Fremont Gold Ltd.
(formerly Palisades Ventures Inc.)
An Exploration Stage Company

MANAGEMENT DISCUSSION AND ANALYSIS

NINE MONTHS ENDED DECEMBER 31, 2017

Dated: February 28, 2018

Management Discussion and Analysis

The following Management Discussion and Analysis ("MD&A") of Fremont Gold Ltd. ("Fremont" or the "Company") has been prepared as at February 28, 2018. It is intended to be read in conjunction with the condensed interim consolidated financial statements of the Company as at and for the nine months ended December 31, 2017.

All of the financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted.

All monetary amounts, including comparatives, are expressed in Canadian dollars unless otherwise noted.

The Company's year end is March 31. Accordingly, references to Q3 2018 herein refer to the three months ended December 31, 2017.

Overview

The Company is a mineral exploration and development company with interests in gold projects in the state of Nevada. Fremont's primary projects as at December 31, 2017 were Hurricane, Gold Bar, Gold Canyon and North Carlin. The Company's strategy is to conduct exploration on its projects and to build a quality portfolio of gold projects in Nevada.

The Company holds its mineral property interests through its wholly owned subsidiaries, 1027344 B.C. Ltd. ("1027344 B.C.") and Intermont Exploration, LLC ("Intermont").

The Company acquired its interest in each of 1027344 B.C. and Intermont in June 2017 through a transaction with these two entities and their respective shareholders and unitholders. See 'Acquisition of 1027344 B.C. and Intermont'.

Exploration activity undertaken by 1027344 B.C. and Intermont prior to their acquisition by Fremont was nominal.

The Company held no interest in any mineral properties as at March 31, 2017 or March 31, 2016.

Highlights

The nine months ended December 31, 2017 and the period ended February 28, 2018 were highlighted by the following activities and initiatives:

- On June 29, 2017, the Company completed a business combination transaction with 1027344 B.C., Intermont and various individuals unrelated to the Company (the "Transaction") pursuant to which the Company issued 3,500,000 post-consolidation common shares in exchange 100% of the shares of 1027344 B.C. and 6,500,000 post-consolidation common shares in exchange for 100% of the units of Intermont

- In connection with the Transaction, the Company completed a share consolidation of its issued and outstanding common shares such that every four existing common shares were consolidated into three new common shares
- In connection with the Transaction, the Company completed a non-brokered private placement of 10,257,132 units of the Company at a price of $0.15 per unit for gross proceeds of $1,538,570
- In connection with the Transaction, the Company changed its name from “Palisades Ventures Inc.” to “Fremont Gold Ltd.” and began trading on the TSX Venture Exchange (“TSX-V”) under its new name and symbol ‘FRE’
- In September 2017, the Company announced that it had entered into an option agreement to acquire the historic Gold Bar mine area which comprises approximately 2,235 hectares in the southern part of the Cortez Mineral Trend in Eureka County, Nevada
- In October 2017, the Company announced that it had staked a significant land position in the northern part of the Carlin Trend comprising the Alkali property (318 claims totalling 2,664 hectares) and the Coyote property (65 claims totalling 544 hectares) along the north-west extension of the Carlin Trend
- In January, the Company announced that it had entered into an option agreement to acquire the Gold Canyon property which comprises approximately 186 hectares in Eureka County, Nevada
- In February, the Company announced that it had entered into an option agreement to acquire a property in the northern part of the Carlin Trend consisting of 12 unpatented lode mining claims covering approximately 100 hectares situated in Elko County, Nevada.

Finance

- The balance of cash and cash equivalents as at December 31, 2017 was $500,891(March 31, 2017: $21,916) and the net working capital balance as at this date was $437,752 (March 31, 2017: deficit of $65,110).

Exploration and development

- The Company commenced exploration work on the Hurricane property in Q2 2018 in accordance with the work program set out in the NI 43-101 compliant technical report dated May 25, 2017. Activities undertaken during the quarter included preparation and submittal of a Notice of Intent with the United States Bureau of Land Management (“BLM”) to conduct trench excavation for exploration purposes
- In addition, the Company also conducted ground magnetometer survey soil geochemical surveys at the Goldrun property in Q2 through Q4 2018. Results are expected to be returned in Q4 2018
- Drilling targets at Gold Bar and Gold Canyon will be defined by the geochemistry and the properties are expected to be drilled sometime in fiscal 2019
- 2018 claim maintenance fees have been paid to the the United States Bureau of Land Management (“BLM”) for all applicable mining claims comprising the Hurricane, Goldrun, Rock Creek, Gold Bar, Gold Canyon and North Carlin properties and all claims are in good standing.

Acquisition of 1027344 B.C. Ltd. and Intermont

On June 29, 2017, the Company completed a business combination transaction with 1027344 B.C., Intermont and various individuals unrelated to the Company.

