



FREMONT

GOLD LTD

Fremont Gold Ltd.

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

NINE MONTHS ENDED DECEMBER 31, 2019

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, 2019	March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		\$ 6,543	\$ 491,933
Marketable securities	4	498,000	-
Accounts receivable		41,807	65,170
Prepaid expenses		8,276	41,759
Total Current assets		554,626	598,862
Non-current assets			
Mineral properties	5	2,559,066	2,535,426
Fixed assets		14,575	19,542
Reclamation bonds	6	86,020	125,970
Total Assets		\$ 3,214,287	\$ 3,279,800
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 212,017	\$ 108,496
Due to related parties	9	324,682	79,780
Total Current liabilities		536,699	188,276
Total liabilities		536,699	188,276
Shareholders' equity			
Share capital	7(a)	12,176,138	12,138,638
Warrant reserve	7(b)	205,670	205,670
Stock option reserve	7(c)	1,248,247	1,161,922
Accumulated other comprehensive loss		8,963	80,384
Accumulated deficit		(10,961,430)	(10,495,090)
Total Shareholders' equity		2,677,588	3,091,524
Total Liabilities and Shareholders' equity		\$ 3,214,287	\$ 3,279,800
Nature of operations and going concern (Note 1)			
Subsequent event (Notes 4, 5 and 7)			

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.

Condensed interim consolidated statements of income and loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended Dec. 31, 2019	3 months ended Dec. 31, 2018	9 months ended Dec. 31, 2019	9 months ended Dec. 31, 2018
Expenses					
Management	9	\$ 74,448	\$ 84,724	\$ 218,382	\$ 190,703
General and administration		52,166	122,319	209,602	240,429
Exploration and evaluation	8	36,002	128,177	172,487	550,441
Stock-based compensation	7(c)	24,830	47,261	86,325	147,279
Professional fees		20,931	67,820	56,058	179,416
Travel		12,879	74,021	26,510	125,720
Listing and transfer agent		4,008	2,429	9,570	21,491
Depreciation		1,518	1,346	4,572	2,847
		<u>226,782</u>	<u>528,097</u>	<u>783,506</u>	<u>1,458,326</u>
Other income and expenses					
Unrealised loss on marketable securities		123,000	-	285,000	-
Foreign exchange loss (gain)		6,744	(6,596)	2,863	(4,263)
Gain on sale of mineral properties		(593)	-	(605,029)	-
Interest income		-	(2,444)	-	(7,258)
		<u>\$ 355,933</u>	<u>\$ 519,057</u>	<u>\$ 466,340</u>	<u>\$ 1,446,805</u>
Net loss (income) for the period					
Other comprehensive income and loss					
Unrealised foreign currency translation items		41,531	(151,166)	71,421	(157,983)
		<u>\$ 397,464</u>	<u>\$ 367,891</u>	<u>\$ 537,761</u>	<u>\$ 1,288,822</u>
Total comprehensive loss (income) for the period					
Loss (income) per share, Basic and diluted		\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.03
Weighted average shares outstanding, Basic and diluted		54,759,737	46,698,483	53,673,393	44,364,772

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	Subscription receipts	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
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
Shares issued for cash:								
Private placement	18,405,130	2,769,022	(325,992)	-	-	-	-	2,443,030
Exercise of warrants	1,283,750	171,153	-	-	-	-	-	171,153
Share issuance costs	-	(105,390)	-	-	-	-	-	(105,390)
Stock-based compensation	-	-	-	-	147,279	-	-	147,279
Comprehensive loss	-	-	-	-	-	157,983	(1,446,805)	(1,288,822)
Balance at December 31, 2018	53,004,302	\$ 12,065,568	\$ -	\$ 205,670	\$ 1,111,453	\$ 145,180	(\$ 9,501,005)	\$ 4,026,866
Balance at March 31, 2019	53,504,302	\$ 12,138,638	\$ -	\$ 205,670	\$ 1,161,922	\$ 80,384	(\$ 10,495,090)	\$ 3,091,524
Shares issued for mineral property	750,000	37,500	-	-	-	-	-	37,500
Stock-based compensation	-	-	-	-	86,325	-	-	86,325
Comprehensive loss	-	-	-	-	-	(71,421)	(466,340)	(537,761)
Balance at December 31, 2019	54,254,302	\$ 12,176,138	\$ -	\$ 205,670	\$ 1,248,247	\$ 8,963	(\$ 10,961,430)	\$ 2,677,588

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

Fremont Gold Ltd.

