

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Management's Discussion and Analysis ("MD&A"), other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements". Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "would," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable law. Readers should carefully review the risk factors and related notes included under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission on March 13, 2020.

The following MD&A is intended to help readers understand the results of our operation and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Interim Unaudited Financial Statements and the accompanying Notes to Interim Unaudited Financial Statements under Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Unless otherwise indicated or unless the context otherwise requires, all references in this document to "we," "us," "our," the "Company," and similar expressions refer to Bullfrog Gold Corp., and depending on the context, its subsidiaries.

Company History and Recent Events

Bullfrog Gold Corp. was incorporated under the laws of the State of Delaware on July 23, 2007 as Kopr Resources Corp. On July 21, 2011, the Company changed its name to "Bullfrog Gold Corp." The Company is in the exploration stage of its business.

Company Overview

We are an exploration stage company engaged in the acquisition and exploration of properties that may contain gold and other mineralization primarily in the United States.

Bullfrog Project

The Bullfrog Gold Project lies approximately 4 miles west of the town of Beatty, Nevada and 125 miles northwest of Las Vegas, Nevada. In 2011, Standard Gold Corp. ("Standard Gold") a wholly owned subsidiary of the Company, initially acquired a 100% right, title and interest in 79 lode claims and 2 patented claims that contain approximately 1,600 acres subject to a 3% net smelter royalty.

On October 29, 2014, Rocky Mountain Minerals Corp. ("RMM") a wholly owned subsidiary of the Company, entered into an Option Agreement (the "Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company's Bullfrog Project and covers approximately 156 acres, including the northeast half of the M-S pit mined by Barrick Gold in the 1990's.

Mojave granted to RMM the sole and immediate working right and option with respect to the property until the 10th anniversary of the closing date, to earn a 100% interest in and to the property free and clear of all charges encumbrances and claims, except a sliding scale Net smelter return (or NSR) royalty.

In order to maintain in force, the working right and Option granted to RMM, and to exercise the Option, the Company issued Mojave 750,000 shares of common stock and paid Mojave \$16,000 in October 2014. In addition, to exercise the option, RMM must pay to Mojave a total of \$190,000 over the next 10 years. For reference, Barrick Bullfrog Inc. ("Barrick") terminated a lease on these patents after they ceased operations in late 1999.

On March 23, 2015, RMM entered into a Mineral Lease and Option to Purchase Agreement with Barrick involving 6 patented mining claims, 20 unpatented mining claims, and 8 mill site claims located approximately four miles west of Beatty, Nevada and covering approximately 444 acres (the “Barrick Properties”). These Barrick Properties are strategically located adjacent to the Company’s Bullfrog Gold Project and include two patents that cover the southwest half of the M-S open pit from which Barrick produced approximately 220,000 ounces of gold by the late 1990’s. Underground mining in the early 1900s produced approximately 70,000 ounces of gold from the M-S deposit. Also included in the agreement is the northern one third of the main Bullfrog deposit where Barrick mined approximately 2.1 million additional ounces by open pit and underground methods. In addition to prospective adjacent lands, these acquisitions provide the potential to expand the M-S deposit along strike and at depth and in the northern part of the main Bullfrog deposit.

The Company also has access to Barrick’s substantial data base within a 1.5-mile radius of the leased lands to further advance its exploration and development programs. To maintain the lease and option, the Company was required to spend \$1.5 million dollars within five years on the Barrick Properties and to exercise the option the Company must issue to Barrick 3.25 million shares of the Company’s common stock. On May 21, 2019, the Barrick Agreement was amended whereby work commitments for the fifth anniversary and the total of \$1.5 million were extended to September 23, 2020. The final work commitment has been accounted at \$561,762. The Company will also provide a 2% gross royalty on production from the Barrick Properties. Overriding royalties of 5% net smelter returns and 5% gross proceeds are respectively limited to three claims and two patents in the main Bullfrog pit area. Barrick has retained a back-in right to reacquire a 51% interest in the Barrick Properties, subject to definition of a mineral resource on the Barrick Properties meeting certain criteria and reimbursing the Company in an amount equal to two and one-half times Company expenditures on the Barrick Properties.

