



DESERT GOLD VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Unaudited - Expressed in US Dollars)

NOTICE TO READERS

Under National Instrument 51-102, 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 financial statements have been prepared by management and are not reviewed by the Company's independent auditor.

DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in US dollars)

	Note	September 30, 2020	December 31, 2019
		\$	\$
ASSETS			
Current assets			
Cash		4,459,110	204,379
Marketable securities	6	52,280	-
Other receivables		47,517	23,148
Prepaid		42,868	6,216
		4,601,775	233,743
Non-current assets			
Equipment	3	12,454	30,004
Total assets		4,614,229	263,747
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	4	296,048	316,928
		296,048	316,928
EQUITY (DEFICIENCY)			
Share capital	8	32,369,983	26,571,115
Accumulated other comprehensive income		228,470	200,878
Reserves		18,533,819	18,110,865
Deficit		(46,814,091)	(44,936,039)
		4,318,181	(53,181)
Total liabilities and shareholders' deficiency		4,614,229	263,747

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved for issuance by the board of directors on November 30, 2020

"Sonny Janda"

Director - Sonny Janda

"Jared Scarf"

Director - Jared Scarf

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

DESERT GOLD VENTURES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in US dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
Amortization		5,850	5,854	17,550	17,562
Investors and shareholders relationship		55,428	42,534	135,930	86,324
Office and administration		3,055	9,001	15,650	37,389
Professional and consulting fees		110,402	112,932	319,188	272,924
Prospecting rights and exploration	5	607,972	4,297,537	1,255,533	4,791,134
Rent		7,334	3,870	16,293	14,888
Share-based compensation	8	-	-	213,750	135,440
Transfer agent and listing fees		1,863	9,286	27,510	22,079
Travel		1,376	9,579	11,330	24,054
Loss before the following:		(793,280)	(4,490,593)	(2,012,734)	(5,401,794)
Change in fair value of marketable securities	6	14,940	-	14,940	-
Gain on write off of accounts payable	4,9	-	-	125,518	-
Gain on settlement - promissory note	7	10,500	-	10,500	-
Finance charges and foreign exchange		(731)	(350)	(16,276)	(5,632)
Net loss		(768,571)	(4,490,943)	(1,878,052)	(5,407,426)
Other comprehensive loss:					
Foreign exchange translation gain		8,415	(65,518)	25,079	(59,264)
Total comprehensive loss		(760,156)	(4,556,461)	(1,852,973)	(5,466,690)
Weighted average number of outstanding shares, basic and diluted		120,269,143	73,362,343	111,900,629	54,592,635
Loss per share, basic and diluted		(0.01)	(0.06)	(0.02)	(0.01)

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

DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited - Expressed in US dollars)

	Number	Amount	Subscription received	Reserves			Accumulated other comprehensive income	Deficit	Total
				Others	Warrants	Option reserve			
		\$	\$	\$	\$	\$	\$	\$	
Decembr 31, 2018	38,306,258	19,274,667	175,920	13,755,601	682,763	3,061,113	198,115	(37,509,842)	(361,663)
Share issuance for cash	28,805,043	3,103,010	(175,920)	-	132,731	-	-	-	3,059,821
Share issuance to acquire mineral interests	250,000	35,974	-	-	-	-	-	-	35,974
Shares issuance to acquire Ashanti Gold Corp.	22,729,038	3,266,225	-	-	-	-	-	-	3,266,225
Share-based compensation	-	-	-	-	-	135,440	-	-	135,440
Translation between functional and reporting currency	-	-	-	-	-	-	(59,264)	-	(59,264)
Loss for the period	-	-	-	-	-	-	-	(5,407,426)	(5,407,426)
September 30, 2019	90,090,339	25,679,876	-	13,755,601	815,494	3,196,553	138,851	(42,917,268)	669,107
December 31, 2019	93,090,339	26,571,115	-	13,755,601	900,497	3,454,767	200,878	(44,936,039)	(53,181)
Share issuance for private placement	40,428,356	5,453,802	-	-	210,720	-	-	-	5,664,522
Share issuance for warrant exercise	3,834,438	316,230	-	-	-	-	-	-	316,230
Share issuance for option exercise	75,000	10,789	-	-	-	(1,516)	-	-	9,273
Share issuance for mineral interest (Note 5)	250,000	18,047	-	-	-	-	-	-	18,047
Share cancellation	(559,960)	-	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	-	213,750	-	-	213,750
Translation between functional and reporting currency	-	-	-	-	-	-	27,592	-	27,592
Loss for the period	-	-	-	-	-	-	-	(1,878,052)	(1,878,052)
September 30, 2020	137,118,173	32,369,983	-	13,755,601	1,111,217	3,667,001	228,470	(46,814,091)	4,318,181