Consolidated statements of cash flows

(Expressed in Canadian Dollars)

	9 months ended Dec. 31, 2019	9 months ended Dec. 31, 2018
OPERATING ACTIVITIES		
Net loss for the period	(\$ 466,340)	(\$ 1,446,805)
Adjustments for items not involving cash:		
Gain on sale of mineral property	(605,029)	-
Unrealised loss on marketable securities	285,000	-
Stock-based compensation	86,325	147,279
Unrealised foreign exchange items	7,831	(12,002)
Depreciation	4,572	2,847
	(687,641)	(1,308,681)
Net changes in non-cash working capital:		
Accounts receivable	23,363	(28,165)
Prepaid expenses	33,483	(9,806)
Accounts payable and accrued liabilities	14,512	(34,881)
Due to related parties	244,902	56,979
Cash used in operating activities	(371,381)	(1,324,554)
INVESTING ACTIVITIES		
Additions to mineral properties	(148,241)	(667,988)
Reclamation bond refund	37,179	-
Additions to fixed assets	-	(12,599)
Cash used in investing activities	(111,062)	(680,587)
FINANCING ACTIVITIES		
Issuance of share capital, net of cash share issuance costs	-	2,337,640
Exercise of warrants	-	171,153
Cash provided by financing activities	-	2,508,793
Effect of change in exchange rate on cash	(2,947)	4,838
Net increase (decrease) in cash and cash equivalents	(485,390)	508,490
Cash and cash equivalents, beginning of period	491,933	504,760
Cash and cash equivalents, end of period	\$ 6,543	\$ 1,013,250

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

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

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 state of Nevada. 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.

Going concern

The nature of the Company’s operations results in significant expenditures for the acquisition and exploration of mineral properties.

These consolidated 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 the nine months ended December 31, 2019, the Company reported a net loss of \$466,340 (nine months ended December 31, 2018: \$1,446,805) and cash flow used in operations of \$371,381 (nine months ended December 31, 2018: \$1,324,554), and as at that date had a net working capital balance of \$17,927 (March 31, 2019: \$410,586) and an accumulated deficit of \$10,961,430 (March 31, 2019: \$10,495,090).

The Company does not currently have sufficient working capital to meet its corporate development, administrative and property objectives and obligations for the period through December 31, 2020.

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 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.

In August 2019, the Company sold its interest in the Gold Canyon project, to McEwen Mining Inc. (“McEwen”) for consideration of 300,000 McEwen common shares (the “McEwen Shares”; see Notes 4 and 5(c)). In January 2020, the McEwen Shares were sold for net proceeds of \$453,825.

In February 2020, the Company raised \$1,482,020 in a non-brokered private placement (see Note 7(a)).

2. BASIS OF PREPARATION

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

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

preparation of interim financial statements, including 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, 2019.

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, 2019.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New accounting standards and interpretations

IFRS 16, Leases ("IFRS 16") replaced IAS 17, Leases ("IAS 17") effective for annual periods commencing on or after January 1, 2019. The new model requires the recognition of lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

The Company has determined that the adoption of IFRS 16 has had no impact on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. MARKETABLE SECURITIES

As at December 31, 2019, the Company held 300,000 common shares of McEwen having a market value of \$498,000 (March 31, 2019: nil; see Note 5(c)). As at December 31, 2019, the McEwen Shares were a subject to statutory hold period in the United States. The shares were sold for net proceeds of \$453,825 in late January 2020 shortly after the statutory hold period had been lifted.

