



FREMONT

GOLD LTD

Fremont Gold Ltd.

An Exploration Stage Company

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

THREE MONTHS ENDED JUNE 30, 2023

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 statements of financial position

(Expressed in Canadian Dollars)

	Notes	June 30, 2023	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 146,785	\$ 523,948
Marketable securities		72,000	90,000
Accounts receivable and prepaid expenses		56,002	59,524
Total Current assets		274,787	673,472
Non-current assets			
Mineral properties	4	2,652,859	2,545,572
Fixed assets		1,357	3,061
Advances to Lithaur	13	79,377	-
Reclamation bonds	5	70,577	72,139
Total Assets		\$ 3,078,957	\$ 3,294,244
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 90,883	\$ 68,110
Due to related parties	9	383,764	370,721
Total Current liabilities		474,647	438,831
Shareholders' equity			
Share capital	6(a)	17,786,562	17,788,002
Warrant reserve	6(b)	291,763	291,763
Stock option reserve	6(c)	1,704,511	1,661,598
Accumulated other comprehensive income		124,455	179,170
Accumulated deficit		(17,302,981)	(17,065,120)
Total Shareholders' equity		2,604,310	2,855,413
Total Liabilities and Shareholders' equity		\$ 3,078,957	\$ 3,294,244
Nature of operations and going concern (Note 1)			
Subsequent events (Notes 6(b), 9 and 13)			

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 loss and comprehensive loss

(Expressed in Canadian Dollars except number of shares)

	Notes	3 months ended June 30, 2023	3 months ended June 30, 2022
Expenses			
Management	9	\$ 51,899	\$ 43,703
Stock-based compensation	6(c)	42,913	11,893
Project development	8	40,782	12,159
Professional fees		32,655	9,638
General and administration		22,716	23,316
Exploration and evaluation	7	10,515	14,809
Listing and transfer agent		6,483	1,466
Marketing		2,237	2,478
Depreciation		1,692	2,092
Travel		1,154	11,102
Reclamation (net)		958	-
		<u>214,004</u>	<u>132,656</u>
Other income and expenses			
Foreign exchange loss		7,047	1,502
Unrealised loss on marketable securities		18,000	-
Interest income		(1,190)	-
		<u>(1,190)</u>	<u>-</u>
Net loss for the period		<u>\$ 237,861</u>	<u>\$ 134,158</u>
Other comprehensive income and loss			
Unrealised foreign currency translation items		54,715	(74,630)
		<u>54,715</u>	<u>(74,630)</u>
Total comprehensive loss for the period		<u>\$ 292,576</u>	<u>\$ 59,528</u>
Loss per share, Basic and diluted		\$ 0.01	\$ 0.01
Weighted average shares outstanding, Basic and diluted		25,869,097	14,611,431

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, 2022	14,611,431	\$ 16,492,210	\$ -	\$ 291,763	\$ 1,638,055	(\$ 17,448)	(\$ 16,076,592)	\$ 2,327,988
Share issuance costs	-	(750)	-	-	-	-	-	(750)
Subscription receipts	-	-	537,920	-	-	-	-	537,920
Stock-based compensation	-	-	-	-	11,893	-	-	11,893
Comprehensive loss	-	-	-	-	-	74,630	(134,158)	(59,528)
Balance at June 30, 2022	14,611,431	\$ 16,491,460	\$ 537,920	\$ 291,763	\$ 1,649,948	\$ 57,182	(\$ 16,210,750)	\$ 2,817,523
Balance at March, 31, 2023	25,869,097	\$ 17,788,002	\$ -	\$ 291,763	\$ 1,661,598	\$ 179,170	(\$ 17,065,120)	\$ 2,855,413
Share issuance costs	-	(1,440)	-	-	-	-	-	(1,440)
Stock-based compensation	-	-	-	-	42,913	-	-	42,913
Comprehensive loss	-	-	-	-	-	(54,715)	(237,861)	(292,576)
Balance at June 30, 2023	25,869,097	\$ 17,786,562	\$ -	\$ 291,763	\$ 1,704,511	\$ 124,455	(\$ 17,302,981)	\$ 2,604,310

In May 2022, the Company announced that it was consolidating its common shares on a ten for one basis (see Note 6(a)). For accounting purposes, recognition of the share consolidation has been made retroactively such that all share, per share, stock option and share purchase warrant numbers have been adjusted to reflect the share consolidation.

