FREMONT
GOLD LTD

Fremont Gold Ltd.

(formerly Palisades Ventures Inc.)
An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

NINE MONTHS ENDED DECEMBER 31, 2017

NOTICE

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

Fremont Gold Ltd.

Condensed interim consolidated statements of financial position

(Expressed in Canadian Dollars)

	Notes	Dec. 31, 2017	March 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		$ 500,891	$ 21,916
Accounts receivable		24,224	944
Prepaid expenses		43,824	-
Total Current assets		**568,939**	**22,860**
Non-current assets			
Mineral properties	5	2,038,783	-
Reclamation bond	6	70,335	-
Total Assets		**$ 2,678,057**	**$ 22,860**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 104,384	$ 69,070
Due to related parties	10	26,803	18,900
Total Current liabilities		**131,187**	**87,970**
Total liabilities		**131,187**	**87,970**
Shareholders' equity			
Share capital	8(a)	9,181,783	6,230,903
Warrant reserve	8(b)	205,670	170,221
Stock option reserve	8(c)	782,207	773,276
Accumulated other comprehensive income		(54,514)	-
Accumulated deficit		(7,568,276)	(7,239,510)
Total Shareholders' equity		**2,546,870**	**(65,110)**
Total Liabilities and Shareholders' equity		**$ 2,678,057**	**$ 22,860**
Subsequent events (Notes 5 and 8(a))			

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

Approved by the Board of Directors

"Paul Reynolds"	*"Michael Williams"*
Paul Reynolds, Director	Michael Williams, Director

Fremont Gold Ltd.

Condensed interim consolidated statements of loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended Dec. 31, 2017	3 months ended Dec. 31, 2016	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2016
Expenses					
Professional fees		$ 47,338	$ 9,214	$ 103,418	$ 24,364
Exploration	9	80,806	-	101,403	-
General and administration		39,238	60	53,900	167
Travel		17,003	-	22,685	-
Management		16,667	-	16,667	-
Listing and transfer agent		4,071	2,413	12,717	6,543
Stock-based compensation	8(c)	-	-	8,931	-
		205,123	11,687	319,721	31,074
Other income and expenses					
Foreign exchange loss		6,590	-	11,187	-
Interest income		(1,818)	-	(2,142)	-
Forgiveness of debt (gain)		-	(7,972)	-	(36,746)
Net loss (income) for the period		**$ 209,895**	**$ 3,715**	**$ 328,766**	**($ 5,672)**
Other comprehensive loss					
Unrealised foreign currency translation items		(8,765)	-	54,514	-
Total comprehensive loss (income) for the period		**$ 201,130**	**$ 3,715**	**$ 383,280**	**($ 5,672)**
Loss (income) per share, Basic and diluted		$ 0.01	$ 0.00	$ 0.02	($ 0.00)
Weighted average shares outstanding, Basic and diluted		33,017,921	12,460,789	20,210,132	11,921,334

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

Fremont Gold Ltd.

Condensed interim consolidated statements of changes in shareholders’ equity

(Expressed in Canadian Dollars)

	Issued common shares	Share capital	Shares to be issued	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance at March 31, 2016	**9,123,289**	**$ 6,011,148**	**$ 65,000**	**$ 170,221**	**$ 773,276**	**$ -**	**($ 7,214,956)**	**($ 195,311)**
Shares issued for cash	3,337,500	222,500	(65,000)	-	-	-	-	**157,500**
Share issuance costs	-	(2,745)	-	-	-	-	-	**(2,745)**
Comprehensive income	-	-	-	-	-	-	5,672	**5,672**
Balance at Dec. 31, 2016	**12,460,789**	**$ 6,230,903**	**$ -**	**$ 170,221**	**$ 773,276**	**$ -**	**($ 7,209,284)**	**($ 34,884)**
Balance at March 31, 2017	**12,460,789**	**$ 6,230,903**	**$ -**	**$ 170,221**	**$ 773,276**	**$ -**	**($ 7,239,510)**	**($ 65,110)**
Shares issued for cash	10,257,132	1,538,570	-	-	-	-	-	**1,538,570**
Shares issued for business combination	10,000,000	1,500,000	-	-	-	-	-	**1,500,000**
Shares issued for mineral property	300,000	45,000	-	-	-	-	-	**45,000**
Share issuance costs	-	(132,690)	-	35,449	-	-	-	**(97,241)**
Stock options issued	-	-	-	-	8,931	-	-	**8,931**
Comprehensive loss	-	-	-	-	-	(54,514)	(328,766)	**(383,280)**
Balance at Dec. 31, 2017	**33,017,921**	**$ 9,181,783**	**$ -**	**$ 205,670**	**$ 782,207**	**-$ 54,514**	**($ 7,568,276)**	**$ 2,546,870**

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

Fremont Gold Ltd.

Condensed interim consolidated statements of cash flows

(Expressed in Canadian Dollars)

	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2016
OPERATING ACTIVITIES		
Net income (loss) for the period	($ 328,766)	$ 5,672
Adjustments for items not involving cash:		
Unrealised foreign exchange items	3,865	-
Stock-based compensation	8,931	-
Forgiveness of debt	-	(36,746)
	(315,970)	**(31,074)**
Net changes in non-cash working capital:		
Accounts receivable	(17,752)	455
Prepaid expenses	(43,824)	-
Accounts payable and accrued liabilities	20,670	(95,390)
Due to related parties	(31,680)	7,600
Cash used in operating activities	**(388,556)**	**(118,409)**
INVESTING ACTIVITIES		
Additions to mineral properties	(373,480)	-
Reclamation bond	(70,335)	
Transaction costs, net of cash acquired	(146,866)	-
Advances provided to Fremont by 1027344 B.C. Ltd.	16,883	-
Cash used in investing activities	**(573,798)**	**-**
FINANCING ACTIVITIES		
Issuance of share capital, net of share issuance costs	1,441,329	154,755
Cash provided by financing activities	**1,441,329**	**154,755**
Net increase in cash and cash equivalents	**478,975**	**36,346**
Cash and cash equivalents, beginning of period	**21,916**	**1,166**
Cash and cash equivalents, end of period	**$ 500,891**	**$ 37,512**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

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

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

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage. For the nine months ended December 31, 2017, the Company reported a net loss of $328,766 (nine months ended December 31, 2016: net income of $5,672) and cash flow used in operations of $388,556 (nine months ended December 31, 2016: $118,409), and as at that date had a net working capital balance of $437,752 (March 31, 2017: net working capital deficit of $65,110) and an accumulated deficit of $7,568,276 (March 31, 2017: $7,239,510).

Management has estimated that the Company does not currently have sufficient working capital to meet its corporate development, administrative and property objectives and obligations for the coming year through December 31, 2018. The Company will periodically need to obtain additional financing, and while it has been successful in the past, there can be no assurance that it will be able to do so in the future.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements. There is no assurance that the Company will be successful in this regard. These material uncertainties cast substantial doubt about its ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at February 28, 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 nine months ended December 31, 2017.

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

Change in accounting policy

The Company re-assessed its accounting for exploration and evaluation expenditures with respect to the capitalisation of certain components of such expenditures. Exploration and evaluation expenditures include the costs of acquiring and maintaining licenses and rights, costs associated with exploration and evaluation activity and costs of exploration and evaluation assets. The Company previously capitalised all exploration and evaluation expenditures once it had obtained the legal rights to explore an area.

Effective April 1, 2017, the Company elected to change its capitalisation policy whereby all costs associated with exploration and evaluation activity will be recognised in net income or loss as opposed to being capitalised. The Company believes that its revised policy is more conservative and therefore more appropriate given the nature of its activity and stage of development. All other components of the previous accounting policy regarding exploration and evaluation expenditures remain unchanged.

This change in accounting policy has not been applied retrospectively as the Company had no capitalised exploration and evaluation expenditure balances present in the comparative period. The introduction of this change in accounting policy has therefore had no impact on either the financial statements of the Company as at and for the nine months ended December 31, 2017 or on the comparative information presented.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments (2014)

The IASB replaces IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9. IFRS 9 deals with classification and measurement, impairment, hedge accounting and derecognition of financial assets and liabilities. In February 2014, the IASB decided to defer to January 1, 2018 the implementation of IFRS 9. The Company's management has yet to assess the impact of this new standard on the Company's financial statements. Management does not expect to implement IFRS 9 until it has been issued and its overall impact can be assessed. IFRS 9 is applicable to annual periods commencing on or after January 1, 2018.

4. BUSINESS COMBINATION

On June 29, 2017, the Company completed a business combination transaction with Intermont, 1027344 B.C. and various individuals unrelated to the Company.

The business combination transaction was entered into pursuant to a binding letter agreement dated December 28, 2016 which was amended and restated effective February 22, 2017, and amended on April 28, 2017. The Company issued 6,500,000 post-consolidation common shares in exchange for 100% of the units of Intermont and 3,500,000 post-consolidation common shares in exchange 100% of the shares of 1027344 B.C. Intermont and 1027344 B.C. own the rights to certain mineral projects in Nevada.

The 10,000,000 common shares issued to the unitholders of Intermont and shareholders of 1027344 B.C. had a fair value of $0.15 reflecting total consideration of $1,500,000.

Total transaction costs incurred amounted to approximately $153,947.

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

(Unaudited, Expressed in Canadian Dollars)

	1027344 B.C. (CAD)	Intermont (CAD)	Total (CAD)
Palisades shares issued	*3,500,000*	*6,500,000*	*10,000,000*
Value of Palisades shares issued	525,000	975,000	1,500,000
Transaction costs	53,881	100,066	153,947
Purchase price consideration	**578,881**	**1,075,066**	**1,653,947**
Cash	7,081	-	7,081
Accounts receivable	5,528	-	5,528
Mineral properties	597,618	1,081,064	1,678,682
Accounts payable and accrued liabilities	(8,644)	(6,000)	(14,644)
Due to directors and officers	(39,583)	-	(39,583)
Due from Fremont	16,883	-	16,883
Net assets acquired	**578,883**	**1,075,064**	**1,653,947**

Share consolidation

In connection with the Transaction, the Company completed a share consolidation of its issued and outstanding common shares such that every four existing common shares were consolidated into three new common shares thereby reducing the 16,614,386 pre-consolidation issued and outstanding common shares of the Company to 12,460,789 post-consolidation common shares.

Non-brokered private placement

In connection with the Transaction, the Company completed a non-brokered private placement of 10,257,132 units of the Company at a price of $0.15 per unit for gross proceeds of $1,538,570 (see Note 7(a)).

Other

In connection with the Transaction, the Company changed its name from “Palisades Ventures Inc.” to “Fremont Gold Ltd.”

The Company also issued 300,000 post-consolidated common shares to Nevada Select Royalty, Inc. pursuant to the lease agreement relating to the Hurricane project (see Note 5(a)).

(Unaudited, Expressed in Canadian Dollars)

5. MINERAL PROPERTIES

9 months ended Dec. 31, 2017	Mar. 31, 2017	Transaction (1)	Incurred during period	Foreign exchange	31 Dec. 2017
Goldrun	$ -	$ 991,267	$ 97,866	($ 33,583)	$ 1,055,550
Hurricane	-	597,617	57,737	(20,239)	635,115
Gold Bar	-	-	152,138	(908)	151,230
Rock Creek	-	89,798	23,790	(3,131)	110,457
North Carlin	-	-	68,019	(406)	67,613
Gold Canyon	-	-	18,931	(113)	18,818
	$ -	**$ 1,678,682**	**$ 418,481**	**($ 58,380)**	**$ 2,038,783**

(1) 1027344 B.C. and Intermont transaction (see Note 4)

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 December 31, 2017 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 December 31, 2017, the Goldrun holdings consisted of 187 mining claims owned solely by Intermont and a further 105 claims owned jointly with an unrelated individual, all of which were recorded with the United States Bureau of Land Management ("BLM"). The claims total approximately 2,443 hectares.

There had been no change in the status of the Goldrun holdings through February 28, 2018.

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 claims in Nevada collectively known as Hurricane. The claims total approximately 50.2 hectares. Subject to various conditions, the lease agreement provides 1027344 B.C. with the exclusive right to prospect, explore and mine on the property for a period of twenty years with a right to renew thereafter.

Nevada Eagle's rights and responsibilities associated with the lease agreement were assigned to Nevada Select Royalty, Inc. ("Nevada Select") pursuant to an assignment and assumption agreement dated May 4, 2016. Nevada Select is not related to 1027344 B.C. Nevada Eagle's ownership interest in the property was transferred to Nevada Select on May 5, 2016.

The lease agreement was amended on each of February 13, 2016, March 14, 2017 and April 27, 2017 whereby the terms of certain of the lease payments, share payments and work obligations as specified in the original February 2015 lease agreement were amended.

