



FREMONT

GOLD LTD

Fremont Gold Ltd.

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

SIX MONTHS ENDED SEPTEMBER 30, 2018

NOTICE

These unaudited interim consolidated financial statements have been prepared by management and have not been the subject of a review by the Company's independent auditor

Fremont Gold Ltd.

Condensed interim consolidated statements of financial position

(Expressed in Canadian Dollars)

	Notes	Sept. 30, 2018	March 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents		\$ 524,787	\$ 504,760
Accounts receivable		51,143	27,473
Prepaid expenses		126,314	68,290
Total Current assets		702,244	600,523
Non-current assets			
Mineral properties	4	2,539,424	2,218,020
Fixed assets		13,159	8,150
Reclamation bonds	5	105,099	104,685
Total Assets		\$ 3,359,926	\$ 2,931,378
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 106,029	\$ 173,230
Due to related parties	8	77,075	98,532
Total Current liabilities		183,104	271,762
Total liabilities		183,104	271,762
Shareholders' equity			
Share capital	6(a)	10,894,894	9,230,783
Warrant reserve	6(b)	205,670	205,670
Stock option reserve	6(c)	1,064,192	964,174
Subscription receipts	6(a)	-	325,992
Accumulated other comprehensive income (loss)		(5,986)	(12,803)
Accumulated deficit		(8,981,948)	(8,054,200)
Total Shareholders' equity		3,176,822	2,659,616
Total Liabilities and Shareholders' equity		\$ 3,359,926	\$ 2,931,378
Nature of operations and going concern (Note 1)			
Subsequent events (Notes 4 and 12)			

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

Approved by the Board of Directors

"Paul Reynolds"
Paul Reynolds, Director

"Michael Williams"
Michael Williams, Director

Fremont Gold Ltd.

Condensed interim consolidated statements of loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended Sept. 30, 2018	3 months ended Sept. 30, 2017	6 months ended Sept. 30, 2018	6 months ended Sept. 30, 2017
Expenses					
Exploration expenditures	7	\$ 123,411	\$ 20,597	\$ 422,264	\$ 20,597
General and administration		46,639	11,495	115,027	14,662
Management	8	51,893	-	105,979	-
Professional fees		58,223	49,463	111,596	56,080
Stock-based compensation	6(c)	58,368	8,931	100,018	8,931
Travel		30,775	1,243	54,782	5,682
Listing and transfer agent		5,313	4,628	19,062	8,646
Depreciation		957	-	1,501	-
		<u>375,579</u>	<u>96,357</u>	<u>930,229</u>	<u>114,598</u>
Other income and expenses					
Foreign exchange loss		31,692	4,597	2,333	4,597
Interest income		(1,876)	(324)	(4,814)	(324)
		<u>31,692</u>	<u>4,597</u>	<u>2,333</u>	<u>4,597</u>
Net loss for the period		<u>\$ 405,395</u>	<u>\$ 100,630</u>	<u>\$ 927,748</u>	<u>\$ 118,871</u>
Other comprehensive income and loss					
Unrealised foreign currency translation items		15,834	63,279	(6,817)	63,279
		<u>15,834</u>	<u>63,279</u>	<u>(6,817)</u>	<u>63,279</u>
Total comprehensive loss for the period		<u>\$ 421,229</u>	<u>\$ 163,909</u>	<u>\$ 920,931</u>	<u>\$ 182,150</u>
Loss per share, Basic and diluted		\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01
Weighted average shares outstanding, Basic and diluted		44,214,372	33,765,204	43,191,540	18,101,334

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

Fremont Gold Ltd.

Condensed interim consolidated statements of changes in shareholders' equity

(Expressed in Canadian Dollars)