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)

	3 months ended June 30, 2023	3 months ended June 30, 2022
OPERATING ACTIVITIES		
Net loss for the period	(\$ 237,861)	(\$ 134,158)
Adjustments for items not involving cash:		
Stock-based compensation	42,913	11,893
Depreciation	1,692	2,092
Unrealised foreign exchange items	4,268	(3,346)
Unrealised loss on marketable securities	18,000	-
	(170,988)	(123,519)
Net changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	3,522	4,814
Accounts payable and accrued liabilities	22,773	7,871
Due to related parties	13,043	64,722
Cash used in operating activities	(131,650)	(46,112)
INVESTING ACTIVITIES		
Additions to mineral properties	(162,400)	(5,352)
Advances to Lithaur	(79,377)	-
Proceeds on bond refund	-	6,292
Cash provided by investing activities	(241,777)	940
FINANCING ACTIVITIES		
Share issuance costs	(1,440)	(750)
Cash provided by financing activities	(1,440)	(750)
Effect of change in exchange rate on cash	(2,296)	681
Net decrease in cash and cash equivalents	(377,163)	(45,241)
Cash and cash equivalents, beginning of period	523,948	141,819
Cash and cash equivalents, end of period	\$ 146,785	\$ 96,578

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

Fremont Gold Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2023

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 (“**TSXV**”) under the trading symbol ‘FRE’, on the OTCQB Venture Market under the trading symbol ‘FRERF’ and on the Frankfurt Stock Exchange under the symbol ‘FR2’. 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 and 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. For the three months ended June 30, 2023, the Company reported a net loss of \$237,861 (three months ended June 30, 2022: \$134,158) and cash flow used in operations of \$131,650 (three months ended June 30, 2022: \$46,112), and as at that date had a net working capital deficit of \$199,860 (March 31, 2023: net working capital balance of \$234,641).

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 and discovery of economically recoverable reserves, and the ability of the Company to obtain financing to maintain properties in good standing and continue exploration.

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. Furthermore, these conditions indicate the existence of a material uncertainty that raises significant doubt as to the Company’s ability to continue as a going concern.

Fremont Gold Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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THREE MONTHS ENDED JUNE 30, 2023

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, 2023.

In May 2022, the Company announced that it was consolidating its common shares on a ten for one basis (the "Consolidation"; see Note 6(a)). For accounting purposes, recognition of the Consolidation has been made retroactively such that all share, per share, stock option and share purchase warrant numbers have been adjusted to reflect the Consolidation.

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, 2023.

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, 2024, 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

3 months ended					
June 30, 2023	Mar. 31, 2023	Incurred	Foreign	exchange	June 30, 2023
		during period			
Hurricane	\$ 872,854	\$ -	(\$ 18,898)		\$ 853,956
Cobb Creek	861,499	-	(18,652)		842,847
Griffon	811,219	-	(17,564)		793,655
Vardenis	-	162,401	-		162,401
	\$2,545,572	\$ 162,401	(\$ 55,114)		\$2,652,859

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Year ended		Incurring	Sold during	Dropped	Foreign	
March 31, 2023	Mar. 31, 2022	during period	period	during period	exchange	Mar. 31 2023
Hurricane	\$ 769,867	\$ 38,118	\$ -	\$ -	\$ 64,869	\$ 872,854
Cobb Creek	565,743	242,565	-	-	53,191	861,499
Griffon	603,665	153,512	-	-	54,042	811,219
North Carlin	438,363	63,417	(318,435)	(207,818)	24,473	-
Other properties	19,232	-	-	(20,306)	1,074	-
	\$2,396,870	\$ 497,612	(\$ 318,435)	(\$ 228,124)	\$ 197,649	\$2,545,572

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.

Vardenis, option to acquire Mendia

In May 2023, the Company announced that it had entered into a letter of intent to acquire up to a 100% interest in Mendia Resources Corp. (“**Mendia**”), an Armenian corporation, with Mendia’s sole shareholder (the “**Optionor**”). Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia.

In June 2023, the Company announced that it had executed a definitive option agreement with the Optionor. The agreement provides the Company with the exclusive option to acquire up to 100% of Mendia via staged option payments over 4.5 years as follows:

- On closing, the Company paid US\$ 100,000 in cash and will issue 500,000 common shares to the Optionor upon receipt of approval from the TSX Venture Exchange, and initiate specified exploration work on the Vardenis property within 18 months, including a minimum of 2,500 meters of diamond drilling, the completion of which will earn the Company a 51% equity ownership interest in Mendia
- 18 months following closing, the Company shall pay US\$ 150,000 in cash and issue 700,000 common shares to the Optionor, and initiate further exploration work on the Vardenis property including an additional 2,500 meters of drilling within three years following closing (increasing to 5,000 meters upon receipt of approval from the Armenian Ministry of Territorial Administration and Infrastructure), the completion of which will earn the Company an additional 29% equity ownership interest in Mendia increasing Fremont’s total interest therein to 80%
- 36 months following closing, the Company shall pay US\$ 100,000 in cash and issue 1,000,000 common shares to the Optionor, and initiate additional exploration work including a preliminary economic assessment level study within 4.5 years following closing, the completion of which

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will earn the Company an additional 10% equity ownership interest in Mendia increasing Fremont's total interest therein to 90%

- Subsequent to Fremont's acquisition of a 90% interest in Mendia, the Optionor has the right to retain a 10% interest in Mendia by contributing 10% of costs moving forward. If the Optionor declines this right, Fremont has the option to purchase the remaining 10% equity in Mendia for US\$ 3,500,000 in either cash or equivalent in common shares. If this option to purchase the remaining 10% is not exercised by Fremont and the Optionor does not meet their contribution commitments, the Optionor's residual interest in Mendia will be converted to a 1.0% net smelter return royalty once their interest is diluted below 5%.

The issuance of Fremont common shares to the Optionor subject to the approval of the TSX Venture Exchange.

The option to acquire Mendia is held by Fremont Gold Ltd.

Vardenis, data acquisition

The Vardenis copper-gold property was formerly held by Dundee Precious Metals Inc. ("DPMC") between 2015 and 2018. In June 2023, the Company announced that it had entered into an agreement with DPMC to purchase its historic exploration data relating to Vardenis. The Company paid \$30,000 to DPMC and will issue \$20,000 worth of common shares by December 31, 2024, if the Company elects to continue the Mendia option agreement.

5. RECLAMATION BONDS

Reclamation bonds were previously paid in connection with the drill program undertaken at North Carlin in 2021, the trenching program undertaken at Hurricane in 2018, the drill programs 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 partial refund of a reclamation bond was received in May 2022 in respect of Gold Bar totalling US\$ 4,929.

The net balance of reclamation bonds held as at June 30, 2023 totalled US\$ 53,306 (\$70,577) (March 31, 2023: US\$ 53,306 (\$72,139)).

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 THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2023

Share consolidation

In May 2022, the Company announced that it was consolidating its common shares on a ten for one basis.

Immediately prior to completion of the Consolidation, the Company had 146,114,292 common shares issued and outstanding. After giving effect to the Consolidation, the Company had 14,611,431 common shares issued and outstanding.

The Company's outstanding incentive stock options and warrants were adjusted on the same ten for one basis to reflect the Consolidation in accordance with their respective terms, with proportionate adjustments being made to exercise prices.

The Company's common shares commenced trading on a post-consolidated basis effective at market opening on May 18, 2022.

For accounting purposes, recognition of the Consolidation has been made retroactively such that all share, per share, stock option and share purchase warrant numbers have been adjusted to reflect the Consolidation.

(b) Share purchase warrants

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

	Expiry date	Number of warrants	Weighted average exercise price
March 31, 2022		6,206,403	0.83
March 31, 2023		6,206,403	0.83
June 30, 2023		6,206,403	0.83

The Company had the following share purchase warrants outstanding as at June 30, 2023:

	Expiry date	Exercise price	Number of warrants
Warrants (July 2021 private placement)	July 27, 2023	0.50	2,073,283
Finder warrants (July 2021 private placement)	July 27, 2023	0.50	28,000
Warrants (November 2020 private placement)	Nov. 2, 2023	1.00	4,000,000
Finder warrants (November 2020 private placement)	Nov. 2, 2023	1.00	105,120
		0.83	6,206,403

Fremont Gold Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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THREE MONTHS ENDED JUNE 30, 2023

The weighted average remaining life of outstanding share purchase warrants as at June 30, 2023 was three months (March 31, 2023: six months).

2,073,283 warrants and 28,000 finder warrants issued in connection with the July 2021 private placement expired on July 27, 2023.

(c) Stock options

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

	Number of options	Weighted average exercise price
March 31, 2022	475,000	0.97
Forfeited	(100,000)	1.08
Expired	(25,000)	1.50
March 31, 2023	350,000	0.90
Issued	1,950,000	0.09
June 30, 2023	2,300,000	0.21

The Company had the following stock options outstanding as at June 30, 2023:

Expiry date	Number of options	Exercise price
April 15, 2025	175,000	1.00
January 18, 2026	175,000	0.80
April 23, 2028	1,950,000	0.09
	2,300,000	0.21

A total of 1,950,000 stock options were granted in April 2023. The stock options have an exercise price of \$0.09 and are exercisable through April 23, 2028. All of the stock options will vest in five equal tranches over 24 months including an initial tranche vesting on the date of issuance of the stock options.

The fair value of the stock options granted in April 2023 were estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

Fremont Gold Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in Canadian Dollars)

THREE MONTHS ENDED JUNE 30, 2023

April 27, 2023	
(\$0.09)	
Dividends	-
Expected volatility (average)	122%
Risk-free interest rate	4.0%
Expected life (months)	60
Expected rate of forfeiture	5.0%

The weighted average remaining life of outstanding stock options as at June 30, 2023 was 53 months (March 31, 2023: 28 months).

Stock-based compensation totalled \$42,913 in the three months ended June 30, 2023 (three months ended June 30, 2022: \$11,893).

740,000 of the 2,300,000 stock options outstanding as at June 30, 2023 were exercisable as at this date.

7. EXPLORATION AND EVALUATION

3 months ended June 30, 2023			
	Vardenis	Griffon	Total
Field supplies	\$ 2,210	\$ 2,929	\$ 5,139
Payroll	1,701	-	1,701
Other	3,391	284	3,675
	<u>\$ 7,302</u>	<u>\$ 3,213</u>	<u>\$ 10,515</u>

3 months ended June 30, 2022						
	Cobb Creek	North Carlin	Griffon	VP Exploration	Total	
Field supplies	\$ -	\$ -	\$ 2,784	\$ -	\$	2,784
Travel	1,344	-	-	-	-	1,344
VP Exploration	4,021	1,787	447	4,426	-	10,681
	<u>\$ 5,365</u>	<u>\$ 1,787</u>	<u>\$ 3,231</u>	<u>\$ 4,426</u>	<u>\$</u>	<u>14,809</u>

8. PROJECT DEVELOPMENT

Project development costs relate to costs incurred by the Company in connection with the search for and preliminary evaluation of mineral properties outside of North America. All project

Fremont Gold Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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THREE MONTHS ENDED JUNE 30, 2023

development costs incurred in the three months ended June 30, 2023 and the year ended March 31, 2023 relate to expenditures incurred in connection with the Tethyan Mineral Belt in Armenia.

The Company established HRC, a wholly owned subsidiary of Fremont Gold Ltd. incorporated under the laws of the Republic of Armenia, to facilitate the operations of the Company in Armenia.

In June 2023, the Company announced that it had executed a definitive option agreement to acquire up to a 100% interest in Mendia which holds the exploration license over the Vardenis copper-gold project in central Armenia (see Note 4).

The Company is pursuing other exploration opportunities in the Tethyan Mineral Belt in Armenia.

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:

	3 months ended June 30, 2023	3 months ended June 30, 2022
Remuneration of officers of the Company (1)	\$ 58,093	\$ 56,171
Stock-based compensation relating to stock options issued to officers and directors of the Company	33,010	9,837
Recharge of exploration, claim and local administrative expenditures (2)	10,546	18,568
	\$ 101,649	\$ 84,576

(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 ("Tectonex"), a company owned by the Company's VP Exploration. Such charges totalled US\$ 7,851 (\$10,546) in the three months ended June 30, 2023 (three months ended June 30, 2022: US\$ 14,547 (\$18,568)). 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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THREE MONTHS ENDED JUNE 30, 2023

	June 30, 2023	March 31, 2023
Amount owing to Tectonex relating to the recharge of exploration, claim and local administrative expenditures	\$ 108,932	\$ 109,450
Amounts owing to directors and officers relating to deferred remuneration and the reimbursement of expenses	274,832	261,271
	\$ 383,764	\$ 370,721

In August 2023, the President and CEO loaned \$200,000 to the Company.

Amounts due to related parties as at June 30, 2023 and subsequent thereto (including the \$200,000 loan from the President and CEO) were unsecured, non-interest bearing and had no set terms of repayment.

In July 2023, the Company acquired Lithaur Inc. from a member of management for nominal consideration (see Note 13).

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	Armenia	Total
Non-current assets:				
June 30, 2023	\$ 38,758	\$ 2,765,412	\$ -	\$ 2,804,170
March 31, 2023	1,480	2,619,292	-	2,620,772
Net loss				
3 months ended June 30, 2023	\$ 143,673	\$ 28,525	\$ 65,663	\$ 237,861
3 months ended June 30, 2022	\$ 85,287	\$ 36,712	\$ 12,159	\$ 134,158

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

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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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 three months ended June 30, 2023.

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 Armenia and it is therefore exposed to foreign exchange risk arising from transactions and monetary balances denominated in United States dollars and Armenian drams. 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.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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THREE MONTHS ENDED JUNE 30, 2023

With the exception of accrued liabilities totalling \$24,000, the provision for estimated restoration costs totalling \$22,508 and balances due to related parties (see Note 9), all accounts payable and accrued liabilities are due within 90 days of June 30, 2023. Amounts due to related parties as at June 30, 2023 were unsecured, non-interest bearing and had no set terms of repayment.

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

13. SUBSEQUENT EVENT

Acquisition of Lithaur Inc.

Lithaur Inc. ("**Lithaur**") is a company incorporated under the laws of the State of Nevada which was established by a member of management for the purpose of holding lithium claims in Nevada. Lithaur was formally acquired by Fremont Gold Ltd. for nominal consideration in July 2023.

As at the date of acquisition:

- Lithaur held 133 registered lithium claims and a further 210 staked lithium claims
- Lithaur had total liabilities of US\$ 142,870 owing to Tectonex relating to the registration and staking of the claims (all such expenditures were charged by Tectonex to Lithaur without margin or discount at the actual cost incurred by Tectonex).

Approximately 300 additional lode claims were in the process of being restaked as at July 28, 2023.

As at June 30, 2023, the Company had advanced Lithaur a total of US\$ 59,952 (\$79,377).

Proposed sale of Lithaur

In August 2023, the Company announced that it had entered into a binding term sheet to sell Lithaur to a private Australian-based group. The terms of the transaction, which are subject to completion of a definitive agreement by September 15, 2023, are as follows:

- A one-time payment to Fremont of US\$ 100,000 within 45 days of signing of the binding term sheet
- A 2.0% NSR in favour of Fremont on each of four projects with a right for the purchaser to buy one half of each NSR (1.0%) for US\$ 2,000,000 (on each project)
- Assumption of up to US\$ 125,000 of debt owed by Lithaur and assumption of all ongoing Nevada-based lithium costs post September 1, 2023
- A firm commitment to take the Lithaur assets public via an IPO or RTO on an Australian or Canadian stock market within 12 months of the signing of the binding term sheet
- Fremont to receive 30% of the publicly traded equity and the right to appoint one director to Lithaur's board upon completion of such listing, and
- In the case of a sale of Lithaur or its assets to a third party in lieu of an IPO/RTO, 30% of the proceeds of such sale will be paid to Fremont.