The business combination transaction was entered into pursuant to a binding letter agreement dated December 28, 2016 which was amended and restated effective February 22, 2017, and amended on April 28, 2017. The Company issued 3,500,000 post-consolidation common shares in exchange 100% of the shares of 1027344 B.C. and 6,500,000 post-consolidation common shares in exchange for 100% of the units of Intermont. 1027344 B.C. and Intermont own the rights to the Hurricane project and Goldrun / Rock Creek projects, respectively, in Nevada.

The 10,000,000 common shares issued to the unitholders of Intermont and shareholders of 1027344 B.C. had a fair value of $0.15 reflecting total consideration of $1,500,000. Total transaction costs incurred amounted to approximately $153,947.

The transaction was accounted for as an asset acquisition and the allocation of the purchase price consideration paid to the assets acquired and liabilities assumed was based on estimated fair values at the time of acquisition.

The preliminary allocation of the purchase price to the estimated fair value of the assets and liabilities of each of 1027344 B.C. and Intermont is as follows:

	1027344 B.C. (CAD)	**Intermont (CAD)**	**Total (CAD)**
Palisades shares issued	*3,500,000*	*6,500,000*	*10,000,000*
Value of Palisades shares issued	525,000	975,000	1,500,000
Transaction costs	53,881	100,066	153,947
Purchase price consideration	**578,881**	**1,075,066**	**1,653,947**
Cash	7,081	-	7,081
Accounts receivable	5,528	-	5,528
Mineral properties	597,618	1,081,064	1,678,682
Accounts payable and accrued liabilities	(8,644)	(6,000)	(14,644)
Due to directors and officers	(39,583)	-	(39,583)
Due from Fremont	16,883	-	16,883
Net assets acquired	**578,883**	**1,075,064**	**1,653,947**

Share consolidation

In connection with the Transaction, the Company completed a share consolidation of its issued and outstanding common shares such that every four existing common shares were consolidated into three new common shares thereby reducing the 16,614,386 pre-consolidation issued and outstanding common shares of the Company to 12,460,789 post-consolidation common shares.

Non-brokered private placement

In connection with the Transaction, the Company completed a non-brokered private placement of 10,257,132 units of the Company at a price of $0.15 per unit for gross proceeds of $1,538,570 (see ‘Liquidity - June 2017 private placement’).

Other

In connection with the Transaction, the Company changed its name from “Palisades Ventures Inc.” to “Fremont Gold Ltd.”

The Company also issued 300,000 post-consolidated common shares to Nevada Select Royalty, Inc. pursuant to the lease agreement on the Hurricane project (see ‘Hurricane property – Lease agreement’).

Hurricane Property

Summary

The Hurricane property consists of six unpatented mineral claims located in the Shoshone Range of Northern Lander County in Nevada, USA. The property is located in Sections 30 and 19, Township 30 N, Range 46 E in Lander County. 1027344 B.C. has a right to lease the claims comprising the Hurricane property pursuant to a lease agreement with Nevada Eagle LLC, a Nevada Corporation ("Nevada Eagle"), dated February 13, 2015, as amended on February 13, 2016, March 14, 2017 and April 27, 2017 (the "Lease Agreement"). Nevada Eagle subsequently assigned its interest in the property, including the lease, to Nevada Select Royalty, Inc. ("Nevada Select").

Lease agreement

1027344 B.C. entered into an agreement dated February 13, 2015 with Nevada Eagle, a third party, pursuant to which 1027344 B.C. leases six unpatented mining claims in Nevada which are collectively known as 'Hurricane'. The claims total approximately 50.2 hectares. 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 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 and April 27, 2017 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.

The lease agreement (as amended) specifies payments by 1027344 B.C. to the lessor as follows:

- Upon execution of the agreement: $5,000 (paid)
- On or before the first anniversary of the date of execution (February 13, 2016): $3,750 (paid)
- On or before May 16, 2016: $3,750 (paid)
- On or before July 31, 2017: $10,000 (paid in August 2017)
- On or before the third anniversary of the date of execution (February 13, 2018): $15,000 (paid)
- On or before the fourth anniversary of the date of execution (February 13, 2019): $20,000
- On or before the fifth anniversary of the date of execution (February 13, 2020): $20,000
- On or before the sixth anniversary of the date of execution (February 13, 2021): $25,000
- On or before the seventh anniversary of the date of execution (February 13, 2022): $25,000
- Thereafter on or before the annual anniversary of the date of execution: $25,000 increased by the consumer price index.

The lease agreement (as amended) contemplated the assignment of 1027344 B.C.'s rights to the Hurricane property to a public company. Upon such an assignment and the receipt of approval of such assignment from the applicable stock exchange, the lessor shall be entitled to receive 300,000 common shares of the public company. 300,000 post-consolidation common shares of the Company were issued to Nevada Select in conjunction with the closing of the Transaction.

