FREMONT
GOLD LTD

Fremont Gold Ltd.

(formerly Palisades Ventures Inc.)
An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

SIX MONTHS ENDED SEPTEMBER 30, 2017

NOTICE

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

Fremont Gold Ltd.

Condensed interim consolidated statements of financial position

(Expressed in Canadian Dollars)

	Notes	Sept. 30, 2017	March 31, 2017
ASSETS			
Current assets		$	$
Cash and cash equivalents		1,060,466	21,916
Accounts receivable		34,623	944
Prepaid expenses		22,667	-
Total Current assets		**1,117,756**	**22,860**
Non-current assets			
Mineral properties	5	1,811,113	-
Total Assets		**$ 2,928,869**	**$ 22,860**
LIABILITIES			
Current liabilities		$	$
Accounts payable and accrued liabilities	6	124,559	69,070
Due to related parties	8	56,310	18,900
Total Current liabilities		**180,869**	**87,970**
Total liabilities		**180,869**	**87,970**
Shareholders' equity			
Share capital	7(a)	9,181,783	6,230,903
Warrant reserve	7(b)	205,670	170,221
Stock option reserve	7(c)	782,207	773,276
Accumulated other comprehensive income		(63,279)	-
Accumulated deficit		(7,358,381)	(7,239,510)
Total Shareholders' equity		**2,748,000**	**(65,110)**
		$ 2,928,869	**$ 22,860**

Total Liabilities and Shareholders’ equity

Subsequent events (Notes 5 and 7(a))

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

Approved by the Board of Directors

“Paul Reynolds”	*“Michael Williams”*
Paul Reynolds, Director	Michael Williams, Director

Fremont Gold Ltd.

Condensed interim consolidated statements of loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended Sept. 30, 2017	3 months ended Sept. 30, 2016	6 months ended Sept. 30, 2017	6 months ended Sept. 30, 2016
Expenses		$	$	$	$
Professional fees		49,463	7,350	56,080	15,150
Exploration		20,597	-	20,597	-
Office		11,495	20	14,662	108
Stock-based compensation		8,931	-	8,931	-
Listing and transfer agent		4,628	2,580	8,646	4,130
Travel		1,243	-	5,682	-
		96,357	9,950	114,598	19,388
Other income and expenses					
Foreign exchange loss		4,597	-	4,597	-
Interest income		(324)	-	(324)	-
Forgiveness of debt (gain)		-	(16,024)	-	(28,774)
Net loss (income) for the period		**$ 100,630**	**($ 6,074)**	**$ 118,871**	**($ 9,386)**

Other comprehensive loss				
Unrealised foreign currency translation items	63,279	-	63,279	-
Total comprehensive loss (income) for the period	**$ 163,909**	**($ 6,074)**	**$ 182,150**	**($ 9,386)**
Loss (income) per share, Basic and diluted	$ 0.00	($ 0.00)	$ 0.01	($ 0.00)
Weighted average shares outstanding, Basic and diluted	33,765,204	12,460,789	18,101,334	12,460,789

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

Fremont Gold Ltd.

Condensed interim consolidated statements of changes in shareholders’ equity

(Expressed in Canadian Dollars)

	Issued common shares	Share capital	Shares to be issued	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance at March 31, 2016	**9,123,289**	**$ 6,011,148**	**$ 65,000**	**$ 170,221**	**$ 773,276**	**$ -**	**($ 7,214,956)**	**($ 195,311)**
Shares issued for cash	3,337,500	222,500	(65,000)	-	-	-	-	**157,500**
Share issuance costs	-	(2,745)	-	-	-	-	-	**(2,745)**
Comprehensive income	-	-	-	-	-	-	9,386	**9,386**
Balance at Sept. 30, 2016	**12,460,789**	**$ 6,230,903**	**$ -**	**$ 170,221**	**$ 773,276**	**$ -**	**($ 7,205,570)**	**($ 31,170)**
Balance at March 31, 2017	**12,460,789**	**$ 6,230,903**	**$ -**	**$ 170,221**	**$ 773,276**	**$ -**	**($ 7,239,510)**	**($ 65,110)**
Shares issued for cash	10,257,132	1,538,570	-	-	-	-	-	**1,538,570**
Shares issued for business combination	10,000,000	1,500,000	-	-	-	-	-	**1,500,000**
Shares issued for mineral property	300,000	45,000	-	-	-	-	-	**45,000**
Share issuance costs	-	(132,690)	-	35,449	-	-	-	**(97,241)**