On July 1, 2017, RMM entered a 30-year Mineral Lease (the “Lunar Lease”) with Lunar Landing, LLC. (“Lunar”), the owner of 24 patented mining claims situated in the Bullfrog Mining District, Nye County, Nevada.

On January 29, 2018, the Company purchased two patented claims, thereby eliminating minor constraints to expand the Bullfrog pit to the north.

In August 2018 and December 2018, the Company staked and duly recorded an additional 46 unpatented claims, for a total of 134 claims staked by the Company.

Significant drilling is required to test projections of mineralized trends and structures that extend for considerable distances to the north and east of the M-S pit on the original lands acquired by the Company in 2011. Located east of the M-S pit is an area 700 meters by 1,300 meters in which there is only one shallow hole from which there is no data available. Only a small portion of this area may be prospective, but we believe the area warrants additional study and exploration drilling.

There is only one drill hole located about 150 meters northeast of the M-S pit limit and another hole 1,000 meters northeast of the pit along strike of a major geologic structure. In this regard, the Company’s lands extend nearly 5,000 meters north-northeast of the pit and there has been very little drilling in this area, even though several structures have been mapped by Barrick and others.

Barrick drilled twelve deep holes in the M-S area ranging from 318 meters to 549 meters. Notable mineral intercepts from four holes below the central part of the pit are summarized below:

Hole No.	Intercept Data, Meters		Gold g/t
	Thickness	Under Pit	
717	51.8	70	1.35
	18.3	135	0.59
	15.2	150	0.68
	160.0	180	0.96
732	10.7	200	0.84
	79.2	330	0.74
733	12.2	130	1.14
	13.7	220	0.75
	29.0	250	0.70
734	4.6	15	6.03
	21.3	70	1.43
	22.9	130	0.89
	4.6	190	1.04

These results demonstrate that substantial amounts of gold occur in an exceptionally large epithermal system that has good potential for expansion and possibly higher grades at depth. Three of these intercepts are less than 75 meters below the existing pit. Two holes located 40 meters and 90 meters east of the 160-meter interval in hole #717 contained no significant mineralization at this depth, whereas the 29 meters of mineral in hole #733 is 60 meters west and the mineral zone is open to the north, south and west.

For reference, Barrick terminated all mining and milling operations in the autumn of 1999 when their cash production costs exceeded gold prices that averaged less than \$300 per ounce for the year and reached a low of \$258/oz in August 1999. The economic margins for heap leaching lower grades at current gold prices near \$1800/oz are deemed better than in 1999, and we believe the Company is positioned to explore such opportunities. Furthermore, Barrick never controlled or had access to a patented claim on the immediate east and north limits of the M-S pit, but this patent is owned by the Company.

Starting in 2015, the Company has studied Barrick's entire electronic data base and much of their paper data base obtained from their Elko, Nevada and Salt Lake City, Utah offices. On August 9, 2017, an independent engineering firm issued estimates of mineralized materials totally contained on Company controlled lands. In January 2018, the Company purchased a patent that removed all remaining constraints for pit mining the mineralization, see summary below:

Mineralized Material Estimates

Deposit	Cutoff	Mineral T	Grade	Gold Oz	Grade	Silver Oz	Waste T	W : Min.
	Gold g/t	Millions	Gold g/t	000's	Silver g/t	000's	Millions	Ratio
Bullfrog	0.20	26.4	0.69	585	1.85	1,569	110	3.5
	0.36	14.9	1.02	489	2.50	1,198	124	7.0
M-S	0.20	1.4	0.84	39	3.48	162	11	7.8
	0.36	1.1	1.00	36	4.02	146	11	10.1
Total	0.20	27.8	0.70	624	1.93	1,731	121	4.3
	0.36	16.0	1.02	525	2.60	1,344	135	8.4

“Mineralized material” as used in this quarterly report on Form 10-Q, although permissible under the Securities and Exchange Commission (“SEC”) Guide 7, does not indicate “reserves” by SEC standards. We cannot be certain that any part of the Company’s deposits will ever be confirmed or converted into SEC Industry Guide 7 compliant “reserves.” Investors are cautioned not to assume that all or any part of the mineralized material will be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.