	Issued common shares	Share capital	Subscription receipts	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance at March 31, 2017	12,460,789	\$ 6,230,903	\$ -	\$ 170,221	\$ 773,276	\$ -	(\$ 7,239,510)	(\$ 65,110)
Shares issued for cash	10,257,132	1,538,570	-	-	-	-	-	1,538,570
Shares issued for business combination	10,000,000	1,500,000	-	-	-	-	-	1,500,000
Shares issued for mineral property	300,000	45,000	-	-	-	-	-	45,000
Share issuance costs	-	(132,690)	-	35,449	-	-	-	(97,241)
Stock options issued	-	-	-	-	8,931	-	-	8,931
Comprehensive loss	-	-	-	-	-	(63,279)	(118,871)	(182,150)
Balance at Sept. 30, 2017	33,017,921	\$ 9,181,783	\$ -	\$ 205,670	\$ 782,207	-\$ 63,279	(\$ 7,358,381)	\$ 2,748,000
Balance at March 31, 2018	33,315,422	\$ 9,230,783	\$ 325,992	\$ 205,670	\$ 964,174	(\$ 12,803)	(\$ 8,054,200)	\$ 2,659,616
Shares issued for cash:								
Private placement	9,615,200	1,538,432	(325,992)	-	-	-	-	1,212,440
Exercise of warrants	1,283,750	171,153	-	-	-	-	-	171,153
Share issuance costs	-	(45,474)	-	-	-	-	-	(45,474)
Stock options issued	-	-	-	-	100,018	-	-	100,018
Comprehensive income (loss)	-	-	-	-	-	6,817	(927,748)	(920,931)
Balance at Sept. 30, 2018	44,214,372	\$ 10,894,894	\$ -	\$ 205,670	\$ 1,064,192	(\$ 5,986)	(\$ 8,981,948)	\$ 3,176,822

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

Fremont Gold Ltd.

Condensed interim consolidated statements of cash flows

(Expressed in Canadian Dollars)

	6 months ended Sept. 30, 2018	6 months ended Sept. 30, 2017
OPERATING ACTIVITIES		
Net loss for the period	(\$ 927,748)	(\$ 118,871)
Adjustments for items not involving cash:		
Stock-based compensation	100,018	8,931
Depreciation	1,501	-
Unrealised foreign exchange items	(1,404)	1,731
	(827,633)	(108,209)
Net changes in non-cash working capital:		
Accounts receivable	(23,670)	(28,151)
Prepaid expenses	(58,024)	(22,667)
Accounts payable and accrued liabilities	(67,201)	40,845
Due to related parties	(21,457)	(2,173)
Cash used in operating activities	(997,985)	(120,355)
INVESTING ACTIVITIES		
Additions to mineral properties	(313,730)	(152,441)
Additions to fixed assets	(6,495)	-
Transaction costs, net of cash acquired	-	(129,983)
Cash used in investing activities	(320,225)	(282,424)
FINANCING ACTIVITIES		
Issuance of share capital, net of cash share issuance costs	1,166,966	1,441,329
Exercise of warrants	171,153	-
Cash provided by financing activities	1,338,119	1,441,329
Effect of change in exchange rate on cash	118	-
Net increase in cash and cash equivalents	20,027	1,038,550
Cash and cash equivalents, beginning of period	504,760	21,916
Cash and cash equivalents, end of period	\$ 524,787	\$ 1,060,466

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

Fremont Gold Ltd.
(formerly Palisades Ventures Inc.)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

Six months ended September 30, 2018

1. NATURE OF OPERATIONS AND GOING CONCERN

Fremont Gold Ltd. (formerly Palisades Ventures Inc., the “Company”) was incorporated under the laws of British Columbia, Canada, on June 6, 2007. The principal business activity of the Company is the acquisition and exploration of mineral properties located in the United States. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “FRE”. The head office and records office of the Company are located at Suite 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The Company’s registered office is located at 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

Acquisition of Intermont and 1027344 B.C.

On June 29, 2017, the Company completed a transaction (the “Transaction”) with Intermont Exploration, LLC (“Intermont”), 1027344 B.C. Ltd. (“1027344 B.C.”) and various individuals unrelated to the Company pursuant to which the Company acquired 100% of the units of Intermont and 100% of the common shares of 1027344 B.C. in exchange for the issuance of 10,000,000 post-consolidation common shares. The closing of the Transaction was accompanied by the following:

- A three-for-four consolidation of the Company’s common shares
- A non-brokered private placement resulting in the issuance of 10,257,132 units for gross proceeds of \$1,538,570
- A change in name of the Company from Palisades Ventures Inc. to Fremont Gold Ltd., and
- The issuance of 300,000 post-consolidation common shares to the lessor of the Hurricane Project.

The Company remained the resulting issuer and a Tier 2 resource issuer upon closing of the Transaction.

