



FREMONT
GOLD LTD

Fremont Gold Ltd.

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

SIX MONTHS ENDED SEPTEMBER 30, 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	Sept. 30, 2019	March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		\$ 40,716	\$ 491,933
Marketable securities	4	621,000	-
Accounts receivable		50,278	65,170
Prepaid expenses		12,802	41,759
Total Current assets		724,796	598,862
Non-current assets			
Mineral properties	5	2,437,833	2,535,426
Fixed assets		16,344	19,542
Reclamation bonds	6	132,517	125,970
Total Assets		\$ 3,311,490	\$ 3,279,800
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 88,786	\$ 108,496
Due to related parties	9	209,982	79,780
Total Current liabilities		298,768	188,276
Total liabilities		298,768	188,276
Shareholders' equity			
Share capital	7(a)	12,138,638	12,138,638
Warrant reserve	7(b)	205,670	205,670

Stock option reserve	7(c)	1,223,417	1,161,922
Accumulated other comprehensive loss		50,494	80,384
Accumulated deficit			
Total Shareholders' equity		<u>(10,605,497)</u>	<u>(10,495,090)</u>
		3,012,722	3,091,524
		\$	\$
Total Liabilities and Shareholders' equity		<u>3,311,490</u>	<u>3,279,800</u>
Nature of operations and going concern			
(Note 1)			
Subsequent event (Notes 5(a) and 6)			

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 Sept. 30, 2019	3 months ended Sept. 30, 2018	6 months ended Sept. 30, 2019	6 months ended Sept. 30, 2018
Expenses					
General and administration		71,766	46,639	156,621	115,027
Management	9	77,360	51,893	150,707	105,979
Exploration and evaluation	8	\$ 52,935	\$ 123,411	\$ 130,527	\$ 422,264
Stock-based compensation	7(c)	25,654	58,368	61,495	100,018
Professional fees		23,235	58,223	35,127	111,596
Travel		3,242	30,775	13,631	54,782
Listing and transfer agent		2,764	5,313	5,562	19,062
Depreciation		1,518	957	3,054	1,501

	258,474	375,579	556,724	930,229
Other income and expenses				
Gain on sale of mineral properties	(604,436)	-	(604,436)	-
Foreign exchange loss (gain)	(7,082)	31,692	(3,881)	2,333
Unrealised loss on marketable securities	162,000	-	162,000	-
Interest income	-	-	-	-
	(1,876)		(4,814)	
Net loss (income) for the period	(\$			\$
	191,044)	\$	405,395	\$
			110,407	927,748
Other comprehensive income and loss				
Unrealised foreign currency translation items	(26,426)	15,834	29,890	(6,817)
Total comprehensive loss (income) for the period	(\$			\$
	217,470)	\$	421,229	\$
			140,297	920,931
Loss (income) per share, Basic and diluted	(\$			\$
	0.00)	\$	0.01	0.00 0.02
Weighted average shares outstanding, Basic and diluted				
	53,504,302	44,214,372	53,504,302	43,191,540

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	9,615,200	1,538,432	(325,992)	-	-	-	-	1,212,440
Exercise of warrants	1,283,750	171,153	-	-	-	-	-	171,153
Share issuance costs	-	(45,474)	-	-	-	-	-	(45,474)
Stock-based compensation	-	-	-	-	100,018	-	-	100,018
Comprehensive loss	-	-	-	-	-	6,817	(927,748)	(920,931)
Balance at September 30, 2018	44,214,372	\$ 10,894,894	\$ -	\$ 205,670	\$ 1,064,192	\$ 5,986	\$ 8,981,948	\$ 3,176,822
Balance at March 31, 2019	53,504,302	\$ 12,138,638	\$ -	\$ 205,670	\$ 1,161,922	\$ 80,384	\$ 10,495,090	\$ 3,091,524
Stock-based compensation	-	-	-	-	61,495	-	-	61,495

Comprehensive loss	-	-	-	-	-	(29,890)	(110,407)	(140,297)
								\$
Balance at September 30, 2019	53,504,302 \$	12,138,638 \$	- \$	205,670 \$	1,223,417 \$	50,494 (\$	10,605,497)	3,012,722

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

Fremont Gold Ltd.

Consolidated statements of cash flows

(Expressed in Canadian Dollars)

	6 months ended Sept. 30, 2019	6 months ended Sept. 30, 2018
OPERATING ACTIVITIES	(\$	110,407) (\$
Net loss for the period	927,748)	
Adjustments for items not involving cash:		
Gain on sale of mineral property	(604,436)	
Unrealised loss on marketable securities	-	
Stock-based compensation	162,000	-
Depreciation	61,495	100,018
Unrealised foreign exchange items	3,054	1,501
	(6,407)	(1,404)
	(494,701)	(827,633)
Net changes in non-cash working capital:		
Accounts receivable	14,892	(23,670)
Prepaid expenses	28,957	(58,024)
Accounts payable and accrued liabilities	(19,710)	(67,201)
Due to related parties	-	
Cash used in operating activities	130,202	(21,457)
	(340,360)	(997,985)
INVESTING ACTIVITIES		
Additions to mineral properties	(102,548)	(313,730)
Reclamation bond	(7,706)	-
Additions to fixed assets	-	(6,495)
Cash used in investing activities	-	(6,495)
	(110,254)	(320,225)
FINANCING ACTIVITIES		
Issuance of share capital, net of cash share issuance costs	-	1,166,966

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2019

Exercise of warrants		
Cash provided by financing activities	-	171,153
	-	1,338,119
Effect of change in exchange rate on cash	(603)	118
Net increase (decrease) in cash and cash equivalents	(451,217)	20,027
Cash and cash equivalents, beginning of period	491,933	504,760
Cash and cash equivalents, end of period	\$	\$
	40,716	524,787

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.

Going concern

The nature of the Company’s operations results in significant expenditures for the acquisition and exploration of mineral properties. To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

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 six months ended September 30, 2019, the Company reported a net loss of \$110,407 (six months ended September 30, 2018: \$927,748) and cash flow used in operations of \$340,360 (six months ended September 30, 2018: \$997,985), and as at that date had a

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SIX MONTHS ENDED SEPTEMBER 30, 2019

net working capital balance of \$426,018 (March 31, 2019: \$410,586) and an accumulated deficit of \$10,605,497 (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 September 30, 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(b)).

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 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.

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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 September 30, 2019, the Company held 300,000 common shares of McEwen having a market value of \$621,000 (March 31, 2019: nil; see Note 5(b)). As at both September 30, 2019 and November 27, 2019, the McEwen Shares were subject to statutory hold periods in each of Canada and the United States.

5. MINERAL PROPERTIES

6 months ended Sept. 30, 2019	Mar. 31, 2019	Incurred during period	Disposed Foreign during period	Sept. 30, 2019	exchange
Goldrun	\$ 1,179,636	\$ 35,629	\$ -	(\$ 11,054)	\$ 1,204,211
Hurricane	725,550	1,425	-	(6,821)	720,154
North Carlin	254,934	65,494	-	(2,523)	317,905
Rock Creek	135,526	-	-	(1,217)	134,309
Gold Canyon	177,971	-	(177,971)	-	-
Other properties	61,809	-	-	(555)	61,254
	\$ 2,535,426	\$ 102,548	(\$ 177,971)	(\$ 22,170)	\$ 2,437,833

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
Gold Bar	204,109	281,421	(498,128)	12,598	-
North Carlin	119,319	128,903	-	6,712	254,934
Rock Creek	115,866	15,170	-	4,490	135,526
Gold Canyon	19,835	154,572	-	3,564	177,971
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.

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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 can 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 payments to Clover, Fremont will assume responsibility for making payments totaling US\$120,000 over four years to a previous underlying property owner. Lastly, Fremont will 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.

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 of remaining payments in full.

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SIX MONTHS ENDED SEPTEMBER 30, 2019

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) 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).

(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, 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.

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.

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SIX MONTHS ENDED SEPTEMBER 30, 2019

6. RECLAMATION BONDS

Reclamation bonds totalling US\$ 100,066 were paid through September 30, 2019 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.

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.

(b) Share purchase warrants

A summary of share purchase warrants outstanding as at September 30, 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)		0.89				0.95

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.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2019

(c) Stock options

A summary of stock options outstanding as at September 30, 2019 is as follows:

Expiry date	Exercise price	Mar. 31, 2019	Issued	Forfeited	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	-	(50,000)	200,000
July 10, 2022	\$ 0.15	400,000	-	-	400,000
December 10, 2023	\$ 0.15	1,075,000	-	-	1,075,000
		4,125,000	-	(50,000)	4,075,000
Weighted average exercise price		\$ 0.151			\$ 0.151
Weighted average remaining life (years)		3.14			2.67

Stock-based compensation totalled \$61,495 in the six months ended September 30, 2019 (six months ended September 30, 2018: \$100,018).

Of the 4,075,000 stock options outstanding as at September 30, 2019, 3,390,000 stock options were exercisable as at this date at a weighted average exercise price of \$0.15.

8. EXPLORATION AND EVALUATION EXPENDITURES

6 months ended Sept. 30, 2019							
	Gold Bar	Gold Canyon	North Carlin	Other properties	VP Exploration		Total
Assay	\$ -	\$ -	\$ 13,904	\$ 1,865	\$ -	\$	15,769
Travel	2,248	2,389	2,986	4,654	-		12,277
Drilling	10,137	1,778	-	-	-		11,915
Payroll	761	-	3,190	5,742	-		9,693
Third party services	-	-	-	9,166	-		9,166
Field supplies	4,370	-	1,082	3,448	-		8,900
Restoration provision (net)		(7,974)					(7,974)
VP Exploration	-	-	-	-	70,781		70,781
	\$ 17,516	(\$ 3,807)	\$ 21,162	\$ 24,875	\$ 70,781	\$	130,527

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SIX MONTHS ENDED SEPTEMBER 30, 2019

6 months ended September 30, 2018						
	Gold Canyon	Gold Bar	Carlin North	Other properties	VP Exploration	Total
Drilling	\$ 134,513	\$ 60,227	\$ -	\$ -	\$ -	\$ 194,740
Assay	12,392	19,843	37,626	-	-	69,861
Payroll	11,067	7,222	17,849	3,118	-	39,256
Third party services	-	1,921	650	-	-	2,571
Travel	8,962	10,644	9,698	1,876	-	31,180
Restoration provision	10,669	4,919	-	-	-	15,588
Field supplies	2,891	2,240	1,701	505	-	7,337
VP Exploration	-	-	-	-	61,731	61,731
	\$ 180,494	\$ 107,016	\$ 67,524	\$ 5,499	\$ 61,731	\$ 422,264

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:

	6 months ended Sept. 30, 2019	6 months ended Sept. 30, 2018
Remuneration of officers of the Company (1)	\$ 204,162	\$ 150,000
Recharge of exploration, claim and local administrative expenditures (2)	32,781	73,812
Stock-based compensation relating to stock options issued to officers and directors of the Company	29,906	47,953
	\$ 266,849	\$ 271,765

- (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

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- (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\$ 24,665 (\$32,781) in the six months ended September 30, 2019 (six months ended September 30, 2018: US\$ 56,820 (\$73,812)). 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:

	Sept. 30, 2019	March 31, 2018
Other amounts owing to directors and officers	\$ 143,176	\$ 14,277
Deferred amount due to the President (due Dec. 31, 2019)	64,398	64,398
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	2,408	1,105
	<u>\$ 209,982</u>	<u>\$ 79,780</u>

As at September 30, 2019, the Company owed a total of \$143,176 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.

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:			
Sept. 30, 2019	\$ 2,157	\$ 2,584,537	\$ 2,586,694
March 31, 2019	2,490	2,678,448	2,680,938

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Net loss (income):				
6 months ended Sept. 30, 2019	504,746	(394,339)		110,407
6 months ended Sept. 30, 2018	\$ 425,546	\$ 502,202	\$	927,748

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.

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 September 30, 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

Fremont Gold Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2019

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 September 30, 2019, the Company had cash of \$40,716 (March 31, 2019: \$491,933) and net working capital of \$426,028 (March 31, 2019: \$410,586). With the exception of accrued liabilities totalling \$7,500, the provision for estimated restoration costs totalling \$13,243 and balances due to related parties (see Note 9), all accounts payable and accrued liabilities are due within 90 days of September 30, 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, 2019 (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.