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

5. MINERAL PROPERTIES

9 months ended Dec. 31, 2019	Mar. 31, 2019	Incurred during period	Disposed during period	Foreign exchange	Dec. 31, 2019
Goldrun	\$ 1,179,636	\$ 38,158	\$ -	(\$ 33,888)	\$ 1,183,906
Hurricane	725,550	1,422	-	(20,390)	706,582
North Carlin	254,934	69,874	-	(8,590)	316,218
Rock Creek	135,526	-	-	(3,803)	131,723
Cobb Creek	-	130,779	-	(2,687)	128,092
Griffon	-	33,151	-	(681)	32,470
Gold Canyon	177,971	-	(177,971)	-	-
Other properties	61,809	-	-	(1,734)	60,075
	\$ 2,535,426	\$ 273,384	(\$ 177,971)	(\$ 71,773)	\$ 2,559,066

Year ended March 31, 2019	Mar. 31, 2018	Incurred during period	Write-off	Foreign exchange	Mar. 31, 2019
Goldrun	\$ 1,084,875	\$ 54,375	\$ -	\$ 40,386	\$ 1,179,636
Hurricane	672,039	28,541	-	24,970	725,550
North Carlin	119,319	128,903	-	6,712	254,934
Gold Canyon	19,835	154,572	-	3,564	177,971
Rock Creek	115,866	15,170	-	4,490	135,526
Gold Bar	204,109	281,421	(498,128)	12,598	-
Other properties	1,977	58,674	-	1,158	61,809
	\$ 2,218,020	\$ 721,656	(\$ 498,128)	\$ 93,878	\$ 2,535,426

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

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) Cobb Creek, option agreement

In September 2019, the Company announced that it had entered into an option agreement with Clover Nevada II, LLC (“Clover”), a wholly owned subsidiary of TSX-V listed Contact Gold Corp., to acquire a 100% interest in the advanced-stage Cobb Creek gold project in Elko County, Nevada.

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

Fremont may acquire 100% of the Cobb Creek project by issuing 1,500,000 Fremont common shares to Clover and making payments totalling US\$370,000 over nine years from September 27, 2019 (the “Effective Date”).

In addition to these option payments to Clover, Fremont assumed responsibility for making four annual payments of US\$ 30,000 each totaling US\$ 120,000 to a previous underlying property owner; the initial payment of US\$ 30,000 was due in November 2019. Lastly, Fremont is required to reimburse Clover for the 2019-2020 claim maintenance costs relating to the property, and a portion of the 2018-2019 claim maintenance costs to the aforementioned previous underlying property owner; such costs totaled US\$ 36,391. As at December 31, 2019, the Company owed US\$ 66,391 (\$86,229) to Clover in connection with these payments; the Company repaid this liability in February 2020.

The option payment schedule is as follows:

- 750,000 Fremont common shares to Clover following TSX-V approval (issued in October 2019)
- US\$ 30,000 to Underlying Owner by November 7, 2019 (payment was made prior to this date with funds received as a loan from Clover)
- US\$ 30,000 and 750,000 Fremont common shares to Clover on the first anniversary of the Effective Date
- US\$ 30,000 to Underlying Owner by November 7, 2020
- US\$ 20,000 to Clover on the second anniversary of the Effective Date
- US\$ 30,000 to Underlying Owner by November 7, 2021
- US\$ 20,000 to Clover on the third anniversary of the Effective Date
- US\$ 30,000 to Underlying Owner by November 7, 2022
- US\$ 25,000 to Clover on the fourth anniversary of the Effective Done
- US\$ 35,000 to Clover on the fifth anniversary of the Effective Done
- US\$ 45,000 to Clover on the sixth anniversary of the Effective Done
- US\$ 55,000 to Clover on the seventh anniversary of the Effective Done
- US\$ 65,000 to Clover on the eighth anniversary of the Effective Done
- US\$ 75,000 to Clover on the ninth anniversary of the Effective Date

Fremont may accelerate the exercise of the Option agreement and acquire 100% of the Cobb Creek project at any time by giving Clover ten days’ notice and paying all remaining payments in full.

Clover will retain a 2.0% net smelter return royalty on the Cobb Creek project and any new claims acquired by the Company located within one-half mile thereof. Fremont has the right to buy-down 1.0% of the royalty for US\$ 2,000,000.

The Option Agreement, including the issuance of the 1,500,000 Fremont common shares, was subject to approval by the TSX-V which was received on October 24, 2019. The Fremont common shares are subject to a statutory hold period.

