Fremont Gold Ltd.
An Exploration Stage Company

MANAGEMENT DISCUSSION AND ANALYSIS

NINE MONTHS ENDED DECEMBER 31, 2018

Dated: February 28, 2019

Management Discussion and Analysis

The following Management Discussion and Analysis ("MD&A") of Fremont Gold Ltd. ("Fremont" or the "Company") has been prepared as at February 28, 2019. It is intended to be read in conjunction with the condensed interim consolidated financial statements of the Company as at and for the nine months ended December 31, 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 Q3 2019 herein refer to the three months ended December 31, 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 December 31, 2018 were Gold Bar, Gold Canyon, North Carlin, Hurricane and Goldrun.

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 December 31, 2018 and the subsequent period ended February 28, 2019 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

- In December 2018, the Company announced that Douglas Hurst had accepted a position as an advisor to the Company

Finance

- The balance of cash and cash equivalents as at December 31, 2018 was $1,013,250 (March 31, 2018: $504,760) and the net working capital balance as at this date was $853,124 (March 31, 2018: $328,761)
- In December 2018, the Company raised $1,230,590 through the issuance of 8,789,930 units at a price of $0.14 per unit (see 'Liquidity and going concern')
- In January 2019, the Company announced that it had entered into a debt settlement agreement with Dennis Moore, the Company's President and a director of the Company, pursuant to which $75,000 owing to Mr. Moore would be settled through the issuance of 500,000 common shares and the payment of a further $64,398 owing to him was deferred until December 31, 2019 (see 'Liquidity and going concern')

Exploration and development

- The Company initiated drilling at Gold Bar (a 1,000 metre reverse circulation program) in February 2019
- A 500-metre diamond drilling program at Gold Canyon planned for February 2019 was deferred due to unusually poor weather conditions
- A soil sampling program was completed at Gold Bar in September. The program identified several geochemical anomalies to the southeast of the historic Gold Bar mine. The results were reported in October
- 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. The results were reported in October
- Soil sampling was completed at the Roberts Creek project and samples were submitted to a laboratory in October. In February 2019, the Company announced that it had discovered several gold-in-soils anomalies that coincide with intersecting multiple faults at the Roberts Creek project.

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") comprising 2,235 hectares.

Pursuant to the amendment to the option agreement 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. The option payment was made in accordance with the amended terms.

Exploration activity

Exploration activities undertaken at the Gold Bar Property during the three months ended December 31, 2018 included review of the results of a soil sampling program that was completed in September. The program identified several geochemical anomalies to the southeast of the historic Gold Bar mine. The results were reported in October.

A total of $40,854 was incurred on exploration expenditures on the Gold Bar Property in the three months ended December 31, 2018 and a further $215,023 was incurred on a US$ 160,000 option payment and claim maintenance charges during this period.

Exploration activity undertaken at the Gold Bar Property during the subsequent period ended February 28, 2019 included the initiation of a 1,000-metre reverse circulation drill program. The program targeted several geochemical anomalies to the southeast of a coincident gold and mercury geochemical anomaly that may represent an extension to the historic Gold Bar mine.

Outlook

Future exploration activity at Gold Bar will be dependent on the results of the current drill program as well as the availability of financing.

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 Royalty, Inc. ("Nevada Select"), to acquire the Gold Canyon Property, consisting of 26 unpatented lode mining claims covering approximately 186 hectares situated in Eureka County, Nevada.

Exploration activity

Exploration activities undertaken at the Gold Canyon Property during the three months ended December 31, 2018 included contracting SRK Consulting to prepare a Leapfrog geological model and completion of a soil sampling program. In December, the Company announced that the soil sampling program had identified coincident gold, arsenic and other pathfinder geochemical anomalies to the northeast of the historic Gold Canyon mine. These targets have never been drilled before and Fremont plans to drill test these new targets.

A total of $10,568 was incurred on exploration expenditures on the Gold Bar Property in the three months ended December 31, 2018 and a further $98,725 was incurred on a US$ 75,000 option payment and claim maintenance charges during this period.

Exploration activity undertaken at the Gold Canyon Property during the subsequent period ended February 28, 2019 was limited. Plans for a 500-metre diamond drilling program in February were cancelled due to unusually poor weather conditions. Both financial and health/safety issues were considerations in the decision taken to defer the drill program to a later date. The Company is actively monitoring conditions at Gold Canyon and will provide shareholders with further updates regarding its drilling plans there in due course.

Outlook

Future exploration activity at Gold Canyon will be dependent on the results of future exploration as well as the availability of financing.

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 activities undertaken at the North Carlin Property during the three months ended December 31, 2018 included in-fill soil sampling and additional claim staking. In October, the Company announced that the recently completed soil sampling program had identified coincident gold and mercury geochemical anomalies associated with a conspicuous magnetic anomaly. The data suggests the presence of gold mineralization beneath alluvial cover and represents an exciting drill target.

A total of $12,962 was incurred on exploration expenditures on the North Carlin Property in the three months ended December 31, 2018 and a further $19,877 was incurred on claim maintenance and acquisition (staking) charges during this period.

There was no exploration activity undertaken at the North Carlin Property during the subsequent period ended February 28, 2019.

Outlook

The Company has developed several drill targets at both Alkali and Coyote. Subject to the availability of financing, Fremont plans to drill Alkali and Coyote in fiscal 2020.

Proposed transactions

As at December 31, 2018 and February 28, 2019, there were no proposed asset or business acquisitions or dispositions other than as described herein.

Summary of quarterly results

A summary of quarterly results in respect of the two-year period ended December 31, 2018 is as follows:

	Q4 2018 ***March 31, 2018***	**Q1 2019** ***June 30, 2018***	**Q2 2019** ***Sept. 30, 2018***	**Q3 2019** ***Dec. 31, 2018***
Revenues	-	-	-	-
Exploration	(61,985)	(298,853)	(123,411)	(128,177)
Operating costs	(423,939)	(255,797)	(252,168)	(399,920)
Net loss	(485,924)	(522,353)	(405,395)	(519,057)
Net working capital	328,761	1,056,094	519,140	853,124
Claim acquisition and maintenance	120,317	101,738	211,992	354,258
Total assets	2,931,378	3,746,681	3,359,926	4,320,726
Total liabilities	(271,762)	(206,998)	(183,104)	(293,860)

	Q4 2017 *March 31, 2017*	Q1 2018 *June 30, 2017*	Q2 2018 *Sept. 30, 2017*	Q2 2018 *Sept. 30, 2017*
Revenues	-	-	-	-
Exploration	-	-	(20,597)	(80,806)
Operating costs	(30,225)	(18,241)	(80,033)	(129,089)
Net income (loss)	(30,225)	(18,241)	(100,630)	(209,895)
Net working capital (deficit)	(65,110)	1,181,543	936,867	437,752
Claim acquisition and maintenance	-	45,000	152,441	221,040
Total assets	22,860	3,071,582	2,928,869	2,678,057
Total liabilities	(87,970)	(166,357)	(180,869)	(131,187)

In general, fluctuations in the Company's quarterly results over the two years ended December 31, 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. Q4 2019 exploration expenditures are expected to increase to $300,000 to $400,000 due to the current Gold Bar drill program
- The increase in operating costs (non-exploration) in Q4 2018 through Q3 2019 was related, in part, to stock-based compensation expenses in all quarters relating to stock options issued in Q4 2018, Q2 2019 and Q3 2019; excluding such expenses, operating costs are reduced to $241,972, $214,147, $193,800 and $352,659, respectively. The significant increase in operating costs in Q3 2019 were related to various cost items that are considered to be non-recurring in nature:
  - Travel and marketing costs incurred in connection with the December financing
  - The introduction of a new CEO at the beginning of the quarter and related transition costs incurred during October and November
- The increases in net working capital in Q1 2019 and Q3 2019 were due to the closing of private placements with gross proceeds of $1,538,432 in April 2018 and $1,230,590 in December 2018
- Claim acquisition and maintenance expenditures relate to option and lease payments paid to third parties, claim maintenance charges paid to the United States Bureau of Land Management ("BLM") and costs of staking ground
- 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 2017 offset by liabilities associated with costs relating to the Transaction.

Results of operations

The Company's net loss increased by $309,162 from $209,895 in Q3 2018 to $519,057 in Q3 2019.

	Q3 2019	*Q2 2019*	Q3 2018
Expenses (cash)			
Exploration	128,177	*123,411*	80,806
General and administration	122,319	*49,722*	39,238
Management	84,724	*51,893*	16,667
Travel	74,021	*27,692*	17,003
Professional fees	67,820	*58,223*	47,338
Listing and transfer agent	2,429	*5,313*	4,071
	479,490	*316,254*	205,123
Expenses (non-cash)			
Stock-based compensation	47,261	*58,368*	-
Depreciation	1,346	*957*	-
	48,607	*59,325*	-
Other expenses (income)			
Foreign exchange loss (gain)	(6,596)	*31,692*	6,590
Interest income	(2,444)	*(1,876)*	(1,818)
	(9,040)	*29,816*	4,772
Net loss for the period	**519,057**	***405,395***	**209,895**

The level of costs incurred in Q3 2018 reflected the ramp-up in costs following closing of the Transaction in late June 2017.

Commentary on Q3 2019 expenses:

- Q3 2019 exploration expenditures were comparable to those of Q2 2019. Other than ongoing assay work on soil and chip samples, expenditures on third party service providers was nominal in both quarters in advance of the Q4 2019 drill program at Gold Bar
- The increase in Q3 2019 general and administration spend relative to Q2 019 related to various costs incurred in support of the December 2018 private placement including attendance at several conferences and various marketing expenditures. Q3 2019 general and administrative costs were significantly higher than the the nominal level of spend incurred in Q3 2018 following closing of the Transaction due to the establishment of Fremont’s offices (rent, administrative staff, etc.) and the opening of an office in Nevada. The costs of both the Vancouver and Nevada offices are shared with other companies
- Q3 2019 management costs were considerably higher than those of Q2 2019 due to costs associated with the introduction of a new CEO effective October 1, 2018 and the transition from the previous CEO in October and November. 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
- Q3 2019 travel costs were considerably higher than those of Q2 2019 for the same reasons as referred to above in respect of general and administration spend
- Professional fees include various marketing advisory expenditures as well as ongoing legal and audit fees.

The increase in Q3 2019 operating costs relative to Q2 2019 is expected to be non-recurring. Cost levels are expected to reduce to Q2 2019 levels in Q4 2019.

Liquidity and going concern

As at December 31, 2018, the Company had a cash balance of $1,013,250 (March 31, 2018: $504,760), and a net working capital balance of $853,124 (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.

Management has estimated that the Company will not have sufficient funds from existing working capital to meet its planned objectives and property obligations beyond July 31, 2019.

In the event the Company is unable to arrange appropriate financing in the future, 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 doubt as to the Company's ability to continue as a going concern.

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. Gross proceeds of $1,230,590 were ultimately realised (see discussion below).

Q3 2019 private placement

In November 2018, the Company announced the terms of a non-brokered 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. Gross proceeds ultimately realised in the December 2018 closing amounted to $1,230,590 through the issuance of 8,789,930 Units at a price of $0.14 per Unit.

Each Unit is comprised of a common share of the Company and one half of one share purchase warrant. Each whole share purchase warrant ("Warrant") entitles the holder to purchase one common share at a purchase price of $0.20 per for a period of 24 months through December 5, 2020.

The Warrants are 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 paid finders' fees to third parties equivalent to 6% of the gross proceeds raised in connection with the private placement; total finders' fees amounted to $39,198. The remaining share issue costs amounted to $20,718 and related primarily to legal fees and fees levied by the TSX-V.

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

Debt settlement agreement

In January 2019, the Company announced that it had entered into a debt settlement agreement with Mr. Dennis Moore relating to amounts owing to Mr. Moore by the Company for unreimbursed expenditures (primarily travel) incurred by Mr. Moore on behalf of the Company and unpaid remuneration. Mr. Moore is one of the founders of the Company, was its CEO until September 30, 2018 and remains its President and a director. The debt settlement agreement relates to $139,398 owed to Mr. Moore and was addressed by the Company in two parts as follows:

- $75,000 was settled in February 2019 through the issuance of 500,000 common shares to Mr. Moore at a deemed price of $0.15 per share
- $64,398 was addressed through the issuance of a promissory note which is to be paid on or before December 31, 2019. The Company will pay a fee of $1,288 to Mr. Moore equivalent to 2% of the amount of the promissory note. With the exception of this fee, the balance payable is non-interest bearing and is unsecured.

