FREMONT
GOLD LTD

Fremont Gold Ltd.

An Exploration Stage Company

MANAGEMENT DISCUSSION AND ANALYSIS

SIX MONTHS ENDED SEPTEMBER 30, 2018

Dated: November 27, 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 November 27, 2018. It is intended to be read in conjunction with the condensed interim consolidated financial statements of the Company as at and for the six months ended September 30, 2018.

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 Q2 2019 herein refer to the three months ended September 30, 2018.

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 September 30, 2018 were Gold Bar, Gold Canyon, North Carlin, Hurricane and Goldrun. 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 (the "Transaction"). 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 12,460,790 post-consolidation common shares. In addition, the Company changed its name from 'Palisades Ventures Inc.' to 'Fremont Gold Ltd.' following closing of the Transaction.

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

Highlights

The three months ended September 30, 2018 and the subsequent period ended November 27, 2018 were highlighted by the following activities and initiatives:

Executive appointments

- In October 2018, the Company announced the appointment of Blaine Monaghan as the new Chief Executive Officer of Fremont and a director of the Company. The previous CEO, Dennis Moore, will continue as President and director of the Company.

Finance

- The balance of cash and cash equivalents as at September 30, 2018 was $732,746 (March 31, 2018: $504,760) and the net working capital balance as at this date was $519,140 (March 31, 2018: $328,761)
- 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 'Liquidity and going concern'.

Exploration and development

- Claims were staked at the Roberts Creek project, a Carlin-type gold target southeast of Gold Bar, and a ground magnetic survey was conducted. The results of the magnetic survey and interpreted structures were reported in September. Soil sampling was completed and samples were submitted to a laboratory in October
- Soil sampling in the southeast target area at the Gold Bar property was conducted in September and the results, a suggested buried Carlin-type gold system, were reported in October
- Soil sampling was conducted at the Northwest Gold Ridge and South Trail Ridge anomaly areas at the Gold Canyon project in September
- The Company conducted ground magnetometer surveys and soil geochemical surveys over the North Carlin Property in Q1 2019. Results for the southern Coyote claim block were announced in July while results for the Alkali block were announced in October. At Alkali, soil sampling results were returned and a ground magnetic survey was completed in September. Possible Carlin-type and epithermal gold targets were revealed by the soil survey and the results were announced in October
- 2019 claim maintenance fees have been paid to 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.

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 in Eureka County, Nevada (the "Gold Bar Property") which comprises 2,235 hectares. 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.

Exploration activity

Exploration activities undertaken at the Gold Bar Property during the six months ended September 30, 2018 included a reverse-circulation drill program comprised of two holes totalling 492 metres which was completed in May 2018. Drill results were announced in June 2018 and included the following:

- Hole GBR-1 intersected 25.9m @ 4.66 g/t Au within a longer interval of 41.2m @ 3.08 g/t
- Hole GBR-2 intersected 6.1m @ 1.22 g/t Au.

Hole GBR-1 intersected a thick breccia zone with high-grade gold along a steep fault in the south end of the Millsite deposit. The results of this drill hole support that there is a structurally-controlled high-grade core to the deposit that only had a couple of historical holes put into it.

Exploration activity also included geologic interpretation of regional geophysical and geological data whch resulted in a refined model of a south-plunging anticline, with the offset extension of the Gold Bar mineralized fault cutting through known ore hosts - the Denay Limestone, Devil's Gate Limestone and Webb Formation, beneath alluvial cover. The target zone has never been drilled. A soil survey across this zone was conducted in September 2018.

In August, Fremont received the exploration data for Gold Bar held by Kerr Mines Inc. Numerous drill logs with assays were obtained. The Millsite deposit assay database held by Fremont increased by 14 drill holes and now has assay data for 55 holes (80% of drill holes in the vicinity) and a new resource estimate is currently being considered.

A total of $107,016 was incurred on exploration expenditures on the Gold Bar Property in the six months ended September 30, 2018 (including a provision for estimated costs of property restoration of $4,919) and a further $65,182 was incurred on claim maintenance charges during this period.

Exploration activity undertaken at the Gold Bar Property during the subsequent period ended November 27, 2018 included receipt and interpretation of the soil data for the southeast target area and discrimination of a possible buried Carlin-type hydrothermal alteration system. Preparation of a drill permit application has been contracted for a planned Q4 2019 drilling program.

Outlook

The Company plans further drilling at the Gold Bar and Gold Canyon properties 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 186 hectares situated in Eureka County, Nevada. The option agreement is dated December 29, 2017.

Exploration activity

The reverse-circulation drill program undertaken in May 2018 was directed at both Gold Canyon Property and Gold Bar Property. The Gold Canyon component of the May 2018 drill program was comprised of five holes totalling 1,067 metres. Drill results were announced in July 2018 and included the following:

- Hole GCR-3 intersected two separate mineralized horizons: 16.8m @1.9 g/t Au from surface and 6.1m @ 1.8 g/t Au from 51.8m to 57.9m

- Hole GCR-2 intersected 18.3m @ 1.1 g/t Au, including 9.2m @ 1.7 g/t Au just beyond the northeast end of the Gold Canyon pit, demonstrating that mineralization continues to the northeast beyond the historical excavations.

Exploration activity also included soil sampling at the South French Trail anomaly and interpretation of drill results. Interpretation of drilling and geology at Gold Canyon indicates that the main mineralization is controlled by the intersection of a N-S trending west-dipping thrust fault, a NE-SW-trending steep structure and two favorable stratigraphic horizons. Soil sampling was conducted from the northeast end of the Gold Canyon pit through the Northwest Gold Ridge anomaly in September.

A total of $180,494 was incurred on exploration expenditures on the Gold Canyon Property in the six months ended September 30, 2018 (including a provision for estimated costs of property restoration of $10,669) and a further $55,180 was incurred on a US$ 37,500 option payment and claim maintenance charges during this period.

Exploration activity undertaken at the Gold Canyon Property during the subsequent period ended November 27, 2018 included contracting SRK Consulting to prepare a Leapfrog geological model and resource estimate.]

Outlook

The Company plans further drilling at the Gold Bar and Gold Canyon properties in fiscal 2019.

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.

Exploration activity

Exploration activity undertaken at the North Carlin Property during the six months ended September 30, 2018 included ground based geomagnetic surveys and soil geochemical surveys. Soil geochemical results for the southern Coyote claim block were announced in July while results for the Alkali block were announced in October. Soil sampling results indicate multiple gold in soils anomalies at both Coyote and Alkali.

Exploration activity also included completing soil and ground magnetic surveys, performing geologic mapping, rock chip sampling and structural interpretation. Soil sampling results indicate multiple sites of soil anomalies in gold and pathfinder elements at Coyote. Rock chip samples from Coyote returned in August were weakly anomalous in arsenic and mercury. Soil samples at Alkali were returned in October and two areas of possible Carlin-type and epithermal gold mineralization were outlined.

A total of $67,524 was incurred on exploration expenditures on the North Carlin Property in the six months ended September 30, 2018 and a further $107,128 was incurred on a US$ 12,500 option payment, claim acquisition (staking) and claim maintenance charges during this period.

Exploration activity undertaken at the North Carlin Property during the subsequent period ended November 27, 2018 included in-fill soil sampling and additional claim staking.

Outlook

The Company has developed several drill targets at both Alkali and Coyote. Deep drilling at both properties is planned for early fiscal 2020.

Goldrun Property

The Goldrun Property includes staked ground that is either 100% owned by Fremont (169 claims, 1,415 hectares) or 50% owned by Fremont and 50% owned by another party, totaling 105 claims (880 hectares). The Fremont property is adjacent on three sides to Newmont's holdings at Adelaide-Crown which is an epithermal gold-silver vein system. The Adelaide mine area to the east of Adelaide-Crown produced copper from Cu-Zn skarn bodies.

Exploration activity

A ground magnetic anomaly displays a magnetic high with an internal linear magnetic low zone and appears to represent a shallow pluton with a cross-cutting hydrothermally altered zone. A strong multi-element soil geochemical anomaly is present in the southwest end of the magnetic low, over and adjacent to the suspected pluton. Two types of gold targets in two different locations are suggested by the geochemical and magnetic anomalies: firstly, an intrusion-related skarn or replacement-type deposit adjacent to or within the intrusive body, and secondly, a Carlin-type gold deposit at the edge of a pull-apart basin.

There were no exploration expenditures incurred on the Goldrun Property in the six months ended September 30, 2018. $48,657 was spent on claim acquisition (staking) and claim maintenance charges during this period.

Exploration activity undertaken at the Goldrun Property during the subsequent period ended November 27, 2018 included in-fill soil sampling.

Outlook

The Company has developed several drill targets at Goldrun. The Company has yet to decide whether it will drill Goldrun or find a joint venture partner to drill it.

Hurricane Property

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, April 27, 2017 and July 23, 2018. Nevada Eagle subsequently assigned its interest in the property, including the lease, to Nevada Select Royalty, Inc. ("Nevada Select").

Pursuant to the July 23, 2018 amendment to the lease agreement, the minimum expenditure requirements associated with the property that were previously in place were terminated.

Exploration activity

No exploration activity has been conducted on this property in fiscal 2019.

Outlook

Subject to the availability of financing, drilling is planned in fiscal 2020.

Proposed transactions

As at September 30, 2018 and November 27, 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 September 30, 2018 is as follows:

	Q3 2018 ***Dec. 31, 2017***	**Q4 2018** ***March 31, 2018***	**Q1 2019** ***June 30, 2018***	**Q2 2019** ***Sept. 30, 2018***
Revenues	-	-	-	-
Exploration	(80,806)	(61,985)	(298,853)	(123,411)
Operating costs	(129,089)	(423,939)	(255,797)	(252,168)
Net loss	(209,895)	(485,924)	(522,353)	(405,395)
Net working capital	437,752	328,761	1,056,094	519,140
Total assets	2,678,057	2,931,378	3,746,681	3,359,926
Total liabilities	(131,187)	(271,762)	(206,998)	(183,104)

	Q3 2017 ***Dec. 31, 2016***	**Q4 2017** ***March 31, 2017***	**Q1 2018** ***June 30, 2017***	**Q2 2018** ***Sept. 30, 2017***
Revenues	-	-	-	-
Exploration	-	-	-	(20,597)
Operating costs	(11,687)	(30,225)	(18,241)	(80,033)
Net income (loss)	(3,715)	(30,225)	(18,241)	(100,630)
Net working capital (deficit)	(34,884)	(65,110)	1,181,543	936,867
Total assets	38,054	22,860	3,071,582	2,928,869
Total liabilities	(72,938)	(87,970)	(166,357)	(180,869)

In general, fluctuations in the Company’s quarterly results over the two years ended September 30, 2018 related primarily to the acquisition of additional mineral properties and the commencement of exploration programs at certain of these properties commencing in Q2 2018 following closing of the Transaction in late June 2017. Non-exploration expenses - including costs of general and administration, management, marketing advisory fees, other professional charges, travel, etc. - also increased in Q2 2018 with the establishment of offices in each of Vancouver and Nevada.