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DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH
(Uaudited - Expressed in US dollars)

Nine months ended September 30,	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Loss for the period	(1,878,052)	(5,407,426)
Adjustments for non-cash items:		
Amortization	17,550	17,562
Accrued interest	5,500	-
Change in fair value of marketable securities	(14,940)	
Gain on write off on accounts payable	(125,518)	-
Gain on settlement - promissory note	(10,500)	
Mineral expenditure paid by the Company's share	18,047	-
Receipt of marketable securities for option payment (Note 5)	(37,340)	
Share-based compensation	213,750	135,440
Share issued for expensed acquisition of Ashanti Gold Corp.	-	3,277,199
Changes in non-cash working capital items:		
Other receivables	(24,369)	815
Prepaid	(36,652)	(37,561)
Accounts payable and accrued liabilities	147,897	(123,216)
Cash used in operating activities	(1,724,627)	(2,137,187)
INVESTING ACTIVITIES		
Purchase of equipment	-	(13,358)
Cash used in investing activities	-	(13,358)
FINANCING ACTIVITIES		
Repayment of a promissory note	(105,000)	(183,252)
Cash receipt from a promissory note	110,000	-
Net proceeds from share issuance	5,990,025	3,082,821
Cash provided by financing activities	5,995,025	2,899,569
Effect of foreign exchange rate on cash	(15,667)	(57,264)
Increase (decrease) in cash	4,254,731	691,760
Cash, beginning of period	204,379	112,331
Cash, end of period	4,459,110	804,091

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

DESERT GOLD VENTURES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited - Expressed in US dollars)

1. NATURE OF OPERATIONS

Desert Gold Ventures Inc. (the "Company") is an exploration stage company and is engaged in the acquisition, exploration and development of mineral resource properties. The principal business of the Company is conducting mineral property exploration in Mali and Rwanda. The Company's shares are traded on the TSX Venture Exchange (the "TSX-V") under the symbol DAU.

The head office and principal address is located at 4770-72nd Street, Delta, BC V4K 3N3.

The recent outbreak of the coronavirus since December 31, 2019, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the most recent audited consolidated financial statements for the recent year ended December 31, 2019.

The condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2020 and 2019 were approved and authorized for issue by the Board of Directors on November 30, 2020.

Basis of consolidation and presentation

These condensed consolidated interim financial statements have been prepared on an historical cost basis, modified where applicable. These statements have been prepared using the accrual basis of accounting except for cash flow information, are presented in US dollars, unless otherwise specified.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries of the Company are as follows:

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation and presentation (continued)

Name	Country of incorporation	Ownership percentage	
		September 30, 2020	December 31, 2019
TransAfrika Belgique S.A. (dormant)	Belgium	100%	100%
TransAfrika Rwanda Gold S.A.R.L.	Rwanda	100%	100%
TransAfrika Senegal S.A. (dormant)	Senegal	100%	100%
GoldBanks Nevada Ventures Inc. (dormant)	USA	100%	100%
Ashanti Gold Corp.	Canada	100%	100%
Ashanti Gold Mali S.A.R.L.	Mali	100%	100%
Desert Gold Mali S.A.R.L.	Mali	100%	100%

Accounting Standards Adopted

The Company has not adopted new accounting policies since its recent year ended December 31, 2019.

Functional and reporting currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollar, which is the Company's reporting currency. The functional currency of the Company and its Canadian subsidiary Ashanti Gold Corp. is the Canadian dollar. The functional currency of other subsidiaries is the United States dollar, except for TransAfrika Mali S.A. and Desert Gold Mali S.A.R.L, which uses the CFA Franc.