The estimates above for the 0.36 g/t cutoff are compliant with NI 43-10 standards but the estimates between 0.2 and 0.36 g/t currently are not. Input parameters used in the estimates are tabulated below:

Estimate Input Parameters

Parameter	Input	Unit
Mining Cost - M & W	2.25	\$/t
Processing Cost	6.00	\$/t
General & Admin.	1.60	\$/t
Refining Sales	0.05	\$/t
Sell Cost	10	\$/tr oz
Gold Recovery	72	%
Silver Recovery	20	%
Gold Price (3-yr average)	1200	\$/tr oz
Pit Slopes	45	degrees

Mineral estimates are in place and do not include recoveries from a proposed downstream heap leach/processing operation. The mineral estimates herein are consistent with the policies and standards of Canadian National Instrument 43-101 ("NI 43-101"). These estimates were based on a 72% gold recovery compared to the average 85% achieved from leaching a much finer size leach feed that also contains more micro-fractures by using high pressure grinding rolls as the third stage of size reduction in place of conventional crushers.

The data base used for the estimates included 1,262 holes containing 155 miles of coring and drilling completed from 1983 through 1996 by Barrick and its predecessors. Assaying was performed by several accredited laboratories. Tetra Tech, Inc. ("Tetra Tech") a recognized global provider of engineering, technical and construction management services with particular expertise in the mining sector, reviewed the data base in detail and found it to be of sufficient quality and quantity to estimate mineralized materials. A final NI 43-101 Technical Report is posted on the Company's website.

The resources and mineralized materials were estimated by the Golden, Colorado office of Tetra Tech. The estimates were prepared in accordance with requirements of NI 43-101 Standards of Disclosure for Mineral Projects. The technical work, analysis and findings were completed or directly supervised by Rex Bryan, PhD, who is an independent "Qualified Person" as defined by NI 43-101. Mr. Bryan has also reviewed and approved the information in the June 27, 2017 news release.

An internal pit cutoff ranging between 0.20 to 0.36 g/t in the same base case pit shell provides an additional 99,000 ounces of gold averaging 0.26 g/t that is currently planned to be heap leached at a run-of-mine or uncrushed size. Thus, 624,000 ounces of mineralized materials grading 0.70 g/t are within this base case pit. From June 2017 through December 2018 the Company leased 24 patents and staked 134 mining claims to cover exploration targets and potential sites for leach pads and other project facilities.

For reference, the Company estimated in April 2016 a preliminary mineral inventory of 470,000 ounces grading 0.89 g/t using a nominal 0.3 g/t cutoff. In comparison, the mineralized materials of 624,000 ounces represents a 33% increase in gold ounces. As the existing pit slopes are up to 52 degrees and stable after 23 years of no mining, the 45-degree input by Tetra Tech is conservative and provides upside in final pit designs. It is also noted that Barrick terminated all mining by the end of 1998 and mill production in early 1999 when gold prices were less than \$300 per ounce. However, economic margins for gold mining in general are now much better, particularly with the application of low-cost heap leaching methods. Barrick also used gold cut-off grades of 0.5 g/t in the pits and 3.0 g/t in the underground mine.

Metallurgy

In addition to extensive testing and operations using conventional milling at a fine size of -100 mesh, the following relevant test work was completed with respect to heap leaching.

In 1986 St Joe column leached a 22-ton composite of minus 12-inch material grading 0.037 gold opt to simulate heap leaching material at a coarse run-of-mine (“ROM”) size and recovered 49% in 59 days of leaching. In 1994 Kappes Cassiday of Reno, NV performed simulated heap leach column tests on 250 kg samples with results as follows.

Size, inch	-1.5	-3/8
Calc. Head, gold opt	.035	.029
Rec., %	71.4	75.9
Leach time, days	41	41

In 1995, Barrick performed a pilot heap leach test on 844 tons that were crushed to -½ inch and averaged 0.019 gold opt. In only 41 days of leaching, 67% of the gold was recovered while cyanide and lime consumptions were exceptionally low.

In 1986 St Joe column leached a 22-ton composite of minus 12-inch material grading 0.037 gold opt to simulate heap leaching material at a coarse run-of-mine (“ROM”) size and recovered 49% in 59 days of leaching, which they projected to 54% for leaching 90 days.