Specific fluctuations in the Company’s quarterly results were attributable to the following factors:

- The increase in exploration spend in Q1 2019 was related to the drill program undertaken at Gold Bar and Gold Canyon. The total cost of the program (direct drill costs and estimated restoration costs) accounted for 69% of total Q1 2019 exploration expenditures
- The increase in operating costs in Q4 2018 through Q2 2019 was related, in part, to stock-based compensation expenses in all quarters relating to stock options issued in Q4 2018 and Q2 2019;

excluding such expenses, operating costs are reduced to $241,972, $214,147 and $193,800, respectively. Marketing costs also increased in Q4 2018 relative to previous quarters

- The increase in net working capital in Q1 2019 was due to the closing of a private placement with gross proceeds of $1,538,432 in April 2018. The reduction in net working capital in Q4 2018 was due to the aforementioned exploration and operating expenditures was offset by subscription receipts of $325,992 received in the quarter
- The increase in total assets in Q1 2018 relates to the Transaction. The increase in working capital in Q1 2018 reflects the net proceeds of the private placement that closed in late June offset by liabilities associated with costs relating to the Transaction.

Results of operations

The Company's net loss increased by $304,765 from $100,630 in Q2 2018 to $405,395 in Q2 2019.

	Q2 2019	***Q1 2019***	**Q2 2018**
Expenses (cash)			
Exploration	123,411	*298,853*	20,597
General and administration	49,722	*68,932*	11,495
Management	51,893	*54,086*	-
Professional fees	58,223	*53,373*	49,463
Travel	27,692	*24,007*	1,243
Listing and transfer agent	5,313	*13,749*	4,628
	316,254	*513,000*	87,426
Expenses (non-cash)			
Stock-based compensation	58,368	*41,650*	8,931
Depreciation	957	-	-
	59,325	*41,650*	8,931
Other expenses (income)			
Foreign exchange loss (gain)	31,692	*(29,359)*	4,597
Interest income	(1,876)	*(2,938)*	(324)
	29,816	*(32,297)*	4,273
Net loss for the period	**405,395**	***522,353***	**100,630**

The level of costs incurred in Q2 2018 were not significant following closing of the Transaction. Costs in this quarter related primarily to professional fees associated with the Transaction. The nominal level of activity in Q2 2018 from both exploration and administrative perspectives is such that results for this quarter are not comparable to those of Q2 2019 when exploration activity was ongoing.

Commentary on Q2 2019 expenses:

- Exploration expenditures declined in Q2 2019 relative to Q1 2019 due to the drill programs undertaken at the Gold Bar Property Gold Canyon Property in Q1 2019 as well as the ground based geomagnetic surveys and soil geochemical surveys undertaken at the North Carlin Property (see above discussion regarding specific properties). Assay expenditures relating to both the drilling and soil sampling activities were significantly higher in Q2 2019
- General and administrative costs increased significantly in Q2 2019 as compared to a nominal level in Q2 2018 following closing of the Transaction due to the establishment of Fremont's offices (rent, administrative staff, etc.), attendance at various conferences, insurance, etc. and the opening of an office in Nevada. The reduction in Q2 2019 costs relative to Q1 2019 were attributable to reduced

marketing and Nevada payroll spend. The costs of both the Vancouver and Nevada offices are shared with other companies

- 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 VP Exploration is included in exploration costs
- Professional fees include various marketing advisory expenditures as well as ongoing legal and audit fees.

Liquidity and going concern

As at September 30, 2018, the Company had a cash balance of $524,787 (March 31, 2018: $504,760), and a net working capital balance of $519,140 (March 31, 2018: $328,761).

Going concern

The nature of the Company's operations results in significant expenditures for the acquisition, maintenance 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.

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 on the Company's balance sheet 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 further discussion below).

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.

Proposed Q2 2019 private placement

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 then have 30 days to exercise their Warrants after the date of the news release. Any insiders who are unable to exercise their Warrants due to a '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.

Cash flows

	6 months ended Sept. 30, 2018	**6 months ended Sept. 30, 2017**
Operating activities		
Net income (loss) for the period	(927,748)	(118,871)
Non-cash items	100,115	10,662
	(827,633)	(108,209)
Changes in non-cash working capital:		
Current assets	(81,694)	(50,818)
Current liabilities	(88,658)	38,672
	(997,985)	**(120,355)**
Investing activities		
Additions to mineral properties	(313,730)	(152,441)
Additions to fixed asset	(6,495)	-
Transaction costs, net of cash acquired	-	(129,983)
	(320,225)	**(282,424)**
Financing activities		
Issuance of share capital (net of issuance costs)	1,166,966	1,441,329
Exercise of warrants	171,153	-
	1,338,119	**1,441,329**
Effect of change in exchange rate on cash	118	-
Net increase in cash	20,027	1,038,550
Cash, beginning of period	504,760	21,916
Cash, end of period	**524,787**	**1,060,466**

<u>Operating activities</u>

Cash applied to operating activities in the six months ended September 30, 2018 amounted to $997,985. Non-cash items related primarily to stock-based compensation charges.

Investing activities

Cash used in investing activities in the six months ended September 30, 2018 amounted to $320,225 and related to additions to mineral properties comprised of option payments relating to Gold Canyon (US$ 37,500) and North Carlin (US$ 12,500), and expenditures relating to claim maintenance and staking (primarily Gold Bar, Goldrun and North Carlin).

Financing activities

Cash provided by financing activities in the six months ended September 30, 2018 amounted to $1,338,119 and related to the following:

- Proceeds of the April 2018 private placement (net of share issuance costs and proceeds received through March 31, 2018) of $1,166,966
- Exercise of 1,283,750 share purchase warrants at a price of $0.133 for proceeds of $171,153.

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 Company is responsible for remediating ground on its Gold Bar Property and Gold Canyon Property on which it undertook drilling activity in Q1 2019. In this regard, the Company was required to post reclamation bonds totalling US$ 25,123 with the BLM.

The bonds will be refunded in full once reclamation work has been completed to the satisfaction of the BLM.

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

Otherwise, the Company had no significant medium- or long-term contractual commitments as at September 30, 2018 or November 27, 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 September 30, 2018 or November 27, 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 September 30, 2018 or November 27, 2018.

The Company is required to make certain option and lease payments in order to maintain its mineral properties and agreements in good standing. Such expenditures to be incurred in the twelve months ended September 30, 2019 include the following:

- Hurricane lease payment (February 2019): US$ 20,000
- Gold Bar option payment (December 2018): US$ 160,000 (of which US$ 25,000 had been prepaid as at 30 September 2018)
- Gold Bar option payment (September 2019): US$ 100,000
- Gold Canyon option payment (December 2018): US$ 75,000
- North Carlin option payments (March 2019): US$ 25,000.

Transactions with related parties

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

The Company's 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 that 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 (other than stock options). The remuneration of the VP Exploration is included in exploration costs.

The Company incurred the following expenses resulting from transactions with related parties including officers and directors or companies 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	73,812	35,279
Remuneration of officers of the Company (1)	150,000	-
Professional fees charged by a company controlled by the former CFO	-	2,000
	$ 271,765	**$ 37,279**

(1) Includes fees charged by companies controlled by officers of the Company

Certain exploration, claim acquisition, claim maintenance and local administrative (Nevada office) expenditures are charged to the Company by Tectonex, 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. All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex.

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 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
	$ 77,075	**$ 98,532**

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 both September 30, 2018 and November 27, 2018:

Issued and outstanding common shares	44,214,372
Fully diluted	52,954,658
Share purchase warrants:	
June 29, 2020 ($0.15)	361,720
June 29, 2020 ($0.25)	5,023,566
June 30, 2020 ($0.25)	105,000
	5,490,286
Stock options	3,250,000

Changes in accounting policies

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 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 International Accounting Standards Board ("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.

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.

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.

See 'Liquidity and going concern'.

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 six months ended September 30, 2018 or the period ended November 27, 2018.

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 CEO and CFO 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 November 27, 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.