(b) Griffon, option agreement

In December 2019, the Company announced that it had entered into an option agreement with Pilot Gold (USA) Inc. (“Pilot”), a wholly owned subsidiary of TSX listed Liberty Gold Corp. (“Liberty”), to acquire a 100% interest in the past-producing Griffon gold project in White Pine County, Nevada.

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

Fremont may acquire 100% of the Griffon project by making payments totalling US\$ 325,000 over four years from December 16, 2019 (the “Execution Date”). In addition, Fremont is required to issue common shares to Liberty as follows:

- 2,500,000 common shares following the TSX-V’s approval of the transaction (issued in January 2020)
- That number of common shares that will bring Liberty’s total ownership of Fremont’s issued and outstanding common shares to 9.9% on the first anniversary of the Execution Date.

The option payment (cash) schedule is as follows:

- US\$ 25,000 on the Execution Date (paid)
- US\$ 25,000 following the TSX-V’s approval of the transaction (paid in January 2020)
- US\$ 50,000 on the first anniversary of the Execution Date
- US\$ 50,000 on the second anniversary of the Execution Date
- US\$ 75,000 on the third anniversary of the Execution Date
- US\$ 100,000 on the fourth anniversary of the Execution Date.

Fremont may accelerate the exercise of the Option agreement and acquire 100% of the Griffon project at any time by giving Pilot ten days’ notice and paying all of remaining payments in full.

Pilot will retain a 1.0% net smelter return royalty on the Griffon project. Fremont has the right to buy-down the royalty in full for US\$ 1,000,000.

In addition, the Griffon project is also subject to a 2.0% net smelter return royalty held by a previous vendor. Fremont has the right to buy-down 1.0% of this royalty for US\$ 2,000,000.

The Option Agreement, including the issuance of the Fremont common shares, was subject to approval by the TSX-V which was received on January 23, 2020.

The Fremont common shares are subject to a statutory hold period. In addition to these statutory restrictions, the Fremont common shares issued will be subject to a 12-month voluntary hold period.

Fremont and Liberty will enter into an investor rights agreement on the first anniversary of the Execution Date pursuant to which and subject to certain conditions, Liberty will have the right (until such time as Liberty beneficially owns less than 5% of Fremont’s shares) to participate in any future equity financings by Fremont in order to maintain its proportionate interest in Fremont.

(c) Gold Canyon, option agreement

In August 2019, the Company sold its interest in the Gold Canyon project to McEwen for consideration of 300,000 McEwen common shares (see Note 4).

(d) 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, in connection with 96 unpatented and 12 patented mining claims over the historic Gold Bar mine area in Eureka County Nevada. Option payments totalling US\$ 1,010,000 were to be paid over five years.

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

In July 2019, the Company announced that it had terminated the Gold Bar option agreement.

As at June 30, 2019, the Company had staked in the field an additional 385 mining claims in areas adjacent to the Gold Bar Property, 214 of which had been recorded. Management decided not to renew these claims in August 2019.

The carrying value of the Company's total interest in the Gold Bar Property of \$498,128 was written off in full in the fourth quarter of the 2019 fiscal year.

6. RECLAMATION BONDS

Reclamation bonds have historically been paid in connection with the trenching program undertaken at Hurricane in 2018, the drill program undertaken at Gold Bar and Gold Canyon in 2018 and the drill program that had been proposed for Gold Canyon in 2019. The bonds will be refunded in full after reclamation work has been completed and accepted by the United States Bureau of Land Management.

A refund totalling US\$ 18,584 in respect of Gold Canyon was received in October 2019 and a partial refund totalling US\$ 15,240 in respect of Gold Bar was received in November 2019.

The net balance of reclamation bonds held as at December 31, 2019 totalled US\$ 66,230 (\$86,020) (March 31, 2019: US\$ 100,066 (\$125,970)).

7. SHAREHOLDERS' EQUITY

(a) Share capital

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

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

February 2020 non-brokered private placement

In January 2020, the Company announced a non-brokered private placement of up to 17,000,000 units at a price of \$0.06 per unit (the "Units") for gross proceeds of up to \$1,020,000.

On February 13, 2020, the Company closed a private placement financing pursuant to which a total of 24,700,332 Units were issued at a price of \$0.06 per Unit for gross proceeds of \$1,482,020. Each Unit was comprised of one common share of the Company and one common share purchase warrant. Each common share purchase warrant ("Warrant") entitles the holder to acquire one common share at a purchase price of \$0.10 for a period of 12 months following closing of the private placement.