Starting in February 2018, the Company collected four bulk samples from the North Bullfrog and M-S pits and the Mystery Hill (MH) area and conducted extensive metallurgical tests using high pressure grinding rolls (HPGR’s) to compare leaching with conventional crushing equipment. HPGR’s are designed to produce a much finer product that also has much more micro-fractures in the particles thereby increasing and accelerating leach recovery.

Below is a summary of BFGC’s four column leach test programs performed on the four bulk samples.

Column Leach Test Results

Deposit	Test Year	Leach Days	Size, p80		Crush Type	Calc. Head Gold g/t	Avg. Head Gold g/t	Gold Rec., %	Silver Rec., %
			Inch ¹	mm					
BF	2018	84	3/8	9.5	Conv.	0.79	0.89	58.2	9.1
		84	1/16	1.7	HPGR	0.84	0.89	77.4	23.8
								+19.2	+14.7
BF	2019	151	3/8	9.5	Conv.	1.54	1.71	75.3	54.5
		122	1/4	6.3	HPGR	1.66	1.71	77.1	58.3
		102	1/16	1.7	HPGR	1.60	1.71	89.4	87.5
								+14.1	+33.0
MS	2019	108	3/8	9.5	Conv.	0.79	0.88	65.8	32.5
		108	1/4	6.3	HPGR	0.82	0.88	76.8	32.8
		89	1/16	1.7	HPGR ²	0.88	0.88	85.2	38.8
								+19.4	+6.3
MH	2019	109	3/8	9.5	Conv.	0.36	0.36	83.3	14.3
		105	1/4	6.3	HPGR	0.33	0.36	87.9	25.0
		86	1/16	1.7	HPGR ^{2,3}	0.34	0.36	91.2	33.3

¹ 1/16-inch is approximately 10 mesh

² Agglomerated with 2 kg cement/mt

³ The MH material needs more than 2 kg cement/t to create durable agglomerates

The HPGR column test programs on -1/16” leach feed recovered an average 85.8% of the gold compared to 70.7% from the conventional crushed tests sized at -3/8 inch. Results from hydraulic conductivity (load/permeability) testing of column leach residues from programs two and three indicate that cement agglomeration would not be required for heap leaching up to 200 feet high for a size coarser than 80% -1/16 inch feed. However, cement agglomeration is required for leaching 80% -1/16-inch up to 200 feet high.

It is notable that the brittle, rhyolite-hosted deposits in the BF area have very low clay contents that do not generate much additional fines during the sizing stages and they are particularly amenable to leaching fine sizes compared to most other epithermal gold deposits.

2020 Drilling Program

On May 1, 2020, the company started a drill program designed to further define resources and ultimate limits of proposed expansions to the Bullfrog and MS pits. The program also fulfilled a final work commitment for the Company to purchase a 100% interest in lands under lease from Barrick by mid-September 2020. Two initial holes were drilled in the Paradise Ridge exploration target located one mile east of the Bullfrog deposit. A total of 25 holes were completed by early June 2020. The following table 1 summarizes the drill assay results and the following figure shows the location of the drill holes.