1027344 B.C. is responsible for maintaining the property in good standing including the payment of all applicable government filings, fees and taxes.

The lease agreement (as amended) specifies minimum expenditure requirements of $850,000 to be incurred by 1027344 B.C. on land holding costs, exploration, etc. as follows in the years following the date of execution:

- Third year: $100,000
- Fourth year: $250,000
- Fifth year: $250,000
- Sixth year: $250,000.

The lessor will retain a 3.0% net smelter royalty ("NSR") on mineral production from the Hurricane property and any staked ground situated adjacent thereto. 1027344 B.C. may purchase one third of the NSR (1.0%) for $1,000,000.

Technical report

A NI 43-101 compliant technical report concerning the Hurricane property dated May 25, 2017 was prepared by Paul Noland, a Certified Professional Geologist. The report is available on www.sedar.com.

No mineral resource or reserve estimates have been completed for the Hurricane property.

Outlook

The Company has initiated an initial exploration program designed to verify historic interpretations and mineralization. The program will consist of clean-up of existing roads and trenches, geologic mapping and sampling, additional trenching and road building where geologic interpretation and a four to eight hole RC drilling program will commence.

Limited exploration work was undertaken on the Hurricane Property in Q2 2018 pending receipt of the required permits from the BLM allowing the Company to undertake a trenching program. Activities undertaken during the quarter included preparation and submittal of a Notice of Intent with the BLM for trench excavation for exploration purposes.

Activities undertaken at the Hurricane Property during the subsequent period ended February 28, 2018 included the following:

- Receipt of required permits from the BLM
- Upgrade of the access road to the property and opening up old road/trench cuts in order to expose fresh outcrop to permit channel sampling
- Collection of three metre wide channel samples on three separate road/trench cuts
- Engagement of a local contractor to undertake trenching work. The program was completed in mid-November and a total of 101 trench samples were analyzed by American Assay Laboratories. Results indicated multiple trench cuts with anomalous gold, the most significant being 102 meters averaging 0.56 g/t gold, which included an interval of 63 meters averaging 0.77 g/t gold.

Total expenditures incurred on the Hurricane property through December 31, 2017 (excluding claim maintenance) amounted to $33,653 which related primarily to trenching activity,

Gold Bar Property

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 (the "Gold Bar Property").

The Gold Bar Property comprises approximately 2,235 hectares and is located in in the historic Gold Bar mining district in Eureka County, within the southern part of the Cortez Mineral Trend, 30 miles northwest of Eureka, Nevada. The centre of the property hosts the historic open-pit Gold Bar mine formerly operated by Atlas Precious Metals Inc. Total cumulative production from the Gold Bar pit from 1986 through 1994 was 286,354 ounces of gold from 3,986,000 tons of ore.

Under the terms of the option agreement, the Company can earn a 100% interest in the Gold Bar Property by making a series of cash payments totaling US$ 1,000,000 over five years as follows:

- US$ 10,000 on September 8, (the "Effective Date") being the date on which the Company receives approval of the option agreement by the TSX Venture Exchange (paid)
- US$ 40,000 on or before March 8, 2018 (nine months following the Effective Date)
- US$ 150,000 on or before September 8, 2018 (one year following the Effective Date)
- US$ 100,000 on or before September 8, 2019 (two years following the Effective Date)
- US$ 100,000 on or before September 8, 2020 (three years following the Effective Date)
- US$ 200,000 on or before September 8, 2021 (four years following the Effective Date)
- US$ 400,000 on or before September 8, 2022 (five years following the Effective Date).

Ely Gold will retain a 2% NSR. In addition to the foregoing option payments, the Company is required to pay advance royalty payments as follows:

- US$ 25,000 on each of the first through third anniversaries of the Effective Date
- US$ 35,000 on the fourth anniversary of the Effective Date and on each anniversary thereafter.

The Company may accelerate the exercise of the option and acquire 100% of the Gold Bar Property at any time, by providing Ely Gold with ten days' notice and paying all remaining option payments in full. In addition, the Company will have the right to buy-down 1% of the underlying NSR for US$ 5,000,000 any time after all payments are made.

No exploration work was undertaken on the Gold Bar Property in Q2 2018. In Q3 2018, historical drill data were compiled and modeled. Drill sites were chosen to confirm and expand historical known gold resources. A preliminary geological model was developed and potential exploration targets in the southeast part of the property, outside the area of historical exploration, were developed.

A soil survey is planned in Q4 2018 to cover the new target area to the southeast. Drilling of reverse circulation holes targeting the unmined Millsite deposit and residual ore at the Gold Bar deposit, are expected to be drilled in fiscal 2019.

