Fremont Gold Ltd.

An Exploration Stage Company

MANAGEMENT DISCUSSION AND ANALYSIS

THREE MONTHS ENDED JUNE 30, 2018

Dated: August 27, 2018

Management Discussion and Analysis

The following Management Discussion and Analysis ("MD&A") of Fremont Gold Ltd. ("Fremont" or the "Company") has been prepared as at August 27, 2018. It is intended to be read in conjunction with the condensed interim consolidated financial statements of the Company as at and for the three months ended June 30, 2018.

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

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

The Company's year-end is March 31. Accordingly, references to Q1 2019 herein refer to the three months ended June 30, 2018.

Overview

The Company is a mineral exploration and development company with interests in gold projects in the state of Nevada. Fremont's primary projects as at June 30, 2018 were Hurricane, Gold Bar, Gold Canyon and North Carlin. The Company's strategy is to conduct exploration on its projects and to build a quality portfolio of gold projects in Nevada.

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

The Company acquired its interest in each of 1027344 B.C. and Intermont in June 2017 through a transaction with these two entities and their respective shareholders and unitholders (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 June 30, 2018 and the subsequent period ended August 27, 2018 were highlighted by the following activities and initiatives:

Finance

- The balance of cash and cash equivalents as at June 30, 2018 was $1,077,753 (March 31, 2018: $504,760) and the net working capital balance as at this date was $1,056,094 (March 31, 2018: $328,761)
- In April 2018, the Company announced that it had closed a non-brokered private placement for gross proceeds of $1,538,432 through the issuance of 9,615,200 common shares (see 'Liquidity and going concern – April 2018 private placement')
- In March and April 2018, the Company realised proceeds of $184,153 on the exercise of 1,381,250 warrants at a price of $0.133 per share. The warrants had been previously issued by Palisades Ventures Inc.

Exploration and development

- In May 2018, the Company announced that it had commenced a drill program at Gold Bar and Gold Canyon. Seven reverse-circulation drill holes totalling 1,559 metres were completed (two at Gold Bar and five at Gold Canyon). Drill results were announced in June 2018 for Gold Bar and July 2018 for Gold Canyon. Highlights included:
  - Gold Run: Hole GBR-1 intersected 25.9m @ 4.66 g/t Au from surface
  - Gold Canyon: Hole GCR-3 intersected two separate mineralized horizons: 16.8m @ 1.9 g/t Au from surface and 6.1m @ 1.8 g/t Au from 51.8m to 57.9m
- 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 will be announced in Q2 2019
- 2018 claim maintenance fees have been paid to the United States Bureau of Land Management ("BLM") for all applicable mining claims comprising the Hurricane, Goldrun, Rock Creek, Gold Bar, Gold Canyon and North Carlin properties and all claims are in good standing.

Appointment

- In July 2018, the Company announced that it had appointed Kevin Arias as Vice President, Business Development.
- In May 2018, the Company announced that Derek White had accepted a position as an advisor to the Company.

Hurricane Property

The Hurricane Property consists of six unpatented mineral claims located in the Shoshone Range of Northern Lander County in Nevada, USA. The property is located in Sections 30 and 19, Township 30 N, Range 46 E in Lander County. 1027344 B.C. has a right to lease the claims comprising the Hurricane Property pursuant to a lease agreement with Nevada Eagle LLC, a Nevada Corporation ("Nevada Eagle"), dated February 13, 2015, as amended on February 13, 2016, March 14, 2017, April 27, 2017 and July 23, 2018. Nevada Eagle subsequently assigned its interest in the property, including the lease, to Nevada Select Royalty, Inc. ("Nevada Select").

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

Exploration activity

The Company initiated an initial exploration program designed to verify historic interpretations and mineralization. The program consisted of clean-up of existing roads and trenches, geologic mapping and sampling, additional trenching and road building where geologic interpretation and a four to eight-hole reverse-circulation drilling program took place.

There were no exploration, claim acquisition or claim maintenance expenditures incurred on the Hurricane Property in Q1 2019 or the subsequent period ended August 27, 2018.

The following table compares the use of funds as per the Filing Statement of Palisades Ventures Inc. dated as at May 29, 2017 (issued in connection with the Transaction) and the actual spend through June 30, 2018.

	Use of funds (USD)	Use of funds (CAD) (1)	Actual spend (CAD)
Hurricane:			
Exploration work program	374,750	503,717	49,336
Lease payments	25,000	33,604	31,640
Other claim costs (2)(3)	-	-	-
Reclamation bond	-	-	70,809
	399,750	537,321	151,785
Other properties:			
Exploration	-	-	412,905
Option payments	-	-	136,828
Other claim costs (2)(3)	30,000	40,324	391,068
Reclamation bonds	-	-	31,730
	30,000	40,324	972,531
General and administration (3)	348,325	468,198	678,812
	348,325	468,198	678,812
Subtotal	***778,075***	***1,045,843***	***1,803,128***
Unallocated working capital	106,453	143,088	
	884,528	**1,188,931**	

(1) Translated into CAD applying the May 29, 2017 foreign exchange rate of 1.3446 as per the Bank of Canada
(2) Includes staking costs
(3) Excludes non-cash items such as property option payments paid in the form of share issuances, stock-based compensation and depreciation

Outlook

Subject to the availability of financing, follow up drilling is planned for later in fiscal 2019.

Gold Bar Property

In September 2017, the Company announced that it had entered into an option agreement with Ely Gold and Minerals Inc. ("Ely Gold"), an unrelated British Columbia based company, which controls 96 unpatented and 12 patented mining claims over the historic Gold Bar mine area in Eureka County, Nevada (the "Gold Bar Property") which comprises 2,235 hectares. The option agreement was amended on July 13, 2018.

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

Exploration activity

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

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

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

A total of $70,528 was incurred on exploration expenditures on the Gold Bar Property in the three months ended June 30, 2018 (including a provision for estimated costs of property restoration of $4,987) and a further $1,407 was incurred on claim maintenance charges during this period.

Exploration activity undertaken at the Gold Bar Property during the subsequent period ended August 27, 2018 included geologic interpretation of regional geophysical and geological data resulting in a refined model of a south-plunging anticline, with the offset extension of the Gold Bar mineralized fault cutting through known ore hosts - the Denay Limestone, Devil's Gate Limestone and Webb Formation, beneath shallow alluvial cover. The target zone has never been drilled. A soil survey across this zone is expected to be conducted in September 2018.

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

Outlook

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

Gold Canyon Property

In January 2018, the Company announced that it had entered into an option agreement with Ely Gold Royalties Inc. ("Ely Gold Royalties"), an unrelated British Columbia based company, and its wholly-owned subsidiary Nevada Select (collectively the "Optionor"), to acquire the Gold Canyon Property, consisting of 26 unpatented lode mining claims covering approximately 186 hectares situated in Eureka County, Nevada. The option agreement is dated December 29, 2017.

Exploration activity

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

- Hole GCR-3 intersected two separate mineralized horizons: 16.8m @1.9 g/t Au from surface and 6.1m @ 1.8 g/t Au from 51.8m to 57.9m
- Hole GCR-2 intersected 18.3m @ 1.1 g/t Au, including 9.2m @ 1.7 g/t Au just beyond the northeast end of the Gold Canyon pit, demonstrating that mineralization continues to the northeast beyond the historical excavations.

A total of $154,621 was incurred on exploration expenditures on the Gold Canyon Property in the three months ended June 30, 2018 (including a provision for estimated costs of property restoration of $10,815) and a further $48,586 was incurred on a US$ 37,500 option payment and nominal claim maintenance charges during this period.

Exploration activity undertaken at the Gold Canyon Property during the subsequent period ended August 27, 2018 included soil sampling at the South French Trail anomaly and interpretation of drill results. Interpretation of drilling and geology at Gold Canyon indicates that the main mineralization was controlled by the intersection of a N-S trending west-dipping thrust fault, a NE-SW-trending steep structure and two favorable stratigraphic horizons. Additional soil sampling is expected to be conducted from the northeast end of the Gold Canyon pit through the Northwest Gold Ridge anomaly in September.

Outlook

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

North Carlin Property

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

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

Exploration activity

Exploration activity undertaken at the North Carlin Property during the three months ended June 30, 2018 included ground based geomagnetic surveys and soil geochemical surveys. Soil geochemical results for the southern Coyote claim block were announced in July while results for the Alkali block will be announced in Q2 2019.

A total of $45,660 was incurred on exploration expenditures on the North Carlin Property in the three months ended June 30, 2018 and a further $37,117 was incurred on claim acquisition (staking) and claim maintenance charges during this period.

Exploration activity undertaken at the North Carlin Property during the subsequent period ended August 27, 2018 included completing soil and ground magnetic surveys, performing geologic mapping, rock chip sampling and structural interpretation. Soil sampling results indicate multiple sites of soil anomalies in gold and pathfinder elements at Coyote. Rock chip samples have been submitted to the lab and results were pending as at August 27, 2018. Soil samples at Alkali have been submitted to the lab and results are expected in October 2018.

Outlook

The Company is planning a program of detailed mapping and ground geophysics on both the Alkali and Ely Gold claim blocks aimed at identifying drill targets. The Company is also developing drill targets on the North Carlin properties through ground geophysical surveys and soil geochemistry. This data is in the process of being collated and once finalised will be used to pursue a joint venture partner in order to facilitate drill testing these properties.

Proposed transactions

As at June 30, 2018 and August 27, 2018, there were no other proposed asset or business acquisitions or dispositions other than as described herein.

Summary of quarterly results

A summary of quarterly results in respect of the two-year period ended June 30, 2018 is as follows:

	Q2 2018	**Q3 2018**	**Q4 2018**	**Q1 2019**
	Sept. 30, 2017	***Dec. 31, 2017***	***March 31, 2018***	***June 30, 2018***
Revenues	-	-	-	-
Exploration	(20,597)	(80,806)	(61,985)	(298,853)
Operating costs	(80,033)	(129,089)	(423,939)	(255,797)
Net loss	(100,630)	(209,895)	(485,924)	(522,353)
Net working capital	936,867	437,752	328,761	1,056,094
Total assets	2,928,869	2,678,057	2,931,378	3,746,681
Total liabilities	(180,869)	(131,187)	(271,762)	(206,998)

	Q2 2017	**Q3 2017**	**Q4 2017**	**Q1 2018**
	Sept. 30, 2016	***Dec. 31, 2016***	***March 31, 2017***	***June 30, 2017***
Revenues	-	-	-	-
Operating costs	(9,950)	(11,687)	(30,225)	(18,241)
Net income (loss)	6,074	(3,715)	(30,225)	(18,241)
Net working capital (deficit)	(31,170)	(34,884)	(65,110)	1,181,543
Total assets	56,377	38,054	22,860	3,071,582
Total liabilities	(87,547)	(72,938)	(87,970)	(166,357)

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

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

- The increase in exploration spend in Q1 2019 was related to the drill program undertaken at Gold Bar and Gold Canyon. The total cost of the program (direct drill costs and estimated restoration costs) accounted for 69% of total Q1 2019 exploration expenditures
- The increase in operating costs in Q4 2018 and Q1 2019 was related, in part, to stock-based compensation expenses in both quarters relating to stock options issued in Q4 2018; excluding such expenses, operating costs are reduced to $241,972 and $214,147, respectively. Marketing costs also increased in Q4 2018 relative to previous quarters
- The increase in net working capital in Q1 2019 was due to the closing of a private placement with gross proceeds of $1,538,432 in April 2018. The reduction in net working capital in Q4 2018 due to the aforementioned exploration and operating expenditures was offset by subscription receipts of $325,992 received in the quarter
- The increase in the net loss in Q3 2018 and the corresponding reduction in net working capital in this quarter were attributable to the commencement of exploration activity, costs associated with establishing an office in Vancouver, professional fees associated with post-transaction issues and the negotiation of new property agreements and stock-based combination charges relating to the granting of stock options
- The increase in total assets in Q1 2018 relates to the Transaction. The increase in working capital in Q1 2018 reflects the net proceeds of the private placement that closed in late June offset by liabilities associated with costs relating to the Transaction
- The Company realised a gain of $36,746 in the nine months ended December 31, 2016 relating to the restructuring of certain debts.

Results of operations

The Company's net loss increased by $504,112 from $18,241 in Q1 2018 to $522,353 in Q1 2019.

	Q1 2019	***Q4 2018***	**Q1 2018**
Expenses (cash)			
Exploration	298,853	*61,985*	-
General and administration	68,932	*100,214*	3,167
Management	54,086	*50,000*	-
Professional fees	53,373	*77,507*	6,617
Travel	24,007	*23,815*	4,439
Listing and transfer agent	13,749	*7,255*	4,018
	513,000	320,776	18,241
Expenses (non-cash)			
Stock-based compensation	41,650	*181,967*	-
Other expenses (income)			
Foreign exchange loss (gain)	(29,359)	*(14,673)*	-
Interest income	(2,938)	*(2,146)*	-
	(32,297)	*(16,819)*	-
Net loss for the period	**522,353**	***485,924***	**18,241**

The level of costs incurred in Q1 2018 was nominal.

Commentary on Q1 2019 expenses:

- Exploration expenditures increased significantly in Q1 2019 due to the drill programs undertaken at the Gold Bar Property Gold Canyon Property as well as the ground based geomagnetic surveys and soil geochemical surveys undertaken at the North Carlin Property (see above discussion regarding specific properties)
- General and administrative costs associated increased significantly from a negligible level in Q1 2018 following closing of the Transaction with the establishment of Fremont's offices (rent, administrative staff, etc.), attendance at various conferences, insurance, etc. and the opening of an office in Nevada. The costs of both the Vancouver and Nevada offices are shared with other companies
- The recognition of costs of management (President and CEO, CFO and VP Exploration) commenced on December 1, 2017; remuneration was not paid or accrued prior to this date. The remuneration of the VP Exploration is included in exploration costs
- Professional fees include various marketing advisory expenditures as well as ongoing legal fees and audit fee accruals.

Liquidity and going concern

As at June 30, 2018, the Company had a cash balance of $1,077,753 (March 31, 2018: $504,760), and a net working capital balance of $1,056,094 (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 is exploring all available options to secure additional funding. Given the continuation of weak investor sentiment and capital market conditions, there exists significant uncertainty as to the Company's ability to raise additional funds on favorable terms.

Management has estimated that the Company will not have sufficient funds from existing working capital to meet its planned objectives and property obligations beyond 2018.

In addition, the recoverability of amounts presented as non-current assets on the Company's balance sheet is dependent upon a number of factors, including the ability of the Company to obtain financing to maintain properties in good standing and continue exploration and development and the discovery of economically recoverable reserves.

In the event the Company is unable to arrange appropriate financing, the carrying value of the Company's assets and liabilities could be subject to material adjustment and the Company will not be able to meet its obligations as they become due in the normal course of business. Furthermore, these conditions indicate the existence of a material uncertainty that raises substantial doubt as to the Company's ability to continue as a going concern.

April 2018 private placement

In April 2018, the Company announced the completion of a non-brokered private placement of $1,538,432 through the issuance of 9,615,200 common shares at $0.16 per common share.

The stated purpose of the funds raised was to fund a minimum 1,000 metre phase 1 drill program at the Gold Bar and Gold Canyon properties and for general working capital. The drill program was completed in Q1 2019.

Certain directors and officers of the Company participated in the private placement and subscribed for an aggregate of 1,563,750 common shares at a cost of $250,200.

Cash flows

	Q1 2019	Q1 2018
Operating activities		
Net income (loss) for the year	(522,353)	(18,241)
Non-cash items	13,305	-
	(509,048)	(18,241)
Changes in non-cash working capital:		
Current assets	(89,576)	(5,070)
Current liabilities	(64,764)	24,160
	(663,388)	**849**
Investing activities		
Additions to mineral properties	(101,738)	-
Transaction costs, net of cash acquired	-	(129,983)
	(101,738)	**(129,983)**
Financing activities		
Issuance of share capital (net of issuance costs)	1,166,966	1,443,576
Exercise of warrants	171,153	-
	1,338,119	**1,443,576**
Net increase in cash	572,993	1,314,442
Cash, beginning of period	504,760	21,916
Cash, end of period	**1,077,753**	**1,336,358**

Operating activities

Cash applied to operating activities in the three months ended June 30, 2018 amounted to $663,388,448. Non-cash items related primarily to stock-based compensation charges offset by unrealised foreign exchange items.

Investing activities

Cash used in investing activities in the three months ended June 30, 2018 amounted to $101,738 and related to additions to mineral properties comprised of a US$ 37,500 option payment (Gold Canyon) and expenditures relating to staked claims (primarily North Carlin).

Financing activities

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

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

Dividends

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

Contractual commitments

The Company is responsible for remediating ground on its Hurricane Property on which it undertook trenching activity in Q3 2018. In this regard, the Company was required to post a reclamation bond of US$ 56,066 with the BLM.

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

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

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

Otherwise, the Company had no significant medium- or long-term contractual commitments as at June 30, 2018 or August 27, 2018 beyond its stated liabilities and commitments associated with its mineral properties and related lease and option agreements.

Legal proceedings

The Company was not involved in any legal proceedings as at either June 30, 2018 or August 27, 2018.

Off-balance sheet arrangements

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

Capital resources

The Company had no capital expenditure commitments as at either June 30, 2018 or August 27, 2018.

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

- Hurricane lease payment: US$ 20,000
- Gold Bar advance NSR payment: US$ 25,000
- Gold Bar option payment: US$ 160,000
- Gold Canyon option payment: US$ 75,000
- Gold Canyon advance NSR payment: US$ 25,000
- North Carlin option payments: US$ 37,500.

- North Carlin advance NSR payment: US$ 25,000

Transactions with related parties

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

The Company's current Chairman, President and CEO, CFO and VP Exploration were not remunerated by the Company from the time of closing of the Transaction through November 30, 2017 and no remuneration was owed to these individuals as at this date. The recognition of management remuneration for the Company's President and CEO, CFO and VP Exploration commenced on December 1, 2017; the Company's Chairman does not receive any form of remuneration (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:

		3 months ended June 30, 2018		3 months ended June 30, 2017
Stock-based compensation relating to stock options issued to officers and directors of the Company	$	23,976	$	-
Recharge of exploration, claim and local administrative expenditures		34,915		-
Remuneration of officers of the Company (1)		75,000		-
Professional fees charged by a company controlled by the former CFO		-		6,000
	$	**133,891**	**$**	**6,000**

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

Certain exploration, claim acquisition, claim maintenance and local administrative (Nevada office) expenditures are charged to the Company by Tectonex, a company owned by the Company's VP Exploration. Such charges totalled US$ 27,041 ($34,915) in Q1 2019. All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex.

Certain directors and officers of the Company participated in the April 2018 private placement, subscribing for an aggregate of 1,563,750 common shares at a cost of $250,200.

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:

	June 30, 2018	March 31, 2018
Amount owing to the President and CEO and CFO relating to deferred remuneration	$ 10,000	$ 45,000
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	15,115	29,135
Amounts owing to directors and officers relating to the reimbursement of expenses	51,076	24,397
	$ 76,191	**$ 98,532**

The amounts payable are unsecured, non-interest bearing and have no set terms of repayment.

Outstanding share data

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

The Company had the following common shares, warrants and stock options outstanding as at June 30, 2018 and August 27, 2018:

	June 30, 2018	Aug. 27, 2018
Issued and outstanding common shares	44,214,372	44,214,372
Fully diluted	52,354,658	52,954,658
Share purchase warrants:		
June 29, 2020 ($0.15)	361,720	361,720
June 29, 2020 ($0.25)	5,023,566	5,023,566
June 30, 2020 ($0.25)	105,000	105,000
	5,490,286	5,490,286
Stock options	2,650,000	3,250,000

Changes in accounting policies

IFRS 9 Financial Instruments (2014)

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 three months ended June 30, 2018 or the period ended August 27, 2018.

Disclosure controls and internal controls over financial reporting

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the President and 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 August 27, 2018.

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

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

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

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