Table 1 - Drill and Assay Results

Hole No.	MH Intervals, Feet ²			MH Intervals, Meters ³			Gold ¹ g/t	Silver g/t	Total Depth, Ft
	From	To	Length	From	To	Length			
BM-20-1	0	135	135	0	41	41	0.420	2.26	230
<i>includes</i>	0	75	75	0	23	23	0.550	1.95	
BM-20-2	0	85	85	0	26	26	0.332	1.04	300
<i>includes</i>	0	65	65	0	20	20	0.373	1.15	
BM-20-3	160	195	35	49	59	11	0.260	0.33	400
BH-20-4	250	265	15	76	81	5	0.353	1.54	625
	280	390	110	85	119	34	0.274	0.60	
	515	605	90	157	184	27	0.321	0.93	
BH-20-5	330	355	25	101	108	8	0.261	1.22	730
	385	550	165	117	168	50	0.240	0.49	
	575	685	110	175	209	34	0.580	0.82	
BH-20-8	115	130	15	35	40	5	1.133	0.21	470
	155	175	20	47	53	6	0.379	0.25	
BH-20-6	295	655	360	90	200	110	0.41	0.61	750
	<i>includes</i>	395	480	85	120	26	0.906	0.91	
BH-20-7	150	175	25	46	53	8	3.229	3.36	240
BH-20-7A	Not sampled -Lost hole								260
BH-20-9	75	95	20	23	29	6	0.534	0.91	640
	120	140	20	37	43	6	0.308	0.45	
	150	175	25	46	53	8	0.313	0.33	
	340	640	300	104	195	91	0.333	0.32	
BH-20-14	0	40	40	0	12	12	0.223	0.30	400
	75	95	20	23	29	6	0.304	0.21	
	160	180	20	49	55	6	0.284	0.20	
	220	260	40	67	79	12	0.444	0.47	
	275	305	30	84	93	9	0.396	0.16	
	380	400	20	116	122	6	0.243	0.46	
BH-20-15	35	130	95	11	40	29	0.286	0.26	540
	315	365	50	96	111	15	0.262	0.19	
	395	540	145	120	165	44	0.310	0.39	
BH-20-10	135	180	45	41	55	14	2.416	2.19	660
	<i>includes</i>	135	155	20	41	47	4.892	4.14	
	340	360	20	104	110	6	0.576	0.26	
BH-20-11	90	130	40	27	40	12	0.297	0.20	660
	160	185	25	49	56	8	0.308	0.08	
	220	300	80	67	91	24	0.354	0.18	
	420	455	35	128	139	11	0.201	0.34	
BH-20-12	105	170	65	32	52	20	0.353	0.33	460
	260	300	40	79	91	12	0.454	0.18	
BH-20-13	0	70	70	0	21	21	0.244	0.28	560
	125	165	40	38	50	12	0.435	0.34	
	310	460	150	94	140	46	0.304	0.20	
BH-20-18	15	35	20	5	11	6	0.231	0.21	350
	130	225	95	40	69	29	0.222	0.16	
	245	315	70	75	96	21	0.237	0.00	
BH-20-19	0	115	115	0	35	35	0.437	0.30	350
	<i>includes</i>	5	55	50	2	17	0.635	0.31	
	140	195	55	43	59	17	0.265	0.25	
	230	255	25	70	78	8	0.211	0.09	
BM-20-20	560	605	40	171	184	12	0.302	0.76	700
BM-20-21	325	525	200	99	160	61	0.775	7.25	720
	<i>includes</i>	440	505	65	134	154	1.838	18.28	
BM-20-22	0	20	20	0	6	6	0.333	5.23	620
	305	385	80	93	117	24	0.538	2.08	
	<i>includes</i>	325	345	20	99	105	1.372	6.46	
Tot/ Wtd. Avg			3,285	1,001			0.439	1.05	10,665
BP-20-23			No significant gold mineralization						620
BP-20-24			No significant gold mineralization						880
								Total Drilling	12,165

¹ Nominal gold cut off: 0.20 g/t. Could be lower with current gold prices and higher leach recovery.

² Minimum 20 feet waste between mineral intervals. Maximum 20 feet waste within mineral intervals.

³ As spatial data is not currently not available, mineral lengths are not true thicknesses.

³ Rounded. Decimals not shown BM= Montgomery Shoshone, BH=Mystery Hill and BP = Paradise Ridge

