

FREMONT GOLD LTD.
(formerly PALISADES VENTURES INC.)

Consolidated Audited Financial Statements
(Expressed in Canadian Dollars)

March 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)

We have audited the accompanying consolidated financial statements of Fremont Gold Ltd. (formerly Palisades Ventures Inc.), which comprise the consolidated statements of financial position as at March 31, 2017 and 2016 and the consolidated statements of loss and comprehensive loss, changes of shareholders' deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fremont Gold Ltd. (formerly Palisades Ventures Inc.) as at March 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 24, 2017

FREMONT GOLD LTD.
(FORMERLY PALISADES VENTURES INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31
(Expressed in Canadian Dollars)

	2017	2016
ASSETS		
Current		
Cash	\$ 21,916	\$ 1,166
GST receivable	944	997
	\$ 22,860	\$ 2,163
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities	\$ 69,070	\$ 142,474
Due to related parties (note 6)	18,900	55,000
	87,970	197,474
Shareholders' deficiency		
Share capital (note 5)	6,230,903	6,011,148
Shares to be issued (note 5)	-	65,000
Share-based payment reserve	773,276	773,276
Warrant reserve	170,221	170,221
Deficit	(7,239,510)	(7,214,956)
	(65,110)	(195,311)
	\$ 22,860	\$ 2,163

Approved by the Board:

(signed) "Dennis Moore"
Dennis Moore, Director

(signed) "Alan Carter"
Alan Carter, Director

FREMONT GOLD LTD.
(FORMERLY PALISADES VENTURES INC.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Years Ended March 31
(Expressed in Canadian Dollars)

	2017	2016
Expenses		
Consulting fees	\$ -	\$ 55,000
Listing and transfer agent	14,253	29,590
Management fees (note 6)	-	41,000
Office	227	12,043
Professional fees (note 6)	46,820	43,136
Rent (note 6)	-	9,000
Shareholders' communications	-	51,747
	(61,300)	(241,516)
Forgiveness of debt	36,746	-
Write-off of exploration and evaluation assets (note 4)	-	(1,365,803)
Net loss and comprehensive loss for the year	\$ (24,554)	\$ (1,607,319)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.17)
Weighted average number of common shares outstanding – basic and diluted	12,195,618	9,191,097

FREMONT GOLD LTD.
(FORMERLY PALISADES VENTURES INC.)
CONSOLIDATED STATEMENTS OF CHANGES OF SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Shares to be Issued	Share- based Payment Reserve	Warrant Reserve	Deficit	Total
Balance: March 31, 2015	9,198,289	\$6,011,148	\$-	\$773,276	\$170,221	\$(5,607,637)	\$1,347,008
Shares to be issued	-	-	65,000	-	-	-	65,000
Shares returned for exploration and evaluation assets (note 4a)	(75,000)	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-	(1,607,319)	(1,607,319)
Balance: March 31, 2016	9,123,289	6,011,148	65,000	773,276	170,221	(7,214,956)	(195,311)
Units issued for cash	3,337,500	222,500	(65,000)	-	-	-	157,500
Share issue costs - cash	-	(2,745)	-	-	-	-	(2,745)
Net loss for the year	-	-	-	-	-	(24,554)	(24,554)
Balance: March 31, 2017	12,460,789	\$6,230,903	\$-	\$773,276	\$170,221	\$(7,239,510)	\$(65,110)

FREMONT GOLD LTD.
(FORMERLY PALISADES VENTURES INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended March 31
(Expressed in Canadian Dollars)

	2017	2016
Operating activities		
Net loss	\$ (24,554)	\$ (1,607,319)
Items not affecting cash:		
Write-off of property acquisition costs	-	1,365,803
Forgiveness of debt	(36,746)	-
Changes in non-cash working capital:		
GST receivable	53	1,066
Prepaid expenses	-	20,450
Accounts payable and accrued liabilities	(36,658)	103,226
Due to related parties	(36,100)	35,000
Cash used in operating activities	(134,005)	(81,774)
Financing activities		
Issuance of capital stock, net of share issue costs	154,755	-
Shares to be issued	-	65,000
Cash provided by financing activities	154,755	65,000
Investing activity		
Exploration and evaluation expenditures	-	(1,500)
Increase (decrease) in cash	20,750	(18,274)
Cash, beginning of year	1,166	19,440
Cash, end of year	\$ 21,916	\$ 1,166

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

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 current 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.

On December 28, 2016, the Company entered into a binding letter agreement, which was amended and restated effective February 22, 2017, and amended on April 28, 2017 (the “Agreement”) with Intermont Exploration, LLC (“Intermont”), 1027344 B.C. Ltd. (“1027344 B.C.”) and various individuals unrelated to the Company. The agreement sets out the terms of the proposed transaction (the “Transaction”) pursuant to which the Company will acquire all of the issued and outstanding common shares of Intermont and 1027344 B.C., which own the rights to certain mineral projects in Nevada (the “Properties”). On closing of the Transaction, the Company will be the resulting issuer and will remain a Tier 2 resource issuer.

After completing a 3:4 share consolidation, the Company will issue a total of 10 million common shares to the shareholders of 1027344 B.C. (3.5 million common shares) and Intermont (6.5 million common shares). The Company will also issue 300,000 common shares to Nevada Select Royalty, Inc. pursuant to the lease agreement on the Hurricane Project.

On June 29, 2017, the Company completed the transaction with Intermont and 1027344 B.C. and consolidated its common shares on the basis of three post-consolidated common shares for every four pre-consolidated common shares held. The 16,614,386 pre-consolidated common shares issued and outstanding were adjusted to 12,460,789 post-consolidated 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 time periods prior to the share consolidation have been restated to reflect the three-for-four share consolidation. The Company changed its name to Fremont Gold Ltd. from Palisades Ventures Inc. and began trading under its new name and symbol “FRE”.

On November 27, 2015, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares held. The 24,528,771 pre-consolidated common shares issued and outstanding were adjusted to 12,264,386 post-consolidated common shares. As required by 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 time periods prior to the share consolidation have been restated to reflect the two for one share consolidation. The Company changed its name to Palisades Ventures Inc. from Uranium Standard Resources Ltd. and began trading under its new name and symbol “PSV”.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2017 the Company is not able to finance day to day activities through operations. For the year ended March 31, 2017, the Company incurred an operating loss of \$24,554 (2016 - \$1,607,319). Further, the Company has an accumulated deficit of \$7,239,510 (2016 - \$7,214,956), a working capital deficiency of \$65,110 (2016 - \$195,311), limited resources, no source of operating cash flow and no assurances that sufficient funding will continue to be available to finance operations or to conduct further exploration and development of its mineral property interests. These uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

1. Nature of operations and going concern (Continued)

In connection with the Transaction, the Company completed a non-brokered private placement for gross proceeds of \$1,538,570 in June 2017 (see note 10).

The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Significant accounting policies and basis of presentation

a) Basis of presentation

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Board of Directors approved these audited consolidated financial statements on July 24, 2017.

b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Canadian Uranium Corp., a British Columbia corporation up to March 31, 2016. Canadian Uranium Corp. was dissolved on June 28, 2016 and is no longer included in the accounts of the Company. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intercompany transactions, balances, revenues and expenses have been eliminated.

c) Critical accounting judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The following are critical judgments that management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements.

Going concern evaluation

As discussed in note 1, these consolidated financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used and such adjustments could be material.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (Continued)

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

d) Use of estimates and measurement uncertainties

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates that affect the measurements of assets, liabilities, expenses and certain disclosures reported in these consolidated financial statements. Significant estimates made by management include the following:

Unit bifurcation

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are granted and any residual value is allocated to the warrants reserve.

Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

e) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes option pricing model. The number of shares and options expected to vest are reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

f) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the cost of exploration and evaluation assets. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (Continued)

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

g) Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

h) Impairment of long-lived assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of operations and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (Continued)

i) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

j) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. All financial instruments must be recognized, initially, at fair value on the consolidated statement of financial position. Subsequent measurement of the financial instruments is based on their respective classification.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets.

The Company classifies its financial liabilities in the following categories: fair value through profit or loss and other financial liabilities.

Financial liabilities classified as fair value through profit or loss comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (Continued)

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date.

Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company has made the following classification of its financial instruments:

Financial assets or liabilities

Measurement category under IAS 39	
Cash	Held-for-trading
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

Fair value

As at March 31, 2017 and 2016, the Company's financial instruments consisted of cash, trade payables and due to related parties. The fair values of cash, trade and other payables and due to related parties approximate their carrying values.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash, accounts payable and accrued liabilities, and due to related parties are classified as Level 1 inputs. The Company does not have any derivative financial assets or liabilities.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (Continued)

k) Share capital

Proceeds from the exercise of stock options are recorded as share capital in the amount for which the option enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the date the shares were issued. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve.

l) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Accounting standards issued but not yet effective

IFRS 9 Financial Instruments (2014)

The IASB replaces 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. The Company's management has yet to assess the impact of this new standard on the Company's condensed financial statements. Management does not expect to implement IFRS 9 until it has been issued and its overall impact can be assessed.

Applicable to annual periods beginning on or after January 1, 2018.

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.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

3. Accounting standards issued but not yet effective (Continued)

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)

The amendments require entities to provide disclosures that enable users of the financial statements to evaluate change in liabilities arising from financing activities.

Applicable to annual periods beginning on or after January 1, 2017.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 Income Taxes)

The amendments clarify how to account for deferred taxes related to debt instruments measured at fair value.

Applicable to annual periods beginning on or after January 1, 2017.

4. Exploration and evaluation assets

The Company incurred the following mineral property acquisition costs:

	Whitford Lake Property \$	Bernick Lake Property \$	Wheeler Lake Property \$	Uranium Project Database \$	Total \$
Acquisition costs:					
Balance, March 31, 2015	623,420	170,333	243,500	290,000	1,327,253
Write-off	(623,420)	(170,333)	(243,500)	(290,000)	(1,327,253)
Balance, March 31, 2016 and March 31, 2017	-	-	-	-	-
Exploration costs:					
Balance, March 31, 2015	-	27,550	9,500	-	37,050
Additions	-	-	1,500	-	1,500
Write-off	-	(27,550)	(11,000)	-	(38,550)
Balance, March 31, 2016 and March 31, 2017	-	-	-	-	-

As at March 31, 2017, the Company held no interest in any mineral properties.

a) Selwyn Creek Property, Yukon

On June 8, 2010, as amended on June 4, 2012, the Company entered into an option agreement to purchase a 100% interest in mineral claims located within the Dawson Range, White Gold District, Yukon.

During the year ended March 31, 2014, the Company wrote off the property, as no fieldwork has been completed since 2011.

During the year ended March 31, 2016, the Company sold its interest in the property for the return of 75,000 of the Company's shares valued at \$Nil.

FREMONT GOLD LTD. (FORMERLY PALISADES VENTURES INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

4. Exploration and evaluation assets (Continued)

b) Whitford Lake Property, Saskatchewan

As part of the acquisition of Canadian Uranium Corp. on October 1, 2014, the Company acquired the option to the Whitford Lake Property.

During the year ended March 31, 2016, the Company recognized an impairment of \$623,420, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

c) Bernick Lake Property, Saskatchewan

As part of the acquisition of Canadian Uranium Corp. on October 1, 2014, the Company acquired the option to the Bernick Lake Property.

During the year ended March 31, 2016, the Company recognized an impairment of \$197,883, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

d) Wheeler Lake Property, Saskatchewan

On October 23, 2014, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims referred to as the "Wheeler Lake Property", located in the Province of Saskatchewan, Canada.