Gold Canyon Property

In January 2018, the Company announced that it had entered into an option agreement with Ely Gold Royalties Inc. ("Ely Gold Royalties"), an unrelated British Columbia based company, and its wholly-owned subsidiary Nevada Select (collectively the "Optionor"), to acquire the Gold Canyon Property, consisting of 26 unpatented lode mining claims covering approximately 460 acres situated in Eureka County, Nevada. The option agreement is dated December 29, 2017.

Under the terms of the option agreement, the Company may earn a 100% interest in the Gold Canyon Property by making a series of cash payments totaling US$ 802,500 over five years as follows:

- US$ 15,000 on December 29, 2017 (the "Effective Date") being the date of the option agreement (paid)
- US$ 37,500 on or before June 29, 2018 (six months following the Effective Date)
- US$ 75,000 on or before December 29, 2018 (one year following the Effective Date)
- US$ 112,500 on or before December 29, 2019 (two years following the Effective Date)

- US$ 112,500 on or before December 29, 2020 (three years following the Effective Date)
- US$ 150,000 on or before December 29, 2021 (four years following the Effective Date)
- US$ 300,000 on or before December 29, 2022 (five years following the Effective Date).

Ely Gold will retain a 2% NSR in respect of products produced on the Gold Canyon Property and a further 1% NSR on any products produced on any after-acquired interest (as defined). In addition to the foregoing option payments, the Company is required to pay advance royalty payments as follows:

- US$ 25,000 on each of the first through third anniversaries of the Effective Date
- US$ 35,000 on the fourth anniversary of the Effective Date and on each anniversary thereafter.

The Company may accelerate the exercise of the option and acquire 100% of the Gold Canyon Property at any time, by providing Ely Gold Royalties with ten days' notice and paying all remaining option payments in full. In addition, the Company will have the right to buy-down 1% of the underlying NSR for US$ 3,000,000 any time after the option has been exercised.

North Carlin Property

The North Carlin Property includes both staked ground (Alkali and Coyote properties) and an optioned property.

In February 2018, the Company announced that it had entered into an option agreement with Ely Gold Royalties and Nevada Select, to acquire a property referred to as the North Carlin Property, consisting of 12 unpatented lode mining claims covering approximately 100 hectares situated in Elko County, Nevada.

Under the terms of the option agreement, the Company may earn a 100% interest in the North Carlin Property by making a series of cash payments totaling US$ 267,500 over five years as follows:

- US$ 5,000 on the Effective Date being that date which is five business days following the date on which the Company receives approval of the option agreement by the TSX Venture Exchange
- US$ 12,500 six months following the Effective Date
- US$ 25,000 one year following the Effective Date
- US$ 37,500 two years following the Effective Date
- US$ 37,500 three years following the Effective Date
- US$ 50,000 four years following the Effective Date
- US$ 100,000 five years following the Effective Date.

In addition, the Company is required to issue 200,000 common shares to Ely Gold Royalties following receipt of approval of the option agreement by the TSX Venture Exchange.

Ely Gold Royalties will retain a 2% NSR in respect of products produced on the Gold Canyon Property. In addition to the foregoing option payments, the Company is required to pay advance royalty payments as follows:

- US$ 25,000 on each of the first through third anniversaries of the Effective Date
- US$ 35,000 on the fourth anniversary of the Effective Date and on each anniversary thereafter.

The Company may accelerate the exercise of the option and acquire 100% of the North Carlin Property at any time, by providing Ely Gold Royalties with ten days' notice and paying all remaining option payments in full. In addition, the Company will have the right to buy-down 1% of the underlying NSR for US$ 3,000,000 any time after the option has been exercised.

As at February 28, 2018, the Company had not received approval of the option agreement by the TSX Venture Exchange.

Alkali and Coyote Properties

In October 2017, the Company announced that it had staked a significant land position comprising 3,250 hectares in the northern part of the Carlin Trend which is home to Barrick Gold Corp.'s Goldstrike mine complex (Proven and Probable Reserves of 70.7 Mt @ 3.55 g/t for 8.1 Moz of gold) and the North and South Carlin complexes of Newmont Mining Corporation (Proven and Probable Reserves of 295.1 Mt @ 1.59 g/t Au for 15 Moz of gold, collectively).

The staked land comprises the Alkali property (318 claims comprising 2,664 hectares) and the Coyote property (70 claims comprising 586 hectares) along the north-west extension of the Carlin Trend. The Alkali claim block is approximately four kilometres north-east of the Hollister Mine of Klondex Mines Ltd which has a measured and indicated resource of 0.43 Mt @ 17.4 g/t (gold equivalent) and an inferred resource of 0.18 Mt @ 15.3 g/t (gold equivalent); there is evidence of a NE structural control at Hollister which extends through the Alkali claim block. The Coyote claim block is located south-east of Alkali and is two kilometres north of the Rossi mine (Barrick/Meridian), which had a resource of 0.97 Mt @ 16.46 g/t gold in 2007; Rossi is the most northerly deposit currently known along the Carlin Trend.