Total finder's fees paid to third parties in connection with the financing amounted to \$83,580, equivalent to 7% of the applicable proceeds raised. In addition, 1,393,000 share purchase warrants

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

were issued to finders, equivalent to 7% of the number of applicable Units. Each such finder's warrant entitles the holder to purchase one common share of the Company at a purchase price of \$0.10 for a period of 12 months following closing of the private placement.

All securities issued in connection with the private placement are subject to a statutory hold period of four months plus a day following issuance.

Shares issued for mineral properties

A total of 750,000 common shares were issued in connection with the acquisition of the Cobb Creek project in October 2019 (see Note 5(a)).

A total of 2,500,000 common shares were issued in connection with the acquisition of the Griffon project in January 2020 (see Note 5(b)).

(b) Share purchase warrants

A summary of share purchase warrants outstanding as at December 31, 2019 is as follows:

Expiry date	Exercise price	Mar. 31, 2019	Issued	Exercised	Expired	Sept. 30, 2019
June 29, 2019	\$ 0.15	361,720	-	-	(361,720)	-
June 29, 2020	\$ 0.25	5,023,566	-	-	-	5,023,566
June 30, 2020	\$ 0.25	105,000	-	-	-	105,000
December 5, 2020	\$ 0.20	4,394,965	-	-	-	4,394,965
		9,885,251	-	-	(361,720)	9,523,531
Weighted average exercise price		\$ 0.224				\$ 0.227
Weighted average remaining life (years)		1.41				0.70

In June 2019, the Company announced that it had extended the expiry date of the 5,128,566 share purchase warrants issued pursuant to the June 2017 private placement. The expiry date of 5,023,566 share purchase warrants was extended from June 29, 2019, to June 29, 2020, and that of the remaining 105,000 share purchase warrants was extended from June 30, 2019, to June 30, 2020. All other terms of the share purchase warrants, including the \$0.25 exercise price, remain unchanged.

(c) Stock options

A summary of stock options outstanding as at December 31, 2019 is as follows:

Fremont Gold Ltd.

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(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

Expiry date	Exercise price	Mar. 31, 2019	Issued	Forfeited / expired	Sept. 30, 2019
March 26, 2020	\$ 0.16	50,000	-	(50,000)	-
September 18, 2021	\$ 0.15	2,350,000	-	-	2,350,000
March 26, 2022	\$ 0.16	250,000	-	-	250,000
July 10, 2022	\$ 0.15	400,000	-	(50,000)	350,000
December 10, 2023	\$ 0.15	1,075,000	-	-	1,075,000
July 25, 2024	\$ 0.10	-	250,000	-	250,000
		4,125,000	250,000	(100,000)	4,275,000
Weighted average exercise price		\$ 0.151			\$ 0.148
Weighted average remaining life (years)		3.14			2.54

Stock-based compensation totalled \$86,325 in the nine months ended December 31, 2019 (nine months ended December 31, 2018: \$147,279).

Of the 4,275,000 stock options outstanding as at December 31, 2019, 3,585,000 stock options were exercisable as at this date at a weighted average exercise price of \$0.15.

8. EXPLORATION AND EVALUATION EXPENDITURES

9 months ended Dec. 31, 2019							
	Gold		North	Other	VP	Total	
	Canyon	Gold Bar	Carlin	properties	Exploration		
Travel	\$ 2,556	\$ 2,472	\$ 2,979	\$ 8,418	\$ -	\$ 16,425	
Assay	-	-	13,873	1,861	-	15,734	
Drilling	1,773	10,114	-	-	-	11,887	
Field supplies	60	4,229	1,079	6,293	-	11,661	
Third party services	-	-	-	19,677	-	19,677	
Payroll	-	-	3,183	7,156	-	10,339	
Restoration provision (net)	(7,956)	131	-	-	-	(7,825)	
VP Exploration	-	-	-	-	94,589	94,589	
	(\$ 3,567)	\$ 16,946	\$ 21,114	\$ 43,405	\$ 94,589	\$ 172,487	

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NINE MONTHS ENDED DECEMBER 31, 2019

9 months ended Dec. 31, 2018						
	Gold Canyon	Gold Bar	North Carlin	Other properties	VP Exploration	Total
Drilling	\$ 135,284	\$ 60,572	\$ -	\$ -	\$ -	\$ 195,856
Assay	20,422	46,851	38,297	15,630	-	121,200
Payroll	11,172	12,337	24,952	10,364	-	58,825
Travel	11,379	15,171	14,163	6,555	-	47,268
Restoration provision	7,839	7,839	-	-	-	15,678
Field supplies	2,817	3,168	2,421	1,206	-	9,612
Third party services	2,149	1,932	653	-	-	4,734
VP Exploration	-	-	-	-	97,268	97,268
	\$ 191,062	\$ 147,870	\$ 80,486	\$ 33,755	\$ 97,268	\$ 550,441

9. RELATED PARTY TRANSACTIONS

The Company incurred the following expenses resulting from transactions with related parties including officers and directors or entities that are controlled by officers and directors of the Company:

	9 months ended Dec. 31, 2019	9 months ended Dec. 31, 2018
Remuneration of officers of the Company (1)	\$ 305,169	\$ 257,863
Recharge of exploration, claim and local administrative expenditures (2)	37,556	130,938
Stock-based compensation relating to stock options issued to officers and directors of the Company	36,600	60,439
	\$ 379,325	\$ 449,240

(1) Comprises remuneration of the Company's President, Chief Executive Officer, Chief Financial Officer and Vice President Exploration and includes fees charged by companies controlled by officers of the Company

(2) 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\$ 28,322 (\$37,556) in the nine months ended December 31, 2019 (nine months ended December 31, 2018: US\$ 100,220 (\$130,938)). All such expenditures are recharged to the Company without margin or discount at the actual cost incurred by Tectonex

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

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(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

	Dec. 31, 2019	March 31, 2018
Other amounts owing to directors and officers	\$ 247,391	\$ 14,277
Deferred amount due to the President	64,398	64,398
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	12,893	1,105
	<u>\$ 324,682</u>	<u>\$ 79,780</u>

As at December 31, 2019, the Company owed a total of \$247,391 to management in connection with unreimbursed expenditures incurred on behalf of the Company, deferred remuneration and advances provided to the Company. This amount owing to management is non-interest bearing, unsecured and has no set terms of repayment.

In January 2019, the Company announced that it had agreed to settle \$75,000 in outstanding liabilities owed to Dennis Moore, the Company's President and a director of the Company, in connection with unreimbursed expenses through the issuance of 500,000 common shares at a deemed price of \$0.15 per share; the terms of the debt settlement agreement were approved by the TSX-V in February 2019 following which the shares were issued. In addition, the President agreed to defer payment of a further \$64,398 owing to him in respect of unpaid remuneration and unreimbursed expenses until December 31, 2019 which was subsequently extended to December 31, 2020.

10. SEGMENTED INFORMATION

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

	Canada	United States	Total
Non-current assets:			
Dec. 31, 2019, 2019	\$ 1,992	\$ 2,657,669	\$ 2,659,661
March 31, 2019	2,490	2,678,448	2,680,938
Net loss (income):			
9 months ended Dec. 31, 2019	807,900	(341,560)	466,340
9 months ended Dec. 31, 2018	\$ 778,919	\$ 667,886	\$ 1,446,805

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 evaluation 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.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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NINE MONTHS ENDED DECEMBER 31, 2019

All of the exploration and evaluation assets in which the Company has interests 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 period ended December 31, 2019.

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

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 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

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

NINE MONTHS ENDED DECEMBER 31, 2019

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, 2019, the Company had cash of \$6,543 (March 31, 2019: \$491,933) and net working capital of \$17,927 (March 31, 2019: \$410,586). With the exception of accrued liabilities totalling \$11,250, the provision for estimated restoration costs totalling \$12,988 and balances due to related parties (see Note 9), all accounts payable and accrued liabilities are due within 90 days of December 31, 2019. Amounts due to related parties are unsecured and non-interest bearing. With the exception of \$64,398 that is due to the Company's President which the Company is required to pay by December 31, 2020 (see Note 9), amounts due to related parties 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.