



**Allegiant Gold Ltd.
1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada**

Condensed Interim Consolidated Financial Statements

**Nine Month Period Ended
June 30, 2020**

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ALLEGIANT GOLD LTD.**Condensed Interim Consolidated Statements of Financial Position**

(Expressed in Canadian dollars)

(Unaudited)

	June 30, 2020	September 30, 2019
	(\$)	(\$)
ASSETS		
Current assets		
Cash	1,954,483	401,455
Short-term investments (Note 4)	1,019,426	652,153
Receivables	587,766	2,324
Prepaid expenses	77,550	33,031
Total current assets	3,639,225	1,088,963
Non-current assets		
Exploration and evaluation assets (Note 5)	24,992,499	24,001,252
Reclamation bonds (Note 6)	297,206	341,135
TOTAL ASSETS	28,928,930	25,431,350
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	121,537	40,798
Total current liabilities	121,537	40,798
Non-current liabilities		
CEBA loan	40,000	-
Due to Columbus Gold Corp. (Note 9)	1,489,169	1,331,645
TOTAL LIABILITIES	1,650,706	1,372,443
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 8)	27,587,376	25,147,350
Reserves (Note 8)	6,129,426	5,161,075
Deficit	(6,438,578)	(6,249,518)
	27,278,224	24,058,907
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIENCY	28,928,930	25,431,350

Nature of operations and going concern (Note 1)**Subsequent events (Note 13)**

On behalf of the Board of Directors:

"Peter Gianulis"
Director

"Shawn Nichols"
Director

ALLEGIANT GOLD LTD.**Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**

(Expressed in Canadian dollars)

(Unaudited)

	Three Month Period Ended June 30, 2020	Three Month Period Ended June 30, 2019	Nine Month Period Ended June 30, 2020	Nine Month Period Ended June 30, 2019
	(\$)	(\$)	(\$)	(\$)
Operating expenses				
Administration and office (Note 9)	34,560	94,613	108,629	274,801
Director fees (Note 9)	18,000	45,000	54,000	135,000
General exploration	-	24,426	4,842	105,503
Investor relations	28,211	13,077	41,818	60,814
Management fees (Note 9)	31,500	37,500	129,904	132,500
Option payments received (Note 5)	(33,070)	(90,664)	(305,742)	(90,664)
Professional fees	67,111	18,335	167,091	83,915
Share-based payments (Note 9)	98,233	-	119,887	-
Transfer agent and filing fees	9,035	16,635	58,621	65,812
Travel	464	131	20,476	6,381
	(254,044)	(159,053)	(399,526)	(774,062)
Interest income	215	4,483	3,443	24,079
Gain (loss) on short-term investments	463,433	(250,582)	360,787	(250,582)
Impairment of exploration and evaluation assets (Note 5)	-	(538,558)	-	(993,149)
Accretion expense (Note 9)	(54,477)	(24,661)	(157,524)	(68,026)
Foreign exchange gain (loss)	8,193	3,856	3,760	144
Net income (loss)	163,320	(964,515)	(189,060)	(2,061,596)
Item that may be reclassified to net income (loss)				
Exchange differences on translating foreign operations	(809,360)	(477,726)	789,676	398,055
Comprehensive income (loss)	(646,040)	(1,442,241)	600,616	(1,663,541)
Basic and diluted loss per share	0.00	(0.02)	(0.00)	(0.03)
Weighted average common shares outstanding:				
Basic	63,354,392	61,843,850	62,345,526	61,273,357
Diluted	63,354,392	61,843,850	62,345,526	61,273,357

ALLEGIANT GOLD LTD.**Condensed Interim Consolidated Statements of Cash Flows**

(Expressed in Canadian dollars)

(Unaudited)