The lease agreement (as amended) specifies payments by 1027344 B.C. to the lessor as follows:

- Upon execution of the agreement: US$ 5,000 (paid)
- On or before the first anniversary of the date of execution (February 13, 2016): US$ 3,750 (paid)
- On or before May 16, 2016: US$ 3,750 (paid)
- On or before July 31, 2017: US$ 10,000 (paid)
- On or before the third anniversary of the date of execution (February 13, 2018): US$ 15,000 (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 lease agreement (as amended) specifies minimum expenditure requirements of US$ 850,000 to be incurred by 1027344 B.C. on land holding costs, exploration, etc. as follows in the years following the date of execution:

- Third year: US$ 100,000

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

The lessor will retain a 3.0% net smelter royalty ("NSR") on mineral production from the Hurricane property and any staked ground situated adjacent thereto. 1027344 B.C. may purchase one third of the NSR (1.0%) for US$ 1,000,000.

(c) Gold Bar, option agreement

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

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

- US$ 10,000 on September 8, (the "Effective Date") being the date on which the Company 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)
- US$ 150,000 on or before September 8, 2018 (one year following the Effective Date)
- US$ 100,000 on or before September 8, 2019 (two years following the Effective Date)
- US$ 100,000 on or before September 8, 2020 (three years following the Effective Date)
- US$ 200,000 on or before September 8, 2021 (four years following the Effective Date)
- US$ 400,000 on or before September 8, 2022 (five years following the Effective Date).

Ely Gold will retain a 2% NSR in 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$ 5,000,000 000 any time after the option has been exercised.

As at December 31, 2018, the Company had staked in the field an additional 385 mining claims, 214 of which had been recorded. The additional recorded claims add approximately 1,790 hectares to the property package.

There had been no change in the status of the Gold Bar Property holdings through February 28, 2018.

(d) North Carlin, staked claims and option agreement

The North Carlin property includes both staked ground and an optioned property. 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 totalling 2,664 hectares and 70 claims totalling 586 hectares, respectively.

As at December 31, 2017, the Alkali Property holdings consisted of 318 mining claims owned solely by Intermont, 96 of which were recorded with the BLM. There had been no change in the status of the Alkali Property holdings through February 28, 2018.

As at December 31, 2017, the Coyote Property holdings consisted of 65 mining claims owned solely by Intermont, all of which were recorded with the BLM. There had been no change in the status of the Alkali Property holdings through February 28, 2018.

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

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 in the northern part of the Carlin Trend consisting of 12 unpatented lode mining claims covering approximately 100 acres situated in Elko County, Nevada (see Note 13). This property together with the Alkali Property and Coyote Property comprise the North Carling Property.

(e) Rock Creek, staked claims

As at December 31, 2017, the Rock Creek holdings consisted of 160 mining claims owned solely by Intermont, 72 of which are recorded with the BLM. The recorded claims total approximately 602 hectares.

There had been no change in the status of the Rock Creek holdings through February 28, 2018.

(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 460 acres 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)
- 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") comprising approximately 389 hectares 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.

6. RECLAMATION BOND

A reclamation bond amounting to US$ 56,066 was paid for in October 2017 in connection with the trenching program being undertaken at Hurricane. The bond will be refunded in full after reclamation work has been completed and accepted by the BLM.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the nine months ended December 31, 2016, the Company settled a trade payable which resulted in a $36,746 forgiveness of debt.

8. SHAREHOLDERS' EQUITY

(a) Share capital

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

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

Issued share capital, 2018

On June 29, 2017, the Company completed a non-brokered private placement of $1,538,570. The private placement consisted of 10,257,132 units at a price of $0.15 per unit, with each unit comprised of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.25 until June 29, 2018 or December 31, 2018 (see Note 7(b)). Applying the residual value method, no value was allocated to the warrants.

The units are subject to a four month hold period which expired on October 30, 2017 for 10,047,132 units and October 31, 2017 for the remaining 210,000 units

The Company incurred $132,690 in share issue costs in connection with the financing including $54,258 in finder's fees paid in cash and the issuance of 361,720 finder's fee warrants having an estimated value of $35,449. The remaining share issue costs amounting to $42,983 related primarily to legal fees and fees levied by the TSX-V.

Issued share capital, 2017

On April 29, 2016, the Company completed a non-brokered private placement of $222,500. The private placement consisted of 3,337,500 units at a price of $0.067 per unit, with each unit comprised of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.133 until April 29, 2018. Applying the residual value method, no value was allocated to the warrants. The Company incurred $2,745 in share issue costs in connection with the financing.

Escrow shares

Under the policies of the TSX-V, an aggregate of 1,250,000 common shares issued in October 2014 were placed in escrow to be released over a 36-month period commencing in October 2014; 10% were released October 14, 2014 and 15% will be released every six months thereafter through October 2, 2017. The number of common shares issued in October 2014 held in escrow as at December 31, 2017 was nil.

Under the policies of the TSX-V, an aggregate of 10,000,000 common shares issued in June 2017 were placed in escrow to be released over a 36-month period commencing in June 2017; 10% were released on July 6, 2017 and 15% will be released every six months thereafter through July 6, 2020. 9,000,000 of the common shares issued in June 2017 were held in escrow as at December 31, 2017 of which 1,500,000 common shares were released from escrow on January 6, 2018.

(b) Share purchase warrants

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

(Unaudited, Expressed in Canadian Dollars)

Expiry date	Exercise price		Mar. 31, 2017		Issued		Expired		Dec. 31, 2017
April 29, 2018	$	0.133		1,668,750		-		-	1,668,750
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**		**-**	**7,159,036**
Weighted average exercise price			$	0.133	$	0.243	$	-	$ 0.218
Weighted average remaining life (years)				1.08		2.00		-	1.22

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

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

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

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

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

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

(Unaudited, Expressed in Canadian Dollars)

(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 vested in five equal tranches over 24 months as follows:

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

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

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

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

(Unaudited, Expressed in Canadian Dollars)

Expiry date	Exercise price	Mar. 31, 2017	Issued	Expired	Dec. 31, 2017
October 7, 2017	$ 0.530	28,125	-	(28,125)	-
September 18, 2021	$ 0.150	-	2,350,000	-	2,350,000
		28,125	**2,350,000**	**(28,125)**	**2,350,000**
Weighted average exercise price		$ 0.530	$ 0.150	$ 0.530	$ 0.150
Weighted average remaining life (years)		0.52	4.00	-	3.72

Of the 2,350,000 stock options outstanding as at December 31, 2017, 470,000 stock options were exercisable as at this date at an 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	$ 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.

9. EXPLORATION AND DEVELOPMENT EXPENDITURES

Nine months ended Dec. 31, 2017	Hurricane	Goldrun	Gold Bar	Other	Total
Assay	$ 4,421	$ -	$ -	$ 192	$ 4,613
Third party services	10,115	-	650	8,046	18,811
Field supplies	2,790	1,100	2,606	4,059	10,555
Geomchemistry	-	11,753	-	-	11,753
Payroll	11,527	10,783	15,030	6,057	43,397
Travel	4,800	2,114	3,538	1,822	12,274
	$ 33,653	**$ 25,750**	**$ 21,824**	**$ 20,176**	**$ 101,403**

10. RELATED PARTY TRANSACTIONS

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

(Unaudited, Expressed in Canadian Dollars)

	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2016
Recharge of exploration and local administrative expenditures (1)	$ 108,963	$ -
Remuneration of officers of the Company (2)	25,000	-
Remuneration of directors of the Company	-	-
Professional fees charged by a company controlled by the former CFO	2,000	18,000
	$ 135,963	**$ 18,000**

(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$ 86,339 ($108,963) from the time of closing of the Transaction through December 31, 2017. All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex.

(2) Includes fees charged by a company controlled by an officer of the Company

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

	Dec. 31, 2017	March 31, 2017
Amount owing to Tectonex LLC relating to the recharge of exploration, local administrative and claim acquisition expenditures	$ 16,679	$ -
Amount owing to the President and CEO relating to deferred remuneration	10,000	-
Amounts owing to current directors and officers in connection with the reimbursement of various expenditures relating to the Transaction	124	-
Professional fees owing to a company controlled by the former CFO	-	18,900
	$ 26,803	**$ 18,900**

11. 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 nine months ended December 31, 2017 or the year ended March 31, 2017.

12. RISK MANAGEMENT

Credit risk

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

Foreign currency risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate due to changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The risk is considered minimal.

Liquidity risk

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

At December 31, 2017, the Company had cash of $500,891 (March 31, 2017: $21,916) and net working capital of $437,752 (March 31, 2017: deficit of $65,110). With the exception of accrued liability and specific accounts payable balances together totalling approximately $45,496, all accounts payable and accrued liabilities are due within 90 days of December 31, 2017. Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment.

13. SUBSEQUENT EVENT

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

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 that date which is five business days following the date on which the Company receives approval of the option agreement by the TSX Venture Exchange
- 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.

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.

As at February 28, 2018, the Company had not received approval of the option agreement by the TSX Venture Exchange.