The Company is planning a program of detailed mapping and ground geophysics on both the Alkali and Ely Gold claim blocks aimed at identifying drill targets.

Goldrun Property

A ground magnetometer survey and a soil geochemical survey were initiated at the Goldrun property in Q2 2018 and completed in Q3 2018. Complete soil analytical results are expected in Q4 2018.

Results to date indicate a magnetic high anomaly 5.5 kilometres long and 2 kilometres wide, with a large central magnetic low (beneath and to the east of the historical Adelaide copper mine). This geophysical anomaly is interpreted to be an intrusive complex with a significant alteration zone that may be a skarn system. Preliminary soil geochemical results support that this a gold-bearing mineralized system. Anomalies are almost entirely on 100% Fremont ground.

Jarbidge Property

In August 2017, the Company announced that it had entered into an option agreement with an unrelated individual relating to 48 unpatented and 4 patented mining claims (the "Jarbidge Property") comprising approximately 389 hectares in Elko County in Northeast Nevada.

The Company ultimately chose not to proceed with the Jarbidge option agreement in order to allocate more resources to its three most important gold projects, Hurricane, Goldrun and Gold Bar. No option payments were made to the optionor of the Jarbidge Property.

Proposed transactions

As at December 31, 2017 and February 28, 2018, there were no other proposed asset or business acquisitions or dispositions other than as described herein.

Summary of quarterly results

A summary of quarterly results in respect of the two year period ended December 31, 2017 is as follows:

	Q4 2017 *March 31, 2017*	Q1 2018 *June 30, 2017*	Q2 2018 *Sept. 30, 2017*	Q3 2018 *Dec. 31, 2017*
Revenues	-	-	-	-
Operating costs	(30,226)	(18,241)	(100,630)	(209,985)
Net income (loss)	(30,226)	(18,241)	(100,630)	(209,985)
Net working capital (deficit)	(65,110)	1,181,543	936,867	437,752
Total assets	22,860	3,071,582	2,928,869	2,678,057
Total liabilities	(87,970)	(166,357)	(180,869)	(131,187)

	Q4 2016 *March 31, 2016*	Q1 2017 *June 30, 2016*	Q2 2017 *Sept. 30, 2016*	Q3 2017 *Dec. 31, 2016*
Revenues	-	-	-	-
Operating costs	(66,820)	(9,438)	(9,950)	(11,687)
Net income (loss)	(690,240)	3,312	6,074	(3,715)
Net working capital (deficit)	(195,311)	(37,244)	(31,170)	(34,884)
Total assets	2,163	84,857	56,377	38,054
Total liabilities	(197,474)	(122,101)	(87,547)	(72,938)

Fluctuations in the Company's quarterly results were attributable to the following factors:

- The increase in the net loss in Q3 2018 and the corresponding reduction in net working capital in this quarter were attributable to the commencement of exploration activity, costs associated with establishing an office in Vancouver, professional fees associated with post-transaction issues and the negotiation of new property agreements and stock-based combination charges relating to the granting of stock options
- The increase in total assets in Q1 2017 relates to the Transaction (see 'Acquisition of 1027344 B.C. Ltd. and Intermont')
- The increase in working capital in Q1 2017 reflects the net proceeds of the private placement that closed in late June (see 'Liquidity - June 2017 private placement') offset by liabilities associated with costs relating to the Transaction
- A significant write-off of capitalised mineral property costs was made in Q1 2016 ($623,420). All capitalised mineral property costs had been written off in full by March 31, 2016
- Operating expenditures declined significantly in the Q1 2017 with the significant reduction or outright termination in various management and administrative costs
- The Company realised a gain of $36,746 in the nine months ended December 31, 2016 relating to the restructuring of certain debts
- The decline in the working capital deficit in Q1 2017 was attributable to net private placement proceeds of $154,755. The relatively minor fluctuations in the net working capital deficit in the nine months ended March 31, 2017 reflected ongoing operating costs offset by the gains derived from the debt restructuring
- Total asset balances related entirely to monetary items (cash, receivables and prepaid expenses) as at all dates presented subsequent to March 31, 2016 through March 31, 2017 following the aforementioned write-off of capitalised mineral property
- Total liabilities include amounts due to both related parties and third parties.

Results of operations

The Company's net loss increased by $206,180 from $3,715 in Q3 2017 to $209,895 in Q3 2018.

	Q3 2018	*Q2 2018*	Q3 2017
Expenses			
Exploration	80,806	*20,597*	-
Professional fees	47,338	*49,463*	9,214
General and administration	39,238	*11,495*	60
Travel	17,003	*1,243*	-
Management	16,667	-	-
Listing and transfer agent	4,071	*4,628*	2,413
Stock-based compensation	-	*8,931*	-
	205,123	*96,357*	11,687
Other expenses (income)			
Foreign exchange loss	6,590	*4,597*	-
Interest income	(1,818)	*(324)*	-
Forgiveness of debt	-	-	(7,972)
	4,772	*4,273*	(7,972)
Net loss for the period	**209,895**	***100,630***	**3,715**

The level of costs incurred in Q3 2017 was nominal.