The 16,614,386 issued and outstanding pre-consolidation, pre-Transaction common shares of the Company were adjusted to 12,460,789 post-consolidation common shares. As required by International Accounting Standards (“IAS”) 33 - Earnings per Share, all references to share capital, common shares outstanding and per share amounts in these consolidated financial statements and the accompanying notes for periods prior to the share consolidation have been restated to reflect the three-for-four share consolidation.

Going concern

The nature of the Company’s operations results in significant expenditures for the acquisition and exploration of mineral properties. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes the Company will be able to realise its assets and settle its liabilities in the normal course of business. For six months ended September 30, 2018, the Company reported a net loss of \$927,848 (six months ended September 30, 2017: \$118,871) and cash flow used in operations of \$997,985 (six months ended September 30, 2017: \$120,355), and as at that date had a net working capital

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Six months ended September 30, 2018

balance of \$519,140 (March 31, 2018: \$328,761) and an accumulated deficit of \$8,981,948 (March 31, 2018: \$8,054,200).

The Company's ability to continue operations in the normal course of business is dependent on several factors, including its ability to secure additional funding. Given the continuation of weak investor sentiment and capital market conditions, there exists significant uncertainty as to the Company's ability to raise additional funds on favorable terms.

Management has estimated that the Company will not have sufficient funds from existing working capital to meet its planned objectives and property obligations beyond calendar 2018.

In addition, the recoverability of amounts presented as non-current assets is dependent upon a number of factors, including the ability of the Company to obtain financing to maintain properties in good standing and continue exploration and development and the discovery of economically recoverable reserves.

In November 2018, the Company announced the terms of a private placement comprised of up to 7,200,000 units at a price of \$0.14 per unit for gross proceeds of up to \$1,008,000 (see Note 12).

In the event the Company is unable to arrange appropriate financing, the carrying value of the Company's assets and liabilities could be subject to material adjustment and the Company will not be able to meet its obligations as they become due in the normal course of business. Furthermore, these conditions indicate the existence of a material uncertainty that raises substantial doubt as to the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including IAS 34, 'Interim Financial Reporting'. The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended March 31, 2018.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at November 27, 2018, the effective date the Board of Directors approved these financial statements.

The condensed interim consolidated financial statements do not contain all disclosures required under IFRS and should be read in conjunction with Company's annual consolidated financial statements and the notes thereto for the year ended March 31, 2018.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 16, Leases ("IFRS 16") replaces IAS 17, Leases and is effective for annual periods beginning on or after January 1, 2019. The new model requires the recognition of most lease

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Six months ended September 30, 2018

contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. The Company is in the process of assessing the impact, if any, that the adoption of IFRS 16 will have on its consolidated financial statements

The IASB replaced IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9. IFRS 9 deals with classification and measurement, impairment, hedge accounting and derecognition of financial assets and liabilities. In February 2014, the IASB decided to defer to January 1, 2018 the implementation of IFRS 9. IFRS 9 is applicable to annual periods commencing on or after January 1, 2018. The Company's management has assessed the provisions of IFRS 9 and has concluded that its implementation did not have any significant impact on the Company's financial statements.

4. MINERAL PROPERTIES

6 months ended Sept. 30, 2018	Mar. 31, 2018	Incurred during period	Foreign exchange	Sept. 30, 2018
Goldrun	\$ 1,084,875	\$ 48,657	\$ 4,121	\$ 1,137,653
Hurricane	672,039	1,240	2,654	675,933
Gold Bar	204,109	65,182	579	269,870
North Carlin	119,319	107,128	97	226,544
Rock Creek	115,866	14,249	408	130,523
Gold Canyon	19,835	55,180	(115)	74,900
Other properties	1,977	22,094	(70)	24,001
	\$ 2,218,020	\$ 313,730	\$ 7,674	\$ 2,539,424

Year ended March 31, 2018	Mar. 31, 2017	Transaction (1)	Incurred during period	Foreign exchange	31 Mar. 2018
Goldrun	\$ -	\$ 991,267	\$ 97,899	(\$ 4,291)	\$ 1,084,875
Hurricane	-	597,617	76,640	(2,218)	672,039
Gold Bar	-	-	199,925	4,184	204,109
North Carlin	-	-	116,873	2,446	119,319
Rock Creek	-	89,798	26,096	(28)	115,866
Gold Canyon	-	-	19,428	407	19,835
Other properties	-	-	1,937	40	1,977
	\$ -	\$ 1,678,682	\$ 538,798	\$ 540	\$ 2,218,020

(1) 1027344 B.C. and Intermont transaction (see Note 1)

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Six months ended September 30, 2018

The capitalised costs of mineral properties relate to claim maintenance and acquisition costs associated with exploration and evaluation assets.

