
Share issuance costs	10	-	(2,145)	-	-	-	(2,145)	
Share-based compensation	10	-	-	-	157,030	-	157,030	
Net loss for the period		-	-	-	-	(1,144,724)	(1,144,724)	
Balance at February 28, 2021		81,453,170	21,419,086	-	3,313,407	(12,429,476)	12,303,017	

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FREEMAN GOLD CORP.
(Formerly Lodge Resources Inc.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars - Unaudited)

	Three months ended	
	February 28, 2021	February 28, 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(1,144,724)	(117,484)
Items not affecting cash:		
Share-based compensation	157,030	112,000
Changes in non-cash working capital items:		
Receivables	(33,074)	-
Prepaid expenses	42,540	-
Due to former shareholders	-	(10,000)
Accounts payable and accrued liabilities	(624,595)	(45,100)
Cash (used in) provided by operating activities	(1,602,823)	(60,584)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances for exploration and evaluation activities	(12,752)	-
Expenditures for exploration and evaluation assets	(519,466)	(1,907,589)
Cash used in investing activities	(532,218)	(1,907,589)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	-	750,000
Proceeds from exercise of warrants	24,358	-
Share issuance costs	(2,145)	-
Advance received on RTO transaction	-	1,300,000
Cash provided by financing activities	22,213	2,050,000
Change in cash during the period	(2,112,828)	81,827
Cash, beginning of period	5,066,930	541
Cash, end of period	2,954,102	82,368
Supplemental Cash Flow Information:		
Exploration expenditures included in accounts payable	121,487	22,157

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FREEMAN GOLD CORP.

(Formerly Lodge Resources Inc.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

February 28, 2021 and February 29, 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 February 28, 2021, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$12,429,476. 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

February 28, 2021 and February 29, 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 April 14, 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:

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

February 28, 2021 and February 29, 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**

February 28, 2021 and February 29, 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:

<u>Net assets (liabilities) of the Company acquired (assumed)</u>	<u>April 16, 2020</u>
	\$
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)
<u>Net assets (liabilities) aquired (assumed)</u>	<u>1,303,382</u>
<u>Consideration paid</u>	<u>\$</u>
Common shares issued (1)	5,988,263
Finder's shares issued	1,470,000
Warrants and stock options issued	504,435
<u>Total consideration paid</u>	<u>7,962,698</u>
Add: Professional fees incurred for RTO	228,101
<u>Purchase price</u>	<u>8,190,799</u>
<u>Listing expense</u>	<u>6,887,417</u>

- (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**

February 28, 2021 and February 29, 2020

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

4. RECEIVABLES

	February 28, 2021	November 30, 2020
	\$	\$
Goods and services tax receivable	141,402	102,353
Other receivables	-	5,975
Total receivables	141,402	108,328

5. PREPAID EXPENSES AND DEPOSITS

	February 28, 2021	November 30, 2020
	\$	\$
Marketing	40,768	89,689
Insurance	15,729	22,989
Regulatory and filing fees	19,482	-
Other	2,768	8,609
Total prepaid expenses and deposits	78,747	121,287

6. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Vehicles	Total
	\$	\$	\$
Cost			
Balance at November 30, 2020	56,499	197,797	254,296
Additions	-	-	-
Balance at February 28, 2021	56,499	197,797	254,296
Amortization			
Balance at November 30, 2020	2,265	13,736	16,001
Additions (Note 7)	4,708	16,483	21,191
Balance at February 28, 2021	6,973	30,219	37,192
Net book value			
Balance at November 30, 2020	54,234	184,061	238,295
Balance at February 28, 2021	49,526	167,578	217,104

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

February 28, 2021 and February 29, 2020

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

7. EXPORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets for the three months ended February 28, 2021 and the year ended November 30, 2020 are as follows:

Period ended February 28, 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:			
Assaying and sampling			216,790
Camp and accommodations			2,508
Amortization of equipment and vehicles			21,191
Drilling			85,834
Geological			310,431
Metallurgy			29,565
			4,010,022
Balance at February 28, 2021			9,275,594
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**

February 28, 2021 and February 29, 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).

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

	February 28, 2020	November 30, 2020
	\$	\$
Accounts payable (Note 9)	407,684	859,100
Accrued liabilities	-	51,692
	407,684	910,792

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

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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 three months ended February 28, 2021 and February 29, 2020:

Period ended	February 28, 2021	February 29, 2020
	\$	\$
Consulting fees paid to a company controlled by the CEO	50,000	-
Consulting fees paid to the CFO and to a company controlled by the CFO	79,500	-
Consulting and equipment rental fees paid to the VP, Exploration	48,940	-
Consulting fees paid to the VP, Development	12,000	-
Share-based compensation paid to officers and directors	128,765	112,000
	<u>319,205</u>	<u>112,000</u>

Included in accounts payable at February 28, 2021 is \$9,750 (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 period ended February 28, 2021, the Company issued 52,716 common shares for proceeds of \$24,358 pursuant to the exercise of 52,716 warrants and reclassified \$12,314 from reserves to share capital.

c) Warrants

The following is a summary of the Company's warrant transactions for the three months ended February 28, 2021:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance at November 30, 2020	5,803,341	0.49
Exercised	(52,716)	0.46
Balance at February 28, 2021	<u>5,750,625</u>	<u>0.49</u>

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

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

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

Warrants outstanding at February 28, 2021 are as follows:

Exercise Price (\$)	Number of Shares	Expiry Date
0.50	3,050,651	May 6, 2021
0.50	1,219,800	May 11, 2021
0.10	80,880	November 8, 2021
0.50	1,399,294	July 28, 2022
	5,750,625	

The weighted average remaining life of warrants is 0.49 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 February 28, 2021:

	Number of Options	Weighted Average Exercise Price \$
Balance at February 28, 2021 and November 30, 2020	5,140,000	0.57
Exercisable at February 28, 2021	2,640,000	0.55

The fair value of the stock options granted during the period ended February 28, 2021 and February 29, 2020 was estimated using the Black-Scholes pricing model with the following assumptions:

	February 28, 2021	February 29, 2020
Risk-free interest rate	N/A	1.58%
Expected life of options	N/A	5 years
Annualized volatility	N/A	100.00%
Dividend rate	N/A	0%

During the periods ended February 28, 2021 and February 29, 2020, the Company incurred \$157,030 and \$112,000, in share-based compensation expense related to the vesting of stock options.

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

February 28, 2021 and February 29, 2020

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

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

Stock options outstanding at February 28, 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 4.28 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.

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 February 28, 2021, the Company has US dollar denominated assets of \$187,486 and US dollar denominated liabilities of \$2,238. Based on this net US dollar exposure, at February 28, 2021, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's gain or loss by \$18,525.

FREEMAN GOLD CORP.

(Formerly Lodge Resources Inc.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

February 28, 2021 and February 29, 2020

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

11. FINANCIAL INSTRUMENTS (Continued)

The carrying values of the Company's financial assets and liabilities at February 28, 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.