	Nine Month Period Ended June 30, 2020	Nine Month Period Ended June 30, 2019
	(\$)	(\$)
Net loss	(189,060)	(2,061,596)
Adjusted for items not involving cash:		
Accretion expense	157,524	68,026
Impairment of exploration and evaluation assets	-	993,149
Loss (gain) on short-term investments	(360,787)	250,582
Option payments received	(305,742)	(90,664)
Share-based payments	119,887	-
Unrealized foreign exchange (gain) loss	(1,309)	15,527
Changes in non-cash working capital:		
Prepaid expenses and receivables	(632,182)	(36,000)
Accounts payable and accrued liabilities	80,739	(233,000)
Cash flows used in operating activities	(1,130,929)	(1,093,976)
Exploration and evaluation expenditures	(491,952)	(2,409,661)
Reclamation bonds	53,320	268,000
Option payments received	17,316	-
Proceeds from sale of short-term investments	561,084	-
Interest received	2,221	24,079
Cash flows provided by (used in) investing activities	141,989	(2,117,582)
Private placement of common shares, net of financing costs	2,498,814	-
Proceeds from CEBA loan	40,000	-
Cash flows provided by financing activities	2,538,814	-
Change in cash	1,549,874	(3,211,558)
Effect of exchange rate changes on cash denominated in a foreign currency	3,154	14,410
Cash, beginning of the period	401,455	3,813,893
Cash, end of the period	1,954,483	616,745

Supplemental cash flow information (Note 12)

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

ALLEGIANT GOLD LTD.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital		Reserves				Shareholders' Equity
	Number of Shares	Amount	Options, RSUs and Warrants	Accumulated Other Comprehensive Income (Loss)	Total	Deficit	
		(\$)	(\$)	(\$)		(\$)	(\$)
Balance at October 1, 2018	60,811,482	24,943,755	3,163,340	899,297	4,062,637	(3,865,015)	25,141,377
Shares for debt	32,368	13,595	-	-	-	-	13,595
Shares issued for extension of amounts due to Columbus Gold Corp. (Note 8)	1,000,000	190,000	-	-	-	-	190,000
Comprehensive income (loss)	-	-	-	398,055	398,055	(2,061,596)	(1,663,541)
Balance at June 30, 2019	61,843,850	25,147,350	3,163,340	1,297,352	4,460,692	(5,926,611)	23,681,431
Share-based payments (Note 8)	-	-	53,700	-	53,700	-	53,700
Contributions - discount of amounts due to Columbus Gold Corp. (Note 9)	-	-	-	383,701	383,701	-	383,701
Comprehensive income (loss)	-	-	-	262,982	262,982	(322,907)	(59,925)
Balance at September 30, 2019	61,843,850	25,147,350	3,217,040	1,944,035	5,161,075	(6,249,518)	24,058,907
Shares issued for RSU exercise	112,500	11,813	(11,813)	-	(11,813)	-	-
Shares issued for cash (Note 8)	10,426,992	2,606,748	-	-	-	-	2,606,748
Share issuance costs	-	(178,534)	70,600	-	70,600	-	(107,934)
Share-based payments (Note 8)	-	-	119,887	-	119,887	-	119,887
Comprehensive income (loss)	-	-	-	789,676	789,676	(189,060)	600,616
Balance at June 30, 2020	72,383,342	27,587,377	3,395,714	2,733,711	6,129,425	(6,438,578)	27,278,224

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

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Allegiant Gold Ltd. (the “Company” or “Allegiant”), was incorporated on September 26, 2017 under the laws of the Province of British Columbia, Canada. The Company was a wholly-owned subsidiary of Columbus Gold Corp. (“Columbus Gold”), a Toronto Stock Exchange listed company, until January 25, 2018, when it was spun-out of Columbus Gold by way of a plan of arrangement (the “Arrangement”) as a separate entity. The Company obtained its initial listing on the TSX Venture Exchange (“TSXV”) on January 30, 2018. The common shares of the Company are also listed on the OTCQX effective February 26, 2018.

The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

On October 1, 2017, the Company acquired Allegiant Gold Holding Ltd. (“AGHL”) from Columbus Gold (note 5), which indirectly held all of Columbus Gold’s exploration and evaluation assets in the United States of America.

The Company’s principal business activities are the exploration and development of resource properties located in the United States of America. The Company is in the process of exploring and developing its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. The Company’s exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These condensed interim consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. At June 30, 2020, the Company had working capital of \$3,517,688 (September 30, 2019 – \$1,048,165) and deficit of \$6,438,578 (September 30, 2019 - \$6,249,518). The Company currently does not generate revenue. As a result, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2018, prepared in accordance with IFRS as issued by the IASB

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on August 28, 2020.

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the consolidated financial statements.

Basis of Consolidation

These consolidated financial statements include the accounts of Allegiant and its wholly-owned subsidiaries as follows:

Entity	Ownership Interest	Place of Incorporation
Allegiant Gold Holding Ltd.	100%	British Columbia, Canada
Allegiant Gold (U.S.) Ltd.	100%	Arizona, USA

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Use of Estimates and Judgements

Significant estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, assumptions used in determination of the fair value of share-based payments, the recoverability and measurement of deferred tax assets, decommissioning obligations, restoration and similar liabilities and contingent liabilities.

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's consolidated financial statements include the assumption that the Company will continue as a going concern, classification of expenditures as exploration and evaluation expenditures or operating expenses and the classification of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at September 30, 2019, with the exception of the newly adopted standard noted below.

IFRS 16, Leases

This new standard replaces the existing leasing guidance in IAS 17, Leases.

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the balance sheet a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a very low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized on the statement of earnings will be recognized on the balance sheet.

The purpose of the standard is to provide users of the financial statements with a more accurate picture of a company's leased assets and associated liabilities, while also improving the comparability of companies that lease assets to those that purchase them.

The adoption of this standard did not have a material impact on the Company's financial statements.

4. SHORT-TERM INVESTMENTS

	June 30, 2020	September 30, 2019
	(\$)	(\$)
New Placer Dome Gold Corp. (Note 5)	982,543	635,645
Barksdale Metals Corp. (Note 5)	36,883	16,508
	1,019,426	652,153

During the nine month period ended June 30, 2020, the Company recorded a gain on short-term investments of \$360,787 (2019-\$250,582 loss on short-term investments).

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Property	Balance at September 30, 2019	Additions	Option Payment(s) Received	Impairment	Foreign Exchange	Balance at June 30, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Bolo	4,050,740	-	(272,672)	-	126,971	3,905,039
Browns Canyon	696,156	-	-	-	22,582	718,738
Clanton Hills	67,118	-	-	-	2,177	69,295
Eastside	18,501,403	463,597	-	-	605,844	19,570,844
Four Metals ⁽¹⁾	-	-	-	-	-	-
West Goldfield	409,303	20,251	-	-	13,525	443,079
Mogollon ⁽²⁾	-	-	-	-	-	-
Overland Pass	91,406	-	-	-	2,967	94,373
White Horse Flats	99,462	-	-	-	3,226	102,688
White Horse North	85,664	-	-	-	2,779	88,443
	24,001,252	483,848	-	-	780,070	24,992,499

A summary of exploration and evaluation assets by property for the year ended September 30, 2019 is set out below:

Property	Balance at September 30, 2018	Additions	Option Payment(s) Received	Impairment	Foreign Exchange	Balance at September 30, 2019
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Big Lime	1,383	-	-	(1,415)	32	-
Bolo	4,262,334	6,057	(334,550)	-	116,899	4,050,740
Browns Canyon	156,978	536,467	-	-	2,711	696,156
Clanton Hills	56,933	8,696	-	-	1,489	67,118
Eastside	17,076,272	973,829	-	-	451,302	18,501,403
Four Metals ⁽¹⁾	-	-	-	-	-	-
West Goldfield	179,253	225,901	-	-	4,149	409,303
Hughes Canyon	153,925	284,203	-	(453,591)	15,463	-
Mogollon ⁽²⁾	261,469	4,149	(273,303)	-	7,685	-
Monitor Hills	91,753	406,763	-	(505,141)	6,625	-
Overland Pass	64,208	25,563	-	-	1,635	91,406
Silver Dome	30,459	1,804	-	(33,002)	739	-
White Horse Flats	71,948	25,671	-	-	1,843	99,462
White Horse North	62,141	21,931	-	-	1,592	85,664
	22,469,056	2,521,034	(607,853)	(993,149)	612,164	24,001,252

⁽¹⁾ Optioned to third party. Proceeds received exceed carrying value of property. Refer to "Four Metals" section for further details.

⁽²⁾ Optioned to third party. Proceeds received exceed carrying value of property. Refer to "Mogollon" section for further details.

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

A summary of the exploration and evaluation assets by cost category is set out below:

	(\$)
Balance at September 30, 2018	22,469,056
Acquisition and land costs	554,092
Camp costs	11,227
Drilling	755,417
Geology, trenching and geophysics	328,652
Management and administration	567,754
Technical studies	174,321
Travel	129,571
Option payment(s) received	(607,853)
Impairment	(993,149)
Foreign exchange	612,164
Balance at September 30, 2019	24,001,252
Acquisition and land costs	102,141
Geology, trenching and geophysics	175,044
Management and administration	2,303
Option proceeds	(272,672)
Technical studies	186,138
Travel	18,222
Foreign exchange	780,071
Balance at June 30, 2020	24,992,499

Bolo

The Bolo project is located approximately 60 km northeast of Tonopah, Nevada. The Company holds a 100% interest in Bolo, subject to underlying royalties.

On June 27, 2018, the Company entered into an agreement with New Placer Dome Gold Corp. (formerly Barrian Mining Corp.) ("NGLD"), under which NGLD may acquire up to a 50.01% undivided interest in Bolo by issuing common shares of NGLD to the Company, with an aggregate value of \$1,310,000 (US\$1,000,000) over a three year period, and also incurring certain exploration and evaluation expenditures on Bolo with a minimum aggregate value of \$5,240,000 (US\$4,000,000) by December 31, 2022. On April 24, 2019, the Company received 1,672,750 common shares of NGLD, representing an initial \$334,550 (US\$250,000) option payment. On January 29, 2020, the Company received 2,059,219 common shares of NGLD with a fair value of \$267,698, representing the first anniversary option payment of US\$250,000.

NGLD may acquire an additional 24.99% interest in Bolo by incurring an additional \$5,240,000 (US\$4,000,000) in certain exploration and evaluation expenditures on Bolo within two years of acquiring the initial 50.01% interest in Bolo. If NGLD does not acquire the additional 24.99% interest, then NGLD will transfer a 0.02% interest in Bolo back to the Company.

Eastside

The Eastside project is located approximately 32 km west of Tonopah, Nevada. The Company holds a 100% interest in Eastside, subject to underlying royalties.

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)*Four Metals*

On April 19, 2018 the Company and MinQuest Ltd. entered into an option agreement with Arizona Standard (US) Corp. (the “Four Metals Optionee”) and Barksdale Metals Corp. (“Barksdale”) granting the Four Metals Optionee an option to acquire a 100% interest in the Four Metals project located in Santa Cruz County, Arizona. The Four Metals Optionee is a wholly-owned subsidiary of Barksdale. The common shares of Barksdale are listed for trading on the TSXV. The Company and MinQuest Ltd. each own a 50% interest in 16 unpatented lode mining claims that, in addition to 24 unpatented lode mining claims that are 100% owned by the Company, comprise the Four Metals project. The option agreement requires the Four Metals Optionee to pay \$294,750 (US\$225,000) in staged payments over a five-year period. In addition, Barksdale will issue common shares with a total value of \$294,750 (US\$225,000) in staged issuances over the same five-year period. The cash payments and share issuances are shared equally with MinQuest Ltd. so that the Company will receive 50% of the cash and share payments.

On April 21, 2020, the Company received cash of \$17,316 (US\$12,500) (2019 – \$16,670) and 68,493 (2019 - 33,016) common shares of Barksdale, with a fair value of \$15,753 (US\$12,500) (2019 - \$16,838).

Mogollon

On June 19, 2018, the Company entered into an agreement with NGLD, granting NGLD an option to acquire a 100% interest in Mogollon by issuing common shares of NGLD with an aggregate value of \$1,310,000 (US\$1,000,000) over an approximate three-year period. On April 24, 2019, the Company received 1,672,750 shares of NGLD, representing an initial \$334,550 (US\$250,000) option payment. On January 29, 2020, the Company received 2,059,219 common shares of NGLD, based on a volume weighted average price, representing the first anniversary \$272,672 (US\$250,000) share option payment.

In May 2020, Mogollon was returned back to Allegiant by NGLD.

Other

The Company has additional exploration and evaluation assets located in the USA, comprised of the following properties: Clanton Hills, Browns Canyon, Overland Pass, West Goldfield, White Horse Flats, and White Horse North.

6. RECLAMATION BONDS

The drilling permits for the following properties require refundable reclamation bonds, which are held by the USA Forest Service and the US Bureau of Land Management:

	June 30, 2020	September 30, 2019
	(\$)	(\$)
Browns Canyon	8,645	8,373
Eastside	272,700	291,393
Hughes Canyon	7,529	18,179
Monitor Hills	-	15,120
Red Hills	8,332	8,070
	297,206	341,135

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

7. RESTORATION PROVISION

The Company has restoration obligations in connection with certain properties in Nevada. The Company has in place reclamation bonds with the USA Forest Service and the US Bureau of Land Management (also refer to Note 5) to cover these obligations.

8. SHARE CAPITAL

Common shares

Authorized - unlimited common shares without par value.

At June 30, 2020, the Company had 72,383,342 (September 30, 2019 – 61,843,850) common shares issued and outstanding.

Period Ended June 30, 2020

On June 8, 2020, the Company issued 112,500 common shares pursuant to the exercise of RSUs (defined hereafter), and accordingly transferred \$11,813 from reserves to share capital.

On June 11, 2020, the Company completed the first tranche of a non-brokered private placement (the “Placement”) wherein it issued 5,194,992 units (“Units”) at \$0.25 per Unit for aggregate proceeds of \$1,291,248. Each unit is comprised of a common share and one half of a common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire an additional common share at \$0.40 for a period of 18 months from closing. The warrants were determined to have a value of \$nil. The Company paid cash finders’ fees of \$39,600 and issued 158,400 finders’ warrants that have the same terms as the Unit warrants. The finders’ warrants were determined to have a value of \$22,600.

On June 25, 2020, the Company completed the second tranche of the Placement wherein it issued 5,262,000 Units at \$0.25 per Unit for aggregate proceeds of \$1,315,500. The warrants were determined to have a value of \$nil. The Company paid cash finders’ fees of \$60,300 and issued 241,200 finders’ warrants that have the same terms as the Unit warrants. The finders’ warrants were determined to have a value of \$48,000.

Year Ended September 30, 2019

On March 5, 2019, the Company issued 1,000,000 common shares (the “Extension Shares”) of Allegiant in exchange for extending the due date of the Grid Note to December 31, 2020 (see Note 11). The fair value of the Extension Shares was \$190,000 at the time of issuance.

On October 24, 2018, the Company extinguished an existing debt in the amount of \$13,595 by issuing 32,368 common shares (each a “Settlement Share”) at a fair value price of \$0.42 per Settlement Share to certain of its independent directors.

Share options

The Company has a share option plan to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the TSXV on the last trading day preceding the grant date.

ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2020

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

The continuity of the Company's share options is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, September 30, 2018	5,090,000	0.58
Granted	1,000,000	0.10
Cancelled	(3,000,000)	0.57
Forfeited	(405,000)	0.60
Balance, September 30, 2019	2,685,000	0.41
Cancelled	(750,000)	0.46
Forfeited	(245,000)	0.60
Balance, June 30, 2020	1,690,000	0.30

A summary of the Company's options at June 30, 2020 is as follows:

Exercise Price (\$)	Options Outstanding		Options Exercisable	
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (yrs)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (yrs)
0.60	690,000	2.60	1,685,000	2.60
0.10	1,000,000	4.25	1,000,000	4.25
0.10-0.60	1,690,000	3.58	2,685,000	3.58

The fair value of share options recognized as an expense during the year ended September 30, 2019 was \$53,700.

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during the year ended September 30, 2019 were as follows:

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (yrs)	Expected Dividend Yield Per Option (\$)	Fair Value Per Option (\$)	Total Fair Value (\$)
September 20, 2019	1,000,000	114.0%	1.4%	5.00	-	0.05	53,700

Restricted share units

On December 20, 2019 the Company adopted a restricted share unit ("RSU") plan to issue RSUs whereby the total aggregate RSUs and share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant RSUs to directors, officers, employees or consultants. The vesting terms of an RSU are at the discretion of the Board of Directors.

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8. SHARE CAPITAL (continued)

The continuity of the Company's RSUs is as follows:

	Number of RSUs
Balance, September 30, 2018 and 2019	-
Granted	3,000,000
Exercised	(112,500)
Balance, June 30, 2020	2,887,500

The Company granted 3,000,000 RSU on March 18, 2020, and the fair value of RSUs recognized as an expense during the period ended June 30, 2020 was \$119,887. The fair value of each RSU is determined using the closing price of the common shares of the Company on the date of grant. The RSUs vest over a three year period as follows:

Percentage Vested	Date
25%	March 18, 2020
25%	March 18, 2021
25%	March 18, 2022
25%	March 18, 2023

As at June 30, 2020, there was a total of 637,500 vested RSUs that remain unexercised.

Warrants

The continuity of the Company's warrants is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, September 30, 2018 and 2019	7,267,604	0.98
Granted	5,613,096	0.40
Expired	(7,267,604)	0.98
Balance, September 30 and June 30, 2020	5,613,096	0.40

A summary of the Company's warrants at June 30, 2020 is as follows:

Number of Warrants	Weighted Average Exercise Price (\$)	Expiry Date	Weighted Average Remaining Contractual Life (yrs)
2,740,896	0.40	December 11, 2021	1.45
2,872,200	0.40	December 25, 2021	1.49
5,613,096	0.40		1.47

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8. SHARE CAPITAL (continued)Reserves*RSUs, Share options and warrants*

The RSUs, share options and warrants reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the RSUs, stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Accumulated other comprehensive income (loss)

The accumulated other comprehensive income (loss) reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

Other Reserves

The fair value of the extension of the Grid Note owing to Columbus Gold Corp. was determined to be \$383,665 using a discount rate of 15%. It has been recognized in other reserves as a contribution to equity.

9. RELATED PARTY TRANSACTIONS

Columbus Gold, a company with certain directors and officers in common, provides the Company with administration and management services on a shared cost basis under a corporate services agreement (the "CSA"). The most recent CSA was effective until December 31, 2019.

As at June 30, 2020, the Company had a principal balance of \$1,604,405 (September 30, 2019 - \$1,604,405) owing to Columbus Gold (the "Grid Note") originally due on March 1, 2019. On March 5, 2019, the Company issued 1,000,000 common shares (the "Extension Shares") of Allegiant in exchange for extending the due date to December 31, 2020. The fair value of the Extension Shares was \$190,000 at the time of issuance.

As the Grid Note was initially a non-current liability, the Company discounted the Grid Note with a 20% annual discount rate, resulting in a discount of \$213,639 allocated to the reserves account. Upon issuing the Extension Shares, the Grid Note was recognized as a new financial liability and the fair value of the Extension Shares was recognized as a loss. The Company discounted newly issued Grid Note with a 15% annual discount rate, resulting in a discount of \$383,665 allocated to the reserves account. A continuity table of the Grid Note is as follows:

	(\$)
Balance, September 30, 2018	1,604,405
Fair value discount – 15%	(383,665)
Accretion for the period	146,142
Balance, September 30, 2019	1,331,645
Accretion for the period	157,524
Balance, June 30, 2020	1,489,169

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9. RELATED PARTY TRANSACTIONS (continued)

The Company engaged the services of Cordilleran Exploration LLC (“Cordex”) to generate, evaluate, and explore mineral properties on behalf of the Company, primarily in Nevada. The agreement expired on June 30, 2019. Monthly payments consisted of a management fee which ranged from \$27,155 (US\$21,167) to \$28,865 (US\$22,500) and net smelter return (“NSR”) royalty for Cordex on existing and new properties. The principal of Cordex is a former officer and director of a subsidiary of the Company.

The following is a summary of related party transactions:

	June 30, 2020	June 30, 2019
	(\$)	(\$)
Amounts paid or accrued to Columbus Gold Corp., a company that shares directors in common	28,981	226,311
Management fees paid or accrued to a corporation controlled by the former Chairman of the Company	50,500	132,500
Management and administration fees paid or accrued to the CEO of the Company	158,500	-
Professional fees paid to a corporation controlled by the CFO of the Company	51,000	-
Directors fees paid or accrued	54,000	135,000
Share-based compensation in the form of vested RSUs issued to directors, officers and consultants of the Company	111,895	-
Consulting fees paid or accrued to a director of the Company	66,569	-
Consulting fees paid or accrued to Cordex	-	264,000
	521,445	757,811

The following summarizes advances and amounts payable to related parties:

	June 30, 2020	September 30, 2019
	(\$)	(\$)
Due to Columbus Gold - Grid Note	(1,489,169)	(1,331,645)
Travel advances to former Chairman of the Company	5,000	5,000
Amounts due to directors, included in accounts payable	(30,200)	(5,972)
	(1,407,408)	1,332,617

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10. SEGMENTED INFORMATION

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

	June 30,	September 30,
	2020	2019
	(\$)	(\$)
Current assets		
Canada	3,370,868	956,025
USA	268,357	132,938
	3,639,225	1,088,963
Non-current assets		
Canada	-	-
USA	25,289,705	24,342,387
	25,289,705	24,342,387
Total assets		
Canada	3,370,868	956,025
USA	25,558,062	24,475,325
	28,928,930	25,431,350

11. FINANCIAL RISK AND CAPITAL MANAGEMENTFinancial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at June 30, 2020 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks in Canada and the USA, and risk is assessed as low.

The credit risk exposure on reclamation bonds is limited to its carrying amount at the date of the statements of financial position. Reclamation bonds are held by the USA Forest Service and the US Bureau of Land Management, and risk is assessed as low.

Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2020, the Company had a working capital of \$3,517,688 (September 30, 2019 – \$1,048,165).

Liquidity risk is assessed as high.

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11. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

Market risks

(i) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary, Allegiant Gold (U.S.) Ltd. The Company also has certain assets and liabilities denoted in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

(ii) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

(iii) Interest rate risk

The Company does not have any variable interest-bearing debt and is therefore not exposed to interest rate risk.

Sensitivity analysis

A 1% change in interest rates does not have a material effect on the Company's profit or loss.

The Company has certain assets and liabilities in US Dollars, a currency other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar does not have a material effect on the Company's profit or loss.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from equity financings and debt from Columbus Gold.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

Fair value

The fair value of the Company's financial instruments, including cash, short-term investments, receivables and accounts payable, approximates their carrying value due to the immediate or short-term maturity of these financial instruments. The fair value of the reclamation bonds approximates their fair value based on current interest rates and high liquidity.

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11. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

The fair value of the short-term investments is measured using level 1 of the fair value hierarchy.

The fair value of non-current amounts due to Columbus Gold are based on the fair value of the common shares issued as consideration for an extension.

IFRS 9, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2020, amounts due to Columbus Gold are categorized as Level 2 in the fair value hierarchy above.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

12. SUPPLEMENTAL CASH FLOW INFORMATION

On June 11, 2020, the Company issued 158,400 finders' warrants with a value of \$22,600.

On June 25, 2020, the Company issued 241,200 finders' warrants with a value of \$48,000.

On January 29, 2020, a total of 7,267, 604 share purchase warrants expired without being exercised.

On April 24, 2019, the Company received 1,672,750 common shares of NGLD, representing an initial \$334,550 (US\$250,000) option payment for the Bolo property (Note 4).

On April 24, 2019, the Company received 1,672,750 common shares of NGLD, representing an initial \$334,550 (US\$250,000) option payment for the Mogollon property (Note 4).

On April 18, 2019, the Company received 33,016 common shares of Barksdale with a fair value of \$16,838, in connection with the Four Metals property (Note 4).

On March 5, 2019, the Company issued 1,000,000 common shares of Allegiant in exchange for extending the maturity date of a promissory note payable to Columbus Gold (Note 7).

On October 24, 2018, the Company issued 32,368 common shares (Note 7) to Directors of the Company to settle directors' fees accrued at a fair value of \$13,595.

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13. SUBSEQUENT EVENTS

Subsequent to June 30, 2020, the Company:

- a) completed the final tranche of the Placement by issuing 1,580,000 Units at \$0.25 for aggregate proceeds of \$395,000. The Company paid cash finders' fees of \$18,000 and issued 72,000 finders' warrants that have the same terms as the Unit warrants.
- b) entered into an agreement with wherein it granted Volt Energy Corp. ("Volt") an option to acquire a 50.1% interest in Clanton Hills by issuing 2,000,000 common shares upon TSXV approval and subsequently paying US\$550,000 in a combination of cash and shares over a three year period. Volt must also incur US\$1,500,000 in exploration expenses over a three year period. Volt can acquire an additional 19.1% interest (for a total of 70%) by making a US\$3,000,000 payment of which 50% can be in common shares of Volt.
- c) entered into an agreement with Summa Silver Corp. ("Summa") wherein Summa can acquire a 75% interest in the Mogollon silver property in exchange for an initial cash payment of US\$50,000 and the issuance of 200,000 common shares of Summa, subsequent cash and share payments valued at US\$2,750,000 and by incurring exploration expenditures totalling US\$3,000,000 over a period of three years. Summa can further acquire the remaining 25% interest in Mogollon by paying the Company an additional US\$3,000,000 in either cash or common shares of Summa.