



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

**Condensed Interim Consolidated Financial Statements**

**Nine Month Period Ended  
June 30, 2021**

**(Unaudited - Expressed in Canadian Dollars)**

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

(Expressed in Canadian dollars)

(Unaudited)

	<b>June 30, 2021</b>	<b>September 30, 2020</b>
	(\$)	(\$)
<b>ASSETS</b>		
Current assets		
Cash	389,774	2,875,470
Short-term investments (Note 4)	512,629	659,149
Receivables	29,516	24,511
Prepaid expenses	34,574	117,132
Total current assets	966,493	3,676,262
Non-current assets		
Reclamation bonds (Note 6)	284,678	290,960
Right-of-use asset (Note 5)	78,242	107,034
Exploration and evaluation assets (Note 7)	24,951,200	25,501,610
<b>TOTAL ASSETS</b>	<b>26,280,613</b>	<b>29,575,866</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	234,159	284,123
Current portion of lease liability (Note 5)	24,800	23,606
Total current liabilities	258,959	307,729
Non-current liabilities		
Asset retirement obligation (Note 9)	213,806	228,573
CEBA loan (Note 8)	60,000	40,000
Lease liability (Note 5)	61,527	87,067
Due to Orea Mining Corp. (Note 11)	-	1,545,714
<b>TOTAL LIABILITIES</b>	<b>594,292</b>	<b>2,209,083</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 10)	29,150,139	27,913,934
Subscriptions receivable (Notes 10 and 11)	-	(100,000)
Reserves (Note 10)	3,713,925	5,674,434
Deficit	(7,177,743)	(6,121,585)
	25,686,321	27,366,783
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>26,280,613</b>	<b>29,575,866</b>

Nature of operations (Note 1)

Commitment (Note 14)

Subsequent event (Note 16)

On behalf of the Board of Directors:

"Peter Gianulis"  
Director

"Shawn Nichols"  
Director

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

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

(Expressed in Canadian dollars)

(Unaudited)

	<b>Three Month Period Ended June 30, 2021</b>	<b>Three Month Period Ended June 30, 2020</b>	<b>Nine Month Period Ended June 30, 2021</b>	<b>Nine Month Period Ended June 30, 2020</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
<b>Operating expenses</b>				
Administration and office (Note 11)	37,611	34,560	108,352	108,629
Depreciation (Note 5)	6,853	-	21,191	-
Director fees (Note 11)	36,000	18,000	91,839	54,000
General exploration	-	4,842	-	4,842
Investor relations	30,003	28,211	215,428	41,818
Management fees (Note 11)	38,684	31,500	166,928	129,904
Option payments received (Note 7)	(30,697)	(33,070)	(30,697)	(305,742)
Professional fees (Note 11)	80,059	62,269	280,310	167,091
Share-based payments (Note 10)	33,416	98,233	160,232	119,887
Transfer agent and filing fees	22,387	9,035	70,343	58,621
Travel	3,036	464	19,593	20,476
	(257,352)	(254,044)	(1,103,519)	(399,526)
Interest income (expense)	(2,989)	215	(8,176)	3,443
Gain (loss) on short-term investments (Note 4)	5,316	463,433	(399,264)	360,787
Gain on extinguishment of Grid Note (Note 11)	-	-	486,211	-
Accretion expense (Notes 9 and 11)	(823)	(54,477)	(15,634)	(157,524)
Foreign exchange gain (loss)	2,669	8,193	(15,776)	3,760
<b>Net income (loss)</b>	<b>(253,179)</b>	<b>163,320</b>	<b>(1,056,158)</b>	<b>(189,060)</b>
<b>Item that may be reclassified to net income (loss)</b>				
Exchange differences on translating foreign operations	(485,680)	(809,360)	(2,003,328)	789,676
<b>Comprehensive income (loss)</b>	<b>(738,859)</b>	<b>(646,040)</b>	<b>(3,059,486)</b>	<b>600,616</b>
<b>Earnings (loss) per share:</b>				
<b>Basic</b>	<b>(0.00)</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(0.00)</b>
<b>Diluted</b>	<b>(0.00)</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(0.00)</b>
<b>Weighted average common shares outstanding:</b>				
Basic	78,050,905	63,354,392	77,426,169	62,345,526
Diluted	78,050,905	63,354,392	77,426,169	62,345,526

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

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

(Expressed in Canadian dollars)

(Unaudited)