Stock options issued	-	-	-	-	8,931	-	-	**8,931**
Comprehensive loss	-	-	-	-	-	(63,279)	(118,871)	**(182,150)**
Balance at Sept. 30, 2017	**33,017,921**	**$ 9,181,783**	**$ -**	**$ 205,670**	**$ 782,207**	**-$ 63,279**	**($ 7,358,381)**	**$ 2,748,000**

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

Fremont Gold Ltd.

Condensed interim consolidated statements of cash flows

(Expressed in Canadian Dollars)

	6 months ended Sept. 30, 2017	**6 months ended Sept. 30, 2016**
OPERATING ACTIVITIES		
Net income (loss) for the period	($ 118,871)	$ 9,386
Adjustments for items not involving cash:		
Unrealised foreign exchange items	1,731	-
Stock-based compensation	8,931	-
Forgiveness of debt	-	(28,774)
	(108,209)	**(19,388)**
Net changes in non-cash working capital:		
Accounts receivable	(28,151)	209
Prepaid expenses	(22,667)	-
Accounts payable and accrued liabilities	40,845	(88,753)
Due to related parties	(2,173)	7,600
Cash used in operating activities	**(120,355)**	**(100,332)**
INVESTING ACTIVITIES		
Additions to mineral properties	(152,441)	-
Transaction costs, net of cash acquired	(146,866)	-
Advances provided to Fremont by 1027344 B.C. Ltd.	16,883	-
Cash used in investing activities	**(282,424)**	**-**
FINANCING ACTIVITIES		
Issuance of share capital, net of share issuance costs	1,441,329	154,755
Cash provided by financing activities	**1,441,329**	**154,755**
Net increase in cash and cash equivalents	**1,038,550**	**54,423**

(Unaudited, Expressed in Canadian Dollars)

Cash and cash equivalents, beginning of period	**21,916**	**1,166**
Cash and cash equivalents, end of period	**$ 1,060,466**	**$ 55,589**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

On June 29, 2017, the Company completed a transaction (the "Transaction") with Intermont Exploration, LLC ("Intermont"), 1027344 B.C. Ltd. ("1027344 B.C.") and various individuals unrelated to the Company pursuant to which the Company acquired 100% of the units of Intermont and 100% of the common shares of 1027344 B.C. in exchange for the issuance of 10,000,000 postconsolidation common shares (see Note 4). The closing of the Transaction was accompanied by the following:

- A three for four consolidation of the Company's common shares
- A non-brokered private placement resulting in the issuance of 10,257,132 units for gross proceeds of $1,538,570 (see Note 7(a))
- A change in name of the Company from Palisades Ventures Inc. to Fremont Gold Ltd., and
- The issuance of 300,000 post-consolidation common shares to the lessor of the Hurricane Project (see Note 5(a)).

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

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

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the Company will be able to 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. For the six months ended September 30, 2017, the Company reported a net loss of $118,871 (six months ended September 30, 2016: net income of $9,386) and cash flow used in operations of $124,666 (six months ended September 30, 2016: $100,332), and as at that date had a net working capital balance of $936,887 (March 31, 2017: net working capital deficit of $65,110) and an accumulated deficit of $7,358,381 (March 31, 2017: $7,239,510).

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 September 30, 2018. The Company will periodically need to obtain additional financing, and while it has been successful in the past, there can be no assurance that it will be able to do so 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.

These financial statements 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.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended March 31, 2017 except as regards the accounting policy relating to the accounting for exploration and evaluation expenditures as described below.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at November 24, 2017, the effective date the Board of Directors approved these financial statements. Any subsequent changes to IFRS after this date could result in changes to the consolidated financial statements as at and for the six months ended September 30, 2017.