Cash flows

	9 months ended Dec. 31, 2018	**9 months ended Dec. 31, 2018**
Operating activities		
Net loss for the period	(1,446,805)	(328,766)
Non-cash items	138,124	12,796
	(1,308,681)	(315,970)
Changes in non-cash working capital:		
Current assets	(37,971)	(61,576)
Current liabilities	22,098	(11,010)
	(1,324,554)	**(388,556)**
Investing activities		
Additions to mineral properties	(667,988)	(373,480)
Additions to fixed asset	(12,599)	-
Reclamation bond	-	(70,335)
Transaction costs, net of cash acquired	-	(129,983)
	(680,587)	**(573,798)**
Financing activities		
Issuance of share capital (net of issuance costs)	2,337,640	1,441,329
Exercise of warrants	171,153	-
	2,508,793	**1,441,329**
Effect of change in exchange rate on cash	4,838	-
Net increase in cash	508,490	478,975
Cash, beginning of period	504,760	21,916
Cash, end of period	**1,013,250**	**500,891**

Operating activities

Cash applied to operating activities in the nine months ended December 31, 2018 amounted to $1,324,554. Non-cash items related primarily to stock-based compensation charges.

Investing activities

Cash used in investing activities in the nine months ended December 31, 2018 amounted to $680,587 and related primarily to additions to mineral properties as follows:

- Option payments relating to Gold Canyon (US$ 112,500), Gold Bar (US$ 160,000) and North Carlin (US$ 12,500)
- Expenditures relating to claim maintenance and staking (primarily Gold Bar, Goldrun and North Carlin).

Financing activities

Cash provided by financing activities in the nine months ended December 31, 2018 amounted to $2,508,793 and related to the following:

- Proceeds of the April 2018 private placement (net of both share issuance costs and proceeds received through March 31, 2018) of $1,166,966
- Proceeds of the December 2018 private placement (net of share issuance costs) of $1,170,674
- 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. An additional reclamation bond of US$ 13,079 was posted in January 2019 in connection with the current drill program at Gold Bar.

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

Otherwise, the Company had no significant medium- or long-term contractual commitments as at December 31, 2018 or February 28, 2019 beyond its stated liabilities and commitments associated with the Gold Bar drill program, its mineral properties and related lease and option agreements.

Legal proceedings

The Company was not involved in any legal proceedings as at either December 31, 2018 or February 28, 2019.

Off-balance sheet arrangements

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

Capital resources

The Company had no capital expenditure commitments as at either December 31, 2018 or February 28, 2019.

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 December 31, 2019 include the following:

- Hurricane lease payment (February 2019): US$ 20,000
- Gold Bar option payment (September 2019): US$ 100,000
- Gold Canyon option payment (December 2019): US$ 112,500.

Estimated claim maintenance expenditures (BLM charges) to be incurred through September 2019 relating to the Company's current portfolio of properties amount to approximately US$ 160,000.

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:

	9 months ended Dec. 31, 2018	9 months ended Dec. 31, 2017
Remuneration of officers of the Company	$ 257,863	$ -
Recharge of exploration, claim and local administrative expenditures	130,938	108,963
Stock-based compensation relating to stock options issued to officers and directors of the Company	60,439	-
Professional fees charged by a company controlled by the former CFO	-	2,000
	$ 449,240	**$ 110,963**

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$ 100,220 ($130,938) in the nine months ended December 31,

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:

		Dec. 31, 2018		March 31, 2018
Amounts owing to directors and officers relating to the reimbursement of expenses	$	102,313	$	24,397
Amount owing to the President and CEO and CFO relating to deferred remuneration		54,000		45,000
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures		1,858		29,135
	$	**158,171**	**$**	**98,532**

In January 2019, the Company announced that it had entered into a debt settlement agreement with an officer and director of the Company relating to a total of $139,398 (see 'Liquidity and Going Concern – Debt settlement agreement').

Other than as set out in the debt settlement agreement as summarised above, the amounts owing to related parties 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 December 31, 2018 and February 28, 2019:

	Dec. 31, 2018	Feb. 28, 2019
Issued and outstanding common shares	53,004,302	53,504,302
Fully diluted	67,214,553	67,514,553
Share purchase warrants:		
June 29, 2019 ($0.15)	361,720	361,720
June 29, 2019 ($0.25)	5,023,566	5,023,566
June 30, 2019 ($0.25)	105,000	105,000
Dec. 5, 2020 ($0.20)	4,394,965	4,394,965
	9,885,251	9,885,251
Stock options	4,325,000	4,125,000

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 nine months ended December 31, 2018 or the period ended February 28, 2019.

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 February 28, 2019.

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.