Expenditures increased significantly in Q2 2018 following the closing of the Transaction in June 2017 and continued to increase in Q3 2018 reflecting the following:

- Exploration expenditures (see above discussion regarding specific properties including 'Hurricane Property', 'Goldrun Property' and 'Gold Bar Property')
- Significant professional fees incurred in connection with various post-Transaction transition issues and negotiation of the Jarbidge and Gold Bar option agreements in Q2 2018 and marketing related costs incurred in Q3 2018
- General and administrative costs associated increased significantly from a negligible level in Q1 2018 following closing of the Transaction with the establishment of Fremont's offices (rent, administrative staff, etc.), attendance at various conferences, insurance, etc. and the opening of an office in Nevada (costs shared with another company)
- Travel costs increased significantly in Q3 2018 with the Company's participation in various conferences and marketing programs
- The recognition of costs of management (President and CEO, CFO and VP Exploration) commenced on December 1, 2017; remuneration was not paid or accrued prior to this date. The remuneration of the President and CEO has been accrued commencing this date and will not be paid until the next financing. The remuneration of the VP Exploration is included in exploration costs
- Stock-based compensation associated with the granting of 2,350,000 stock options to officers, directors and consultants in September 2017

Liquidity

As at December 31, 2017, the Company had a cash balance of $500,891 (March 31, 2017: $21,916), and a net working capital balance of $437,752 (March 31, 2017: deficit of $65,110).

June 2017 private placement

On June 29, 2017, the Company completed a non-brokered private placement of $1,538,570 in connection with the Transaction. The private placement consisted of 10,257,132 units at a price of $0.15 per unit, with each unit comprised of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.25 until June 29, 2018 or December 31, 2018. Applying the residual value method, no value was allocated to the warrants.

The units are subject to a four month hold period which expired on October 30, 2017 for 10,047,132 units and October 31, 2017 for the remaining 210,000 units

The Company incurred $132,690 in share issue costs in connection with the financing including $54,258 in finder's fees paid in cash and the issuance of 361,720 finder's fee warrants having an estimated value of $35,449. The remaining share issue costs amounting to $42,983 related primarily to legal fees and fees levied by the TSX-V.

The following table compares the use of funds as per the Filing Statement of Palisades Ventures Inc. dated as at May 29, 2017 (issued in connection with the Transaction; see 'Acquisition of 1027344 B.C. Ltd. and Intermont') and the actual spend through December 31, 2017. Note that the former is in respect of a 12 month period whereas the latter is for the six months ended December 31, 2017.

	Use of funds (USD)	**Use of funds (CAD)**	**Actual spend (CAD)**
General and administration	348,325	439,598	191,146
Hurricane work program	374,750	472,947	33,653
Hurricane option payments	25,000	31,551	12,620
Other exploration	-	-	67,750
Other option payments	-	-	44,171
Staking	30,000	37,861	361,690
	778,075	981,957	711,030
Unallocated working capital	106,453	134,347	
Net loss for the period	**884,528**	**1,116,304**	**711,030**

Going concern

Management has estimated that the Company does not currently have sufficient working capital to meet its corporate development, administrative and property objectives and obligations for the coming year through December 31, 2018. The Company will periodically need to obtain additional financing; there can be no assurance that it will be successful in this regard in the future.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements. There is no assurance that the Company will be successful in this regard. These material uncertainties cast substantial doubt about its ability to continue as a going concern.

The Company's financial statements as at and for the nine months ended December 31, 2017 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Cash flows

	9 months ended 31-Dec-17	**9 months ended 31-Dec-16**
Operating activities		
Net income (loss) for the period	(328,766)	5,672
Non-cash items	12,796	(36,746)
	(315,970)	(31,074)
Changes in non-cash working capital:		
Current assets	(61,576)	455
Current liabilities	(11,010)	(87,790)
	(388,556)	**(118,409)**
Investing activities		
Additions to mineral properties	(373,480)	-
Reclamation bond	(70,335)	-
Transaction costs, net of cash acquired	(146,866)	-
Advances provided to Fremont by 1027344 B.C.	16,883	-
	(573,798)	**-**
Financing activities		
Issuance of share capital (net of issuance costs)	**1,441,329**	**154,755**
Net increase in cash	478,975	36,346
Cash, beginning of period	21,916	1,166
Cash, end of period	**500,891**	**37,512**

Operating activities

Cash applied to operating activities in the nine months ended December 31, 2017 amounted to $388,556 as compared to $118,409 in the nine months ended December 31, 2016. The 2017 use of cash was attributable to the net loss for the period with non-cash expenses (depreciation and stock-based compensation) partially offsetting movements in non-cash working capital items. The 2016 use of cash was attributable to a significant increase in non-cash working capital (reduction of current liabilities with proceeds from a private placement) and nominal net income attributable to gains recognised on the forgiveness of debt.

Investing activities

Cash used in investing activities in the nine months ended December 31, 2017 amounted to $573,798 and related to the following:

- Additions to mineral properties comprised of lease payments (Hurricane), option payments (Gold Bar) and fees and expenditures relating to staked claims (various properties)
- A reclamation bond amounting to US$ 56,066 was paid for in October 2017 in connection with the trenching program being undertaken at Hurricane. The bond will be refunded in full after reclamation work has been completed and accepted by the BLM
- Various costs associated with the Transaction offset by cash balances of 1027344 B.C. and Intermont acquired
- Advances provided to the Company by 1027344 B.C. prior to closing.

Financing activities

Cash provided by financing activities in the nine months ended December 31, 2017 and December 31, 2016, amounted to $1,441,329 and $154,755, respectively, and related to the proceeds of private placements offset by share issuance costs.

Dividends

The Company has neither declared nor paid any dividends on its common shares to date. The Company does not anticipate paying any dividends on its common shares in the foreseeable future.

Contractual commitments

The Company is responsible for remediating ground on its Hurricane Property on which it undertook trenching activity in Q3 2018. In this regard, the Company was required to post a reclamation bond of US$ 56,066 with the BLM. The bond will be refunded in full after reclamation work has been completed and accepted by the BLM.

Otherwise, the Company had no significant medium- or long-term contractual commitments as at December 31, 2017 or February 28, 2018 beyond its stated liabilities and commitments associated with its mineral properties and related lease and option agreements.

Legal proceedings

The Company was not involved in any legal proceedings as at either December 31, 2017 or February 28, 2018.

Off-balance sheet arrangements

The Company is not a party to any off-balance sheet arrangements.

Capital resources

The Company had no capital expenditure commitments as at either December 31, 2017 or February 28, 2018.

The Company is required to make certain option and lease payments in order to maintain its mineral properties and agreements in good standing. These payments are not considered to be commitments as the applicable agreements may be terminated by the Company at short notice without penalty. Such expenditures to be incurred in the year ended December 31, 2018 include the following:

- Hurricane lease payments: US$ 15,000 (paid in February 2018)
- Gold Bar option payments: US$ 190,000
- Gold Bar advance NSR payment: US$ 25,000

- Gold Canyon option payments: US$ 112,500
- Gold Bar advance NSR payment: US$ 25,000
- North Carlin option payments: US$ 17,500.

The Company is required to incur a minimum of US$ 850,000 in exploration expenditures on the Hurricane Property pursuant to the applicable lease agreement including US$ 100,000 in the three years ended February 13, 2019.

Transactions with related parties

The Company's current Chairman, President and CEO, CFO and VP Exploration were previously significant shareholders of 1027344 B.C. and/or Intermont prior to the Transaction. The Company's Chairman and President and CEO became directors of the Company following closing of the Transaction.

The Company's current Chairman, President and CEO, CFO and VP Exploration were not remunerated by the Company from the time of closing of the Transaction through November 30, 2017 and no remuneration was owed to these individuals as at this date. The recognition of management remuneration for the Company's President and CEO, CFO and VP Exploration commenced on December 1, 2017; the Company's Chairman does not receive any form of remuneration. The payment of remuneration to the CFO and VP Exploration commenced on this date, while the remuneration of the President and CEO has been recognised in the accounts since this date as an accrual and will not be paid until the Company's next financing. The remuneration of the VP Exploration is included in exploration costs.

The Company incurred the following costs resulting from transactions with officers and directors or companies that are controlled by officers and directors of the Company:

	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2016
Recharge of exploration and local administrative expenditures (1)	$ 108,963	$ -
Remuneration of officers of the Company (2)	25,000	-
Remuneration of directors of the Company	-	-
Professional fees charged by a company controlled by the former CFO	2,000	18,000
	$ 135,963	**$ 18,000**

(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$ 86,339 ($108,963) from the time of closing of the Transaction through December 31, 2017. All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex

(2) Includes fees charged by a company controlled by an officer of the Company

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

		Dec. 31, 2017		March 31, 2017
Amount owing to Tectonex LLC relating to the recharge of exploration, local administrative and claim acquisition expenditures	$	16,679	$	-
Amount owing to the President and CEO relating to deferred remuneration		10,000		-
Amounts owing to current directors and officers in with the reimbursement of various expenditures relating to the Transaction		124		-
Professional fees owing to a company controlled by the former CFO		-		18,900
	$	**26,803**	**$**	**18,900**

A total of $56,310 was owing to directors and officers in connection with the reimbursement of various Transaction expenditures (primarily to legal fees and TSX-V fees) as at September 30, 2017; this liability was repaid in Q3 2018. Directors and officers have not been and will not be reimbursed for any exploration, claim acquisition, claim maintenance or related expenditures incurred prior to closing of the Transaction.

Transactions with related parties were measured at the exchange amount, which is the amount established and agreed to by the transacting parties and are on terms and conditions similar to transactions entered into with non-related entities. The amounts payable are unsecured, non-interest bearing and have no set terms of repayment.

Outstanding share data

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

The Company had the following common shares, warrants and stock options outstanding as at February 28, 2018:

Issued and outstanding common shares	33,017,921
Fully diluted	42,526,957
Share purchase warrants:	
April 29, 2018 ($0.133)	1,668,750
June 29, 2020 ($0.15)	361,720
June 29, 2020 ($0.25)	5,023,566
June 30, 2020 ($0.25)	105,000
	7,159,036
Stock options	2,350,000

Escrow shares

Under the policies of the TSX-V, an aggregate of 1,250,000 common shares issued in October 2014 were placed in escrow to be released over a 36-month period commencing in October 2014; 10% were released

October 14, 2014 and 15% will be released every nine months thereafter through October 2, 2017. The number of common shares issued in October 2014 held in escrow as at December 31, 2017 was nil.

In addition, the entire 10,000,000 common shares issued to shareholders of 1027344 B.C. and unitholders of Intermont in June 2017 were placed in escrow to be released over a 36-month period commencing in June 2017; 10% were released on July 6, 2017 and 15% will be released every nine months thereafter through July 6, 2020. 9,000,000 of the common shares issued in June 2017 were held in escrow as at December 31, 2017 of which 1,500,000 common shares were released from escrow on January 6, 2018.

Changes in accounting policies

Except as described below in respect of exploration and evaluation expenditures, the accounting policies applied in the preparation of the Company's unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2017 are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2017.

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2017, and were not applied in the preparation of the condensed interim consolidated financial statements for the nine months ended December 31, 2017 including IFRS 9, "Financial Instruments". The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on the consolidated financial statements.
Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Exploration and evaluation expenditures

The Company re-assessed its accounting for exploration and evaluation expenditures with respect to the capitalisation of certain components of such expenditures. Exploration and evaluation expenditures include the costs of acquiring and maintaining licenses and rights, costs associated with exploration and evaluation activity and costs of exploration and evaluation assets. The Company previously capitalised all exploration and evaluation expenditures once it had obtained the legal rights to explore an area.

Effective April 1, 2017, the Company elected to change its capitalisation policy whereby all costs associated with exploration and evaluation activity will be recognised in net income or loss as opposed to being capitalised. The Company believes that its revised policy is more conservative and therefore more appropriate given the nature of its activities and stage of development. All other components of the previous accounting policy regarding exploration and evaluation expenditures remain unchanged.

This change in accounting policy has not been applied retrospectively as the Company had no capitalised exploration and evaluation expenditure balances present in the comparative period. The introduction of this change in accounting policy has therefore had no impact on either the financial statements of the Company as at and for the nine months ended December 31, 2017 or on the comparative information presented.

Financial instruments

The Company's financial instruments are comprised of cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities and amounts due to related parties. It is management's opinion that the Company is not exposed to significant interest, foreign exchange or credit risk arising from these financial instruments

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 exploration and evaluation 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 following closing of the Transaction 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 amounts through private placements as needed. 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 nine months ended December 31, 2017 or the year ended March 31, 2017.

Disclosure controls and internal controls over financial reporting

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Cautionary Statement on Forward-Looking Information

This MD&A document contains 'forward-looking information' and 'forward-looking statements' (together, the "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements concern the Company's anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. These forward-looking statements are made as of February 28, 2018.

Users of forward-looking statements are cautioned that actual results may vary from the forward-looking statements contained herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to:

- Risks related to the exploration and development of natural resource properties

- Risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimations
- Risks related to fluctuations in future metal prices (particularly gold prices)
- Risks related to market events and conditions
- Risks related to governmental regulations, including without limitation, environmental laws and regulations
- Risks related to delays in obtaining governmental or regulatory approvals, licenses or permits
- Risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title
- Risks related to uncertainty associated with the Company's ability to obtain funding in the future
- Risks related to the Company's inability to meet its financial obligations under agreements to which it is a party (see 'Liquidity')
- Risks related to competition from larger companies with greater financial and technical resources, and
- Risks related to the Company's directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interest.

Other risk factors associated with the Company are identified in the document entitled 'Filing Statement of Palisades Ventures Inc.' dated as at May 29, 2017 which is available on www.sedar.com.

Although the forward-looking statements contained in this document are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this document, and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required under applicable securities laws. There can be no assurance that forward-looking statements, or the material factors or assumptions used to develop such forward-looking statements, will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements.