



# FREMONT

GOLD LTD

**Fremont Gold Ltd.**

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
(Unaudited)

SIX MONTHS ENDED SEPTEMBER 30, 2021

**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, 2020	March 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 107,123	\$ 1,130,028
Accounts receivable		50,946	44,815
Prepaid expenses		45,932	53,779
<b>Total Current assets</b>		<b>204,001</b>	<b>1,228,622</b>
<b>Non-current assets</b>			
Mineral properties	4	1,724,411	2,571,659
Fixed assets		23,733	17,709
Reclamation bonds	5	88,344	93,961
<b>Total Assets</b>		<b>\$ 2,040,489</b>	<b>\$ 3,911,951</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 145,759	\$ 106,390
Due to related parties	8	115,471	104,658
<b>Total Current liabilities</b>		<b>261,230</b>	<b>211,048</b>
<b>Shareholders' equity</b>			
Share capital	6(a)	13,773,627	13,688,913
Warrant reserve	6(b)	251,639	251,639
Stock option reserve	6(c)	1,385,349	1,257,593
Accumulated other comprehensive income		99,884	239,618
Accumulated deficit		(13,731,240)	(11,736,860)
<b>Total Shareholders' equity</b>		<b>1,779,259</b>	<b>3,700,903</b>
<b>Total Liabilities and Shareholders' equity</b>		<b>\$ 2,040,489</b>	<b>\$ 3,911,951</b>
<b>Nature of operations and going concern (Note 1)</b>			
<b>Subsequent event (Notes 4, 6 and 8)</b>			

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

Approved by the Board of Directors

"Randall Chatwin"  
Randall Chatwin, 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, 2020	3 months ended Sept. 30, 2019	6 months ended Sept. 30, 2020	6 months ended Sept. 30, 2019
<b>Expenses</b>					
Exploration	7	\$ 434,814	\$ 52,935	\$ 550,734	\$ 130,527
General and administration		107,023	71,766	203,211	156,621
Management	8	71,617	77,360	142,986	150,707
Stock-based compensation	6(c)	45,986	25,654	127,756	61,495
Listing and transfer agent		5,201	2,764	24,098	5,562
Professional fees		12,009	23,235	16,696	35,127
Depreciation		2,473	1,518	4,423	3,054
Travel		-	3,242	-	13,631
		<u>679,123</u>	<u>258,474</u>	<u>1,069,904</u>	<u>556,724</u>
<b>Other income and expenses</b>					
Loss (gain) on sale of mineral properties		876,850	(604,436)	919,633	(604,436)
Foreign exchange loss (gain)		2,867	(7,082)	10,394	(3,881)
Unrealised loss on marketable securities		-	162,000	-	162,000
Interest income		(2,572)	-	(5,551)	-
		<u>\$ 1,556,268</u>	<u>(\$ 191,044)</u>	<u>\$ 1,994,380</u>	<u>\$ 110,407</u>
<b>Net loss (income) for the period</b>					
<b>Other comprehensive income and loss</b>					
Unrealised foreign currency translation items		35,361	(26,426)	139,734	29,890
		<u>\$ 1,591,629</u>	<u>(\$ 217,470)</u>	<u>\$ 2,134,114</u>	<u>\$ 140,297</u>
<b>Total comprehensive loss (income) for the period</b>					
Loss (income) per share, Basic and diluted		\$ 0.02	(\$ 0.00)	\$ 0.02	\$ 0.00
Weighted average shares outstanding, Basic and diluted		81,559,514	53,504,302	81,507,361	53,504,302

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	Reserves, Warrants	Reserves, Stock options	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
<b>Balance at March 31, 2019</b>	<b>53,504,302</b>	<b>\$ 12,138,638</b>	<b>\$ 205,670</b>	<b>\$ 1,161,922</b>	<b>\$ 80,384</b>	<b>(\$ 10,495,090)</b>	<b>\$ 3,091,524</b>
Stock-based compensation	-	-	-	61,495	-	-	61,495
Comprehensive loss	-	-	-	-	(29,890)	(110,407)	(140,297)
<b>Balance at September 30, 2019</b>	<b>53,504,302</b>	<b>\$ 12,138,638</b>	<b>\$ 205,670</b>	<b>\$ 1,223,417</b>	<b>\$ 50,494</b>	<b>(\$ 10,605,497)</b>	<b>\$ 3,012,722</b>
<b>Balance at March 31, 2020</b>	<b>81,454,634</b>	<b>\$ 13,688,913</b>	<b>\$ 251,639</b>	<b>\$ 1,257,593</b>	<b>\$ 239,618</b>	<b>(\$ 11,736,860)</b>	<b>\$ 3,700,903</b>
Shares issued for cash:							
Exercise of warrants	173,325	17,333	-	-	-	-	17,333
Shares issued for mineral property	750,000	67,500	-	-	-	-	67,500
Share issuance costs	-	(119)	-	-	-	-	(119)
Stock-based compensation	-	-	-	127,756	-	-	127,756
Comprehensive loss	-	-	-	-	(139,734)	(1,994,380)	(2,134,114)
<b>Balance at September 30, 2020</b>	<b>82,377,959</b>	<b>\$ 13,773,627</b>	<b>\$ 251,639</b>	<b>\$ 1,385,349</b>	<b>\$ 99,884</b>	<b>(\$ 13,731,240)</b>	<b>\$ 1,779,259</b>

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)

	6 months ended Sept. 30, 2020	6 months ended Sept. 30, 2019
<b>OPERATING ACTIVITIES</b>		
<b>Net loss for the period</b>	(\$ 1,994,380)	(\$ 110,407)
Adjustments for items not involving cash:		
Loss (gain) on sale of mineral property	919,633	(604,436)
Unrealised loss on marketable securities	-	162,000
Stock-based compensation	127,756	61,495
Unrealised foreign exchange items	13,095	(6,407)
Depreciation	4,423	3,054
	<b>(929,473)</b>	<b>(494,701)</b>
Net changes in non-cash working capital:		
Accounts receivable	(6,131)	14,892
Prepaid expenses	7,847	28,957
Accounts payable and accrued liabilities	39,369	(19,710)
Due to related parties	10,813	130,202
<b>Cash used in operating activities</b>	<b>(877,575)</b>	<b>(340,360)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of mineral property	37,039	-
Reclamation bond	-	(7,706)
Additions to mineral properties	(182,702)	(102,548)
Additions to fixed assets	(11,533)	-
<b>Cash used in investing activities</b>	<b>(157,196)</b>	<b>(110,254)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of share capital, net of cash share issuance costs	17,214	-
<b>Cash provided by financing activities</b>	<b>17,214</b>	<b>-</b>
<b>Effect of change in exchange rate on cash</b>	<b>(5,348)</b>	<b>(603)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,022,905)</b>	<b>(451,217)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,130,028</b>	<b>491,933</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 107,123</b>	<b>\$ 40,716</b>

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)

SIX MONTHS ENDED SEPTEMBER 30, 2020

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Fremont Gold Ltd. (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’ and on the OTCQB Venture Market under the trading symbol ‘FRERF’. 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 condensed interim 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. For the six months ended September 30, 2020, the Company reported a net loss of \$1,994,380 (six months ended September 30, 2019: \$110,407) and cash flow used in operations of \$877,575 (six months ended September 30, 2019: \$340,360), and as at that date had a net working capital deficit of \$57,299 (March 31, 2020: net working capital balance of \$1,017,574) and an accumulated deficit of \$13,731,240 (March 31, 2020: \$11,736,860).

In November 2020, the Company raised gross proceeds of \$2,000,000 in a non-brokered private placement (see Note 6(a)).

The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional funding from 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.

The recoverability of the carrying value of mineral properties and deferred expenditures is dependent upon a number of factors including the existence of recoverable reserves, the ability of the Company to obtain financing to maintain properties in good standing and continue exploration and development and the discovery of economically recoverable reserves.

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 the event the Company is unable to arrange appropriate financing, the carrying value of its assets and liabilities could be subject to material adjustment and the Company may not be able to meet its obligations as they become due in the normal course of business.

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

#### 2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the 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, 2020.

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, 2020.

#### 3. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2021, and have not been applied in preparing these consolidated financial statements.

The Company has determined that these new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or will not have a significant impact on the Company's consolidated financial statements.

#### 4. MINERAL PROPERTIES

<b>6 months ended</b>		Incurred	Sold during	Dropped	Foreign	
<b>Sept. 30, 2020</b>	Mar. 31, 2020	during period	period	during period	exchange	Sept. 30 2020
Goldrun	\$ 955,055	\$ -	(\$ 914,727)	\$ -	(\$ 40,328)	\$ -
Hurricane	800,184	1,345	-	-	(47,857)	753,672
North Carlin	346,021	70,433	-	-	(21,975)	394,479
Griffon	260,912	65,607	-	-	(16,799)	309,720
Cobb Creek	143,851	112,817	-	-	(10,666)	246,002
Other properties	65,636	-	-	(41,945)	(3,153)	20,538
	<b>\$2,571,659</b>	<b>\$ 250,202</b>	<b>(\$ 914,727)</b>	<b>(\$ 41,945)</b>	<b>(\$ 140,778)</b>	<b>\$1,724,411</b>

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

<b>Year ended March 31, 2020</b>	Mar. 31, 2019	Incurred during period	Sold during period	Dropped during period	Foreign exchange	Mar. 31, 2020
Goldrun	\$ 1,179,636	\$ 38,269	\$ -	(\$ 317,123)	\$ 54,273	\$ 955,055
Hurricane	725,550	28,038	-	-	46,596	800,184
North Carlin	254,934	70,685	-	-	20,402	346,021
Griffon	-	244,707	-	-	16,205	260,912
Cobb Creek	-	134,916	-	-	8,935	143,851
Gold Canyon	177,971	-	(177,194)	-	(777)	-
Rock Creek	135,526	-	-	(134,946)	(580)	-
Other properties	61,809	-	-	-	3,827	65,636
	<b>\$2,535,426</b>	<b>\$ 516,615</b>	<b>(\$ 177,194)</b>	<b>(\$ 452,069)</b>	<b>\$ 148,881</b>	<b>\$2,571,659</b>

The capitalised costs of mineral properties relate to the 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

In September 2020, the Company announced that it had amended the terms of its option agreement relating to the Cobb Creek gold project.

In September 2019, the Company entered into an option agreement with Clover Nevada II, LLC ("Clover"), a wholly owned subsidiary of Contact Gold Corp., to acquire a 100% interest in Cobb Creek.

The terms of the option agreement included a requirement for the Company to pay US\$30,000 to Clover on September 27, 2020 (the "First Anniversary Payment"). Clover agreed to amend the terms of the option agreement as follows:

- Extend the date of payment of the First Anniversary Payment to December 31, 2020, and
- Reduce the amount due under the First Anniversary Payment from US\$30,000 to US\$15,000.

As consideration for this change in the terms of the option agreement, Fremont issued 500,000 common shares to Clover in October 2020. The 500,000 Fremont common shares are subject to a statutory hold period of four months plus one day.

All other terms of the option agreement remained unchanged including a requirement to issue 750,000 common shares to Clover on the one-year anniversary of the agreement. The Company issued these shares in September 2020.

## **Fremont Gold Ltd.**

### **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

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#### **(b) Goldrun**

In September 2020, the Company entered into an agreement to sell its rights to the Goldrun project to Cortus Metals Inc. (“Cortus”). Under the terms of the agreement, Cortus is required to pay US\$20,000 and issue 250,000 common shares of Cortus to Fremont for a 100% interest in Goldrun. The funds were received in September 2020. The issuance of the common shares of Cortus is subject to TSX-V approval that had not been received as at November 27, 2020; the shares will be subject to a four month hold period. Cortus was responsible for the payment of BLM fees in respect of 2020/2021 that were due in August 2020.

A loss on disposal of the property equivalent to the total fair value of proceeds received through November 27, 2020 of \$26,457 (US\$20,000) less the carrying value of the Company’s interest in the property of \$914,727 was recognised in the three months ended September 30, 2020.

#### **(c) Roberts Creek**

Fremont dropped the Roberts Creek property during the three months ended June 30, 2020. A provision equivalent to the carrying value of the Company’s interest in the property of \$41,945 was recognised in the quarter.

In September 2020, Fremont entered into an agreement with Cortus for the sale of exploration data relating to both the Roberts Creek and Rock Creek properties (the Company had disposed of the Rock Creek property in Q4 2020). Pursuant to the terms of the agreement, Cortus paid Fremont US\$8,000 (\$10,582) for the exploration data.

### **5. RECLAMATION BONDS**

Reclamation bonds were previously 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.

The net balance of reclamation bonds held as at September 30, 2020 totalled US\$ 66,230 (\$88,344) (March 31, 2020: US\$ 66,230 (\$93,961)).

### **6. 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.

## **Fremont Gold Ltd.**

### **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

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#### ***Exercise of share purchase warrants***

In the six months ended September 30, 2020, 173,325 share purchase warrants were exercised at an exercise price of \$0.10 for total proceeds of \$17,333. All warrants exercised had been issued in connection with the February 2020 non-brokered private placement (see Note 6(b)).

#### ***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 September 2020. A further 500,000 common shares were issued in connection with an amendment to the original terms of the Cobb Creek project in October 2020 (see Note 4(a)).

#### ***November 2020 non-brokered private placement***

In October 2020, the Company announced a non-brokered private placement of up to 20,000,000 units at a price of \$0.05 per unit (the “Units”) for gross proceeds of up to \$1,000,000. The Company subsequently increased the size of the private placement to 40,000,000 units for gross proceeds of up to \$2,000,000.

On November 2, 2020, the Company closed a private placement financing pursuant to which a total of 40,000,000 Units were issued at a price of \$0.05 per Unit for gross proceeds of \$2,000,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant. Each share purchase warrant (“Warrant”) entitles the holder to acquire one common share at a purchase price of \$0.10 for a period of 36 months following closing of the private placement.

Total finder’s fees paid to third parties in connection with the financing amounted to \$55,650, equivalent to 6% of the applicable proceeds raised. In addition, 1,051,200 share purchase warrants were issued to finders, equivalent to 6% 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 36 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.

#### **(b) Share purchase warrants**

A continuity of the Company’s share purchase warrants is as follows:

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

	Expiration	Number of warrants	Weighted average exercise price
<b>March 31, 2019</b>		<b>9,885,251</b>	<b>0.22</b>
Issued:			
Warrants (February 2020 private placement)	13-Feb-21	24,700,332	0.10
Finder warrants (February 2020 private placemen)	13-Feb-21	1,393,000	0.10
Expired			
Finder warrants (June 2017 private placement)	29-Jun-19	(361,720)	0.15
<b>March 31, 2020</b>		<b>35,616,863</b>	<b>0.13</b>
Expired			
Warrants (June 2017 private placement)	29-Jun-20	(5,023,566)	0.25
Warrants (June 2017 private placement)	30-Jun-20	(105,000)	0.25
Exercised:			
Warrants (February 2020 private placement)	13-Feb-21	(100,000)	0.10
Finder warrants (February 2020 private placemen)	13-Feb-21	(73,325)	0.10
<b>September 30, 2020</b>		<b>30,314,972</b>	<b>0.11</b>

The Company had the following share purchase warrants outstanding as at September 30, 2020:

	Expiry date	Exercise price	Number of warrants
Warrants (December 2018 private placement)	Dec. 5, 2020	0.20	4,394,965
Warrants (February 2020 private placement)	Feb. 13, 2021	0.10	24,600,332
Finder warrants (February 2020 private placement)	Feb. 13, 2021	0.10	1,319,675
		<b>0.11</b>	<b>30,314,972</b>

The weighted average remaining life of outstanding share purchase warrants as at September 30, 2020 was 4.1 months (March 31, 2020: 9.1 months).

#### (c) Stock options

A continuity of the Company's stock options is as follows:

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

	Expiration	Number of options	Weighted average exercise price
<b>March 31, 2019</b>		<b>4,125,000</b>	<b>0.15</b>
Issued:			
July 25, 2019	25-Jul-24	250,000	0.10
Expired		(500,000)	0.16
Forfeited		(50,000)	0.16
<b>March 31, 2020</b>		<b>3,825,000</b>	<b>0.15</b>
Issued:			
April 17, 2020	April 15, 2024	3,250,000	0.10
<b>September 30, 2020</b>		<b>7,075,000</b>	<b>0.13</b>

The Company had the following stock options outstanding as at September 30, 2020:

Expiry date	Exercise price	Number of options
Sept. 18, 2021	0.15	2,350,000
Jul. 10, 2022	0.15	350,000
Dec. 10, 2023	0.15	875,000
Jul. 25, 2024	0.10	250,000
Apr. 15, 2024	0.10	3,250,000
	<b>0.13</b>	<b>7,075,000</b>

The weighted average remaining life of outstanding stock options as at September 30, 2020 was 31 months (March 31, 2020: 27 months).

Stock-based compensation totalled \$127,756 in the six months ended September 30, 2020 (six months ended September 30, 2019: \$61,495).

A total of 3,250,000 stock options were granted in April 2020. The stock options have an exercise price of \$0.10 and are exercisable through April 16, 2025. All of the stock options will vest in five equal tranches over 24 months including an initial tranche vesting on the date of issuance.

The fair value of the stock options granted in April 2020 were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

	April 2020 (\$0.10)
Dividends	-
Expected volatility (average)	121%
Risk-free interest rate	1.0%
Expected life (months)	60
Expected rate of forfeiture	5.0%

Of the 7,075,000 stock options outstanding as at September 30, 2020, 4,200,000 stock options were exercisable as at this date at a weighted average exercise price of \$0.14.

#### 7. EXPLORATION AND DEVELOPMENT EXPENDITURES

6 months ended Sept. 30, 2020				
	Griffon	Other properties	VP Exploration	Total
Drilling	\$ 311,386	\$ -	\$ -	\$ 311,386
Assay	90,476	-	-	90,476
Payroll	46,427	-	-	46,427
Travel	41,154	-	-	41,154
Field supplies	6,486	1,657	-	8,143
Third party services	4,232	-	-	4,232
VP Exploration	-	-	48,916	48,916
	<u>\$ 500,161</u>	<u>\$ 1,657</u>	<u>\$ 48,916</u>	<u>\$ 550,734</u>

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
	<u>\$ 17,516</u>	<u>(\$ 3,807)</u>	<u>\$ 21,162</u>	<u>\$ 24,875</u>	<u>\$ 70,781</u>	<u>\$ 130,527</u>

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

#### 8. 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, 2020	6 months ended Sept. 30, 2019
Remuneration of officers of the Company (1)	\$ 191,902	\$ 204,162
Stock-based compensation relating to stock options issued to officers and directors of the Company	92,600	29,906
Recharge of exploration, claim and local administrative expenditures (2)	40,532	32,781
	<b>\$ 325,034</b>	<b>\$ 266,849</b>

(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\$ 29,830 (\$40,532) in the six months ended September 30, 2020 (six months ended September 30, 2019: US\$ 24,665 (\$32,781)). 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, 2020	March 31, 2020
Deferred amount due to the President	\$ 64,398	\$ 64,398
Other advances	25,000	25,000
Amount owing to (from) Tectonex relating to the recharge of exploration, claim and local administrative expenditures	(2,707)	5,629
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	28,780	9,631
	<b>\$ 115,471</b>	<b>\$ 104,658</b>

Certain directors and officers of the Company participated in the November 2020 private placement subscribing for an aggregate of 1,200,000 units at a cost of \$60,000.

All of the foregoing amounts due to related parties (including the deferred amount due to the President which was due on December 31, 2020) had been repaid in full by November 27, 2020.

## Fremont Gold Ltd.

### NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

SIX MONTHS ENDED SEPTEMBER 30, 2020

#### 9. SEGMENTED INFORMATION

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

	Canada	United States	Total
<b>Non-current assets:</b>			
Sept. 30, 2020	\$ 1,493	\$ 1,834,995	\$ 1,836,488
March 31, 2020	1,826	2,681,503	2,683,329
<b>Net loss:</b>			
6 months ended Sept. 30, 2020	438,955	1,555,425	1,994,380
6 months ended Sept. 30, 2019	\$ 504,746	(\$ 394,339)	\$ 110,407

#### 10. 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 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, 2020.

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

#### 11. 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

## **Fremont Gold Ltd.**

### **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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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 rates. 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.

With the exception of accrued liabilities totalling \$7,500 the provision for estimated restoration costs totalling \$13,339 and balances due to related parties (see Note 8), all accounts payable and accrued liabilities are due within 90 days of September 30, 2020. Amounts due to related parties are unsecured and non-interest bearing. With the exception of \$64,398 that was due to the Company's President which the Company had been required to pay by December 31, 2020 (see Note 8), amounts due to related parties have no set terms of repayment; the balance due to the Company's President was paid in November 2020.

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