The Company's primary mineral properties as at September 30, 2018 were Hurricane, Gold Bar, Gold Canyon and North Carlin.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee their titles. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

It is possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties could be written off in the future.

(a) Hurricane, lease agreement

1027344 B.C. entered into an agreement dated February 13, 2015 with Nevada Eagle, LLC ("Nevada Eagle"), a third party, pursuant to which 1027344 B.C. leases six unpatented mining claims in Nevada collectively known as Hurricane. Subject to various conditions, the lease agreement provides 1027344 B.C. with the exclusive right to prospect, explore and mine on the property for a period of twenty years with a right to renew thereafter.

Nevada Eagle's rights and responsibilities associated with the lease agreement were assigned to Nevada Select Royalty, Inc. ("Nevada Select") pursuant to an assignment and assumption agreement dated May 4, 2016. Nevada Select is not related to 1027344 B.C. Nevada Eagle's ownership interest in the property was transferred to Nevada Select on May 5, 2016.

The lease agreement was amended on each of February 13, 2016, March 14, 2017, April 27, 2017 and July 23, 2018 whereby the terms of certain of the lease payments, share payments and work obligations as specified in the original February 2015 lease agreement were amended. Pursuant to the July 23, 2018 amendment, the minimum expenditure requirements associated with the property that were previously in place were terminated.

(b) Gold Bar, option agreement

In September 2017, the Company announced that it had entered into an option agreement with Ely Gold and Minerals Inc. ("Ely Gold"), an unrelated British Columbia based company, which controls 96 unpatented and 12 patented mining claims over the historic Gold Bar mine area in Eureka County Nevada (the "Gold Bar Property"). The option agreement was amended on July 13, 2018.

Pursuant to the amendment dated July 13, 2018, the payment of US\$ 150,000 which had been previously due on September 8, 2019 was increased to US\$ 160,000 and deferred to December 9, 2018. In addition, this December 2018 payment is irrevocable and will continue to be payable in the event the Company chooses to surrender the option.

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5. RECLAMATION BONDS

Reclamation bonds totalling US\$ 81,189 were paid in October 2017 in connection with the trenching program undertaken at Hurricane and in March 2018 in connection with the drilling program undertaken at Gold Bar and Gold Canyon. The bonds will be refunded in full after reclamation work has been completed and accepted by the United States Bureau of Land Management.

6. SHAREHOLDERS' EQUITY

(a) Share capital

The Company has authorized capital of an unlimited number of common voting shares without nominal or par value.

The Company has authorized capital of an unlimited number of preferred voting shares without nominal or par value.

Private placement, April 2018

In April 2018, the Company announced that it had closed a non-brokered private placement for gross proceeds of \$1,538,432 through the issuance of 9,615,200 common shares at a price of \$0.16 per common share. (Originally reported gross proceeds were \$1,554,432 and originally reported common shares issued were 9,715,200).

The Company incurred \$45,474 of share issue costs in connection with the financing including \$24,362 in finder's fees paid to third parties in cash. The remaining share issue costs amounting to \$21,112 related primarily to legal fees and fees levied by the TSX-V.

As at March 31, 2018, \$325,992 of subscriptions had been received and were classified as subscription receipts.

April 2018 exercise of share purchase warrants

In April 2018, 1,283,750 share purchase warrants were exercised for total proceeds of \$171,153. This followed from the exercise of 97,500 share purchase warrants in the year ended March 31, 2018 for proceeds of \$13,000. All warrants exercised had an exercise price of \$0.133 and were due to expire on April 29, 2018. The remaining 287,500 share purchase warrants expired unexercised (see Note 6(b)).

(b) Share purchase warrants

A summary of share purchase warrants outstanding as at September 30, 2018 is as follows:

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Six months ended September 30, 2018

Expiry date	Exercise		Mar. 31, 2018	Issued	Exercised	Expired	Sept. 30, 2018
	price						
April 29, 2018	\$ 0.133	1,571,250	-	(1,283,750)	(287,500)	-	
June 29, 2019	\$ 0.150	361,720	-	-	-	-	361,720
June 29, 2019	\$ 0.250	5,023,566	-	-	-	-	5,023,566
June 30, 2019	\$ 0.250	105,000	-	-	-	-	105,000
		7,061,536	-	(1,283,750)	(287,500)	-	5,490,286
Weighted average exercise price		\$ 0.219					\$ 0.243
Weighted average remaining life (years)		1.00					0.75

1,283,750 share purchase warrants were exercised in the six months ended September 30, 2018 for proceeds of \$171,153.

No warrants were issued in connection with the April 2018 non-brokered private placement.

(c) Stock options

A summary of stock options outstanding as at September 30, 2018 is as follows:

Expiry date	Exercise price	Mar. 31, 2018	Issued	Expired	Sept. 30, 2018
March 26, 2020	\$ 0.160	50,000	-	-	50,000
September 18, 2021	\$ 0.150	2,350,000	-	-	2,350,000
March 26, 2022	\$ 0.160	250,000	-	-	250,000
July 10, 2022	\$ 0.150	-	600,000	-	600,000
		2,650,000	600,000	-	3,250,000
Weighted average exercise price		\$ 0.151			\$ 0.151
Weighted average remaining life (years)		3.49			3.14

Stock-based compensation totalled \$100,018 in the six months ended September 30, 2018 (six months ended September 30, 2017: \$8,931).

All stock options granted in the six months ended September 30, 2018 will vest in five equal tranches over 24 months including an initial tranche vesting on the date of issuance of the stock options.

The fair value of the stock options granted in the nine months ended September 30, 2018 were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

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Six months ended September 30, 2018

Dividends	-
Expected volatility (average)	112%
Risk-free interest rate (average)	1.12%
Expected life (months)	48
Expected rate of forfeiture	0.0%

Of the 3,250,000 stock options outstanding as at September 30, 2018, 1,697,500 stock options were exercisable as at this date at a weighted average exercise price of \$0.15.

7. EXPLORATION AND DEVELOPMENT EXPENDITURES

6 months ended Sept. 30, 2018						
	Gold Canyon	Gold Bar	North Carlin	Other properties	VP Exploration	Total
Drilling	\$ 134,513	\$ 60,227	\$ -	\$ -	\$ -	\$ 194,740
Assay	12,392	19,843	37,626	-	-	69,861
Payroll	11,067	7,222	17,849	3,118	-	39,256
Third party services	-	1,921	650	-	-	2,571
Travel	8,962	10,644	9,698	1,876	-	31,180
Restoration provision	10,669	4,919	-	-	-	15,588
Field supplies	2,891	2,240	1,701	505	-	7,337
VP Exploration	-	-	-	-	61,731	61,731
	\$ 180,494	\$ 107,016	\$ 67,524	\$ 5,499	\$ 61,731	\$ 422,264

6 months ended Sept. 30, 2017			
	Goldrun	Other properties	Total
Payroll	6,232	2,637	8,869
Travel	1,360	3,592	4,952
Field supplies	927	3,418	4,345
Third party services	-	2,431	2,431
	\$ 8,519	\$ 12,078	\$ 20,597

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Six months ended September 30, 2018

8. RELATED PARTY TRANSACTIONS

The Company incurred the following expenses resulting from transactions with related parties including officers and directors or entities that are controlled by officers and directors of the Company:

	6 months ended Sept. 30, 2018	6 months ended Sept. 30, 2017
Stock-based compensation relating to stock options issued to officers and directors of the Company	\$ 47,953	\$ -
Recharge of exploration, claim and local administrative expenditures (1)	73,812	35,279
Remuneration of officers of the Company (2)	150,000	-
Professional fees charged by a company controlled by the former CFO	-	2,000
	<u>\$ 271,765</u>	<u>\$ 37,279</u>

- (1) Certain exploration, local administrative and claim acquisition expenditures are charged to the Company by Tectonex LLC, a company owned by the Company's VP Exploration. Such charges totalled US\$ 56,820 (\$73,812) in the six months ended September 30, 2018 (six months ended September 30, 2017: nil). All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex
- (2) Comprises remuneration of the Company's President and Chief Executive Officer, Chief Financial Officer and Vice President Exploration and includes fees charged by companies controlled by officers of the Company

The Company owed the following amounts to related parties including officers and directors or companies that are controlled by officers and directors of the Company:

	Sept. 30, 2018	March 31, 2018
Amount owing to the President and CEO and CFO relating to deferred remuneration	\$ 35,000	\$ 45,000
Amount owing to (due from) Tectonex relating to the recharge of exploration, claim and local administrative expenditures	(12,867)	29,135
Amounts owing to directors and officers relating to the reimbursement of expenses	54,942	24,397
	<u>\$ 77,075</u>	<u>\$ 98,532</u>

Certain directors and officers of the Company participated in the April 2018 private placement, subscribing for an aggregate of 1,563,750 common shares at a cost of \$250,200 (see Note 6(a)).

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Six months ended September 30, 2018

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties. The Company's assets are located in Canada and the United States as follows:

	Canada	United States	Total
Non-current assets:			
Sept. 30, 2018	\$ -	\$ 2,657,682	\$ 2,657,682
March 31, 2018	-	2,330,855	2,330,855
Net loss:			
Six months ended Sept. 30, 2018	425,546	502,202	927,748
Six months ended Sept. 30, 2017	\$ 99,284	\$ 19,587	\$ 118,871

10. CAPITAL MANAGEMENT

The Company manages its capital structure, which consists of working capital and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of mineral property assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

All of the exploration and evaluation assets in which the Company has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for ongoing general and administrative expenses, the Company will use existing working capital and expects to raise additional funds through equity private placements as required in the future. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relatively small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the year ended September 30, 2018.

Additional information relating to the Company's ability to continue as a going concern is presented in Note 1.

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11. RISK MANAGEMENT

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's exploration activity is situated entirely in the United States and it is therefore exposed to foreign exchange risk arising from transactions and monetary balances denominated in United States dollars. The Company has no program in place for hedging foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The risk is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to assist in determining the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, taking into account its current cash position and potential funding sources.

At September 30, 2018, the Company had cash of \$524,787 (March 31, 2018: \$504,760) and net working capital of \$519,140 (March 31, 2018: \$328,761). With the exception of accrued liabilities totalling \$7,000, the provision for estimated restoration costs totalling \$28,479 and balances due to related parties (see Note 8), all accounts payable and accrued liabilities are due within 90 days of September 30, 2018. Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment.

Additional information relating to the Company's ability to continue as a going concern is presented in Note 1.

Fremont Gold Ltd.
(formerly Palisades Ventures Inc.)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

Six months ended September 30, 2018

12. SUBSEQUENT EVENT

In November 2018, the Company announced the terms of a private placement comprised of up to 7,200,000 units ("Unit") at a price of \$0.14 per Unit for gross proceeds of up to \$1,008,000. Each Unit will be comprised of a common share of the Company and one half of one share purchase warrant. Each whole share purchase warrant ("Warrant") will entitle the holder to purchase one common share at a purchase price of \$0.20 per for a period of 24 months following the closing of the private placement.

The Warrants will be subject to an accelerator provision whereby if over a period of 15 consecutive trading days between the closing date and the expiry of the Warrants, the daily volume weighted average trading price of the Company's common shares exceeds \$0.30 on each of those 15 consecutive trading days, the Company may give written notice (via news release) within 30 days to the holders of the Warrants that the Warrants will expire on the 30th day following the provision of notice. The holders of the Warrants will have 30 days to exercise their Warrants after the date of said news release. Any insiders who are unable to exercise their Warrants due to any 'blackout period' being in effect during the 30 day term following the provision of notice will automatically have the exercise period extended by the aggregate time of the blackout period(s).

Fremont may pay a finder's fee of up to 6% of the gross proceeds raised in connection with the private placement. Closing of the private placement and the payment of any finder's fees will be subject to the approval of the TSX Venture Exchange.

The Company intends to use the net proceeds from the private placement to undertake further drilling at its Gold Bar and Gold Canyon projects and for general working capital.

The private placement is expected to close in late November or early December 2018.