



FREMONT

GOLD LTD

Fremont Gold Ltd.
(formerly Palisades Ventures Inc.)
An Exploration Stage Company

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Company were prepared by management in accordance with International Financial Reporting Standards, and within the framework of the significant accounting policies in the notes to these financial statements. Management is responsible for the preparation and presentation of the consolidated financial statements and Management Discussion and Analysis (“MD&A”).

A system of accounting and control is maintained in order to provide reasonable assurance that the assets are safeguarded and that transactions are properly recorded and executed in accordance with management’s authorization. The system includes established policies and procedures, the selection and training of qualified persons, and the appropriate delegation of authority and segregation of responsibilities for a corporation of the size of Fremont Gold Ltd.

The Board of Directors, based on recommendations from its Audit Committee, reviews and approves the consolidated financial statements and MD&A. The Audit Committee meets with management and the Company’s independent auditors to ensure that management is fulfilling its responsibility to maintain financial controls and systems and to make recommendations to the Board of Directors for approval of all financial information released to the public. The Audit Committee also meets with the independent auditors to discuss the scope and the results of the audit and the audit report prior to submitting the consolidated financial statements to the Board of Directors for approval.

The consolidated financial statements for the year ended March 31, 2018 has been audited on behalf of the shareholders by the Company’s independent auditors, De Visser Gray LLP, in accordance with Canadian generally accepted auditing standards. The auditor’s report outlines the scope of their audit and their opinion on these consolidated financial statements.

“Dennis Moore”

Dennis Moore
President and Chief Executive Officer

“Paul Hansed”

Paul Hansed
Chief Financial Officer

July 24, 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fremont Gold Ltd. (formerly Palisades Ventures Inc.)

We have audited the accompanying consolidated financial statements of Fremont Gold Ltd. (formerly Palisades Ventures Inc.) which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fremont Gold Ltd. (formerly Palisades Ventures Inc.) as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has limited working capital, losses since inception and is dependent upon its ability to secure new sources of financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matters

The financial statements of Fremont Gold Ltd. (formerly Palisades Ventures Inc.) as at and for the year ended March 31, 2017 were audited by other auditors who expressed an unmodified opinion on those statements in their report to the shareholders dated July 24, 2017.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
July 24, 2018

Fremont Gold Ltd.

Consolidated statements of financial position

(Expressed in Canadian Dollars)

	Notes	March 31, 2018	March 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		\$ 504,760	\$ 21,916
Accounts receivable		27,473	944
Prepaid expenses		68,290	-
Total Current assets		600,523	22,860
Non-current assets			
Mineral properties	7	2,218,020	-
Fixed assets		8,150	-
Reclamation bonds	8	104,685	-
Total Assets		\$ 2,931,378	\$ 22,860
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 173,230	\$ 69,070
Due to related parties	13	98,532	18,900
Total Current liabilities		271,762	87,970
Total liabilities		271,762	87,970
Shareholders' equity			
Share capital	11(a)	9,230,783	6,230,903
Warrant reserve	11(b)	205,670	170,221
Stock option reserve	11(c)	964,174	773,276
Subscription receipts	18(a)	325,992	-
Accumulated other comprehensive loss		(12,803)	-
Accumulated deficit		(8,054,200)	(7,239,510)
Total Shareholders' equity		2,659,616	(65,110)
Total Liabilities and Shareholders' equity		\$ 2,931,378	\$ 22,860
Subsequent events (Notes 7(f) and 18)			

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

Approved by the Board of Directors

"Paul Reynolds"
Paul Reynolds, Director

"Michael Williams"
Michael Williams, Director

Fremont Gold Ltd.**Consolidated statements of loss and comprehensive loss**

(Expressed in Canadian Dollars except number of shares)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Expenses			
Professional fees		\$ 180,925	\$ 46,820
Exploration	12	163,388	-
General and administration		153,582	227
Management		66,667	-
Travel		46,500	-
Stock-based compensation	11(c)	190,898	-
Listing and transfer agent		19,972	14,253
Depreciation		532	-
		<u>822,464</u>	<u>61,300</u>
Other income and expenses			
Foreign exchange gain		(3,486)	-
Interest income		(4,288)	-
Forgiveness of debt (gain)	9	-	(36,746)
		<u>-</u>	<u>(36,746)</u>
Net loss for the year		<u>\$ 814,690</u>	<u>\$ 24,554</u>
Other comprehensive loss			
Unrealised foreign currency translation items		12,803	-
		<u>12,803</u>	<u>-</u>
Total comprehensive loss for the year		<u>\$ 827,493</u>	<u>\$ 24,554</u>
Loss per share, Basic and diluted		\$ 0.03	\$ 0.00
Weighted average shares outstanding, Basic and diluted		27,982,299	12,195,618

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

Fremont Gold Ltd.

Consolidated statements of changes in shareholders' equity

(Expressed in Canadian Dollars)

	Issued common shares	Share capital	Subscription receipts	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance at March 31, 2016	9,123,290	\$ 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 loss	-	-	-	-	-	-	(24,554)	(24,554)
Balance at March 31, 2017	12,460,790	\$ 6,230,903	\$ -	\$ 170,221	\$ 773,276	-	(\$ 7,239,510)	(\$ 65,110)
Balance at March 31, 2017	12,460,790	\$ 6,230,903	\$ -	\$ 170,221	\$ 773,276	-	(\$ 7,239,510)	(\$ 65,110)
Shares issued for cash:								
Private placement	10,257,132	1,538,570	-	-	-	-	-	1,538,570
Exercise of warrants	97,500	13,000	-	-	-	-	-	13,000
Subscription receipts	-	-	325,992	-	-	-	-	325,992
Shares issued for business combination	10,000,000	1,500,000	-	-	-	-	-	1,500,000
Shares issued for mineral property	500,000	81,000	-	-	-	-	-	81,000
Share issuance costs	-	(132,690)	-	35,449	-	-	-	(97,241)
Stock-based compensation	-	-	-	-	190,898	-	-	190,898
Comprehensive loss	-	-	-	-	-	(12,803)	(814,690)	(827,493)
Balance at March 31, 2018	33,315,422	\$ 9,230,783	\$ 325,992	\$ 205,670	\$ 964,174	(\$ 12,803)	(\$ 8,054,200)	\$ 2,659,616

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

Fremont Gold Ltd.

Consolidated statements of cash flows

(Expressed in Canadian Dollars)

	Year ended March 31, 2018	Year ended March 31, 2017
OPERATING ACTIVITIES		
Net loss for the year	(\$ 814,690)	(\$ 24,554)
Adjustments for items not involving cash:		
Stock-based compensation	190,898	-
Depreciation	532	-
Unrealised foreign exchange items	(13,343)	-
Forgiveness of debt	-	(36,746)
	(636,603)	(61,300)
Net changes in non-cash working capital:		
Accounts receivable	(21,001)	53
Prepaid expenses	(68,290)	-
Accounts payable and accrued liabilities	69,032	(36,658)
Due to related parties	40,049	(36,100)
Cash used in operating activities	(616,813)	(134,005)
INVESTING ACTIVITIES		
Additions to mineral properties	(445,996)	-
Reclamation bonds	(104,685)	-
Transaction costs, net of cash acquired	(129,983)	-
Cash used in investing activities	(680,664)	-
FINANCING ACTIVITIES		
Issuance of share capital, net of cash share issuance costs	1,441,329	154,755
Subscription receipts	325,992	-
Exercise of warrants	13,000	-
Cash provided by financing activities	1,780,321	154,755
Net increase in cash and cash equivalents	482,844	20,750
Cash and cash equivalents, beginning of year	21,916	1,166
Cash and cash equivalents, end of year	\$ 504,760	\$ 21,916

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

Fremont Gold Ltd.
(formerly Palisades Ventures Inc.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

Year ended March 31, 2018

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 post-consolidation common shares (see Note 6). 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 11(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 7(b)).

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 12,460,790 post-consolidation common shares. 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 realise 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 year ended March 31, 2018, the Company reported a net loss of \$814,690 (year ended March 31, 2017: net loss of \$24,554) and cash flow used in operations of \$616,476 (year ended March 31, 2017: \$134,005), and as at that date had a net working capital balance of \$328,761 (March 31, 2017: net working capital deficit of \$65,110) and an accumulated deficit of \$8,054,200 (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

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coming year through March 31, 2019. 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 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. BASIS OF PREPARATION

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

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of July 24, 2018, 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 year ended March 31, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of Fremont Gold Ltd. and its wholly owned subsidiaries as follows:

	Location	Ownership	Functional currency
Intermont Exploration, LLC	USA	100%	US\$
1027344 B.C. Ltd.	Canada	100%	US\$

Subsidiaries are all entities over which Fremont Gold Ltd. has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intercompany transactions, balances, revenues and expenses have been eliminated.

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(b) Critical accounting judgments

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

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

Going concern evaluation

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

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

Impairment of mineral properties

Mineral properties are considered for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assessment of impairment indicators involves the application of a number of significant judgments over internal and external factors including reserve and resource estimation, future precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated deferred income taxes, the availability of financing and various other operational factors. If any such indication exists, an estimate of the recoverable amount is undertaken. If the asset's carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of loss.

(c) Use of estimates and measurement uncertainties

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

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Income taxes

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

(d) Foreign currency translation

Functional currency

Items included in the financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of loss.

Subsidiaries

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date
- Income and expenses are translated at average exchange rates for the period
- Equity is translated using historical rates
- All resulting exchange differences are recognised in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve (a component of other comprehensive loss). When a foreign operation is sold, such exchange differences are recognised in the statement of loss as part of the gain or loss on sale.

(e) Mineral properties and exploration expenditures

Costs relating to the acquisition and claim maintenance of mineral properties (including option payments and annual fees to maintain the property in good standing) are capitalised and deferred by

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property until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realised. In evaluating if expenditures meet this criterion to be capitalised, management considers the following:

- The extent to which reserves or resources, as defined in National Instrument 43-101, have been identified in relation to the property in question
- The conclusions of National Instrument 43-101 compliant preliminary economic assessment studies, preliminary feasibility studies and/or feasibility studies regarding the property in question
- The status of environmental permits, and
- The status of mining leases or permits.

Once the Company considers that a future economic benefit is more likely than not to be realised, all subsequent costs directly relating to the advancement of the related area of interest are capitalised.

Capitalised mineral property costs are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped into cash-generating units ("CGUs"). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

See Note 4 regarding change in accounting policy concerning the accounting for exploration costs.

(f) Fixed assets

Fixed assets are recorded at cost. Depreciation of all depreciable fixed assets is provided on a straight-line basis over four years.

Fixed assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows CGUs. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

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(g) Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The estimated value of future restoration cost estimates is charged to profit or loss and a corresponding increase in the restoration provision is established in the period incurred.

The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates (if applicable), effects of inflation and changes in estimates.

The estimated value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production is charged to profit or loss in the period incurred. The costs of restoration projects included in the provision are recorded against the provision as incurred.

(h) Income taxes

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

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

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

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

(i) Share capital

The proceeds from the issuance of units are allocated between common shares and share purchase warrants based on the residual value method; under this method, the proceeds are allocated first to

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share capital based on the fair value of the common shares at the time of issuance of the units and any residual value is allocated to the share purchase warrant reserve. Common shares issued for non-monetary consideration is valued based on the fair value of the common shares at the time of issuance.

Proceeds from the exercise of stock options and share purchase warrants are recorded as share capital in the amount for which the stock option or share purchase warrant enabled the holder to purchase a common share in the Company.

Costs directly attributable to the issuance of common shares, stock options and share purchase warrants are recognised as a deduction from equity, net of any related income tax effects.

(j) Stock-based compensation

The Company grants stock options to certain of its employees, directors and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognised over the tranche's vesting period based on the number of awards expected to vest. This number is reviewed annually, with any change in estimate recognised immediately in compensation expense with a corresponding adjustment to reserves.

Upon exercise of a stock option, consideration paid together with the stock-based compensation amount previously recognised in reserves is recorded as an increase to share capital.

(k) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method pursuant to which the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

(l) Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

Measurement category under IAS 39:

- Cash: Held-for-trading
- Accounts receivable: Loans and receivables
- Accounts payable and accrued liabilities: Other financial liabilities
- Amounts due to related parties: Other financial liabilities.

As at March 31, 2018 and March 31, 2017, the Company's financial instruments consisted of cash, accounts payables and accrued liabilities and amounts due to related parties. The fair values of these instruments approximate their respective carrying values.

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

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

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

4. CHANGE IN ACCOUNTING POLICIES

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 were 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

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components of the previous accounting policy regarding exploration and evaluation expenditures remain unchanged.

This change in accounting policy has been applied retrospectively, however, 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 had no impact on either the financial statements of the Company as at and for the year ended March 31, 2018 or on the comparative information presented.

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments (2014)

The 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. 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.

6. 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 \$153,947.

The Transaction was recorded as an asset acquisition. The allocation of the purchase price consideration to the estimated fair value of the net assets acquired is as follows:

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	1027344 B.C. (CAD)	Intermont (CAD)	Total (CAD)
<i>Palisades shares issued</i>	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	23,964	-	23,964
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)
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 12,460,790 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 11(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 7(b)).

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7. MINERAL PROPERTIES

Year ended March 31, 2018	Mar. 31, 2017	Transaction (1)	Incurred during period	Foreign exchange	Mar. 31, 2018
Goldrun	\$ -	\$ 991,267	\$ 97,899	(\$ 4,291)	\$ 1,084,875
Hurricane	-	597,617	76,640	(2,218)	672,039
Gold Bar	-	-	199,925	4,184	204,109
North Carlin	-	-	116,873	2,446	119,319
Rock Creek	-	89,798	26,096	(28)	115,866
Gold Canyon	-	-	19,428	407	19,835
Other properties	-	-	1,937	40	1,977
	\$ -	\$ 1,678,682	\$ 538,798	\$ 540	\$ 2,218,020

(1) 1027344 B.C. and Intermont transaction (see Note 6)

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 March 31, 2018 were Hurricane, Gold Bar, Gold Canyon and North Carlin.

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) Goldrun, staked claims

As at March 31, 2018, 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 were 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 December 31, 2017.

(b) 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

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claims in Nevada collectively known as Hurricane. 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, April 27, 2017 and July 23, 2018 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 (paid)
- 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 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.

(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

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96 unpatented and 12 patented mining claims over the historic Gold Bar mine area in Eureka County Nevada (the “Gold Bar Property”). The option agreement was amended on July 13, 2018.

Under the terms of the option agreement (as amended), the Company may earn a 100% interest in the Gold Bar Property by making a series of cash payments totaling US\$ 1,010,000 over five years as follows:

- US\$ 10,000 on September 8, (the “Effective Date”) being the date on which the Company received 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, paid)
- US\$ 160,000 on or before December 9, 2018
- 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).

Pursuant to the amendment dated July 13, 2018, the payment of US\$ 160,000 due on or before December 9, 2018 is irrevocable and will continue to be payable in the event the Company chooses to surrender the option.

Ely Gold will retain a 2% NSR in respect of products produced on the Gold Bar Property and a further 1% NSR on any products produced on any after-acquired interest (as defined). 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 the option has been exercised.

As at March 31, 2018, the Company had staked in the field an additional 385 mining claims, 214 of which had been recorded.

(d) North Carlin, option agreement and staked claims

The North Carlin Property includes both an optioned property and staked ground.

Optioned property

In February 2018, the Company announced that it had entered into an option agreement with Ely Gold Royalties Inc. (“Ely Gold Royalties”) and Nevada Select, to acquire the North Carlin Property, consisting of 12 unpatented lode mining claims situated in Elko County, Nevada.

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Under the terms of the option agreement, the Company may earn a 100% interest in the North Carlin Property by making a series of cash payments totaling US\$ 267,500 over five years as follows:

- US\$ 5,000 on the Effective Date being March 9, 2018 (that date which is five business days following the date on which the Company received approval of the option agreement by the TSX Venture Exchange; paid)
- US\$ 12,500 six months following the Effective Date
- US\$ 25,000 one year following the Effective Date
- US\$ 37,500 two years following the Effective Date
- US\$ 37,500 three years following the Effective Date
- US\$ 50,000 four years following the Effective Date
- US\$ 100,000 five years following the Effective Date.

In addition, the Company is required to issue 200,000 common shares to Ely Gold Royalties following receipt of approval of the option agreement by the TSX Venture Exchange (issued).

Ely Gold Royalties will retain a 2% NSR in respect of products produced on the Gold Canyon Property. 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 North Carlin Property at any time, by providing Ely Gold Royalties 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\$ 3,000,000 any time after the option has been exercised.

Staked claims

In October 2017, the Company announced that it had staked land positions in the northern part of the Carlin Trend referred to as the Alkali Property and the Coyote Property which comprise 318 claims and 70 claims, respectively.

As at March 31, 2018, the Alkali Property holdings consisted of 318 mining claims owned solely by Intermont, 189 of which were recorded with the BLM.

As at March 31, 2018, the Coyote Property holdings consisted of 70 mining claims owned solely by Intermont, all of which were recorded with the BLM.

The mining claims were acquired by staking in the field with posts and location notices.

(e) Rock Creek, staked claims

As at March 31, 2018, the Rock Creek holdings consisted of 160 mining claims owned solely by Intermont, 72 of which are recorded with the BLM.

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(f) Gold Canyon, option agreement

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.

Under the terms of the option agreement, the Company may earn a 100% interest in the Gold Canyon Property by making a series of cash payments totaling US\$ 802,500 over five years as follows:

- US\$ 15,000 on December 29, 2017 (the “Effective Date”) being the date of the option agreement (paid)
- US\$ 37,500 on or before June 29, 2018 (six months following the Effective Date; paid subsequent to March 31, 2018)
- US\$ 75,000 on or before December 29, 2018 (one year following the Effective Date)
- US\$ 112,500 on or before December 29, 2019 (two years following the Effective Date)
- US\$ 112,500 on or before December 29, 2020 (three years following the Effective Date)
- US\$ 150,000 on or before December 29, 2021 (four years following the Effective Date)
- US\$ 300,000 on or before December 29, 2022 (five years following the Effective Date).

Ely Gold will retain a 2% NSR in respect of products produced on the Gold Canyon Property and a further 1% NSR on any products produced on any after-acquired interest (as defined). 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 Canyon Property at any time, by providing Ely Gold Royalties 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\$ 3,000,000 any time after the option has been exercised.

(g) 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”) in Elko County in Northeast Nevada.

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 Canyon. No option payments were made to the optionor of the Jarbidge Property.

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8. RECLAMATION BONDS

Reclamation bonds totalling US\$ 81,189 were paid in October 2017 in connection with the trenching program undertaken at Hurricane and in March 2018 in connection with the drilling program undertaken at Gold Bar and Gold Canyon. The bonds will be refunded in full after reclamation work has been completed and accepted by the BLM.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the year ended March 31, 2017, the Company settled a trade payable which resulted in a \$36,746 forgiveness of debt.

10. INCOME TAXES

A reconciliation of income taxes at the statutory rate is as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Net loss before income taxes	(\$ 814,690)	(\$ 24,554)
Statutory tax rate	28.85%	26.00%
Expected income tax recovery	(235,006)	(6,384)
Effect of deductible/non-deductible items for income tax purposes	26,531	-
Unrecognised benefit of non-capital losses	208,475	6,384
Deferred income tax expense	-	-

The Company's deductible temporary differences and unused tax losses consist of the following amounts:

	Year ended March 31, 2018	Year ended March 31, 2017
Non-capital losses	\$ 3,420,837	\$ 2,641,912
Mineral properties	(146,602)	2,888,912
Fixed assets	543	29,602
Share issue costs	59,442	38,612
Input tax credits	-	250,223
	\$ 3,334,220	\$ 5,849,261

The Company has non-capital losses of approximately \$3,206,000 in its Canadian operations and \$204,000 in its United States operations for income tax purposes which are available to reduce future taxable income.

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11. 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.

Private placement, June 2017

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 June 30, 2018 (see Note 11(b)). Applying the residual value method, no value was attributed to the warrants.

The Company incurred \$132,690 of 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.

Exercise of warrants, 2018

See Note 11(b).

Shares issued for mineral properties, 2018

A total of 500,000 common shares were issued in connection with the acquisition of mineral properties in the year ended March 31, 2018 comprising 300,000 common shares issued in connection with the lease agreement relating to the Hurricane Property (see Note 7(b)) and 200,000 common shares issued in connection with the option agreement relating to the North Carlin Property (see Note 7(d)).

Private placement, April 2016

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.

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(b) Share purchase warrants

A summary of share purchase warrants outstanding as at March 31, 2018 is as follows:

Expiry date	Exercise price	Exercise				
		Mar. 31, 2017	Issued	Exercised	Expired	Mar. 31, 2018
April 29, 2018	\$ 0.133	1,668,750	-	(97,500)	-	1,571,250
June 29, 2019	\$ 0.150	-	361,720	-	-	361,720
June 29, 2019	\$ 0.250	-	5,023,566	-	-	5,023,566
June 30, 2019	\$ 0.250	-	105,000	-	-	105,000
		1,668,750	5,490,286	(97,500)	-	7,061,536
Weighted average exercise price	\$	0.133				\$ 0.219
Weighted average remaining life (years)		1.08				1.00

97,500 share purchase warrants were exercised in the year ended March 31, 2018 for proceeds of \$13,000.

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 were 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:

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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	-
			1,586,475	1,668,750	(1,586,475)
					1,668,750
Weighted average exercise price	\$	0.667		\$	0.133
Weighted average remaining life (years)		0.33			1.08

(c) **Stock options**

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 will vest in five equal 20% tranches over 24 months.

A total of 300,000 stock options were granted on March 26, 2018 to two consultants of the Company. All stock options granted on this date have an exercise price of \$0.16. Vesting provisions are as follows:

- 250,000 stock options will vest on a quarterly basis over 15 months and will expire on March 26, 2022
- 50,000 stock options will vest over one year and will expire on March 26, 2020.

The fair values of the stock options granted in September 2017 and March, 2018 were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

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	Sept. 2017	March 2018	March 2018
Stock options	2,350,000	250,000	50,000
Dividends	-	-	-
Expected volatility (average)	128%	129%	106%
Risk-free interest rate (average)	1.29%	1.40%	0.89%
Expected life (months)	48	48	24
Expected rate of forfeiture	5.0%	-	-

A summary of stock options outstanding as at March 31, 2018 is as follows:

Expiry date	Exercise price	Mar. 31, 2017	Issued	Expired	Mar. 31, 2018
October 7, 2017	\$ 0.530	28,125	-	(28,125)	-
September 18, 2021	\$ 0.150	-	2,350,000	-	2,350,000
March 26, 2022	\$ 0.160	-	250,000	-	250,000
March 26, 2020	\$ 0.160	-	50,000	-	50,000
		28,125	2,650,000	(28,125)	2,650,000
Weighted average exercise price		\$ 0.530			\$ 0.151
Weighted average remaining life (years)		0.52			3.49

Of the 2,650,000 stock options outstanding as at March 31, 2018, 1,015,000 stock options were exercisable as at this date at a weighted average exercise price of \$0.15.

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
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.

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12. EXPLORATION AND DEVELOPMENT EXPENDITURES

Year ended March 31, 2018						
	Hurricane	Goldrun	Gold Bar	Other properties	VP Exploration	Total
Assay	\$ 4,424	\$ -	\$ -	\$ 192	\$ -	\$ 4,616
Third party services	10,122	2,526	7,653	8,049	-	28,350
Field supplies	2,121	988	1,800	5,313	-	10,222
Drilling	-	-	1,098	1,031	-	2,129
Geochemistry	-	11,814	-	-	-	11,814
Payroll	14,294	13,154	2,306	12,145	-	41,899
Restoration provision	12,630	-	-	-	-	12,630
Travel	5,745	3,911	3,598	5,141	-	18,395
VP Exploration	-	-	-	-	33,333	33,333
	\$ 49,336	\$ 32,393	\$ 16,455	\$ 31,871	\$ 33,333	\$ 163,388

The Company did not incur any exploration and development expenditures during the year ended March 31, 2017.

13. RELATED PARTY TRANSACTIONS

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

	Year ended March 31, 2018	Year ended March 31, 2017
Stock-based compensation relating to stock options issued to officers and directors of the Company	\$ 147,228	\$ -
Recharge of exploration, claim and local administrative expenditures (1)	133,920	-
Remuneration of officers of the Company (2)	100,000	-
Professional fees charged by a company controlled by the former CFO	8,000	24,000
	\$ 389,148	\$ 24,000

- (1) Certain exploration, local administrative and claim acquisition expenditures are charged to the Company by Tectonex LLC, a company owned by the Company's VP Exploration. Such charges totalled US\$ 106,036 (\$133,920) from the time of closing of the Transaction through March 31, 2018. All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex.
- (2) Comprises remuneration of the Company's President and Chief Executive Officer, Chief Financial Officer and Vice President Exploration and includes fees charged by companies controlled by officers of the Company.

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

	March 31, 2018	March 31, 2017
Amount owing to the President and CEO and CFO relating to deferred remuneration	\$ 45,000	\$ -
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	29,135	-
Amounts owing to current directors and officers relating to the reimbursement of expenses	24,397	-
Professional fees owing to a company controlled by the former CFO	-	18,900
	<u>\$ 98,532</u>	<u>\$ 18,900</u>

Certain directors and officers of the Company participated in the June 2017 private placement, subscribing for an aggregate of 526,000 units at a cost of \$78,900 (see Note 11(a)).

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 (see Note 18(a)).

14. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties. The Company's assets are located in Canada and the United States as follows:

	Canada	United States	Total
Non-current assets:			
March 31, 2018	\$ -	\$ 2,330,854	\$ 2,330,854
March 31, 2017	-	-	-
Net loss:			
Year ended March 31, 2018	588,246	226,444	814,690
Year ended March 31, 2017	\$ 24,554	\$ -	\$ 24,554

15. SUPPLEMENTARY CASH FLOW INFORMATION

The consolidated statements of cash flows exclude the following items that do not require the use of cash:

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	Year ended March 31, 2018	Year ended March 31, 2017
Payments for mineral claims paid in the form of common shares	\$ 81,000	\$ -
Mineral property expenditures included in accounts payable	11,802	-
Fixed assets expenditures included in accounts payable	8,682	-
Acquisition of the net assets of 1027344 B.C. and Intermont for common shares (see Note 6)	1,653,947	-

16. 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 mineral property 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 funds through equity private placements as required in the future. 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 year ended March 31, 2018.

Additional information relating to the Company's ability to continue as a going concern is presented in Note 1.

17. 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.

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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 flows 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 March 31, 2018, the Company had cash of \$504,760 (March 31, 2017: \$21,916) and net working capital of \$328,761 (March 31, 2017: deficit of \$65,110). With the exception of accrued liabilities totalling approximately \$14,000, all accounts payable and accrued liabilities are due within 90 days of March 31, 2018. Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment.

Additional information relating to the Company's ability to continue as a going concern is presented in Note 1.

18. SUBSEQUENT EVENTS

(a) April 2018 private placement

In April 2018, the Company announced that it had closed a non-brokered private placement for gross proceeds of \$1,554,432 through the issuance of 9,715,200 common shares at a price of \$0.16 per common share. The Company paid cash finder's fees of \$24,362 to certain third party finders. As at March 31, 2018, \$325,992 of subscriptions had been received and were classified as subscription receipts.

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(b) April 2018 exercise of share purchase warrants

In April 2018, 1,283,750 share purchase warrants were exercised for total proceeds of \$171,124. This followed from the exercise of 97,500 share purchase warrants in the year ended March 31, 2018 for proceeds of \$13,000. All warrants exercised had an exercise price of \$0.1333 and were due to expire on April 29, 2018 (see Note 11(b)).

The remaining 287,500 share purchase warrants expired unexercised.