	<b>Nine Month Period Ended June 30, 2021</b>	<b>Nine Month Period Ended June 30, 2020</b>
	(\$)	(\$)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss	(1,056,158)	(189,060)
Adjusted for items not involving cash:		
Accretion	15,634	157,524
Depreciation	21,191	-
Interest expense on lease liability	10,988	-
Loss on short-term investments	399,264	(360,787)
Gain on extinguishment of Grid Note	(486,211)	-
Option payments received	(14,698)	(305,742)
Share-based payments	160,232	119,887
Unrealized foreign exchange (gain) loss	(72,138)	(1,309)
Changes in non-cash working capital:		
Prepaid expenses and receivables	69,377	(632,182)
Accounts payable and accrued liabilities	(49,964)	80,740
	(1,002,483)	(1,130,929)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(1,751,125)	(491,952)
Reclamation bonds	10,069	53,320
Option payments received	-	17,316
Proceeds from sale of short-term investments	113,099	561,084
Interest received	8,176	2,221
	(1,619,781)	141,989
<b>FINANCING ACTIVITIES</b>		
Common shares issued	146,200	2,498,814
Payments on lease liability	(27,338)	-
Proceeds from CEBA loan	20,000	40,000
	138,862	2,538,814
<b>Change in cash</b>	(2,483,401)	1,549,874
<b>Effect of exchange rate changes on cash denominated in a foreign currency</b>	(2,295)	3,154
<b>Cash, beginning of period</b>	2,875,470	401,455
<b>Cash, end of period</b>	389,774	1,954,483

**Supplemental cash flow information (Note 15)**

The accompanying notes are an integral part of these condensed interim 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	Subscriptions Receivable	Options, RSUs and Warrants	Accumulated Other Comprehensive Income (Loss)	Deficit	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Balance at October 1, 2019</b>	61,843,850	25,147,350	-	3,217,040	1,944,035	(6,249,518)	24,058,907
Share-based payments (Note 10)	-	-	-	119,887	-	-	119,887
Shares issued - RSU exercise (Note 10)	112,500	11,813	-	(11,813)	-	-	-
Shares issued - private placement (Note 10)	10,426,992	2,606,748	-	-	-	-	2,606,748
Share issuance costs	-	(178,534)	-	70,600	-	-	(107,934)
Comprehensive loss	-	-	-	-	789,676	(189,060)	600,616
<b>Balance at June 30, 2020</b>	72,383,342	27,587,377	-	3,395,714	2,733,711	(6,438,578)	27,278,224
Shares issued - private placement (Note 10)	1,580,000	395,000	(100,000)	-	-	-	295,000
Shares issued - warrant exercise (Note 10)	30,000	12,000	-	-	-	-	12,000
Share issuance costs	-	(80,442)	-	18,900	-	-	(61,542)
Share-based payments (Note 10)	-	-	-	87,300	-	-	87,300
Comprehensive income	-	-	-	-	(561,192)	316,993	(244,199)
<b>Balance at September 30, 2020</b>	73,993,342	27,913,935	(100,000)	3,501,914	2,172,519	(6,121,585)	27,366,783
Shares issued - RSU exercise (Note 10)	862,500	90,562	-	(90,562)	-	-	-
Shares issued - option exercise (Note 10)	250,000	51,850	-	(26,850)	-	-	25,000
Shares issued - debt settlement (Note 10)	3,201,766	1,072,592	-	-	-	-	1,072,592
Share subscriptions received	-	-	100,000	-	-	-	100,000
Shares issued - warrant exercise (Note 10)	53,000	21,200	-	-	-	-	21,200
Share-based payments (Note 10)	-	-	-	160,232	-	-	160,232
Comprehensive loss	-	-	-	-	(2,003,328)	(1,056,158)	(3,059,486)
<b>Balance at June 30, 2021</b>	78,360,608	29,150,139	-	3,544,734	169,191	(7,177,743)	25,686,321

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

# **ALLEGIANT GOLD LTD.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

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## **1. NATURE OF OPERATIONS**

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 Orea Mining Corp. (“Orea”)(formerly Columbus Gold Corp.), a Toronto Stock Exchange listed company, until January 25, 2018, when it was spun-out of Orea by way of a plan of arrangement (the “Arrangement”) as a separate entity. The Company trades on the TSX Venture Exchange (“TSXV”) under the symbol “AUAU” and on the OTCQX under the symbol “AUXXF”. The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

The Company’s principal business activities are the exploration and evaluation of resource properties located in the United States of America. The Company is in the process of exploring 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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Management estimates that with the subsequent financing (Note 16) the Company has adequate capital to operate for the coming year.