During the year ended March 31, 2016, the Company incurred \$1,500 in exploration expenditures on the property.

During the year ended March 31, 2016, the Company recognized an impairment of \$254,500, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

e) Uranium Project Database

On November 30, 2014, the Company entered into an agreement to acquire a proprietary Uranium Project Database from Vico Uranium Corp.

During the year ended March 31, 2016, the Company recognized an impairment of \$290,000, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

4. Exploration and evaluation assets (Continued)

f) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material, and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current assets that may result in a material liability to the Company.

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

g) Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. Although the Company has taken steps to ensure title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such assets, these procedures may not guarantee the Company's title. Asset title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

h) Realization of assets

Realization of the Company's investment in exploration and evaluation properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties, or from the proceeds of their disposal. The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from the sale of the mineral properties. The carrying value of the Company's exploration and evaluation properties may not reflect present or future values.

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5. Share capital

Authorized

Unlimited common voting shares without nominal or par value; and
Unlimited preferred voting shares without nominal or par value.

Escrow shares

Under the policies of the TSX-V, an aggregate of 1,250,000 common shares were held by escrow to be released over a 36-month period; 10% were released October 14, 2014 and 15% will be released every six months until October 14, 2017. The number of escrow common shares as at March 31, 2017 is 375,000.

Issued share capital

2017

On April 29, 2016, the Company completed a non-brokered private placement of \$222,500. The private placement consisted of 3,337,500 units at a price of \$0.067 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 \$0.133 until April 29, 2018. Using the residual value, no value was allocated to the warrants. In connection with the financing the Company incurred \$2,745 in share issue costs.

2016

During the year ended March 31, 2016, the Company received \$65,000 for 975,000 common shares to be issued as part of the private placement in 2017.

Share purchase warrants

The Company's share purchase warrants outstanding as at March 31, 2017 are provided below:

Exercise Price	Expiry Date	March 31, 2016	Issued	Expired	March 31, 2017
\$0.67	July 30, 2016	1,586,475	-	(1,586,475)	-
\$0.133	April 29, 2018	-	1,668,750	-	1,668,750
Total		1,586,475	1,668,750	(1,586,475)	1,668,750
Weighted average exercise price		\$0.67	\$0.133	\$0.67	\$0.133
Weighted average contractual life remaining in years		0.33	-	-	1.08

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5. Share capital (Continued)

The Company's share purchase warrants outstanding as at March 31, 2016 are provided below:

Exercise Price	Expiry Date	March 31, 2015	Granted	Expired	March 31, 2016
\$0.40/\$0.67	July 30, 2016	1,586,475	-	-	1,586,475
Weighted average exercise price		\$0.40	-	-	\$0.67
Weighted average contractual life remaining in years		1.33	-	-	0.33

Stock option plan, grants and share-based payments

The Company has adopted an incentive stock option plan (the "Plan") whereby it can grant non-transferable stock options to purchase common shares to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to any of the following:

- 10% of the issued common shares of the Company at any time and exercisable for a period of up to five years from the date of grant;
- The Company must not grant options to directors, employees, consultants or consultant company in any twelve-month period in excess of 5% of the issued common shares of the Company;
- The aggregate number of options granted to an investor relation service provider in any twelve-month period must not be in excess of 2% of the issued common shares of the Company; or
- The aggregate number of shares granted to any consultant in any twelve-month period must not be in excess of 2% of the issued common shares of the Company.

The exercise price of options granted under the Plan will not be less than the market price of the common shares. Vesting periods are determined by the Board of Directors, except for options granted to consultants conducting investor relation activities, which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of grant of the option.

Exercise Price	Expiry Date	March 31, 2016	Granted	Expired/ Cancelled	March 31, 2017
\$0.53	October 7, 2017	159,375	-	(131,250)	28,125
Weighted average exercise price		\$0.53	-	-	\$0.53
Weighted average contractual life remaining in years		1.52	-	-	0.52

During the years ended March 31, 2017 and 2016, no stock options were granted to officers, directors, related employees and consultants.