The condensed interim consolidated financial statements do not contain all disclosures required under IFRS and should be read in conjunction with Company's annual consolidated financial statements and the notes thereto for the year ended March 31, 2017.

Change in accounting policy

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 activity 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 six months ended September 30, 2017 or on the comparative information presented.

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 financial statements. Management does not expect to implement IFRS 9 until it has been issued and its overall impact can be assessed. IFRS 9 is applicable to annual periods commencing on or after January 1, 2018.

(Unaudited, Expressed in Canadian Dollars)

4. BUSINESS COMBINATION

On June 29, 2017, the Company completed a business combination transaction with Intermont, 1027344 B.C. 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 6,500,000 post-consolidation common shares in exchange for 100% of the units of Intermont and 3,500,000 post-consolidation common shares in exchange 100% of the shares of 1027344 B.C. Intermont and 1027344 B.C. own the rights to certain mineral projects 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 recorded as an asset acquisition. The preliminary allocation of the purchase price consideration to the estimated fair value of the net assets acquired 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 Note 7(a)).

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 relating to the Hurricane project (see Note 5(a)).

(Unaudited, Expressed in Canadian Dollars)

5. MINERAL PROPERTIES

6 months ended Sept. 30, 2017	Hurricane	Goldrun	Gold Bar	Other	Total
March 31, 2017	$ -	$ -	$ -	$ -	$ -
1027344 B.C. and Intermont transaction	597,617	991,267	-	89,798	1,678,682
Incurred during the period	57,221	79,961	50,545	9,714	197,441
Foreign exchange	(23,096)	(38,256)	(184)	(3,474)	(65,010)
Sept. 30 2017	**$ 631,742**	**$ 1,032,972**	**$ 50,361**	**$ 96,038**	**$ 1,811,113**

The Company held no interest in any mineral properties during the year ended March 31, 2017.

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

The Company's primary mineral properties as at September 30, 2017 were Hurricane and Goldrun.

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

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

(a) Hurricane, lease agreement

1027344 B.C. entered into an agreement dated February 13, 2015 with Nevada Eagle, LLC ("Nevada Eagle"), a third party, pursuant to which 1027344 B.C. leases six unpatented mining claims in Nevada collectively known as Hurricane. 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 Royalty, Inc. ("Nevada Select") pursuant to an assignment and assumption agreement dated May 4, 2016. Nevada Select is not related to 1027344 B.C. Nevada Eagle's ownership interest in the property was transferred to Nevada Select on May 5, 2016.

The lease agreement was amended on each of February 13, 2016, March 14, 2017 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: US$ 5,000 (paid)
- On or before the first anniversary of the date of execution (February 13, 2016): US$ 3,750 (paid)
- On or before May 16, 2016: US$ 3,750 (paid)
- On or before July 31, 2017: US$ 10,000 (paid)
- On or before the third anniversary of the date of execution (February 13, 2018): US$ 15,000
- On or before the fourth anniversary of the date of execution (February 13, 2019): US$ 20,000
- On or before the fifth anniversary of the date of execution (February 13, 2020): US$ 20,000
- On or before the sixth anniversary of the date of execution (February 13, 2021): US$ 25,000
- On or before the seventh anniversary of the date of execution (February 13, 2022): US$ 25,000
- Thereafter on or before the annual anniversary of the date of execution: US$ 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 US$ 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: US$ 100,000

- Fourth year: US$ 250,000 Fifth year: US$ 250,000
- Sixth year: US$ 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 US$ 1,000,000.

(b) Goldrun, staked claims

As at September 30, 2017, the Goldrun holdings consisted of 187 mining claims owned solely by Intermont and a further 105 claims owned jointly with an unrelated individual, all of which are recorded with the United States Bureau of Land Management ("BLM").

The claims were acquired by staking in the field with posts and location notices. All documents and fees to hold the 292 mining claims for 2018 were filed with the BLM and Humboldt County prior to September 30, 2017.