## **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 September 30, 2020, 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 30, 2021.

**ALLEGIANT GOLD LTD.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(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:

<b>Entity</b>	<b>Ownership Interest</b>	<b>Place of Incorporation</b>
Allegiant Gold Holding Ltd.	100%	British Columbia, Canada
Allegiant Gold (U.S.) Ltd.	100%	Nevada, 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 accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The following areas required a significant degree of estimation and judgment:

**Recoverability of exploration and evaluation assets**

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

## ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

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### 2. BASIS OF PREPARATION (continued)

#### Share-based payments

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

#### Decommissioning provisions

Restoration costs will be incurred by the Company in connection with certain exploration activities conducted on exploration and evaluation assets. The Company estimates abandonment and reclamation costs based on a combination of publicly available industry benchmarks and internal site-specific information. The ultimate restoration liability is uncertain and can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques, experience at other sites, or changes in the risk-free discount rate. The expected timing and amount of expenditure can also change in response to changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

#### Functional currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

<u>Entity</u>	<u>Functional Currency</u>
Allegiant Gold Ltd.	Canadian dollar
Allegiant Gold Holding Ltd. ("AGHL")	Canadian dollar
Allegiant Gold (U.S.) Ltd. ("AGUS")	United States dollar

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.

### 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 for the year ended September 30, 2020.

**ALLEGIANT GOLD LTD.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

**4. SHORT-TERM INVESTMENTS**

Carrying Value September 30, 2020	Additions	Dispositions	Unrealized Gain (Loss)	Fair Value June 30, 2021
(\$)	(\$)	(\$)	(\$)	(\$)
659,149	365,843	(113,099)	(399,264)	512,629

  

Carrying Value September 30, 2019	Additions	Dispositions	Unrealized Gain (Loss)	Fair Value September 30, 2020
(\$)	(\$)	(\$)	(\$)	(\$)
652,153	1,555,150	(1,447,052)	(101,102)	659,149

**5. LEASE**

The Company's right-of-use asset, a storage facility lease in Reno, NV, is included in right of use asset.

	Facility Lease
	(\$)
Cost:	
At September 30, 2019	-
Additions	119,425
At September 30, 2020 and June 30, 2021	119,425
Accumulated amortization:	
At September 30, 2019	-
Depreciation for the year	(12,391)
At September 30, 2020	(12,391)
Depreciation for the period	(21,191)
At June 30, 2021	(33,582)
Foreign exchange:	
At September 30, 2019 and 2020	-
Additions	(7,601)
At June 30, 2021	(7,601)
Carrying amounts:	
At September 30, 2020	107,034
At June 30, 2021	78,242

**ALLEGIANT GOLD LTD.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

**5. LEASE (continued)**

During the nine month period ended June 30, 2021, the Company made lease payments of \$27,338 (2020 - \$Nil). In addition, the Company incurred finance expenses of \$10,998 (2020 - \$Nil) related to interest on its lease.

Lease liability recognized at June 30, 2021 is as follows:

	<b>Amount</b>
	(\$)
Lease liability as at September 30, 2020	110,673
Payment of lease liability	(27,338)
Interest expense on lease liability	10,988
Foreign exchange	(7996)
<b>Lease liability as at June 30, 2021</b>	<b>86,327</b>
<b>Current</b>	<b>24,800</b>
<b>Non-current</b>	<b>61,527</b>

**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:

	<b>June 30,</b>	<b>September 30,</b>
	<b>2021</b>	<b>2020</b>
	(\$)	(\$)
Browns Canyon	7,824	8,463
Eastside	262,498	266,970
Hughes Canyon	6,815	7,371
Red Hills	7,541	8,156
	<b>284,678</b>	<b>290,960</b>

**ALLEGIANT GOLD LTD.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

**7. EXPLORATION AND EVALUATION ASSETS**

A summary of exploration and evaluation assets by property for the nine month period ended June 30, 2021 is set out below:

<b>Property</b>	<b>Balance at September 30, 2020</b>	<b>Additions</b>	<b>Option Payment(s) Received</b>	<b>Impairment</b>	<b>Foreign Exchange</b>	<b>Balance at June 30, 2021</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Bolo	3,822,979	-	(351,145)	-	(274,173)	3,197,661
Browns Canyon	738,700	-	-	-	(55,766)	682,934
Eastside	20,125,946	1,695,702	-	-	(1,557,747)	20,263,901
West Goldfield	477,594	55,423	-	-	(37,309)	495,708
Overland Pass	112,300	-	-	-	(8,478)	103,822
White Horse Flats	120,439	-	-	-	(9,092)	111,347
White Horse North	103,652	-	-	-	(7,825)	95,827
	<b>25,501,610</b>	<b>1,751,125</b>	<b>(351,145)</b>	<b>-</b>	<b>(1,950,390)</b>	<b>24,951,200</b>

A summary of exploration and evaluation assets by property for the year ended September 30, 2020 is set out below:

<b>Property</b>	<b>Balance at September 30, 2019</b>	<b>Additions</b>	<b>Option Payment(s) Received</b>	<b>Impairment</b>	<b>Foreign Exchange</b>	<b>Balance at September 30, 2020</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Bolo	4,050,740	-	(270,077)	-	42,316	3,822,979
Browns Canyon	696,156	34,912	-	-	7,632	738,700
Clanton Hills	67,118	7,073	(74,614)	-	423	-
Eastside	18,501,403	1,420,522	-	-	204,021	20,125,946
Four Metals <sup>(1)</sup>	-	-	-	-	-	-
West Goldfield	409,303	63,614	-	-	4,677	477,594
Mogollon <sup>(2)</sup>	-	65,826	(65,826)	-	-	-
Overland Pass	91,406	19,822	-	-	1,072	112,300
White Horse Flats	99,462	19,822	-	-	1,155	120,439
White Horse North	85,664	16,992	-	-	996	103,652
	<b>24,001,252</b>	<b>1,648,583</b>	<b>(410,517)</b>	<b>-</b>	<b>262,292</b>	<b>25,501,610</b>

**ALLEGIANT GOLD LTD.**

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

**7. EXPLORATION AND EVALUATION ASSETS (continued)**

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

	<b>Amount</b>
	<b>(\$)</b>
<b>Balance at September 30, 2019</b>	<b>24,001,252</b>
Acquisition and land costs	514,004
Asset retirement obligation	225,055
Camp costs	7,594
Drilling	79,918
Geology, trenching and geophysics	415,233
Management and administration	101,579
Option proceeds	(410,517)
Technical studies	266,448
Travel	38,752
Foreign exchange	262,292
<b>Balance at September 30, 2020</b>	<b>25,501,610</b>
Acquisition and land costs	128,905
Camp costs	1,771
Drilling	776,601
Geology, trenching and geophysics	318,516
Management and administration	39,518
Option proceeds	(351,145)
Technical studies	402,793
Travel	83,021
Foreign exchange	(1,950,390)
<b>Balance at June 30, 2021</b>	<b>24,951,200</b>

*Eastside, Nevada*

The Company holds a 100% interest in Eastside, subject to underlying royalties.

*Bolo, Nevada*

The Company holds a 100% interest in Bolo, subject to underlying royalties. On June 27, 2018, the Company entered into an agreement, as amended on October 24, 2018, December 14, 2018 and March 12, 2019, with New Placer Dome Gold 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 \$270,077, representing the first anniversary option payment of US\$250,000. On December 16, 2020, the Company received 1,170,483 common shares of NGLD with a fair value of \$351,145, representing the second 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.

## ALLEGIANT GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

Nine Month Period Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *Four Metals, Arizona*

The Company and MinQuest Ltd. each own a 50% interest in certain 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. 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. 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 \$15,349 (US\$12,500) (2020 – \$17,316) and 30,944 (2020 – 68,493) common shares of Barksdale, with a fair value of \$15,348 (US\$12,500) (2020 - \$15,753).

#### *Mogollon, New Mexico*

The Company holds a 100% interest in Mogollon, subject to underlying royalties. 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 representing the first anniversary \$270,077 (US\$250,000) share option payment.

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

On August 21, 2020, the Company 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.

On August 26, 2020, the Company received a cash payment of \$65,826 (US\$50,000) and 200,000 common shares of Summa, with a fair value of \$424,000.

#### *Clanton Hills, Arizona*

The Company holds a 100% interest in Clanton Hills, subject to underlying royalties. On August 31, 2020, the Company entered into an option agreement with Supernova Metals Corp (“Supernova”) granting Supernova an option to acquire a 50.1% interest in the Clanton Hills silver property. To acquire its interest Supernova is required to pay US\$550,000 in cash, issue 2,000,000 common shares (received) and incur US\$1,500,000 in exploration expenditures prior to September 15, 2023.

In March 2021, Supernova elected not to proceed with the Clanton Hills option agreement and returned the property to the Company.

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**7. EXPLORATION AND EVALUATION ASSETS (continued)***Other*

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

**8. CEBA LOAN**

In May 2020, the Company received a \$40,000 loan from the Canada Emergency Business Account (“CEBA”). The terms of the loan are as follows:

- Repayment of 75%, or up to \$30,000, of the contribution amount, on or before December 31, 2022, will result in the forgiveness of 25%, or up to \$10,000 of the total contribution;
- No scheduled monthly repayments are required until after December 31, 2022;
- If 75% of the contribution amount is not repaid by December 31, 2022, the balance owing will be converted to an additional three (3) year term repayable contribution (with a fixed monthly repayment schedule), beginning January 2023, with no forgivable portion, and it will accrue interest at a rate of 5%;
- The full balance, of the contribution amount must be repaid no later than December 31, 2025.

In December 2020, the Company received an additional \$20,000 loan from CEBA under the same terms as the first loan advance, with the exception that if 50% of the loan is repaid on or before December 31, 2022, then the remaining \$10,000 will be forgiven.

**9. ASSET RETIREMENT OBLIGATION**

	<b>June 30, 2021</b>	<b>September 30, 2020</b>
	(\$)	(\$)
Balance, beginning	228,573	-
Addition	-	225,055
Accretion expense	2,546	3,518
Foreign exchange	(17,313)	-
Balance, end	213,806	228,573

The Company’s provision for restoration and environmental obligations consists of costs accrued based on the current best estimate of reclamation activities that will be required at the completion of exploration and evaluation activities. The Company’s provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by management. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The Company has calculated the fair value of the asset retirement obligation using a risk-free discount rate of 0.57% and an inflation rate of 1.9%. The estimated total future undiscounted cash flows to settle the asset retirement obligations are \$286,499 (US\$214,125) and are expected to be incurred over a period of approximately 14 years.

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**10. SHARE CAPITAL**Common shares

Authorized - unlimited common shares without par value.

Nine Month Period Ended June 30, 2021

On October 21, 2020, the Company issued 3,201,766 common shares with a fair value of \$1,072,592 to Orea to settle a loan liability with a face value of \$1,604,405 (Note 11). A gain on extinguishment of debt totaling \$486,211 was recorded.

On December 21, 2020, the Company issued 250,000 common shares pursuant to the exercise of stock options for gross proceeds of \$25,000. Additionally, \$26,850 and has been transferred from reserves to share capital.

On December 21, 2020, the Company issued 237,500 common shares pursuant to the exercise of restricted stock units ("RSUs"), and accordingly transferred \$24,938 reserves to share capital.

On April 22, 2021, the Company issued 350,000 common shares pursuant to the exercise of restricted stock units ("RSUs"), and accordingly transferred \$36,750 reserves to share capital.

On June 1, 2021, the Company issued 53,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$21,200.

On June 4, 2021, the Company issued 275,000 common shares pursuant to the exercise of restricted stock units ("RSUs"), and accordingly transferred \$28,874 reserves to share capital.

Year Ended September 30, 2020

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

On July 6, 2020, the Company completed a non-brokered private placement wherein it issued an aggregate of 12,006,992 units at \$0.25 per Unit for aggregate proceeds of \$3,001,748. Each unit was 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. As at September 30, 2020, \$100,000 in subscription proceeds had not been received (Note 11), and were received during the period ended June 30, 2021.

The warrants were determined to have a value of \$nil. The Company incurred share issuance costs of \$169,477 and issued 471,600 finders' warrants that have the same terms as the Unit warrants. The finders' warrants were determined to have a value of \$89,500.

On September 14, 2020, the Company issued 30,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$12,000.

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**10. SHARE CAPITAL (continued)**RSUs

The Company has a fixed RSU plan wherein it can issue up to 4,400,000 RSUs to eligible participants. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants.

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

	<b>Number of RSUs</b>
Balance, September 30, 2019	-
Granted	3,300,000
Exercised	(112,500)
Balance, September 30, 2020	3,187,500
Exercised	(862,500)
<b>Balance, June 30, 2021</b>	<b>2,325,000</b>

As at June 30, 2021 there are 2,325,000 RSUs outstanding that expire December 31, 2023.

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.

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

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
		(\$)
Balance, September 30, 2019	2,685,000	0.41
Granted	550,000	0.38
Expired	(795,000)	0.60
Forfeited	(1,100,000)	0.50
Balance, September 30, 2020	1,340,000	0.22
Exercised	(250,000)	0.10
<b>Balance, June 30, 2021</b>	<b>1,090,000</b>	<b>0.25</b>

A summary of the Company's options at June 30, 2021 is as follows:

<b>Exercise Price</b>	<b>Options Outstanding</b>		<b>Options Exercisable</b>	
	<b>Number of Options Outstanding</b>	<b>Weighted Average Remaining Contractual Life</b>	<b>Number of Options Exercisable</b>	<b>Weighted Average Remaining Contractual Life</b>
(\$)		(yrs)		(yrs)
0.60	140,000	1.59	140,000	1.59
0.10	750,000	3.23	750,000	3.23
0.55	200,000	1.21	150,000	1.21
<b>0.25</b>	<b>1,090,000</b>	<b>2.65</b>	<b>1,040,000</b>	<b>2.72</b>

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**10. SHARE CAPITAL (continued)**

During the nine month period ended June 30, 2021, the Company recorded share-based payments of \$160,232 (2020 - \$119,887).

Warrants

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

	Number of Options	Weighted Average Exercise Price (\$)
Balance, September 30, 2019	7,267,604	0.98
Issued	6,475,096	0.40
Exercised	(30,000)	0.40
Expired	(7,267,604)	0.98
Balance, September 30, 2020	6,445,096	0.40
Exercised	(53,000)	0.40
<b>Balance, June 30, 2021</b>	<b>6,392,096</b>	<b>0.40</b>

A summary of the Company's warrants at June 30, 2021 is as follows:

Number of Warrants	Weighted Average Exercise Price (\$)	Expiry Date	Weighted Average Remaining Contractual Life (yrs)
2,710,896	0.40	December 11, 2021	0.45
2,872,200	0.40	December 25, 2021	0.49
809,000	0.40	January 6, 2022	0.52
<b>6,392,096</b>	<b>0.40</b>		<b>0.48</b>

Reserves*RSUs, Share options and warrants*

The RSUs, share options and warrants reserve records items recognized as share-based payments expense 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.

**11. RELATED PARTY TRANSACTIONS**

As at September 30, 2020, the Company had a face-value balance of \$1,604,405 (September 30, 2019 - \$1,604,405) owing to Orea (the "Grid Note") originally due on March 1, 2019. On March 5, 2019, the Company issued 1,000,000 common shares valued at \$190,000 in exchange for extending the due date to December 31, 2020.

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**11. RELATED PARTY TRANSACTIONS (continued)**

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 expensed. 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. In October 2020, the Company issued 3,201,766 common shares to settle the balance of the Grid Note and recorded a gain extinguishment of Grid Note of \$486,211. A continuity table of the Grid Note is as follows:

	(\$)
<b>Balance, September 30, 2019</b>	1,331,465
Accretion for the year	214,069
<b>Balance, September 30, 2020</b>	<b>1,545,714</b>
Accretion for the period	13,089
Gain on extinguishment of debt	(486,211)
Share issuance to retire debt	(1,072,592)
<b>Balance, June 30, 2021</b>	<b>-</b>

The Company has previously 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. Cordex maintains net smelter return (“NSR”) royalties on existing properties. The principal of Cordex is a director of the Company.

As stated in Note 7, the Company entered into an agreement granting Supernova an option to acquire a 50.1% interest in the Clanton Hills silver property. Supernova is a publicly listed corporation trading on the TSXV that shares an officer in common with the Company.

The following is a summary of related party transactions for the nine month periods ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
	(\$)	(\$)
Office rent and administration services paid or accrued to Orea, a corporation that shares a director in common with the Company	13,500	28,981
Management fees paid or accrued to a corporation controlled by Robert Giustra, former Chairman of the Company	24,000	50,500
Management and administration fees paid or accrued to Peter Gianulis, CEO of the Company	208,089	158,500
Professional fees paid to a corporation controlled by Sean McGrath, CFO of the Company	96,000	51,000
Directors’ fees paid or accrued	91,839	54,000
Share-based compensation in the form of vested stock options and RSUs issued to directors and officers of the Company	107,268	111,895
Exploration and evaluation expenditures paid or accrued to Andy Wallace, a director of the Company	80,360	66,569
	<b>621,056</b>	<b>521,445</b>

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**11. RELATED PARTY TRANSACTIONS (continued)**

The following summarizes advances and amounts payable to related parties:

	<b>June 30,</b>	<b>September 30,</b>
	<b>2021</b>	<b>2020</b>
	(\$)	(\$)
Due to Orea - Grid Note	-	(1,545,714)
Due to Orea, included in accounts payable	-	(3,225)
Travel advance to Robert Giustra, former Chairman of the Company	-	5,000
Subscription receivable from Peter Gianulis, CEO of the Company	-	100,000
Amounts due to directors, included in accounts payable	(46,049)	(42,064)
	(46,049)	(1,486,003)

**12. SEGMENTED INFORMATION**

The Company has one reportable business segment, being mineral exploration and evaluation. All of the Company's long-term assets are located in the USA.

**13. FINANCIAL RISK AND CAPITAL MANAGEMENT**Financial 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, 2021 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.

The credit risk exposure on receivables is limited to its carrying amount at the date of the statements of financial position. Receivables are due primarily from the Canada Revenue Agency for GST/HST refunds.

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, 2021, the Company had working capital of \$707,534. Subsequent to June 30, 2021, the Company completed a \$5,000,000 bought deal financing, and accordingly liquidity risk is minimized.

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**13. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)**Market risks

## (i) Foreign currency risk

The Company's presentation currency is the Canadian dollar, however the functional currency of AGUS is the US dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary. 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 10% change in interest rates does not have a significant 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 the Company. The Company estimates that for monetary assets or liabilities a +/-1% change in the value of the Canadian dollar relative to the US dollar does not have a significant effect on the Company's profit or loss, but would affect comprehensive loss by approximately \$200,000.

Capital management

The Company considers the components of equity as being capital. 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.

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. These items are measured at amortized cost.

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**13. FINANCIAL RISK AND CAPITAL MANAGEMENT** (continued)

The fair value of the reclamation bonds approximates their fair value based on current interest rates and high liquidity.

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

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).

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

**14. COMMITMENT**

The Company entered into a lease agreement on May 1, 2020 for the rental of storage space in Reno, Nevada with a term that expires on April 30, 2022 with an option to renew the lease for a further term of 2 years expiring on April 30, 2024. The remaining rent payable under the lease is \$29,688 (US\$24,000) up until the lease expires.

**15. SUPPLEMENTAL CASH FLOW INFORMATION**

The Company's non-cash investing and financing transactions are as follows:

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
	(\$)	(\$)
Amount transferred from reserves to share capital in connection with exercise of RSUs.	90,562	-
Amount transferred from reserves to share capital in connection with exercise of stock options.	26,850	-
Received short-term investments as an option payment against exploration and evaluation assets.	365,843	334,550
Issuance of finders' warrants in connection with non-brokered private placement	-	70,600
Issued common shares to Orea to settle Grid Note.	1,072,592	-
	<b>1,555,847</b>	<b>405,150</b>

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**16. SUBSEQUENT EVENTS**

Subsequent to June 30, 2021, the Company:

- a) completed a bought deal financing under a short form prospectus wherein it issued 12,500,000 units at a price of \$0.40 per unit for aggregate proceeds of \$5,000,000. Each unit consisted of a common share and one half of a common share purchase warrant which entitles the holder to acquire an additional common share at a price of \$0.70 for a period of two years from the date of closing. The Company paid cash fees totalling \$268,500 to the syndicate of Agents that completed the financing and issued a total of 296,250 Agent's Warrants which are exercisable at \$0.40 per share for a period of two years from the date of closing.
- b) entered into a lease with option to purchase agreement to acquire certain mineral claims adjacent to the Eastside property. The Company will be required to issue US\$60,000 in common shares to cover the first two years of lease payments. Subsequent annual lease payments will consist of a combination of cash and common share payments that escalate each year until 2027 and thereafter will be subject to a CPI adjustment. At any time the Company can exercise a purchase option to acquire 100% ownership of the claims by making a cash payment of US\$750,000. The property is subject to a 3% NSR royalty which can be reduced to 1% by making cash payments totalling US\$2,000,000.
- c) issued 20,000 common shares pursuant to the exercise of share purchase warrants for aggregate proceeds of \$8,000.