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6. Related party transactions

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

	March 31, 2017	March 31, 2016
Geological consulting fees paid to a former director	\$ -	\$ 1,500
Office services paid to a company controlled by a former officer	-	14,342
Professional fees paid/accrued to a company controlled by the CFO	24,000	15,000
Rent accrued to a company controlled by the former President	-	9,000
Management fees accrued to a company controlled by the former President	-	41,000
Total	\$ 24,000	\$ 80,842

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

	March 31, 2017	March 31, 2016
Loan payable to the former President	\$ -	\$ 5,000
Rent accrued to a company controlled by the former President	-	9,000
Management fees accrued to a company controlled by the former President	-	41,000
Professional fees accrued to a company controlled by the CFO	18,900	-
Total	\$ 18,900	\$ 55,000

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount established and agreed to by the related parties. The amounts payable are due on demand and without interest stated or stated terms of repayment.

7. Capital management

The Company manages its capital structure, which consists of working 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.

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7. Capital management (Continued)

The exploration and evaluation of 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 related parties or 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 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 March 31, 2017.

8. 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 only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow 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 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 help determine 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 on-going business requirements, taking into account its current cash position and potential funding sources.

At March 31, 2017, the Company had cash in the amount of \$21,916 (2016 - \$1,166) and accounts payable, accrued liabilities and due to related parties of \$87,970 (2016 - \$197,474). All of the liabilities presented as accounts payable, accrued liabilities and due to related parties are due within 90 days of March 31, 2017.

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9. Income tax

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

	2017	2016
Loss before income taxes	\$ (24,554)	\$ (1,607,319)
Canadian statutory tax rate	26.00%	26.00%
Income tax benefit computed at statutory rates	(6,384)	(417,903)
Unused tax losses and tax offsets not recognized	6,384	417,903
	\$ -	\$ -

The Company recognizes tax benefits on losses or other deductible amounts generated where the probable criteria for the recognition of deferred tax assets have been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

	2017	2016
Non-capital losses	\$ 2,641,912	\$ 3,152,564
Exploration and evaluation assets	2,888,912	2,888,912
Equipment	29,602	29,602
Input tax credits	250,223	250,223
Share issuance costs	21,682	38,612
Unrecognized deferred tax	\$ 5,832,331	\$ 6,359,913

As at March 31, 2017, the Company has operating losses available for carry-forward of \$2,641,912 that may be applied to reduce future Canadian taxable income for income tax purposes. The operating losses expire between 2028 and 2037.

10. Subsequent event

On June 29, 2017, the Company completed the transaction with Intermont and 1027344 B.C. (the "Transaction"). The Company issued 10,000,000 post-consolidated common shares in exchange for all of the outstanding units of Intermont and shares of 1027344 B.C. The Company also issued 300,000 post-consolidated common shares to Nevada Select Royalty, Inc. pursuant to the lease agreement on the Hurricane Project.

In connection with the Transaction, the Company changed its name from Palisades Ventures Inc. to Fremont Gold Ltd. and completed a share consolidation of the issued and outstanding shares of the Company such that every four existing common shares were consolidated into three new common shares. The Company's shares commenced trading on a consolidated basis and under the new name at the open of the market on July 7, 2017. The Company's trading symbol has been changed to "FRE".

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10. Subsequent event (Continued)

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. Each unit is comprised of one post-consolidated common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one additional post-consolidated common share of the Company at an exercise price of \$0.25 for a period of two years from the closing date. All of the securities are subject to a four-month hold period, which expires October 30, 2017 for 10,047,132 units and October 31, 2017 for the remaining 210,000 units.

In connection with the private placement, the Company paid a total of \$54,258 cash and issued a total of 361,720 broker warrants as finder's fees. Each broker warrant is exercisable into one additional post-consolidated common share of the Company at an exercise price of \$0.15 for a period of two years from the closing date. All of the broker warrants are subject to a four-month hold period expiring October 30, 2017.