(c) Gold Bar, option agreement

In September 2017, the Company announced that it had entered into an option agreement with Ely Gold and Minerals Inc. ("Ely Gold"), an unrelated British Columbia based company, which controls 96 unpatented and 12 patented mining claims over the historic Gold Bar mine area in Eureka County Nevada (the "Gold Bar Property") which comprises approximately 2,235 hectares.

Under the terms of the option agreement, the Company may 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 (six 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.

As at November 24, 2017, the Company had staked in the field an additional 360 mining claims, none of which had been recorded.

(d) Rock Creek, staked claims

As at September 30, 2017, the Rock Creek holdings consisted of 160 mining claims owned solely by Intermont, none of which are recorded with the BLM.

There had been no change in the status of the Rock Creek holdings through November 24, 2017.

The mining claims were acquired by staking in the field with posts and location notices. As at November 24, 2017, 72 of the 160 mining claims had been recorded and all fees and documents to hold the 72 mining claims for 2018 had been filed with the BLM and Humboldt County.

(e) Jarbidge property, option agreement (terminated)

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.

Under the terms of the option agreement, the Company could earn a 100% interest in the Jarbidge Property, subject to a 2% NSR, by making total payments of US$ 635,000 over a period of five years. A final payment of US$ 5,000,000 was due at the end of five years. In addition to the options payments, the Company was required to complete 19,000 metres of drilling over four years.

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.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the six months ended September 30, 2016, the Company settled a trade payable which resulted in a $28,774 forgiveness of debt.

7. SHAREHOLDERS' EQUITY

(a) Share capital

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

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

Issued share capital, 2018

On June 29, 2017, the Company completed a non-brokered private placement of $1,538,570. 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 September 30, 2018 (see Note 7(b)). Applying the residual value method, no value was allocated to the warrants.

(Unaudited, Expressed in Canadian Dollars)

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.

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. Applying the residual value method, no value was allocated to the warrants. The Company incurred $2,745 in share issue costs in connection with the financing.

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 six months thereafter through October 2, 2017. The number of common shares issued in October 2014 held in escrow as at September 30, 2017 was 187,500.

Under the policies of the TSX-V, an aggregate of 10,000,000 common shares issued 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 six months thereafter through July 6, 2020. 9,000,000 of the common shares issued in June 2017 were held in escrow as at September 30, 2017.

(b) Share purchase warrants

A summary of share purchase warrants outstanding as at September 30, 2017 is as follows:

Expiry date		Exercise price	March 31, 2017	Issued	Expired	Sept. 30, 2017
April 29, 2018	$	0.133	1,668,750	-	-	1,668,750
June 29, 2020	$	0.150	-	361,720	-	361,720
June 29, 2020	$	0.250	-	5,023,566	-	5,023,566
			-	105,000	-	105,000

(Unaudited, Expressed in Canadian Dollars)

June 30, 2020	$ 0.250				
		1,668,750	**5,490,286**	**-**	**7,159,036**
Weighted average exercise price		$ 0.133	$ 0.243	$ -	$ 0.218
Weighted average remaining life (years)		1.08	2.00	-	1.79

In connection with the June 2017 non-brokered private placement of 10,257,132 units for gross proceeds of $1,538,570, the Company issued share purchase warrants as follows:

- 5,128,566 share purchase warrants exercisable into one common share of the Company at an exercise price of $0.25 per share for a period of two years from the closing date. The warrants are subject to a four month hold period which expired on October 30, 2017 for 5,023,566 warrants and October 31, 2017 for the remaining 105,000 warrants
- 361,720 warrants issued as finder's fees to various brokerage firms. The warrants are exercisable into one common share of the Company at an exercise price of $0.15 per share for a period of two years from the closing date. The warrants are subject to a four month hold period which expired on October 30, 2017.

The estimated value of the 361,720 finder's fee warrants issued is $35,449 which was determined using the Black-Scholes option pricing model applying the following assumptions:

- Dividends: nil
- Expected volatility (average): 132% □ Risk-free interest rate: 0.88%
- Expected life (months): 24.