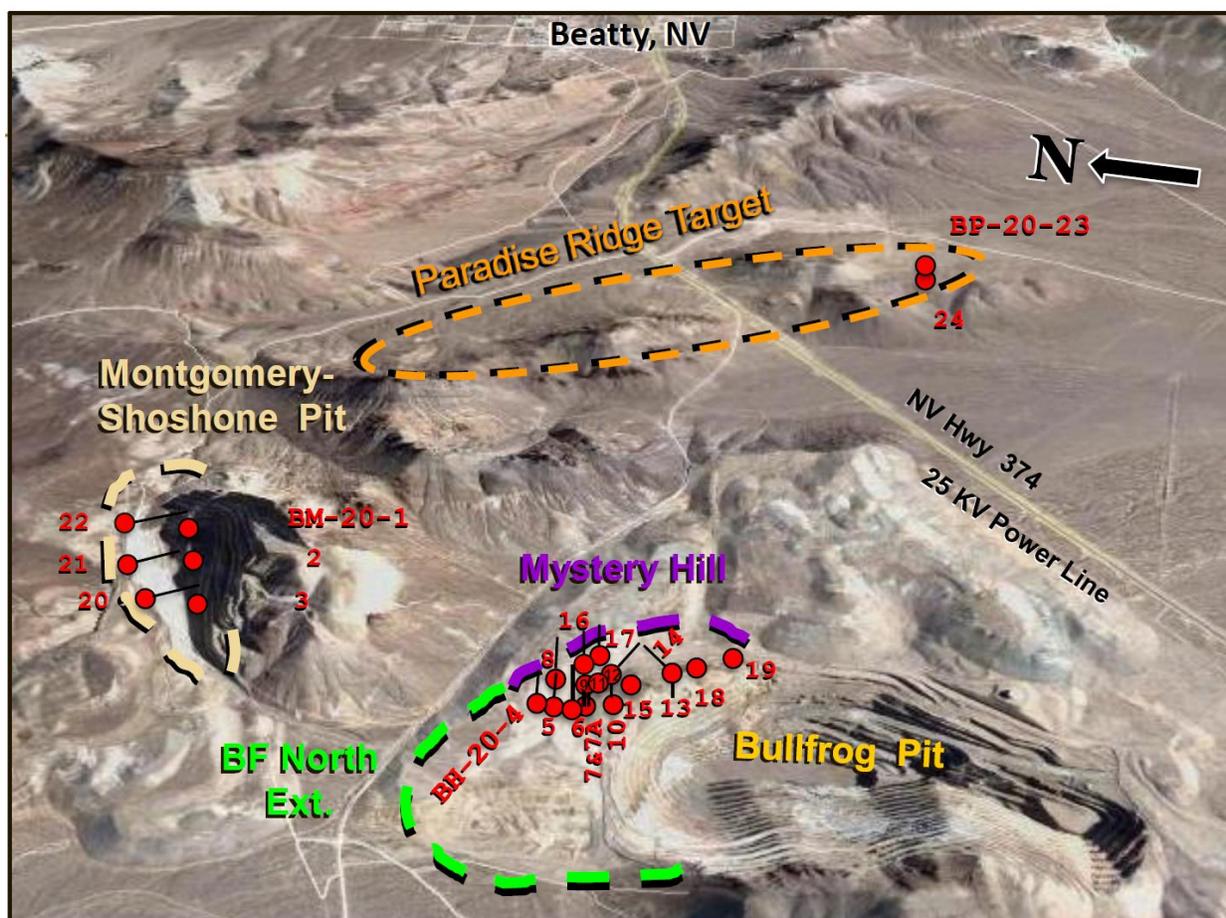


Figure 1
Drill Hole locations

Results of Operations

Three Months Ended June 30, 2020 Compared to June 30, 2019

	Three Months Ended	
	<u>6/30/20</u>	<u>6/30/19</u>
Operating expenses		
General and administrative	\$197,853	\$278,289
Lease expense	16,000	0
Exploration, evaluation and project expense	323,274	83,138
Total operating expenses	<u>537,127</u>	<u>361,427</u>
Net operating loss	(537,127)	(361,427)
Interest expense	(19,235)	(17,614)
Revaluation of warrant liability	(498,974)	0
Net loss	<u><u>\$(1,055,336)</u></u>	<u><u>\$(379,041)</u></u>

Six Months Ended June 30, 2020 Compared to June 30, 2019

	Six Months Ended	
	<u>6/30/20</u>	<u>6/30/19</u>
Operating expenses		
General and administrative	\$381,661	\$595,519
Lease expense	16,000	16,000
Exploration, evaluation and project expense	366,963	112,829
Total operating expenses	<u>764,624</u>	<u>724,348</u>
Net operating loss	<u>(764,624)</u>	<u>(724,348)</u>
Interest expense	(38,299)	(34,856)
Revaluation of warrant liability	(327,483)	0
Net loss	<u><u>\$(1,130,406)</u></u>	<u><u>\$(759,204)</u></u>

We are still in the exploration stage and have generated no revenues to date.

For the three months ending June 30, we incurred professional fees comprised of (1) accounting fees for quarterly review and consulting for a total of \$20,000 in 2020 compared to \$25,000 in 2019, (2) legal fees for review of quarterly filings and general services for a total of \$6,000 in 2020 and \$7,000 in 2019 and (3) marketing and corporate services of \$123,000 in 2020 compared to \$206,000 spent in 2019.

For the three months ending June 30, exploration, evaluation, and project expense costs included professional consulting services for a total of approximately \$323,000 in 2020 compared to \$83,000 in 2019. Included in the expense is continued payments for lab testing and project review, in addition to drilling and assay testing.

For the six months ending June 30, we incurred professional fees comprised of (1) accounting fees for annual audit and consulting for a total of \$53,000 in 2020 compared to \$53,000 in 2019, (2) legal fees for review of quarterly filings and general services for a total of \$8,000 in 2020 and \$7,000 in 2019 and (3) marketing and corporate services of \$137,000 in 2020 compared to \$437,000 spent in 2019. The 2019 marketing and corporate services includes (i) 900,000 common shares the Company issued valued at \$0.09 per share for a non-cash transaction valued at \$81,000; (ii) 900,000 common shares the Company issued valued at \$0.14 per share for a non-cash transaction valued at \$126,000; and (iii) marketing services to \$230,000 to a consultant.

In addition, there was payroll expense of \$27,000 for both 2020 and 2019.

The Company granted 350,000 options to purchase common stock in January 2020 to Tyler Minnick, CFO. These options are nonqualified stock options and were 100% vested on grant date. All expense related to these stock options has been recognized in 2020.

The Black Scholes option pricing model was used to estimate the aggregate fair value of \$36,699

As of June 30, 2020, and December 31, 2019, the Company has a related party payable with David Beling, CEO and President, of \$654,036 and \$635,775, respectively. This amount on June 30, 2020 consists of \$193,412 of expense reports plus interest of \$172,543 and salary of \$191,667 plus interest of \$96,414. Interest is accrued at a rate of 1% per month. This resulted in \$38,000 of interest expense in 2020 versus \$34,000 in 2019.

The 2020 Warrants (see Note 2 to the financial statements included in this report) have an exercise price in Canadian dollars while the Company's functional currency is US dollars. Therefore, in accordance with ASU 815 - Derivatives and Hedging, the 2020 Warrants have a derivative liability value. This liability value has no effect on the cash flow of the Company and does not represent a cash payment of any kind.

The value of the 2020 Warrants of \$441,010 has been calculated on the date of issuance of January 16, 2020 using Black-Scholes valuation technique. During the three and six months ended June 30, 2020, there was a change in the warrant liability of \$498,974 and \$327,483, respectively, and the warrant liability was increased to \$768,493.

Liquidity and Capital Resources

To continue as a going concern, the Company will need to raise additional funds and attain profitable operations. The Company has no committed sources of capital and additional funding may not be available on terms acceptable to the Company, or at all.

On January 16, 2020, the Company entered into subscription agreements pursuant to which the Company sold an aggregate of 15,384,615 Units (the "Units") with gross proceeds to the Company of CAD\$2,000,000 to certain accredited investors. The proceeds from this offering will be used for general corporate purposes.

Each Unit was sold for a purchase price of CAD\$0.13 per Unit and consisted of one share of the Company's common stock and a two year warrant to purchase fifty percent (50% or one-half warrant) of the number of Units purchased in the offering at a per share exercise price of CAD\$0.20. In connection with the offering, the Company issued an aggregate of 15,384,615 shares of its common stock.

The Company paid a total of CAD\$118,918 for finder's fees on subscriptions under the Offering, and issued to the finder 914,750 share purchase warrants (the "Finder Warrants"). Each Finder Warrant entitles the holder to acquire one share of common stock at an exercise price of CAD\$0.20 per share for a period of 24 months from the date of issuance.

On October 29, 2014, Rocky Mountain Minerals Corp. a wholly owned subsidiary of the Company, entered into an Option Agreement (the "Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds and possesses the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company's Bullfrog Project and covers approximately 156 acres, including the northeast half of the M-S pit mined by Barrick Gold in the 1990's.

Mojave granted to RMM the sole and immediate working right and option with respect to the property until the 10th anniversary of the closing date, to earn a 100% interest in and to the property free and clear of all charges encumbrances and claims, save and except a sliding scale Net smelter return (or NSR) royalty.

In order to maintain in force, the working right and Option granted to RMM, and to exercise the Option, RMM the Company issued Mojave 750,000 shares of common stock and paid \$16,000. In addition, to exercise the option, RMM must pay to Mojave a total of \$190,000 over the next 10 years. For reference, Barrick Bullfrog Inc. ("Barrick") terminated a lease on these patents after they ceased operations in late 1999.

On March 23, 2015, RMM the 100% owned subsidiary of the Company entered into a Mineral Lease and Option to Purchase Agreement with Barrick Bullfrog involving patented mining claims, unpatented mining claims, and mill site claims ("Properties") located approximately four miles west of Beatty, Nevada. These Properties are strategically located adjacent to the Company's Bullfrog Gold Project and include two patents that cover the southwest half of the M-S open pit gold mine. In October 2014, the Company optioned the northeast half of the M-S pit and now controls the entire pit.

On May 21, 2019, the Barrick Agreement was amended whereby work commitments for the fifth anniversary and the total of \$1.5 million were extended to September 23, 2020. The final work commitment has been accounted at \$561,762.

On October 29, 2014, RMM entered into an Option Agreement (the "Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds and possesses the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company's Bullfrog Project and covers approximately 156 acres, including the northeast half of the M-S pit mined by Barrick Gold in the 1990's.

Mojave granted to RMM the sole and immediate working right and option with respect to the property until the 10th anniversary of the closing date, to earn a 100% interest in and to the property free and clear of all charges encumbrances and claims, save and except a sliding scale Net Smelter Return (or NSR) royalty.

To maintain in force, the working right and Option granted to RMM, and to exercise the Option, the Company Mojave 750,000 shares of common stock and paid \$16,000 in October 2014. In addition, to exercise the option, RMM must pay to Mojave a total of \$190,000 over the next 10 years of which the Company has paid \$80,000. Future payments due as follows:

<u>Due Date</u>	<u>Amount</u>
October 2020	\$25,000
October 2021	\$25,000
October 2022	\$30,000
October 2023	\$30,000

On July 1, 2017, RMM entered a 30-year Mineral Lease (the “Lunar Lease”) with Lunar Landing, LLC. (“Lunar”), the owner of 24 patented mining claims situated in the Bullfrog Mining District, Nye County, Nevada. RMM shall expend as minimum work commitments of \$50,000 per year until a cumulative of \$500,000 of expense has been incurred. RMM paid Lunar \$26,000 on the Effective Date and makes lease payments on the following schedule:

<u>Years Ending December 31</u>	<u>Annual Lease Payment (\$)</u>
2018-2022	16,000
2023-2027	21,000
2028-2032	25,000
2033-2037	30,000
2038-2042	40,000
2043-2047	45,000

In August 2018 and December 2018, the Company staked and recorded an additional 46 unpatented claims, for a total of 134 claims staked by the Company.

In March 2019, the Company completed the final closing of a \$1,127,400 private placement of equity. The subscriptions were priced at \$0.05 per unit, which consisted of one share of the Company’s common stock and a two-year warrant to purchase a one-half share at a price of \$0.10 per share. The initial closing of \$835,000 was completed on February 11, 2019.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. In the event that we are unable to continue as a going concern, we may be unable to realize the carrying value of our assets and to meet our obligations as they become due. To continue as a going concern, we will need to raise additional capital. However, we have no commitment from any party to provide additional capital and there is no assurance that such funding will be available when needed, or if available, that its terms will be favorable or acceptable to us. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences, or privileges senior to those of existing holders of our common stock.

If we are unable to raise additional financing, we may have to substantially reduce or cease operations.

Off Balance Sheet Arrangements

We do not engage in any activities involving variable interest entities or off-balance sheet arrangements.

Critical Accounting Policies and Use of Estimates

Stock based compensation is measured at grant date, based on the fair value of the award, and is recognized as an expense over the employee’s requisite service period. We estimate the fair value of each stock option as of the date of grant using the Black-Scholes pricing model. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules, and post-vesting forfeitures. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future.

Mineral property exploration costs are expensed as incurred until such time as economic reserves are quantified. To date, the Company has not established any proven or probable reserves on its mineral properties. Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed. Costs of property acquisitions are being capitalized, and a required payment of \$20,000 was made in 2018 to Mojave Gold Mining Corporation as part of the Option to Purchase Agreement.