3. EQUIPMENT

	Office Equipment	Furniture and Fixtures	Total
Cost:	\$	\$	\$
At September 30, 2020, and December 31, 2019	43,082	41,044	84,126
Amortization:			
At December 31, 2019	27,717	26,405	54,122
Charge for the period	8,988	8,562	17,550
At September 30, 2020	36,705	34,967	71,672
Net book value:			
At December 31, 2019	15,365	14,639	30,004
At September 30, 2020	6,377	6,077	12,454

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4. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consisted of the following:

	September 30, 2020	December 31, 2019
Trade payable	\$ 221,454	\$ 283,013
Accrued liabilities	74,594	33,915
	\$ 296,048	\$ 316,928

5. EXPLORATION AND EVALUATION PROPERTIES

The Company is an exploration stage Company which holds various mineral property interests.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of resource properties in Mali and Rwanda.

Rwanda Project

On December 13, 2016 the Rwandan government issued the Company a commercial gold mining license, valid for a period of 10 years with an option to renew, which covers a 375-hectare block.

During the nine months ended September 30, 2020, the Company incurred administration and back office costs of \$16,384 for the Rwanda project.

Mali Project

The Company holds the Farabantourou and Djimbala projects (collectively the "Mali Projects") through its subsidiary Desert Gold Mali SARL, located in Mali.

The expiry date of the Djimbala permit was December 30, 2018. The Company received a new permit on October 18, 2019 for an initial 3-year term. Furthermore, the license terms grant the Company the option to renew the permit for two additional 2-year terms. The Company is required to incur minimum exploration expenditures of \$123,000, \$ 321,000, and \$357,000 during the first, second, and third years respectively.

During the nine months ended September 30, 2020, the Company incurred \$1,276,489 for the exploration, permit application, and back office support for the Mali Projects.

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Mineral Interests Acquired in 2020

Sola West Permit

On July 2, 2020, the Company entered into an option agreement to acquire the rights in the Sola West Concession for a research permit (the "Permit"). By paying the Optionor an amount of \$20,548 (12 million Mali CFA) to the Optionor for the option fees and taxes in connection with the mineral interests (done) and issuance of 100,000 common shares of the Company to the Optionor, the Company has acquired:

- the rights to carry out operations on the Permit;
- the exclusive option right to acquire 100% in the Permit after payments of the following:
 - \$30,822 (18 million Mali CFA) within 5 days at the publication of the Sola West Licensing Order;
 - \$77,055 (45 million Mali CFA) and 100,000 common shares of the Company on or before June 5, 2021
 - 56,507 (33 million Mali CFA) and 50,000 common shares of the Company on or before June 5, 2022.

After the Permit transferred to the Company, the Company shall pay \$56,507 (33 million Mali CFA) within ten days after the transfer and shall issue 50,000 common shares of the Company to the Optionor.

Within 10 days after the Company informs the Optionor the production decision of the Permit, the Company shall pay:

- \$250,000 in the event of mining operation based on a feasibility study that shows proven and probable reserves of a maximum 500,000 oz of gold.
- One dollar per ounce for the exploitation of a deposit based on a feasibility study that shows proven and probable reserves between 500,000 to 1,000,000 oz of gold.

In addition of the above, the Company will grant a net smelter fee ("NSR") of 2% in connection with the Permit. The Company has the right at any time to purchase 1% of the NSR for \$1,000,000.

If the Company to commence production in an area entirely within the borders of the Permit, the Optionor will have a free carried interest of five percent of the production operations.

Mineral Interests Acquired in 2019

Ashanti Property

On August 22, 2019, the Company acquired Ashanti Gold Corp. ("Ashanti") by issuance of shares, replacement warrants and options.

At the transaction date, the Company determined that Ashanti did not constitute a business as defined under IFRS 3, Business Combinations, and the transaction was accounted for as an asset acquisition.

Ashanti's two mineral interests are

- An option agreement to earn interest for a mining permit in Ghana (i)
- An 95% interest in an exploration permit in Mali (the "Farikounda Permit") (ii)

(i) On September 14, 2016, Ashanti entered into an option agreement for the Anumso Project in Ghana (the "Anumso Option") with Goldplat PLC ("Goldplat") whereby Ashanti earned an 51% of the Anumso Project in February 2019.

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Mineral Interests Acquired in 2020 (continued)

Ashanti Property (continued)

(ii) The Farikounda permit in Mali was recently renewed on November 25, 2019 for three years with the option to renew for two additional 2-year terms. The Company is required to incur minimum exploration expenditures of \$158,000, \$419,000, and \$347,000 during the first, second, and third year respectively. The optionor ("Aletco") will retain 1.5% NSR on this property. The Company has the right to purchase some or all of the 1.5% NSR by paying CAD\$100,000 for each 0.1% NSR purchased. The government of Mali has a carried 10% interest in this permit.

The Company had a right to purchase the remaining 5% of this permit for \$80,000 which was paid subsequent to the period ended September 30, 2020.

The Company is making plans for these two projects and incurred \$Nil for the exploration during the nine months ended September 30, 2020.

Mineral Management Consulting ("MMC") Option

During the year ended December 31, 2019, the Company entered into an option agreement with MMC to acquire a 100% interest in two properties contiguous and proximal to the Company's Farabantourou concession in Mali. The Company will earn a 100% interest in the Project satisfying the following headline terms:

- Desert Gold to pay MMC CAD \$500,000, of which CAD \$250,000 was paid in July, 2019 to earn an initial fifty-five (55%) percent interest with the balance of CAD \$250,000 to be paid over a three (3) year period (CAD\$100,000);
- The issuance of 1,000,000 Desert Gold common shares to MMC in four (4) equal instalments of which 250,000 shares were issued in August 2019 (with a market value of \$35,974) and the remaining instalments are to be issued annually over a three (3) year period;
 - On May 5, 2020, the Company issued 250,000 common shares with fair value of \$18,047 and paid \$73,522 (CAD\$100,000) to MMC to fulfil the annual instalment obligation of the above.
- Incur exploration expenditures of CAD \$350,000 over a three (3) year period;
- MMC shall retain a two (2%) percent net smelter royalty on all ore mined from the properties;
- During the three (3) year option period, Desert Gold shall be responsible for maintaining the permit in good standing and performing any and all obligations required by law and will take over operation control of the projects on closing of the transaction with MMC.

Altus Strategies PLC ("Altus") Option

In August, 2019 the Company entered into an agreement (the "Agreement") with Altus to acquire Altus' Sebessoukoto Sud and Djelimangara gold projects (the "Project") which are contiguous to the Company's Senegal Mali Shear Zone Project located in western Mali.

The Company will earn a 100% interest in the Project by satisfying the following headline terms:

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Mineral Interests Acquired in 2019 (continued)

Altus Strategies PLC ("Altus") Option (continued)

Part 1: Consideration

Upon signing of the Agreements, Desert Gold will:

- Within 5 business days make a cash payment to Altus of \$50,000 (paid in October 2019); and
- Within 14 business days and subject to any regulatory approval as may be required, issue 3,000,000 common shares of Desert Gold (issued in October 2019) to Altus.

Part 2: Milestone payments:

Upon the reception of a NI 43-101 compliant independent resource over the Project, which exceeds 500,000 ounces of gold, Desert Gold will (in respect of the first 500,000 ounces only):

- Within 5 business days make a cash payment to Altus of \$100,000; and
- Within 14 business days and subject to any regulatory or shareholder approvals as may be required, issue 2,000,000 common shares of Desert Gold to Altus.

Upon the reception of a NI 43-101 compliant independent resource over the Project which exceeds 1,000,000 ounces of gold then Desert Gold will (in respect of the second 500,000 ounces only):

- Within 5 business days make a cash payment to Altus of \$100,000; and
- Within 14 business days and subject to any regulatory or shareholder approvals as may be required, issue 3,000,000 shares of Desert Gold to Altus (issued on November 7, 2019)

Part 3: Project Royalties

Altus will retain a 2.5% Net Smelter Return ("Altus NSR") royalty on the Project.

Desert Gold will have the right to purchase up to 1.5% of the Altus NSR. The amount payable by Desert Gold to Altus will be calculated by reference to the NI 43-101 gold reserve figure reported in an independent definitive feasibility study on the Project as follows:

- If the reserve is greater than 1,000,000 ounces, then \$6.0M
- If the reserve is less than 1,000,000 ounces but greater than 500,000 ounces, then \$3.0M
- If the reserve is less than 500,000 ounces but greater than 250,000 ounces, then \$1.0M
- Furthermore, Desert Gold will have a 60-day right of first refusal, to acquire such portion of the balance of the Altus NSR that Altus may, from time to time, wish to sell.

Altus will provide Desert Gold a 10-day written notice of any intention to sell any of its Desert Gold shares. During that 10-day period, Desert Gold will have the right to find a third party to acquire such Desert Gold shares directly from Altus.

During the nine months ended September 30, 2020, the Company incurred \$27,342 to transfer the title of the Sebessoukoto Sud and Djelimangara gold projects into the Company.

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Mineral Interests Acquired in 2019 (continued)

SUD Mining SARL ("SUD") Option

In September, 2019, the Company entered into an option agreement with SUD to secure the right to acquire a 95% interest in the Linguekoto property (the "Linguekoto"), which is contiguous to the Company's SMSZ Project.

Terms of this option agreement are as follows:

- Desert Gold to pay SUD \$150,000, of which \$50,000 will be paid upon closing of the transaction (paid in October 2019) with the balance of \$100,000 to be paid over a three (3) year period;
- Incur exploration expenditures of \$120,000 over a three (3) year period;
- During the three (3) year option period, Desert Gold shall be responsible for maintaining the permit in good standing and perform any and all obligations required by law;
- Bonus shares: In the event that, within 60 months from the transaction date, 100,000 oz Au, NI 43-101 compliant reserves are discovered at Linguekoto, the Company will issue 250,000 common shares to SUD. The Company will issue an additional 250,000 common shares for every additional 100,000 ounces of gold, NI compliant 43-101 reserves declared at Linguekoto, up to a maximum aggregate amount of 1,250,000 shares.
- SUD will retain a 5% carried interest, in the concession, before any interest retained by the government of Mali.

Summary of exploration expenditures

Exploration expenditures incurred during the nine months ended September 30, 2020 are as follow:

	Altus Option	MMC Options	SUD Options	Mali Projects	Sola West Project	Rwanda Project	Total
	\$	\$	\$	\$	\$	\$	\$
Acquisition or annual payments	-	91,569	-	-	21,155	-	112,724
Permit renewal and maintenance	27,342	2,033	4,157	-	-	-	33,532
Drilling	-	-	-	531,652	-	-	531,652
Geo-analysis	-	-	-	183,514	-	-	183,514
Other exploration including back office supportings	-	-	-	123,185	-	2,624	125,809
Salaries	-	-	-	296,942	-	8,700	305,642
Receipt of option payment- Indigo	-	-	-	(37,340)	-	-	(37,340)
Total	27,342	93,602	4,157	1,097,953	21,155	11,324	1,255,533

Indigo Option

On April 9, 2020, the Company signed a four-year option agreement with Indigo Exploration Inc ("Indigo"), whereby Indigo can acquire up to 100% interest in the Djimbala Permit by the issuance of shares of Indigo and completing work. Upon completing a positive title opinion and financing of at least \$500,000, Indigo would make a share issuance to Desert Gold equivalent of CAD\$50,000 of Indigo common shares at a deemed price of CAD 5 cents per share (one million shares received), and three subsequent share issuances over three years totaling CAD \$300,000 at a deemed price equal to the volume weighted average price for the prior 10 day trading period. With work expenditures of CAD \$400,000, Indigo would earn 51% in the permit and with an additional CAD \$600,000 work expenditure, Indigo would earn 100% interest in the permit, subject to a 2% net smelter royalty ("NSR") in favor of the Company, where 1% NSR could be bought out at any time for \$1 million by Indigo.

As at September 30, 2020, the Company has received \$14,936 (CAD\$20,000) from Indigo to incur the required work expenditures.

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6. MARKETABLE SECURITIES

As at September 30, 2020, the Company held one million shares of Indigo with a fair value of \$52,280 (cost - \$37,340) (Note 5). The Company has recorded an increase of fair value of \$20,000 during the nine-month period.

7. NOTES PAYABLE

On March 3, 2020, the Company borrowed \$110,000 from a Canadian public company. Fees of \$10,000 have been paid. The Company has granted the lender a general and continuing collateral security to secure the due payment. This loan has an interest of 10% per annum and is due May 31, 2020. In September 30, 2020, the Company fully settled this promissory note (principal plus accrued interest) for \$105,000 and a gain for the settlement \$10,500 has been recorded.

8. SHARE CAPITAL

(a) Share capital

Authorized share capital

Unlimited number of common shares without par value; and 1,250,000 preferred shares issuable in series with rights and restrictions to be determined by the directors prior to any issuances.

Issued share capital

2020

On May 5, 2020, the Company issued 250,000 common shares to MMC to fulfil its obligation for the acquisition of MMC Option (Note 5)

On May 8, 2020, the Company raised CAD \$1,283,000 through the sale of 16,037,500 units at CAD\$0.08 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 per share for a period of three (3) years after issuance. In connection with closing, the Company will pay finders' fees of CAD \$46,550 and issue 581,875 non-transferable brokers warrants Each broker warrant entitles the holder to purchase one common share of the Company at a price of CAD\$0.15 for a period of three years.

On May 26, the Company issued 25,000 common shares for options exercised at CAD\$0.10 per share.

In June of 2020, 1,595,000 common shares were issued for warrant exercise at weighted average price of CAD\$0.094 per share.

In June of 2020, 559,960 common shares were cancelled.

In August, 2020, through a private placement, the Company issued 24,390,856 security unit ("Unit") at CAD\$0.28 per Unit for gross proceeds of \$5,100,403 (CAD6,829,440). Each Unit consisted of one half of a warrant ("Warrant"). Each whole Warrant can be exercised into one common share of the Company at CAD\$0.40 per share. The Company applied residual method and allocated \$182,157 to the Company's warrant reserve to allocate the issuance of Warrants. The Company has paid cash finders' fees of \$64,848 and consulting fees and direct expenditures of \$263,607 in connection with this private placement.

During the quarter ended September 30, 2020, 2,239,438 common shares were issued for exercise of warrants at a range from CAD\$0.09 to CAD\$0.24 per share The Company also issued 50,000 common shares were issued for exercise of stock options at CAD\$0.20 per share

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8. SHARE CAPITAL

(a) Share capital (continued)

Issued share capital (continued)

2019

i) On November 30, 2018, the Company initiated a non-brokered private placement of up to 5,000,000 units at a price of CAD \$0.15 per unit (the "Unit") to raise up to an aggregate of \$750,000 (the "Financing"). Each Unit consisted of one common share and one common share purchase warrant (the "Warrant"). Each Warrant entitled the holder to purchase one additional common share of the Company at a price of \$0.15 per common share for a period of two (2) years from the closing of the Financing, subject to a 30-day acceleration period, upon announcement by the Company of the common shares trading at \$0.75 or more for 10 consecutive trading days. The Company received CAD\$240,000 (\$175,920) in subscriptions as at December 31, 2018.

The Company closed the Financing on January 25, 2019 by issuance of 5,851,500 Units for gross proceeds of CAD\$877,725 (\$658,444). The Company has paid CAD\$3,706 (\$2,793) and issued 24,710 Warrants for finder's fees.

ii) During the year ended December 31, 2019, the Company issued one million common shares on the exercise of warrants for total proceeds of CAD\$90,000 (\$67,827).

iii) On May 23, 2019, the Company initiated a non-brokered private placement ("Placement") by issuance of security units at CAD\$0.16 per share. Each unit consists of one common share and one share purchase warrant. Each warrant can be exercised into one common share at CAD\$0.24 per share for a period of 2 years after issuance. The Company issued 21,953,543 units for gross proceeds of CAD\$3,503,566 (\$2,640,985)

The Company paid finder's fees of CAD\$88,109 (\$66,402) and issued 1,163,181 non-transferable brokers warrants (a "Broker Warrant"). Each broker warrant entitles the holder to purchase one common share of the Company at a price of CAD\$0.18 for a period of two years.

The Company also issued 250,000 common shares, 22,729,038 common shares, and 3,000,000 common shares for acquisition of mineral interests.

(b) Stock options

2020

On May 13, 2020, the Company granted a total of 2,925,000 incentive stock options to certain directors, officers, employees and consultants at exercise price of CAD\$0.10 per share and an expiry date five (5) years from the date of grant.

On May 29, 2020, the Company granted a total of 300,000 incentive stock options to a consultant at exercise price of CAD\$0.20 per share and an expiry date five (5) years from the date of grant.

2019

During the nine months ended September 30, 2019, the Company granted 1,125,000 stock options to consultants, directors, and officers. These options vested on issuance, have an exercise price of CAD\$0.19 per share and will expire 5 years after issuance.

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8. SHARE CAPITAL

(b) Stock options (continued)

Stock option continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2018	2,290,512	CAD\$ 0.24
Granted	1,125,000	0.19
Granted	2,925,000	0.16
Granted (replacement option)	342,840	0.85
Expired (replacement option)	(285,700)	0.88
Balance, December 31, 2019	6,397,652	CAD\$ 0.19
Granted	2,925,000	0.10
Granted	300,000	0.20
Expired	(57,140)	0.70
Exercised	(75,000)	0.17
Balance, September 30, 2020	9,490,512	CAD\$ 0.16

Stock options outstanding and exercisable as at September 30, 2020 are summarized as follows:

Exercise price (CAD\$)	Number of outstanding	Expiry date	Number of options exercisable
0.20	550,000	29-Jan-21	550,000
0.30	156,305	10-Jan-22	156,305
0.25	430,464	26-Jul-22	430,464
0.25	508,743	08-Nov-22	508,743
0.25	645,000	01-May-23	645,000
0.19	1,125,000	08-Feb-24	1,125,000
0.16	2,925,000	04-Oct-24	2,925,000
0.10	2,900,000	13-May-25	2,900,000
0.20	250,000	29-May-25	250,000
	9,490,512		9,490,512

All the options fully vested when granted. During the nine months ended September 30, 2020, the Company incurred \$213,750 share-based expenses (2019 - \$135,440). The fair value of options have been estimated by using the Black-Scholes option pricing model with the application of the following assumptions:

	2020	2019
Risk-free interest rate	0.4%	1.2 % to 1.8%
Expected life of options	5 years	5 years
Annualized volatility	125%	125%
Dividend rate	0.00%	0.00%

As at September 30, 2020, the Company's options have a weighted average exercise price of CAD0.16 per share and remaining life of 3.59 years.

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8. SHARE CAPITAL (Continued)

(c) Warrants

On September 30, 2020, the weighted average remaining life of the Company's outstanding warrants was 1.48 years. Continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2018	18,937,318	CAD\$ 0.24
Exercise of warrants	(1,000,000)	0.09
Issuance of replacement warrants	6,415,236	0.84
Expiry of replacement warrants	(1,722,771)	1.34
Issuance of finders' warrants	24,710	0.15
Issuance of warrants for private placement	5,851,500	0.15
Issuance of warrants for private placement	21,953,543	0.24
Issuance of finders' warrants	1,163,181	0.18
Balance, December 31, 2019	51,622,717	0.27
Issuance of warrants and finders' warrants for private placement	8,600,625	0.15
Issuance of warrants for private placement	12,195,428	0.40
Exercise of warrants	(3,205,000)	0.09
Exercise of warrants	(100,000)	0.15
Exercise of warrants	(506,250)	0.24
Expiry of warrants	(5,580,462)	0.60
Balance, September 30, 2020	63,027,058	CAD\$ 0.26

9. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

Nine months ended September 30,	2020	2019
	\$	\$
Consulting fees	221,213	107,043
Share-based compensation	153,836	117,000

During the second quarter ended June 30, 2020, directors of the Company have waived \$27,088 of their consulting fees to improve the Company's working capital. The Company recorded a gain for this payable write off.

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9. RELATED PARTY TRANSACTIONS (Continued)

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities (Note 4) included the following balances owing to related parties.

Due to Related parties	Nature	September 30, 2020	December 31, 2019
Chief executive officer	Consulting fees	\$ 7,500	\$ -
Chief financial officer	Consulting fees	1,494	3,080
Former Director	Consulting fees	-	1,608
Directors	Consulting fees	-	4,244
		\$ 8,994	\$ 8,932

10. FINANCIAL INSTRUMENTS

Financial instruments included in the statement of financial position are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Cash	4,459,110	204,379
Marketable securities	52,280	-
Trade payables	221,494	283,012

Fair value

The fair value hierarchy established by IFRS has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At the respective reporting dates, all of the Company's financial instruments had maturities less than one year. As a result, the carrying amount of note payable, accounts payable approximated their fair values due to their short-term maturities.