A summary of share purchase warrants outstanding as at March 31, 2017 is as follows:

Expiry date	**Exercise price**	**March 31, 2016**	**Issued**	**Expired**	**March 31, 2017**
July 30, 2016	$ 0.667	1,586,475	-	(1,586,475)	-
April 29, 2018	$ 0.133	-	1,668,750	-	1,668,750
		1,586,475	**1,668,750**	**(1,586,475)**	**1,668,750**
Weighted average exercise price		$ 0.667	$ 0.133	$ 0.667	$ 0.133
Weighted average remaining life (years)		0.33	2.00	-	1.08

(c) Stock options

(Unaudited, Expressed in Canadian Dollars)

The Company adopted an incentive stock option plan (the "Plan") pursuant to which it may 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 relations service provider in any twelve-month period must not be in excess of 2% of the issued common shares of the Company, and
- 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.

A total of 2,350,000 stock options were granted on September 18, 2017 to officers, directors and consultants of the Company. All stock options granted on this date have an exercise price of $0.15, will expire on September 18, 2021 and vested in five equal tranches over 24 months as follows:

- September 18, 2017: 20%
- March 18, 2018: 20%
- September 18, 2018: 20% □ March 18, 2019: 20%
- September 18, 2019: 20%.

The fair values of the stock options granted in September 2017 were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

Dividends	-
Expected volatility (average)	128%
Risk-free interest rate (average)	1.29%
Expected life (months)	48
Expected rate of forfeiture	5.0%

A summary of stock options outstanding as at September 30, 2017 is as follows:

Expiry date		Exercise price	March 31, 2017	Issued	Expired	Sept. 30, 2017
October 7, 2017	$	0.530	28,125	-	-	28,125
			-	2,350,000	-	2,350,000
			28,125	**2,350,000**	**-**	**2,378,125**

(Unaudited, Expressed in Canadian Dollars)

September 18, 2017	$ 0.150					
Weighted average exercise price		$ 0.530	$ 0.150	$ -		$ 0.154
Weighted average remaining life (years)		0.52	4.00	-		3.92

Of the 2,378,125 stock options outstanding as at September 30, 2017, 498,125 stock options were exercisable as at this date at a weighted average exercise price of $0.171.

A summary of stock options outstanding as at March 31, 2017 is as follows:

Expiry date	Exercise price	March 31, 2016	Issued	Expired	March 31, 2017
October 7, 2017	$ 0.530	**159,375**	**-**	**(131,250)**	**28,125**
Weighted average exercise price		$ 0.530	$ -	$ 0.530	$ 0.530
Weighted average remaining life (years)		1.52	-	-	0.52

Of the 28,125 stock options outstanding as at March 31, 2017, all were exercisable as at this date.

8. 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:

	6 months ended Sept. 30, 2017	6 months ended Sept. 30, 2016
Professional fees charged to a company controlled by the former CFO	$ 2,000	$ -
Office services paid to a company controlled by a former director	-	14,342
Geological consulting fees paid to a former director	-	1,500
	$ 2,000	**$ 15,842**

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

	Sept. 30, 2017	March 31, 2017
Amounts owing to current directors and officers in connection with the reimbursement of various expenditures relating to the Transaction	$ 56,310	$ -
Professional fees owing to a company controlled by the former CFO	-	18,900
	$ 56,310	**$ 18,900**

The amount owing to directors and officers in connection with the reimbursement of various Transaction expenditures relates primarily to legal fees and TSX-V fees. 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.

These transactions 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.

9. 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 six months ended September 30, 2017 or the year ended March 31, 2017.

10. RISK MANAGEMENT

Credit risk

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

Foreign currency risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash 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 considered minimal.

Liquidity risk

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

At September 30, 2017, the Company had cash of $1,060,466 (March 31, 2017: $21,916) and net working capital of $936,887 (March 31, 2017: deficit of $65,110). With the exception of accrued liability and specific accounts payable balances together totalling approximately $43,500, all accounts payable and accrued liabilities are due within 90 days of September 30, 2017. Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment.