FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR
FREEGOLD VENTURES LIMITED

DATED: AUGUST 14TH, 2015

The following discussion and analysis ("MD&A") is management's assessment of the results and financial condition of Freegold Ventures Limited (the "Company" or "Freegold") for the six month period ended June 30th, 2015 and should be read in conjunction with the condensed consolidated financial statements for the six month period ended June 30th, 2015 and related notes contained in the report. All amounts are expressed in Canadian dollars unless otherwise noted. Additional information on the Company, including its annual information form, is available on SEDAR at www.sedar.com.

This discussion contains certain forward-looking information and is expressly qualified to the cautionary statement at the end of this MD&A.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The 2015 and 2014 information set forth in this document should be read in conjunction with the condensed consolidated financial statements and related notes, prepared in accordance with IFRS, for the six month periods ended June 30th, 2015 and 2014.

BUSINESS OF FREEGOLD

Freegold is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties of merit with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. The Company was incorporated in 1985 and is listed on the Toronto Stock Exchange under the symbol "FVL". As of August 14th, 2015, the Company had 104,370,851 shares outstanding and a market capitalization of CDN $12.5 million. The Company has its registered corporate office in Vancouver, Canada.

CORPORATE UPDATE

During the quarter, the Company announced the appointment of Greg Hanks to the Board of Directors. Mr. Hanks will add considerable strength with his strong financial background. He holds a B. Comm. (Honors) with a major in Finance and has held a number of management and senior management roles throughout his more than 20 years in the Financial Services Industry. He has extensive experience in commercial and industrial lending and is currently Senior Manager, Commercial Services at Integris Credit Union. He has held several nonprofit board positions and is currently Treasurer of the Northern Interior Mining Group in British Columbia.

REVIEW OF EXPLORATION PROJECTS

The Company continues to focus its exploration activities in Alaska. Its primary project is the Golden Summit Project, a road accessible gold exploration project near Fairbanks, Alaska. Since

2011, four NI 43-101 compliant resource updates have been completed on Golden Summit each of which resulted in an increased overall resource for the Project. During the previous year, the Company received positive metallurgical results that show a 85% recovery in column leach tests on the oxide component and commenced a Preliminary Economic Assessment Study ("PEA") on the Golden Summit Project that is being completed by Tetra Tech Inc. ("Tetra Tech").

During the previous year, the Company entered into a mineral lease agreement on the Shorty Creek Project, a copper-gold-moly porphyry exploration target that may have significant discovery potential located 120 km northwest of Fairbanks.

GOLDEN SUMMIT, ALASKA

Located 32km northeast of Fairbanks, Alaska, the Golden Summit Project is comprised of a series of long-term leases ("Keystone Claims", "Tolovana Claims", "Newsboy Claims", "Green Claims", "Chatham Claims" and "Alaska Mental Health Trust Property" see below for further details) and claims and lands owned by Freegold. The project is subject to various sliding net smelter return royalties ("NSR's") ranging from 1-5% dependent on the price of gold. A detailed description of the leases follows:

Keystone Claims

By an agreement dated May 17th, 1992, the Company entered into a lease with Keystone Mines Partnership ('Keystone") on the Keystone claims whereby the Company agreed to make advance royalty payments of US$15,000 per year. In May 2000, the agreement was renegotiated and on 15 October 2000, a US$50,000 payment was made in cash and shares. On November 30th, 2001, the Company restructured the advance royalty payments.

		US Funds	
1992 – 1998 (US$15,000 per year)	$	105,000	(paid)
2000	$	50,000	($25,000 paid in cash and $25,000 with 9,816 treasury shares issued)
2001 - 2006 (US$50,000 per year)	$	300,000	(paid)
2007	$	150,000	(paid)
2008	$	150,000	(paid $75,000 in 2008 with the remaining $75,000 paid in 2009, subject to a payment extension)
2009	$	150,000	(paid)
2010	$	150,000	(paid)
2011	$	150,000	(paid)
2012	$	150,000	(paid)
2013	$	150,000	(paid)
2014	$	112,500	(paid)
2014	$	37,500	(paid in 2015)
2015	$	150,000	
2016 – 2019 (US$150,000 per year)	$	600,000	

The property is subject to a 3% NSR.

In 2011, Freegold negotiated an extension of the lease for so long as permitting, development mining or processing is being conducted on a continuous basis and, if the property is not in commercial production, provided that the advance royalties are being paid, the lease shall be renewable for successive 10 year terms.

Tolovana Claims

In May 2004, the Company entered into an agreement with a third party (the "Seller") whereby the Seller transferred 100% of the rights via a Quit Claim Deed to a 20-year lease on the Tolovana Gold Property in Alaska which is renewable.

Under the terms of the agreement, the Company assumed all of the Seller's obligations under the lease, which include making annual payments of $1,000 per month for the first 23 months increasing to $1,250 per month for the 24th to the 48th months and increasing to $1,500 after the 49th month and for the duration of the lease. These payments are current.

In addition, the Company made a payment to the seller of US$7,500 on signing and issued 66,667 shares on regulatory approval. An additional 33,333 shares were to be issued within 30 days of a minimum 200,000 ounce mineral resource being calculated on the property if the resource was established in five years or less from the date of the agreement. No resource was calculated during the prescribed time frame so these shares were not issued.

The property is subject to a sliding scale NSR as follows: 1.5% NSR if gold is below US$300 per ounce, 2.0% NSR in the event the price of gold is between US$300 to US$400, and a 3.0% NSR in the event that the price of gold is above US$400. The Company has the option to purchase 100% interest in the Tolovana claims for US$1,000,000.

Newsboy Claims

By lease agreement dated February 28th, 1986 and amended March 26th, 1996, the Company assumed the obligation to make advance royalty payments of US$2,500 per year until 1996 (paid) and US$5,000 per year until 2006 (paid). During 2006, the Company renewed the existing lease term for an additional 5 years on the same terms and conditions. On October 12th, 2012, the Company's amended lease agreement was formalized and the lease term was extended for a five year term, from March 1st, 2011 to February 29th, 2016. The minimum royalty payable under the amended lease is US$12,000 per year for the term of the lease. These payments are current. In addition, the Company will have the option to further extend the lease for a term of an additional 5 years by making a one-time payment of US$50,000.

The claims are subject to a 4% net smelter returns royalty ("Newsboy NSR"). The Company has the option to purchase the Newsboy NSR for the greater of the current value or US$1,000,000 based on constant 1985 dollars less all advance royalty payments made.

Green Claims

By lease agreement dated December 16th, 2010, the Company entered into a long term lease agreement with Christina Mining Company, LLC for certain mineral claims in the Fairbanks Mining District of Alaska known as the Green Property. The claims are subject to a 3% NSR. The Company is required to make annual cash payments and cumulative exploration expenditures as follows:

	Payments	**Cumulative Exploration Expenditures**
December 1st, 2010	US$100,000 (paid)	-
December 1st, 2011	US$100,000 (paid)	US$250,000 (incurred)
December 1st, 2012	US$100,000 (paid)	US$500,000 (incurred)
December 1st, 2013	US$100,000 (paid)	US$750,000 (incurred)
December 1st, 2014	US$50,000 (paid)	US$1,000,000 (incurred}
December 1st, 2014	US$50,000 (paid in 2015)	-
December 1st, 2015 to 2019	US$100,000 per year	-
December 1st, 2020 to 2029	US$200,000 per year	-
Total	**US$3,000,000**	

Chatham Claims

By lease agreement dated July 11th, 2011, the Company entered into a four year lease agreement on certain mineral claims in the Fairbanks Mining District of Alaska known as the Chatham Property. The claims are subject to a 2% net smelter returns royalty ("Chatham NSR"). The Company is required to make annual cash payments and exploration expenditures as follows:

	Payments	Exploration Expenditures
Execution of agreement	US$20,000 (paid)	-
July 11th, 2012	US$30,000 (paid)	US$50,000 (incurred)
July 11th, 2013	US$40,000 (paid)	US$50,000 (incurred)
July 11th, 2014	US$50,000 (paid)	US$50,000 *
July 11th, 2015	-	US$50,000
Total	**US$140,000**	**US$200,000**

The Company also has the option to purchase the property for US$750,000.

The Company has the option to purchase one-half of the Chatham NSR, representing 1 % for US$750,000.

*The US$50,000 exploration expenditure commitment was waived and the lease agreement remains in good standing.

Certain claims are subject to a 7% working interest held in trust for Fairbanks Exploration Inc. ("FEI") by the Company. Under this Quit Claim Deed Freegold is required to fund 100% of the project until production is achieved at which point FEI is required to contribute 7% of any approved budget. These claims are subject to a 2% net smelter returns royalty ("FEI NSR") to FEI. The Company has a 30 day right of first refusal, in the event that the 7% working interest of FEI or the FEI NSR is to be sold by FEI. The Company can also purchase the FEI NSR at any time following commercial production, based on its net present value as determined by mineable reserves at the commencement of commercial production.

Alaska Mental Health Trust Property

By lease agreement dated June 1st, 2012, the Company entered into a new mining lease over certain mineral claims in the Fairbanks Mining District of Alaska known as the Alaska Mental Health Trust Property. The property will be controlled by the Company through a three year lease agreement and may be extended by two extensions of three years. In 2013, the Company entered into an agreement to amend the terms of the lease to reflect an increase in the size of the lease to 403 acres. On June 1st, 2015, the Company entered into an agreement to amend the terms of the lease to reflect an increase in the size of the lease to 1,576 acres. As a result, the work commitment schedule and annual cash payments have been modified.

The Company is required to make annual cash payments and exploration expenditures as follows:

For the amendment to 403 acres:

	Payments	Exploration Expenditures
Execution of agreement	US$25,000 (paid)	-
Years 1 (2012)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Years 2 (2013)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 3 (2014)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 4 (2015)	US$10 per acre per year (paid)	US$125 per acre per year
Years 5-6	US$15 per acre per year	US$235 per acre per year
Years 7-9	US$20 per acre per year	US$355 per acre per year

For the amendment for an additional 1,173 acres:

	Payments	Exploration Expenditures
Years 1 (2015)	US$10 per acre per year (paid)	US$125 per acre per year
Years 2	US$10 per acre per year	US$125 per acre per year
Year 3	US$10 per acre per year	US$125 per acre per year
Year 4	US$15 per acre per year	US$125 per acre per year
Years 5-6	US$15 per acre per year	US$235 per acre per year
Years 7-9	US$20 per acre per year	US$355 per acre per year

The claims are subject to the following NSR:

Price of Gold (per ounce)	Net Royalty
$500 or below	1.0%
$500.01 - $700.00	2.0%
$700.01 - $900.00	3.0%
$900.01 - $1,200.00	3.5%
above $1,200.00	4.5%

EXPLORATION

The Golden Summit Project covers approximately a 14,000 acre area. To date, resource exploration drilling has been confined to a 110 acre area in the western portion of the Project. Resource drilling commenced in 2011 and some 32,810 metres of drilling have been completed since resource drilling commenced. In addition detailed geochemical and geophysical programs have been undertaken over the entire Project. The Project is host to several high grade historical gold mines as well as significant historical placer gold production. It is estimated that some 6.75 million ounces of placer gold have been recovered from the streams that drain the Golden Summit Project area.

An initial NI 43-101 compliant resource was calculated on March 2011 and was based on 49 previously drilled reverse circulation (RC) and diamond drill core holes totaling 5,966 meters. Using a 0.3 g/t cut-off the resource calculated was 174,000 ounces (7,790,000 tonnes @ 0.695 g/t) in the indicated category and 526,000 ounces (27,010,000 tonnes @ 0.606 g/t) in the inferred category.

The full report entitled, "*Geology and Mineralization and Mineral Resource Estimate for the Golden Summit Project, Fairbanks Mining District, Alaska*" by David D. Adams, BSc, MSc, P.Geo. and Gary H. Giroux, P.Eng, MASc., dated March 31st, 2011, was filed on SEDAR as "Amended & restated technical report (NI 43-101)", on April 1st, 2011.

Additional drilling was completed during 2011 and an updated NI 43-101 resource was completed in December 2011. Using a 0.3 g/t cut-off the resource calculated was 341,000 ounces

(17,270,000 tonnes @ 0.62 g/t) in the indicated category and 1,137,000 ounces (64,440,000 tonnes @ 0.55 g/t) in the inferred category.

The full report entitled, "*2011 Update Report on the Geology and Mineralization and Mineral Resource Estimate for the Golden Summit Project, Fairbanks Mining District, Alaska*" by David D. Adams, BSc, MSc, P.Geo. and Gary H. Giroux, P.Eng, MASc., dated January 26th, 2012, was filed on SEDAR on January 26th, 2012.

An additional 14,917 (74, holes) metres were drilled on both the Dolphin and Cleary Hill areas in 2012 and an updated NI 43-101 resource was reported in October 2012. Using a 0.3 g/t cut-off the resource calculated was 1,576,000 ounces (73,580,000 tonnes @ 0.67 g/t) in the indicated category and 4,437,000 ounces (223,300,000 tonnes @ 0.62 g/t) in the inferred category.

The full report entitled, "*Technical Report for the Golden Summit Project, Fairbanks Mining District, Alaska*" by Mark Abrams, BSc, MSc, P. Geo. and Gary H. Giroux, P. Eng, MASc., dated December 14th, 2012, was filed on SEDAR on December 17th, 2012.

A winter program was carried out in 2013 and an additional 10 holes were drilled of which 8 of these holes were incorporated into the updated NI 43-101 resource. The complete resource table is presented below:

DOLPHIN/CLEARY ZONE INDICATED RESOURCE

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	108,370,000	0.55	59,390	1,909,000
0.25	93,030,000	0.60	56,000	1,801,000
0.30	**79,800,000**	**0.66**	**52,350**	**1,683,000**
0.35	68,170,000	0.71	48,610	1,563,000
0.40	58,440,000	0.77	45,000	1,447,000
0.50	42,860,000	0.89	38,020	1,222,000
0.60	31,420,000	1.01	31,730	1,020,000
0.70	23,410,000	1.14	26,570	854,000
0.80	17,580,000	1.26	22,220	714,000
0.90	13,300,000	1.40	18,580	597,000
1.00	10,190,000	1.54	15,640	503,000
1.10	7,990,000	1.67	13,340	429,000
1.20	6,240,000	1.82	11,330	364,000
1.30	4,990,000	1.96	9,780	314,000

DOLPHIN/CLEARY ZONE INFERRED RESOURCE

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	313,210,000	0.53	166,940	5,367,000
0.25	281,570,000	0.57	159,930	5,142,000
0.30	**248,060,000**	**0.61**	**150,570**	**4,841,000**
0.35	213,530,000	0.65	139,440	4,483,000
0.40	179,520,000	0.71	126,740	4,075,000
0.50	124,750,000	0.82	102,300	3,289,000
0.60	87,420,000	0.94	81,910	2,634,000
0.70	61,810,000	1.06	65,330	2,101,000
0.80	43,730,000	1.19	51,820	1,666,000
0.90	30,120,000	1.34	40,300	1,296,000
1.00	21,200,000	1.50	31,880	1,025,000
1.10	15,830,000	1.66	26,260	844,000
1.20	12,340,000	1.80	22,260	716,000
1.30	9,810,000	1.95	19,110	614,000

In addition, a surface oxide resource was provided and the resource was divided into material above and below this surface. The oxide cap is contained largely within the upper 200 feet (60 metres) of the resource.

The indicated and inferred resource using a 0.2 gram/tonne (g/t) cut-off for the oxide component is:

DOLPHIN/CLEARY ZONE INDICATED RESOURCE (Oxide Zone)

Au Cut-off (g/t)	Tonnes	Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	25,026,200	0.55	13,660	439,000

DOLPHIN/CLEARY ZONE INFERRED RESOURCE (Oxide Zone)

Au Cut-off (g/t)	Tonnes	Grade		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	16,620,510	0.47	7,860	253,000

The full report entitled, "*Technical Report for the Golden Summit Project, Fairbanks Mining District, Alaska*" by Mark Abrams, BSc, MSc, P. Geo. and Gary H. Giroux, P. Eng, MASc., dated August 7th, 2013 was filed on SEDAR on August 8th, 2013.

In July 2013, drilling recommenced on the Dolphin area. A total of 3 holes for a total of 1,666.8 metres were drilled.

For all drill results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com.

Early in 2014 Freegold signed a Memorandum Of Understanding ("MOU") with the Alaska Department of Natural Resources ("DNR"), Office of Project Management and Permitting ("OPMP") for engagement with the State's Large Mine Permitting Team. The Large Mine Permitting Team ("LMPT") offers multi-disciplinary expertise and is involved from pre-permitting to post-closure of mines. Throughout 2014 additional baseline environmental and cultural resource work were completed as well as an extensive metallurgical program utilizing both the services of SGS and McClelland Laboratories. Tetra Tech of Golden, Colorado was also engaged to complete a preliminary economic assessment (PEA) on the current resource.

In June 2014 the Company announced the results of the metallurgical program which commenced in 2013. A summary is presented below:

Overall gold recoveries from standard 48 hour bottle roll tests and 120 hour intermittent agitation leach tests performed by SGS over the course of the program from the as-received material (F80 850 -- 1550 µm) were as follows: Oxide material averaged 88%, Transition material averaged 57%, Intrusive material averaged 56%, and Hornfels-Sulphide material averaged 45% . Standard bottle roll testwork was carried out on a variety of grind sizes however recoveries did not increase substantially with finer grinds, with the exception of the transition material which showed recoveries of greater than 70% are achievable at a 75 micron grind size. In addition a series of tests were completed, which included a variety of methods direct CIL (carbon-in-leach), Pressure Oxidation (POX) --CIL, Flotation --CIL, and Flotation-POX-CIL. The highest overall recovery was achieved by POX-CIL with recoveries greater than 94.3%, and averaging 98.1% under best conditions tested. The combination of Flotation-POX-CIL resulted in recoveries of 92%, and although yielding lower recovery than Whole Ore POX a significant advantage would be a much smaller quantity of material would need to be treated - approximately 10% would be subject to POX.

In the late fall of 2014, a larger column leach test program was undertaken by McClelland Laboratories of Sparks, Nevada using -25 mm material.

In January 2015, results were very encouraging demonstrating an 85% recovery over the full 65 days the columns were run, with 80% being achieved within the first 14 days. This work suggests that the recovery on the oxide component does not appear to be sensitive to grind size.

The results of both the column leach and previously completed bottle roll tests will be incorporated in the PEA currently underway and which is expected to be completed in the third quarter. There are currently several development scenarios under consideration, one of which includes a stand-alone valley heap leach operation focused on the existing oxide portion of the resource, taking into account the potential for oxide resource growth beyond with a staged approach to a larger milling scenario. Geophysical and geochemical surveys performed to date suggest that the oxide potential at Dolphin remains open to considerable expansion.

A significant advantage with respect to keeping the initial capital expenditure at a minimum to develop Golden Summit is the superb supporting infrastructure in the immediate vicinity of the property, as well as in the broader region. The city of Fairbanks (population 100,000) is a 30 minute drive via paved highway while industrial scale grid power and rail transport are available nearby.

Shorty Creek Project

On July 17th 2014, the Company entered into a ten-year lease agreement to acquire certain mineral claims located 100 km northwest of Fairbanks, Alaska known as the Shorty Creek Project.

The Company issued 750,000 common shares as consideration. The vendor will retain a 2% NSR and be responsible for the annual State of Alaska rents for the first five years after which the Company will be responsible.

The property is located 4 kms to the south of the all-weather paved Elliott Highway and within the Livengood-Tolovana Mining District. Total recorded production from the district through 2007 is approximately 530,000 ounces of placer gold. The Shorty Creek target was originally identified as an antimony prospect in the 1970's. In 1972 Earth Resources drilled approximately 10-15 reverse circulation holes to a reported maximum depth of 500 feet to test the near surface potential for copper-molybdenum mineralization in the northern part of the property, referred to as hill1710. Limited information is available regarding results of this drilling. In the mid 1980's, soil sampling identified significant gold, copper and pathfinder elements associated with gold-copper porphyry mineralization. A limited drill program was completed by the Asarco-Fairbanks Exploration Joint Venture in 1989-1990 consisting of 6,843 feet in 20 holes; maximum hole depth was 500 feet (Table 1).

Table 1: Significant results from the Asarco –Fairbanks Exploration Joint Venture Drill Program.

Hole #	From (ft)	To (ft)	Interval (ft)	Au g/t	Ag g/t	Cu (ppm)
RH89-02	0	90	90	0.39	NA	NA
RH89-08	0	220	220	1.22	NA	NA
incl.	0	125	125	1.78	NA	NA
incl.	60	85	25	4.59	NA	NA
RH90-09	0	170	170	0.35	3.17	44
RH90-15	0	190	190	0.51	4.07	62
RH90-16	0	500	500	0.40	3.58	138
RH90-17	0	500	500	0.39	2.45	80
RH90-18	15	85	70	0.56	4.00	94
RH90-19	15	70	55	1.03	5.60	19

NA – not assayed. *These results are historical in nature and are reported for information purposes only and have not been verified by the Company and are not to be relied upon*.

The area of drilling in 1989 and 1990 was restricted to a 500m by 200 metre area. Highlights include 67 metres grading 1.21 g/t gold and 58 metres grading 0.51 g/t gold from surface*. A total of 2,094 metres of drilling were completed with a maximum hole depth of 152 metres. The presence of copper mineralization in conjunction with gold mineralization was noted at depth in most of the historic drill holes with values of up to 0.45% copper. Additional mapping has confirmed the presence of quartz porphyry in the creek 30 metres below the depth of previous drilling.

In August 2014, the Company undertook a small ground geophysical and soil sampling survey on the property the results of which appear to have expanded the target area by another 500 metres to the southwest and 400 metres to the northeast in the area drilled by Asarco.

In addition it also highlighted another significant target area. 2.5 km to the northwest of the copper – gold target, the presence of a strong chargeability anomaly coincident with strong copper values in soils (up to 669 ppm Cu) covering a 2,000 metre x 1,000 metre area was observed. Within the copper geochemical anomaly a strong molybdenum core is present (up to 235 ppm Mo), which covers a 1,000 metre by 800 metre area in the central portion of the chargeability anomaly. This represents another excellent drill target area.

Several other strong magnetic highs have also been identified as a result of a review of the airborne geophysical survey and will require additional ground geophysics, geochemistry and further geological mapping to delineate other potential drill targets within this highly prospective property. Drill permits are currently in place.

On March 31st, 2015, a report entitled, "*Technical Report for the Shorty Creek Project, Livengood – Tolovana Mining District, Alaska*" by Mark Abrams, BSc, MSc, P. Geo., dated March 31st, 2015 was filed on SEDAR.

The Company believes this project represents a drill ready porphyry copper-gold and copper-molybdenum target.

Further to the August 12th, 2015 news release, drilling is expected to commence on the Shorty Creek Project and will focus on the two zones identified by the 2014 geochemical and geophysical surveys.

For all results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com.

Vinasale Project

In 2007, Freegold signed an Exploration with an Option to Lease agreement with Doyon Limited ("Doyon"), an Alaskan regional Native corporation, on the Vinasale Gold Project. Vinasale is located 16 air miles south of McGrath, Alaska. The Vinasale deposit occurs in a north trending belt that hosts a number of igneous intrusion-related gold deposits including NovaGold Resources' and Barrick Gold's 39.3 million ounce Donlin Creek deposit and the high grade Nixon Fork copper-gold deposit.

During the year ended December 31st, 2014, the Company assessed its Vinasale property for indicators of impairment in accordance with IFRS 6 and IAS 36. Due to the economic uncertainty in general, and the downturn in the mining industry in particular, the Company made the decision to significantly reduce future exploration expenditures on the Vinasale property. As a result of the lack of planned expenditures on the property, the Company recorded a loss on impairment of $6,483,900.

After further discussions with Doyon, the Company decided it would be in the best interest of the Company not to pursue further negotiations on the Vinasale Lease and notified Doyon on March 30th, 2015 that it would not be pursuing the Vinasale project.

For all results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com.

The Qualified Person who has reviewed and approved the technical disclosure contained in the Management Discussion is Curtis Freeman, MSc., PGeo., a geological consultant to the Company.

SUMMARY OF QUARTERLY RESULTS

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

Quarters Ended (unaudited)

	June 30th 2015	**Mar. 31st 2015**	**Dec. 31st 2014**	**Sept. 30th 2014**	**June 30th 2014**	**Mar. 31st 2014**	**Dec. 31st 2013**	**Sept. 30th 2013**
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net comprehensive (loss) income – before tax	(804,069)	2,914,300	(4,959,285)	1,324,769	(1,654,634)	882,298	729,318	(1,076,633)
Net comprehensive (loss) income per share	(0.01)	0.03	(0.06)	0.02	(0.02)	0.00	0.01	(0.01)
Total assets	38,647,926	39,433,237	35,805,363	40,735,242	37,944,560	39,567,683	37,740,179	36,869,294

RESULTS OF OPERATIONS

Six month period ended June 30th, 2015

The six month period ended June 30th, 2015 resulted in net comprehensive income of $2,110,231, which compares with a net comprehensive loss of $772,336 for the six month period ended June 30th, 2014. As the Company's condensed consolidated financial statements translate the assets and liabilities of the Company's subsidiaries using the period-end rates, this resulted in a foreign currency translation gain of $2,671,984 as the US dollar became stronger relative to the Canadian dollar during the current six month period. During the previous six month period ended June 30th, 2014, there was a foreign currency translation gain of $113,717 as the US dollar was stronger relative to the Canadian dollar during that period. General and administrative expenses for the six month period ended June 30th, 2015 were $559,674, a decrease of $141,779 compared to $701,453 for the six month period ended June 30th, 2014. The changes in comprehensive income/loss were mainly attributable to:

- a decrease of $15,335 in consulting fees, from $87,572 in 2014 to $72,237 as fewer consultants were contracted for the Company's investor awareness campaigns and its financing activities;

- a decrease of $28,676 in non-cash share-based compensation expenses, from $28,676 in 2014 to $Nil that were charged upon the granting of long-term incentive stock options;

- a decrease of $16,161 in travel and transportation costs, from $88,394 in 2014 to $72,233. Travel and transportation costs also include the monitoring of the ongoing exploration activities in Alaska;

- a decrease of $61,590 in promotion and shareholder relations, from $82,765 in 2014 to $21,175, which included attendance at various trade shows, advertising, news releases, distribution fees and marketing materials;

- a financing cost of $184,691 was recognized during the prior year when the Company extended the exercise date for various share purchase warrants and reduced the exercise price to $0.25 per warrant;

Wages and consulting fees to management have not been paid since February 1, 2015 but have been accrued.

All other general and administrative costs were relatively similar to those incurred in the six month period ended June 30th, 2014.

During the six month period ended June 30th, 2015, the Company incurred the below acquisition and exploration and evaluation property expenditures:

The Company reduced its asset retirement obligation for the Golden Summit Property by US$250,000 as previous work areas were remediated.

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, December 31st, 2014	$	2,328,392	$	211,936	$	2,540,328
Additions		140,550		-		140,550
Foreign currency translation		37,877		16,241		54,118
Balance, June 30th, 2015	$	2,506,819	$	228,177	$	2,734,996
Exploration and evaluation costs						
Balance, December 31st, 2014	$	32,075,928	$	271,632	$	32,347,560
Geological and field expenses		24,013		17,351		41,364
Engineering and consulting		-		23,948		23,948
Helicopter support		-		8,596		8,596
Legal		49,007		-		49,007
Metallurgical studies		5,708		-		5,708
Preliminary economic assessment		97,492		-		97,492
Personnel		10,201		784		10,985
Revision to asset retirement		(312,250)		-		(312,250)
Foreign currency translation		2,637,570		14,134		2,651,704
Balance, June 30th, 2015	$	34,587,669	$	336,445	$	34,924,114
Total	**$**	**37,094,488**	**$**	**564,622**	**$**	**37,659,110**

Three month period ended June 30th, 2015

The three month period ended June 30th, 2015 resulted in a net comprehensive loss of $804,069, which compares with a net comprehensive loss of $1,654,634 for the three month period ended June 30th, 2014. As the Company's condensed consolidated financial statements translate the assets and liabilities of the Company's subsidiaries using the period-end rates, this resulted in a foreign currency translation loss of $518,519 as the US dollar became weaker relative to the Canadian dollar during the current three month period. During the previous three month period ended June 30th, 2014, there was a foreign currency translation loss of $1,314,112 as the US dollar was weaker relative to the Canadian dollar during that period. General and administrative expenses for the three month period ended June 30th, 2015 were $284,605, a decrease of $56,272 compared to $340,877 for the three month period ended June 30th, 2014. The changes in comprehensive income/loss were mainly attributable to:

- a decrease of $10,310 in consulting fees, from $50,147 in 2014 to $39,837 as fewer consultants were contracted for the Company's investor awareness campaigns and its financing activities;

- a decrease of $23,717 in non-cash share-based compensation expenses, from $23,717 in 2014 to $Nil that were charged upon the granting of long-term incentive stock options;

- an increase of $19,803 in travel and transportation costs, from $28,841 in 2014 to $48,644. Travel and transportation costs also include the monitoring of the ongoing exploration activities in Alaska;

- a decrease of $32,853 in promotion and shareholder relations, from $38,444 in 2014 to $5,591, which included attendance at various trade shows, advertising, news releases, distribution fees and marketing materials;

All other general and administrative costs were relatively similar to those incurred in the six month period ended June 30th, 2014.

During the three month period ended June 30th, 2015, the Company incurred the below acquisition and exploration and evaluation property expenditures:

The Company reduced its asset retirement obligation for the Golden Summit Property by US$250,000 as previous work areas were remediated.

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, March 31st, 2015	$	2,595,342	$	231,393	$	2,826,735
Additions		87,353		-		87,353
Foreign currency translation		(175,876)		(3,216)		(179,092)
Balance, June 30th, 2015	$	2,506,819	$	228,177	$	2,734,996
Exploration and evaluation costs						
Balance, March 31st, 2015	$	35,083,342	$	304,897	$	35,388,239
Geological and field expenses		13,438		17,351		30,789
Engineering and consulting		-		23,948		23,948
Helicopter support		-		8,596		8,596
Legal		24,325		-		24,325
Metallurgical studies		5,708		-		5,708
Preliminary economic assessment		97,492		-		97,492
Personnel		7,136		784		7,920
Revision to asset retirement		(312,250)		-		(312,250)
Foreign currency translation		(331,522)		(19,131)		(350,653)
Balance, June 30th, 2015	$	34,587,669	$	336,445	$	34,924,114
Total	**$**	**37,094,488**	**$**	**564,622**	**$**	**37,659,110**

Liquidity and capital resources

At June 30th, 2015, the Company's working capital, defined as current assets less current liabilities, was a deficit of $106,156 compared to working capital of $129,320 at December 31st, 2014. The Company has current liabilities of $604,781 mainly related to current and prior exploration work. The Company will need further financing to meet all of its contractual and statutory property payments and exploration commitments for the current year.

On May 4th, 2015, the Company completed a non-brokered private placement of 6,872,500 ("Units"), priced at $0.10 per Unit for total proceeds of $687,250. Each Unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire an additional Share at a price of $0.15 per Share for a period of 3 years from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation's common shares trade on the TSX at or above a volume weighted average trading price of $0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until September 5th, 2015.

On August 12th, 2015, the Company closed a first tranche of a non-brokered private placement of 13,500,000 ("Units"), priced at $0.10 per Unit for total proceeds of $1,350,000. Each Unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire an additional Share at a price of $0.15 per Share for a period of 3 years from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation's common shares trade on the TSX at or above a volume weighted average trading price of $0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until December 13th, 2015.

The use of proceeds will be largely directed to the completion of a drill program on the Shorty Creek Project.

Critical accounting estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to, the valuation of warrants, the assumptions used in the accounting for share-based payments, the provision for income taxes and composition of deferred tax assets and liabilities, the expected economic lives of and the estimated future operating results and net cash flows from mining interests, the anticipated costs of reclamation and closure cost obligations, and the fair value measurement of certain financial instruments.

A detailed summary of the Company's significant accounting policies is included in Note 2 to the condensed consolidated financial statements for the six month period ended June 30th 2015.

Going Concern Assumption

The recoverability of amounts shown for exploration and evaluation properties and related exploration and development expenditures is dependent upon the economic viability of recoverable reserves, the ability of the Company to obtain the necessary permits and financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Currently, the Company does not have a source of revenue and is dependent on equity financings to fund its activities. The Company had negative working capital and positive cash balances at June 30th, 2015 and the Company endeavors to manage the cash position prudently through ongoing monitoring of current and future cash and working capital balances relative to planned activities. The Company will need further financing to meet all of its contractual and statutory property payments and exploration commitments for the current year.

Interests in Mining Properties and Exploration and Development Expenditures

In accordance with the Company's accounting policies, acquisition costs and exploration expenditures relating to exploration and evaluation properties are capitalized until the properties are brought into commercial production or disposed. Amortization will commence when a property is put into commercial production. As the Company does not currently have any properties in commercial production, no amortization has been recorded.

Mineral reserve and mineral resource estimates are not precise and also depend on statistical inferences drawn from drilling and other data, which may prove to be unreliable. Future production could differ from mineral resource estimates for the following reasons:

- mineralization or formation could be different from those predicted by drilling, sampling and similar tests;
- the grade of mineral resources may vary from time to time and there can be no assurance that any particular level of recovery can be achieved from the mineral resources; and
- declines in the market prices of contained minerals may render the mining of some or all of the Company's mineral resources uneconomic.

Any of these factors may result in impairment of the carrying amount of interests in mining properties or exploration and development expenditures.

Share Based Payments, Warrants and Compensation Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 10d to the condensed consolidated financial statements at June 30th, 2015.

The Company recognizes an expense for option awards using the fair value method of accounting. The Company also records the fair value of warrants granted through private offerings or in lieu of fees and compensation options granted using a fair-value estimate. Management estimates the fair value of stock options, warrants granted through private offerings or in lieu of fees, and compensation options using the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model, used by the Company to calculate fair values, as well as other accepted option valuation models, was developed to estimate fair value of freely tradable, fully transferable options and warrants, which may significantly differ from the Company's stock option awards or warrant grants. These models also require four highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values. Accordingly, management believes that these models do not necessarily provide a reliable single measure of the fair value of the Company's stock option awards. The valuation models are used to provide a reasonable estimate of fair value given the variables used.

Restoration and Environmental Obligations

Legal or constructive obligations associated with site restoration on the retirement of assets are recognized when they are incurred and when a reasonable estimate of the value of the obligation can be made. While, the Company has not commenced operations on its mining properties and the principal projects are in the exploration stage, certain exploration activities have occurred that have given rise to a constructive obligation related to the reclamation of the site for the Golden Summit Project. As such, the Company has recognized an environmental rehabilitation provision for the project. Due to the uncertainty around the settlement date and measurement of potential asset retirement obligations for the Company's projects, management considers the assumptions used to calculate the present value of such liabilities at each reporting period and updates the value recognized as required.

Contractual Commitments

The Company is committed under exploration and evaluation property option agreements to pay cash, incur exploration expenditures and has future commitments related to payments required under an office lease and a photocopier lease. See note 11 of the Company's condensed consolidated financial statements for the six month period ended June 30st, 2015 and the disclosures above under "Review of Exploration Projects".

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss (“FVTPL”), loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss. These amounts will be reclassified from shareholders’ equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of loss and comprehensive loss.

The Company has designated its cash as FVTPL, which is measured at fair value. Short term and long term investments in other companies are classified as available-for-sale, which is measured at fair value. Interest receivable is classified as receivables and measured at amortized cost. Trade payables and amounts due to related parties are classified as other financial liabilities which are measured at amortized cost.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company’s cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at June 30th, 2015, amounts receivable of $18,122 (December 31st, 2014 - $12,220) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $6,831 (December 31st, 2014 - $11,942), interest receivable of $56 (December 31st, 2014 - $278) and other receivables of $11,235 (December 31st, 2014 - $Nil). As a result, credit risk is considered insignificant.

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 manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at June 30th, 2015, the Company had cash of $261,321 to settle current liabilities of $604,781 which have contractual maturities of less than 30 days and are subject to normal trade terms.

Currency Risk

Foreign currency exchange risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. As the Company’s operations are conducted internationally, operations and capital activity may be transacted in currencies other than the functional currency of the entity party to the transaction.

The Company’s objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and balance sheet exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations.

The following table provides an indication of the Company's foreign currency exposures during the periods ended June 30th, 2015 and December 31st, 2014:

	June 30th 2015	December 31st 2014
Cash and cash equivalents	US$ 54,263	US$ 99,121
Trade payables	US$ 587,529	US$ 533,432

A 1% change in Canadian/US foreign exchange rate at period end would have changed the net loss of the Company, assuming that all other variables remained constant, by approximately $5,332 for the six month period ended June 30th, 2015.

The Company has not, to the date of these condensed consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Interest Risk

The Company is not subject to interest risk.

Commodity Price Risk

The Company is in the exploration stage and is not subject to commodity price risk.

SUBSEQUENT EVENTS

The following events occurred subsequent to June 30th, 2015:

On July 28th, 2015, the Company granted 150,000 stock options to purchase shares at $0.12 until July 28, 2020.

On August 2nd, 2015, 1,648,298 warrants to purchase shares at $0.25 expired.

On August 12th, 2015, the Company closed a first tranche of a non-brokered private placement of 13,500,000 ("Units"), priced at $0.10 per Unit for total proceeds of $1,350,000. Each Unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire an additional Share at a price of $0.15 per Share for a period of 3 years from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation's common shares trade on the TSX at or above a volume weighted average trading price of $0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until December 13th, 2015.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at August 14th, 2015, there were 104,370,851 outstanding common shares compared to 83,998,351 outstanding shares at December 31st, 2014.

The increase reflects the August 12th, 2015 issuance of 13,500,000 shares for proceeds of $1,350,000 and the May 4th, 2015 issuance of 6,872,500 shares for proceeds of $687,250.

As at August 14th, 2015 there were 19,529,628 warrants outstanding.

	Number Outstanding on August 14th, 2015	**Price per Share**	**Expiry Date**
	50,000	$0.25	August 15th, 2015
	1,250,000	$0.30	September 20th,2015
	2,871,878	$0.35	March 28th,2016
	5,171,500	$0.25/$0.33	September 11th, 2016/2017
	3,436,250	$0.15	May 4th, 2018
	6,750,000	$0.15	August 12th, 2018
Total	**19,529,628**		

Directors, officers, employees and contractors are granted options to purchase common shares under the Company Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 10d to the condensed consolidated financial statements at June 30th, 2015.

As at August 14th, 2015 there were 5,640,000 stock options outstanding as disclosed in the below table:

Number Outstanding December 31st 2014	Granted	Exercised	Cancelled	Expired	Number Outstanding August 14th 2015	Number Exercisable August 14th 2015	Exercise Price Per Share	Expiry Date
604,167	-	-	-	(604,167)	-	-	$ 0.48	February 26th, 2015
800,000	-	-	-	-	800,000	800,000	$ 0.50	October 29th, 2015
2,035,000	-	-	-	-	2,035,000	2,035,000	$ 0.87	May 10th, 2016
1,585,000	-	-	-	-	1,585,000	1,585,000	$ 0.65	October 20th, 2016
20,000	-	-	-	-	20,000	20,000	$ 0.75	February 20th, 2017
200,000	-	-	-	-	200,000	200,000	$ 0.92	November 12th, 2017
700,000	-	-	-	-	700,000	700,000	$ 0.25	January 1st, 2019
150,000	-	-	-	-	150,000	150,000	$ 0.20	July 23rd, 2019
-	150,000	-	-	-	150,000	150,000	$ 0.12	July 28th, 2020
6,094,167	150,000	-	-	(604,167)	5,640,000	5,640,000		

RELATED PARTY TRANSACTIONS

The Company considers the President and Chief Executive Officer, Chief Financial Officer, Vice-President of Exploration and Development, Corporate Secretary, directors and any companies controlled by these parties to be key management personnel.

The related party transactions during the three and six month periods ended June 30th, 2015, which occurred in the normal course of operations and were measured at the exchange amount (the amount of consideration established and agreed to by the related parties), were as follows:

A summary of key management compensation is as follows:

		Three months ended 30 June 2015	Three months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Accounting - CFO	$	18,700	18,750	37,500	37,550
Consulting – Corp. Secretary		8,100	8,100	16,200	16,200
Legal		-	2,000	-	2,000
Salaries and benefits – President and Vice President		87,500	87,500	175,000	175,000
Total	$	114,300	116,350	228,700	230,750

A summary of amounts due to related parties is as follows:

		30 June 2015		31 December 2014
President and Chief Executive Officer	**$**	**148,437**	$	75,521
Vice President, Exploration and Development		**148,437**		75,521
Chief Financial Officer		**32,813**		-
Corporate Secretary		**14,385**		-
Total	**$**	**334,072**	$	151,042

These amounts were incurred in the ordinary course of business, are non-interest bearing, unsecured and due on demand unless otherwise noted.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related condensed consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's CEO and CFO have evaluated and are satisfied with the effectiveness of these disclosure controls and procedures for the six month period ending June 30th, 2015.

The CEO and CFO acknowledge responsibility for the design of internal control over financial reporting (ICFR), and confirm that there were no changes in these controls that occurred during the most recent three month period ended June 30th, 2015 which materially affected, or are reasonably likely to materially affect the Company's ICFR.

RISKS AND UNCERTAINTIES

The Company believes that the following items represent significant areas for consideration.

Cash Flows and Additional Funding Requirements

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding will be available.

Industry

The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that funds spent on the exploration and development of a mineral deposit will result in the discovery of an economic ore body. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

Commodity Prices

The success of the Company’s operations will be dependent in part upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company’s prospects for mineral exploration in the future.

Foreign Political Risk

The Company’s material property interests are currently located in the United States. A significant portion of the Company’s interests are exposed to various degrees of political, economic and other risks and uncertainties. The Company’s operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Government Laws, Regulation & Permitting

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Title to Properties

Acquisition of rights to the exploration and evaluation properties is a very detailed and time-consuming process. Title to, and the area of, exploration and evaluation properties may be disputed. Although the Company has made reasonable efforts to investigate the title to all of the properties for which it holds mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company has the right to earn an interest in certain of its properties. To earn its interest in each property, the Company is required to make certain cash payments and incur certain exploration expenditures. If the Company fails to make these payments and incur such expenditures, the Company may lose its right to such properties and forfeit any funds expended to such time.

Estimates of Mineral Resources

The mineral resource estimates used by the Company are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company’s success.

Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company’s shares.

Foreign Currency Risk

A substantial portion of the Company’s expenses and payables are now, and are expected to continue to be incurred in United States currency. The Company’s business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and United States dollar may have a material effect on the Company’s business, financial condition and results of operations and could result in downward price pressure for the Company's products in or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

Conflict of Interest

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest which will be subject to the procedures and remedies under the *Business Corporation Act (British Columbia)*. As a result of any such conflict, the Company may miss the opportunity to participate in certain transactions.

OUTLOOK

At Golden Summit the results of the metallurgical tests will be incorporated in the PEA currently underway and which is expected to be completed in the third quarter. There are currently several development scenarios under consideration, one of which includes a stand-alone valley heap leach operation focused on the existing oxide portion of the resource, taking into account the potential for oxide resource growth beyond with a staged approach to a larger milling scenario. Geophysical and geochemical surveys performed to date suggest that the oxide potential at Dolphin remains open to considerable expansion.

A significant advantage with respect to keeping the initial capital expenditure at a minimum to develop Golden Summit is the superb supporting infrastructure in the immediate vicinity of the property, as well as in the broader region. The city of Fairbanks (population 100,000) is a 30 minute drive via paved highway while industrial scale grid power and rail transport are available nearby.

In addition to the Golden Summit Program, planning continues for additional exploration on Shorty Creek as a result of the encouraging results obtained from the 2014 field program. A 3,000 metre drill program on Shorty Creek is expected to commence in August 2015.

This discussion contains certain forward-looking information. This forward-looking information includes, or may be based upon, estimates, forecasts, and statements as to management's expectations with respect to, among other things, the size and quality of the Company's mineral resources, progress in development of mineral properties, amount and quality of metal products recoverable from the Company's mineral resources. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and uncertainties related to metal recoveries. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

30 JUNE 2015 and 2014

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Freegold Ventures Limited (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgements based on information currently available.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position

Canadian Funds

ASSETS		30 June 2015		31 December 2014 (audited)
Current				
Cash and cash equivalents	**$**	**261,321**	$	234,901
Amounts receivable		**18,122**		12,220
Prepaid expenses and deposits		**59,948**		62,266
Assets held for sale *(Note 4)*		**159,234**		147,900
		498,625		457,287
Exploration and Evaluation Properties *(Note 5)*		**37,659,110**		34,887,888
Property, Plant and Equipment *(Note 6)*		**490,191**		460,188
	$	**38,647,926**	$	35,805,363

LIABILITIES		30 June 2015		31 December 2014 (audited)
Current				
Trade payables *(Note 7)*	**$**	**259,209**	$	149,239
Accrued liabilities		**1,500**		27,686
Due to related parties *(Note 8)*		**344,072**		151,042
		604,781		327,967
Restoration and Environmental Obligations *(Note 9)*		**290,356**		555,087
Trade payables – Non-current *(Note 7)*		**583,686**		542,141
		1,478,823		1,425,195
EQUITY				
Share Capital *(Note 10)*		**81,754,195**		81,313,352
Reserves		**20,002,261**		17,092,416
Deficit		**(64,587,353)**		(64,025,600)
		37,169,103		34,380,168
	$	**38,647,926**	$	35,805,363

Nature and Continuance of Operations *(Note 1)*, **Commitments and Contingency** *(Note 11)* and **Subsequent Events** *(Note 15)*

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD ON 14 August 2015:

"Gary Moore", Director *"David Knight"*, Director

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Changes in Equity

Canadian Funds

	Common Shares	Amount	Stock Options Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance – 31 December 2013 (audited)	**75,421,028**	**80,119,934**	**6,982,226**	**4,595,332**	**1,186,355**	**(56,269,778)**	**36,614,069**
Issuance and allotment of shares for:							
- Private placements *(Note 10a)*	2,827,323	650,284	-	-	-	-	650,284
- Value assigned to warrants *(Notes 10a and 10c)*	-	(240,252)	-	240,252	-	-	-
Fair value of change in exercise price of warrants *(Note 10c)*	-	-	-	184,691	-	-	184,691
Share-based payments *(Note 10d)*	-	-	89,645	-	-	-	89,645
Share issuance costs *(Note 10a)*	-	(22,792)	-	3,786	-	-	(19,006)
Foreign currency translation adjustment	-	-	-	-	113,717	-	113,717
Loss for the period	-	-	-	-	-	(886,053)	(886,053)
Balance – 30 June 2014	**78,248,351**	**80,507,174**	**7,071,871**	**5,024,061**	**1,300,072**	**(57,155,831)**	**36,747,347**
Balance – 31 December 2014 (audited)	**83,998,351**	**81,313,352**	**7,117,435**	**5,439,656**	**4,535,325**	**(64,025,600)**	**34,380,168**
Issuance and allotment of shares for:							
- Private placements *(Note 10a)*	6,872,500	687,250	-	-	-	-	687,250
- Value assigned to warrants *(Notes 10a and 10c)*	-	(237,861)	-	237,861	-	-	-
Share issuance costs *(Note 10a)*	-	(8,546)	-	-	-	-	(8,546)
Foreign currency translation adjustment	-	-	-	-	2,671,984	-	2,671,984
Loss for the period	-	-	-	-	-	(561,753)	(561,753)
Balance – 30 June 2015	**90,870,851**	**$ 81,754,195**	**$ 7,117,435**	**$ 5,677,517**	**$ 7,207,309**	**$ (64,587,353)**	**$ 37,169,103**

- See Accompanying Notes -

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Loss and Comprehensive Income (Loss)

Canadian Funds

		3 Months Ended 30 June 2015	3 Months Ended 30 June 2014	6 Months Ended 30 June 2015	6 Months Ended 30 June 2014
General and Administrative Expenses					
Consulting fees	$	39,837	50,147	72,237	87,572
Share-based payments *(Note 10d)*		-	23,717	-	28,676
Travel and transportation		48,644	28,841	72,233	88,394
Promotion and shareholder relations		5,591	38,444	21,175	82,765
Professional fees		26,590	26,047	45,390	46,970
Wages, salaries and benefits		99,727	100,533	202,596	205,928
Transfer, filing and other fees		36,622	41,008	87,949	93,535
Rent and utilities		10,803	9,369	21,606	20,045
Office and miscellaneous		11,398	11,795	24,046	27,363
Property evaluation		-	1,954	-	1,954
Depreciation *(Note 6)*		3,761	3,875	7,465	7,831
Accretion *(Note 9)*		1,632	5,147	4,977	10,420
Loss Before Other Income (Expenses)		(284,605)	(340,877)	(559,674)	(701,453)
Other Income (Expenses)					
Interest income		88	852	192	1,856
Foreign exchange gain (loss), net		(270)	3	(839)	(732)
Interest and bank charges		(763)	(500)	(1,432)	(1,033)
Write down of trade payables		-	-	-	-
Financing cost *(Note 10c)*		-	-	-	(184,691)
		(945)	355	(2,079)	(184,600)
Net Loss for the Period	$	(285,550)	(340,522)	(561,753)	(886,053)
Loss per Share – Basic and Diluted	$	(0.00)	(0.00)	(0.01)	(0.01)
Weighted Average Number of Shares Outstanding		88,350,934	78,248,351	86,174,643	76,897,519
Comprehensive Income (Loss)					
Net loss for the period	$	(285,550)	(340,522)	(561,753)	(886,053)
Foreign currency translation adjustment		(518,519	(1,314,112	2,671,984	113,717
Total Comprehensive Income (Loss) for the Period	$	(804,069)	(1,654,634)	2,110,231	(772,336)
Comprehensive Income (Loss) per Share – Basic and Diluted	$	(0.01)	(0.02)	0.02	(0.01)

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows

For the Six months Ended 30 June

Canadian Funds

Cash Resources Provided By (Used In)		**2015**		2014
Operating Activities				
Loss for the period	**$**	**(561,753)**	$	(886,053)
Items not affecting cash:				
Depreciation		**7,465**		7,831
Accretion		**4,977**		10,420
Financing cost		**-**		184,691
Share-based payments		**-**		28,676
Net changes in non-cash working capital components:				
Amounts receivable		**(5,902)**		9,445
Prepaid expenses and deposits		**2,318**		21,710
Trade payables		**17,615**		(116,267)
Accrued liabilities		**(26,186)**		(30,316)
Due to related parties		**193,030**		(15,335)
		(368,436)		(785,198)
Investing Activities				
Exploration and evaluation property acquisition costs		**(140,550)**		(47,399)
Exploration and evaluation property deferred exploration costs		**(103,200)**		(182,513)
		(243,750)		(229,912)
Financing Activities				
Share capital issued		**-**		650,284
Share capital to be issued		**687,250**		-
Share issuance costs		**(8,546)**		(19,006)
		678,704		631,278
Effect of Foreign Currency on Cash and Cash Equivalents		**(40,098)**		59,310
Net Increase (Decrease) in Cash and Cash Equivalents		**26,420**		324,522
Cash and cash equivalents - Beginning of year		**234,901**		765,530
Cash and Cash Equivalents - End of Period	**$**	**261,321**	$	441,008
Interest paid	**$**	**669**	$	1,032
Interest received	**$**	**-**	$	1,217
Income taxes paid	**$**	**-**	$	-
Supplemental Disclosure of Non-Cash Items				
Exploration expenditures included in trade payables	**$**	**(133,900)**	$	(159,550)
Share-based compensation in mineral property	**$**	**-**	$	(60.969)

1. Nature and Continuance of Operations

Freegold Ventures Limited (the "Company") is in the process of acquiring, exploring and developing precious metal exploration and evaluation properties. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage. The recoverability of the amounts expended by the Company on acquiring and exploring exploration and evaluation properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to complete the acquisition and/or development of the properties and upon future profitable production.

The head office, principal address and registered records office of the Company is Suite 888 – 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1G5.

The Company's condensed consolidated financial statements as at 30 June 2015 and for the period then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has comprehensive income of $2,110,231 for the period ended 30 June 2015 (30 June 2014 – comprehensive loss $772,336) and has a working capital deficit of $106,156 at 30 June 2015 (working capital 31 December 2014 – $129,320).

The Company had cash and cash equivalents of $261,321 at 30 June 2015 (31 December 2014 - $234,901), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

The condensed interim consolidated financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Accounting Standards ("IAS") 34, "*Interim Financial Reporting*" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended 31 December 2014.

a) **Consolidation**

These consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, Free Gold Recovery Inc., USA, Freegold Ventures Limited, USA, Ican Minerals, Inc. (inactive), Dolphin Gold, Inc., Grizzly Bear Gold Inc. and McGrath Gold Inc. (inactive). All subsidiaries are US corporations which are involved in exploration and evaluation of properties. Inter-company balances are eliminated upon consolidation.

b) **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, the recoverability and measurement of deferred tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3. Approval

These consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on 14 August 2015.

4. Assets Held For Sale

		30 June 2015		31 December 2014
Opening assets held for sale	**$**	**147,900**	$	150,555
Dispositions		**-**		-
Write down		**-**		(15,591)
Foreign currency translation		**11,334**		12,936
Ending assets held for sale	**$**	**159,234**	$	147,900

As at 31 December 2011, the Company classified its remaining mining equipment as assets held for sale as it no longer had a use for this equipment. During the year ended 31 December 2014, the Company sold $Nil (31 December 2013 - $54,330) of equipment for proceeds of $Nil (31 December 2013 - $57,500) resulting in a gain of $Nil (31 December 2013 – gain of $3,170). During the year ended 31 December 2014, the Company wrote-down $15,591 (31 December 2013 - $Nil) to reflect the current estimated value. The Company is actively pursuing the disposal of its remaining mining equipment and expects to dispose of these assets in 2015.

Notes to Condensed Consolidated Financial Statements

30 June 2015 and 2014

Canadian Funds

5. Exploration and Evaluation Properties

	Golden Summit Property	Rob Property	Vinasale Property	Shorty Creek Property	Total
Acquisition costs					
Balance, 31 December 2013	$ 1,871,969	$ -	$ 292,490	$ -	$ 2,164,459
Shares issued	-	-	-	150,000	150,000
Additions	286,580	-	11,089	53,322	350,991
Foreign currency translation	169,843	-	27,050	8,614	205,507
Write downs	-	-	(330,629)	-	(330,629)
Balance, 31 December 2014	$ 2,328,392	$ -	$ -	$ 211,936	$ 2,540,328
Exploration and evaluation costs					
Balance, 31 December 2013	$ 28,454,458	$ -	$ 5,621,407	$ -	$ 34,075,865
Assaying	11,642	-	-	14,169	25,811
Engineering and consulting	55,868	-	-	9,411	65,279
Geological and field expenses	136,240	-	3,443	25,284	164,967
Helicopter support	-	-	-	18,931	18,931
Geophysical	16,004	-	-	112,849	128,853
Preliminary economic assessment	181,140	-	-	-	181,140
Metallurgical studies	123,917	-	-	-	123,917
Environmental studies	106,136	-	-	-	106,136
Permitting	4,865	-	-	-	4,865
Land maintenance and tenure	74,719	538	-	13,797	89,054
Personnel	320,708	-	18,393	77,191	416,292
Foreign currency translation	2,590,231	-	510,028	-	3,100,259
Write downs	-	(538)	(6,153,271)	-	(6,153,809)
Balance, 31 December 2014	$ 32,075,928	$ -	$ -	$ 271,632	$ 32,347,560
Total	**$ 34,404,320**	**$ -**	**$ -**	**$ 483,568**	**$ 34,887,888**

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, 31 December 2014	$	2,328,392	$	211,936	$	2,540,328
Additions		140,550		-		140,550
Foreign currency translation		37,877		16,241		54,118
Balance, 30 June 2015	$	2,506,819	$	228,177	$	2,734,996
Exploration and evaluation costs						
Balance, 31 December 2014	$	32,075,928	$	271,632	$	32,347,560
Geological and field expenses		24,013		17,351		41,364
Engineering and consulting		-		23,948		23,948
Helicopter support		-		8,596		8,596
Legal		49,007		-		49,007
Metallurgical studies		5,708		-		5,708
Preliminary economic assessment		97,492		-		97,492
Personnel		10,201		784		10,985
Revision to asset retirement		(312,250)		-		(312,250)
Foreign currency translation		2,637,570		14,134		2,651,704
Balance, 30 June 2015	$	34,587,669	$	336,445	$	34,924,114
Total	**$**	**37,094,488**	**$**	**564,622**	**$**	**37,659,110**

a) **Golden Summit Property, Alaska, USA**

Fairbanks Exploration Inc.

By various agreements dated from 1 December 1992 to 9 May 1997, the Company acquired from Fairbanks Exploration Inc. ("FEI") certain mineral claims in the Fairbanks Mining District of Alaska known as the Golden Summit Property, subject to a 7% working interest held in trust for FEI by the Company on certain mineral claims. The property is controlled by the Company through long-term lease agreements or outright claim ownership. As consideration, the Company issued 20,833 shares and expended US$1,767,000 on the property before the year 2000 to FEI. The Company is also required to make all underlying lease payments.

The Company will fund 100% of the project until commercial production is achieved at which point FEI will be required to contribute 7% of any approved budget. The property is subject to a 2% Net Smelter Royalty ("NSR") to FEI, unless otherwise noted. The Company has a 30 day right of first refusal in the event that the 7% working interest of FEI or the NSR is to be sold. The Company can also purchase the NSR at any time following commercial production, based on its net present value as determined by mineable reserves.

(i) **Keystone Claims**

By an agreement dated 17 May 1992, the Company entered into a lease with Keystone Mines Partnership ("Keystone") whereby the Company agreed to make advance royalty payments of US$15,000 per year. In May 2000, the agreement was renegotiated and on 15 October 2000, a $50,000 signing bonus was paid. On 30 November 2001, the Company restructured the advance royalty payments as follows:

	US Funds		
1992 – 1998 (US$15,000 per year)	$	105,000	(paid)
2000	$	50,000	($25,000 paid in cash and $25,000 with 9,816 treasury shares issued)
2001 - 2006 (US$50,000 per year)	$	300,000	(paid)
2007	$	150,000	(paid)
2008	$	150,000	(paid $75,000 in 2008 with the remaining $75,000 paid in 2009, subject to a payment extension)
2009	$	150,000	(paid)
2010	$	150,000	(paid)
2011	$	150,000	(paid)
2012	$	150,000	(paid)
2013	$	150,000	(paid)
2014	$	112,500	(paid)
2014	$	37,500	(paid in 2015)
2015	$	150,000	
2016 – 2019 (US$150,000 per year)	$	600,000	

The property is subject to a 3% NSR.

In 2011, the Company negotiated an extension of the lease. As long as there is either permitting, development mining or processing being conducted on a continuous basis or advance royalties being paid, the lease shall be renewable for successive 10 year terms.

(ii) **Newsboy Claims**

By lease agreement dated 28 February 1986 and amended 26 March 1996, the Company assumed the obligation to make advance royalty payments of US$2,500 per year until 1996 (paid) and US$5,000 per year until 2006 (paid). During 2006, the Company renewed the existing lease term for an additional 5 years on the same terms and conditions.

On 12 October 2012, the Company amended the lease agreement and the lease term was extended for a five year term, from 1 March 2011 to 29 February 2016. The minimum royalty payable under the amended lease is US$12,000 per year for the term of the lease. In addition, the Company will have the option to further extend the lease for a term of an additional 5 years by making a one-time payment of US$50,000. The claims are subject to a 4% NSR. The Company has the option to purchase the NSR for the greater of the current value or US$1,000,000 less all advance royalty payments made.

(iii) **Tolovana Claims**

In May 2004, the Company entered into an agreement with a third party (the “Seller”) whereby the Seller transferred 100% of the rights via Quit Claim Deed to a 20-year lease on the Tolovana Gold Property in Alaska.

Under the terms of the agreement, the Company assumed all of the Seller’s obligations under the lease, which include making annual payments of $1,000 per month for the first 23 months increasing to $1,250 per month for the 24th to the 48th months and increasing to $1,500 after the 49th month and for the duration of the lease. These payments are current.

In addition, the Company made a cash payment to the seller of US$7,500 on signing and issued 66,667 shares on regulatory approval. An additional 33,333 shares were to be issued within 30 days of a minimum 200,000 ounce mineral resource being calculated on the property if the resource is established in five years or less from the date of the agreement. No resource was calculated during the prescribed time frame so these shares were not issued.

The property is subject to a sliding scale NSR as follows: 1.5% NSR if gold is below US$300 per ounce, 2.0% NSR in the event the price of gold is between US$300 to US$400, and 3.0% NSR in the event that the price of gold is above US$400.

The Company, at its option, can purchase 100% of the Tolovana Gold Property for US$1,000,000.

(iv) **Green Claims**

On 16 December 2010, the Company entered into a long-term lease agreement with Christina Mining Company, LLC to acquire certain mineral claims in the Fairbanks Mining District of Alaska known as the Green Property. The claims are subject to a 3% NSR. The Company is required to make annual cash payments and cumulative exploration expenditures as follows:

	Payments	Cumulative Exploration Expenditures
1 December 2010	US$100,000 (paid)	-
1 December 2011	US$100,000 (paid)	US$250,000 (incurred)
1 December 2012	US$100,000 (paid)	US$500,000 (incurred)
1 December 2013	US$100,000 (paid)	US$750,000 (incurred)
1 December 2014	US$50,000 (paid)	US$1,000,000 (incurred)
1 December 2014	US$50,000 (paid in 2015)	-
1 December 2015 to 2019	US$100,000 per year	-
1 December 2020 to 2029	US$200,000 per year	-
Total	US$3,000,000	

(v) **Chatham Claims**

On 11 July 2011, the Company entered into a four year lease agreement to acquire certain mineral claims in the Fairbanks Mining District of Alaska known as the Chatham Property. The claims are subject to a 2% NSR. The Company is required to make annual cash payments and exploration expenditures as follows:

	Payments	Exploration Expenditures
Execution of agreement	US$20,000 (paid)	-
11 July 2012	US$30,000 (paid)	US$50,000 (incurred)
11 July 2013	US$40,000 (paid)	US$50,000 (incurred)
11 July 2014	US$50,000 (paid)	US$50,000 *
11 July 2015	-	US$50,000
Total	US$140,000	US$200,000

The Company has the option to purchase the property for US$750,000.

The Company also has the option to purchase one-half of the NSR representing one percent for US$750,000.

* The US$50,000 exploration expenditure commitment has been waived and the lease agreement remains in good standing.

(vi) **Alaska Mental Health Trust Property**

By lease agreement effective 1 June 2012, the Company entered into a new mining lease over certain mineral claims in the Fairbanks Mining District of Alaska known as the Alaska Mental Health Trust Property. The property is controlled by the Company through a three year lease agreement and may be extended for two extensions of three years. In 2013, the Company entered into an agreement to amend the terms of the lease to reflect an increase in the size of the lease to 403 acres. On 1 June 2015, the Company entered into an agreement to amend the terms of the lease to reflect an increase in the size of the lease to 1,576 acres. As a result, the work commitment schedule and annual cash payments have been modified. The Company is required to make annual cash payments and exploration expenditures as follows:

For the amendment to 403 acres:

	Payments	Exploration Expenditures
Execution of agreement	US$25,000 (paid)	-
Year 1 (2012)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 2 (2013)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 3 (2014)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Years 4 (2015)	US$10 per acre per year (paid)	US$125 per acre per year
Years 5-6	US$15 per acre per year	US$235 per acre per year
Years 7-9	US$20 per acre per year	US$355 per acre per year

For the amendment for an additional 1,173 acres:

	Payments	Exploration Expenditures
Year 1 (2015)	US$10 per acre per year (paid)	US$125 per acre per year
Year 2	US$10 per acre per year	US$125 per acre per year
Year 3	US$10 per acre per year	US$125 per acre per year
Years 4	US$15 per acre per year	US$235 per acre per year
Years 5-6	US$15 per acre per year	US$235 per acre per year
Years 7-9	US$20 per acre per year	US$355 per acre per year

The claims will be subject to the following NSR:

Price of Gold (per ounce)	Net Royalty
US$500 or below	1.0%
US$500.01 - US$700.00	2.0%
US$700.01 - US$900.00	3.0%
US$900.01 - US$1,200.00	3.5%
above US$1,200.00	4.5%

b) **Shorty Creek Property, Alaska, USA**

By agreement dated 17 July 2014, the Company entered into a ten year lease agreement to acquire certain mineral claims located 100 km northwest of Fairbanks, Alaska known as the Shorty Creek Property. On 8 August 2014, the Company issued 750,000 common shares as consideration. The vendor will retain a 2% NSR and be responsible for the annual State of Alaska rents for the first five years after which the Company will be responsible.

c) **Vinasale Property, Alaska, USA**

By agreement dated 28 February 2007 and as amended on 18 January 2010, the Company entered into a mineral exploration agreement with an option to lease from Doyon Limited ("Doyon"), an Alaskan Native Corporation on the Vinasale property in central Alaska

During the year ended 31 December 2014, the Company assessed its Vinasale property for indicators of impairment in accordance with IFRS 6 and IAS 36. Due to the economic uncertainty in general, and the downturn in the mining industry in particular, the Company made the decision to significantly reduce future exploration expenditures on the Vinasale property. As a result of the lack of planned expenditures on the property, the Company recorded a loss on impairment of $6,483,900.

After further discussions with Doyon, the Company decided it would be in the best interest of the Company not to pursue further negotiations on the Vinasale Lease and notified Doyon on 30 March 2015 that it would not be pursuing the Vinasale project.

d) **Rob Property, Alaska, USA**

By agreement dated 9 July 2002, the Company had the option to earn a 100% interest in a 20-year lease on certain mineral claims located in the Good Paster Mining District, Alaska, known as the Rob Property.

During the year ended 31 December 2014, the Company terminated the option agreement and wrote off its remaining interest of $538 (31 December 2013 - $89,798).

e) **Union Bay Property, Alaska, USA**

The Company acquired certain mineral claims known as the Union Bay Property, in Alaska, USA, by way of staking.

During the year ended 31 December 2014, the Company did not renew its interest in the property and wrote off its remaining interest of $Nil (31 December 2013 - $1,528).

6. Property, Plant and Equipment

	Automotive	Computer Equipment	Computer Software	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs								
Balance, 31 December 2013	$ 35,739	$ 8,224	$ 6,140	$ 7,724	$ 191,389	$ 14,248	$ 232,814	$ 496,278
Additions	-	-	-	-	-	-	-	-
Foreign currency translation	3,243	-	-	-	17,364	1,292	21,123	43,022
Balance, 31 December 2014	$ 38,982	$ 8,224	$ 6,140	$ 7,724	$ 208,753	$ 15,540	$ 253,937	$ 539,300
Accumulated Depreciation								
Balance, 31 December 2013	$ (20,854)	$ (3,698)	$ (6,140)	$ (3,275)	$ (18,533)	$ (6,041)	$ -	(58,541)
Depreciation	(4,655)	(1,357)	-	(890)	(7,207)	(1,711)	-	(15,820)
Foreign currency translation	(2,108)	-	-	-	(2,016)	(627)	-	(4,751)
Balance, 31 December 2014	$ (27,617)	$ (5,055)	$ (6,140)	$ (4,165)	$ (27,756)	$ (8,379)	$ -	$ (79,112)
Net Book Value	**$ 11,365**	**$ 3,169**	**$ -**	**$ 3,559**	**$ 180,997**	**$ 7,161**	**$ 253,937**	**$ 460,188**

Notes to Condensed Consolidated Financial Statements

30 June 2015 and 2014

Canadian Funds

	Automotive	Computer Equipment	Computer Software	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs								
Balance, 31 December 2014	$ 38,982	$ 8,224	$ 6,140	$ 7,724	$ 208,753	$ 15,540	$ 253,937	$ 539,300
Additions	-	2,725	-	-	-	-	-	2,725
Foreign currency translation	2,987	-	-	-	15,997	1,191	19,459	39,634
Balance, 30 June 2015	$ 41,969	$ 10,949	$ 6,140	$ 7,724	$ 224,750	$ 16,731	$ 273,396	$ 581,659
Accumulated Depreciation								
Balance, 31 December 2014	$ (27,617)	$ (5,055)	$ (6,140)	$ (4,165)	$ (27,756)	$ (8,379)	$ -	$ (79,112)
Depreciation	(1,833)	(612)	-	(356)	(3,894)	(770)	-	(7,465)
Foreign currency translation	(2,118)	-	-	-	(2,130)	(643)	-	(4,891)
Balance, 30 June 2015	$ (31,568)	$ (5,667)	$ (6,140)	$ (4,521)	$ (33,780)	$ (9,792)	$ -	$ (91,468)
Net Book Value	**$ 10,401**	**$ 5,282**	**$ -**	**$ 3,203**	**$ 190,970**	**$ 6,939**	**$ 273,396**	**$ 490,191**

7. Trade Payables

During the year ended 31 December 2014, the Company wrote off trade payables in the amount of $119,299 (31 December 2013 - $52,027). Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future *(Note 11)*.

During the prior year, the Company entered into an agreement with one of its vendors to repay an amount payable over two years.

8. Related Party Balances and Transactions

A summary of key management compensation is as follows:

		Three months ended 30 June 2015	Three months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Accounting - CFO	**$**	18,700	18,750	37,500	37,550
Consulting – Corp. Secretary		8,100	8,100	16,200	16,200
Legal		-	2,000	-	2,000
Salaries and benefits – President and Vice President		87,500	87,500	175,000	175,000
Total	**$**	114,300	116,350	228,700	230,750

A summary of amounts due to related parties is as follows:

		30 June 2015		31 December 2014
President and Chief Executive Officer	**$**	**148,437**	$	75,521
Vice President, Exploration and Development		**148,437**		75,521
Chief Financial Officer		**32,813**		-
Corporate Secretary		**14,385**		-
Total	**$**	**344,072**	$	151,042

Key management personnel includes individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors, and any companies controlled by these parties.

These amounts were incurred in the ordinary course of business, are non-interest bearing, unsecured and due on demand unless otherwise noted.

9. Restoration and Environmental Obligations

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property *(Note 5a)*. The present value of the estimated obligations relating to properties is $290,356 (31 December 2014 - $555,087) using discount rates at which cash flows have been discounted by 4.25%. During the period the Company incurred reclamation costs resulting in a reduction of $312,250 (US$250,000). Significant reclamation and closure cost activities include, land rehabilitation, demolition of field camps, ongoing care and maintenance and other costs.

The undiscounted reclamation and closure cost obligation at 30 June 2015 is $290,250 (US$250,000) (31 December 2014 - $580,500 (US$500,000)) and the cash outflows are expected to occur in 2016.

Movements in the reclamation and closure cost balance during the year are as follows:

		30 June 2015		31 December 2014
Balance, beginning of year	**$**	**555,087**	$	488,684
Reclamation costs incurred		**(312,250)**		-
Accretion		**4,977**		21,086
Foreign currency translation		**42,542**		45,317
Balance, end of period	**$**	**290,356**	$	555,087

10. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At 30 June 2015, the Company had 90,870,851 common shares outstanding (31 December 2014 – 83,998,351).

a) **Share Issuances and Other**

On 4 May 2015, the Company completed a non-brokered private placement of 6,872,500 ("Units"), priced at $0.10 per Unit for total proceeds of $687,250. Each Unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire an additional Share at a price of $0.15 per Share for a period of 3 years from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation's common shares trade on the TSX at or above a volume weighted average trading price of $0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until 5 September 2015.

On 11 September 2014, the Company closed a non-brokered private placement of 5,000,000 units at $0.20 per unit for gross proceeds of $1,000,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017. Share issuance costs of $36,300 and 171,500 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11

September 2016 and at a price of $0.30 per share exercisable until 11 September 2017 *(Note 10c)*.

On 28 March 2014, the Company closed a non-brokered private placement of 2,827,323 units at $0.23 per unit for proceeds of $650,284. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.30 per share exercisable until 28 March 2015 and at a price of $0.35 per share exercisable until 28 March 2016. Share issuance costs of $10,248 and 44,555 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.30 per share exercisable until 28 March 2015 and at a price of $0.35 per share exercisable until 28 March 2016 *(Note 10c)*.

On 8 August 2014, the Company issued 750,000 common shares valued at $150,000 as consideration for the Shorty Creek Property agreement dated 17 July 2014 *(Note 5d).*

b) **Exercise of Warrants and Options**

No warrants or options were exercised during the period ended 30 June 2015 or for the period ended 30 June 2014.

c) **Share Purchase Warrants**

The following is a summary of the changes in the Company's share purchase warrants for the six month period ended 30 June 2015 and the year ended 31 December 2014:

	30 June 2015		31 December 2014	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding, beginning of the year	10,991,676	0.27	2,948,298	0.59
Granted	-	-	2,871,878	0.30/0.35
Exercised	-	-	-	-
Amended old	-	-	(1,698,297)	0.65
Amended new	-	-	1,698,297	0.25
Amended old	-	-	(1,250,000)	0.50
Amended new	-	-	1,250,000	0.25/0.30
Granted	3,436,250	0.15	5,171,500	0.25/0.30
Expired	-	-	-	-
Outstanding, end of the period	14,427,926	0.25	10,991,676	0.27

The following table summarizes information regarding share purchase warrants outstanding as at 30 June 2015:

	Number	Price per Share	Expiry Date	
	1,630,978	$0.25	2 August 2015	****
	17,320	$0.25	2 August 2015	****
	50,000	$0.25	15 August 2015	****
	1,250,000	$0.30	20 September 2015	***
	2,871,878	$0.35	28 March 2016	**
	5,171,500	$0.25/$0.30	11 September 2016/2017	*
	3,436,250	$0.15	4 May 2018	
Total	14,427,926			

During the period ended 30 June 2015, 3,436,250 share purchase warrants having a relative fair value of $237,861 were issued relating to private placements. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.15 per share exercisable until 4 May 2018. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, interest rate of 0.43%, a dividend yield of 0% and historical volatility of 99% *(Note 10a)*.

* During the year ended 31 December 2014, 5,000,000 share purchase warrants having a relative fair value of $328,584 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017. The Company also issued 171,500 broker warrants valued at $15,107 with similar terms. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 2.5 years, interest rate of 1.17%, a dividend yield of 0% and historical volatility of 102% *(Note 10a)*.

** During the year ended 31 December 2014, 2,827,323 share purchase warrants having a relative fair value of $187,331 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.30 per share exercisable until 28 March 2015 and at a price of $0.35 per share exercisable until 28 March 2016. The Company also issued 44,555 broker warrants valued at $3,786 with similar terms. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 1.5 years, interest rate of 0.96%, a dividend yield of 0% and historical volatility of 116% *(Note 10a)*.

*** During the year ended 31 December 2013, 1,250,000 share purchase warrants having a fair value of $147,088 were issued relating to private placements. Each warrant entitled the holder to purchase one additional common share at a price of $0.50 per share exercisable until 20 September 2015. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 2.0 years, interest rate of 1.23%, a dividend yield of 0% and historical volatility of 94% *((Note 10a)*.

*** On 24 January 2014, the Company amended the original exercise price for 1,250,000 warrants from $0.50 to $0.25 per share exercisable until 20 September 2014 and to $0.30 exercisable until 20 September 2015; provided that if the Company's common shares trade on the TSX at or above a volume weighted average trading price of $0.50 per common share for 10 consecutive trading days, the Company may give notice to the holders that each warrant will expire 30 days from the date of providing such notice. This amendment resulted in an incremental fair value of $29,463 recorded to financing cost.

**** During the year ended 31 December 2012, 1,821,442 share purchase warrants having a fair value of $396,546 were issued relating to private placements. 1,655,977 warrants were issued to purchase one additional common share at a price of $0.65 per share exercisable until 2 February 2014 and 50,000 warrants were issued to purchase one additional common share at a price of $0.65 per share exercisable until 15 February 2014. 115,465 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.65 per share exercisable until 2 February 2014 *(Note 10a).* During the prior year, 148,144 warrants were exercised for proceeds of $96,294.

**** On 24 January 2014, the Company amended the expiry date for 1,648,298 share purchase warrants from 2 February 2014 to 2 August 2014 and amended the expiry date for 50,000 share purchase warrants from 15 February 2014 to 15 August 2014. The original exercise price for these share purchase warrants have also been amended from $0.65 to $0.25 per share; provided that if the Company's common shares trade on the TSX at or above a volume weighted average trading price of $0.50 per common share for 10 consecutive trading days, the Company may give notice to the holders that each warrant will expire 30 days from the date of providing such notice. This amendment resulted in an incremental fair value of $155,228 recorded to financing cost. On 11 August 2014, the Company amended the expiry date for 1,648,298 share purchase warrants from 2 August 2014 to 2 August 2015 and amended the expiry date for 50,000 share purchase warrants from 15 August 2014 to 15 August 2015. The exercise price for these share purchase warrants remained the same at $0.25 per share; provided that if the Company's common shares trade on the TSX at or above a volume weighted average trading price of $0.50 per common share for 10 consecutive trading days, the Company may give notice to the holders that each warrant will expire 30 days from the date of providing such notice. This amendment resulted in an incremental fair value of $124,825 recorded to financing cost.

d) **Share Purchase Options**

The Company has established a stock option plan (the "2012 Stock Option Plan) whereby the Board of Directors (the "Board"), may from time to time, grant options to directors, officers, employees or consultants. At the Company's Annual and Special Meeting held on 29 June 2015, shareholders re-approved a resolution which reserves up to 10% of the issued and outstanding shares from time to time (including existing stock options), as a "rolling stock option plan". Stock options may be granted under the 2012 Stock Option Plan with an exercise period of up to ten (10) years from the date of grant or such lesser period as determined by the Board, subject to a short extension in the case of a Company imposed blackout period. Any stock options granted under the 2012 Stock Option Plan will not be subject to any vesting schedule, unless otherwise determined by the Board. The exercise price of an option will not be less than the closing price of the common shares on the day prior to grant.

A summary of the Company's options at 30 June 2015 and the changes for the period are as follows:

Number Outstanding 31 December 2014	Granted	Exercised	Cancelled	Expired	Number Outstanding 30 June 2015	Number Exercisable 30 June 2015	Exercise Price Per Share	Expiry Date
604,167	-	-	-	(604,167)	-	-	$ 0.48	26 February 2015
800,000	-	-	-	-	800,000	800,000	$ 0.50	29 October 2015
2,035,000	-	-	-	-	2,035,000	2,035,000	$ 0.87	10 May 2016
1,585,000	-	-	-	-	1,585,000	1,585,000	$ 0.65	20 October 2016
20,000	-	-	-	-	20,000	20,000	$ 0.75	20 February 2017
200,000	-	-	-	-	200,000	200,000	$ 0.92	12 November 2017
700,000	-	-	-	-	700,000	700,000	$ 0.25	1 January 2019
150,000	-	-	-	-	150,000	150,000	$ 0.20	23 July 2019
6,094,167	-	-	-	(604,167)	5,490,000	5,490,000		

During the year ended 31 December 2014, the Company granted the following options to consultants of the Company which vested on the following dates:

Vesting Date	Exercise Price	Number of options	**2014 Vested Amount**
1 January 2014	$0.25	300,000	**$60,969***
1 June 2014	$0.25	146,429	**20,399****
1 July 2014	$0.25	42,262	**5,815****
1 August 2014	$0.25	42,262	**5,764****
1 September 2014	$0.25	42,262	**5,660****
1 October 2014	$0.25	42,262	**5,533****
1 November 2014	$0.25	42,262	**3,994****
1 December 2014	$0.25	42,261	**3,516****
Total		700,000	**$111,650**

*The $60,969 estimated fair value of these options is recorded in the Company accounts as deferred exploration costs calculated on the vesting date. The offsetting entry was to stock options reserve.

**The $50,681 estimated fair value of these options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to stock options reserve.

During the year ended 31 December 2014, the Company granted the following options to a Director of the Company which vested immediately:

	Exercise Price	Number of options	**2014 Vested Amount**
Total	$0.20	150,000	**$23,559**

*The $23,559 estimated fair value of these options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to stock options reserve.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	30 June 2015	31 December 2014
Expected dividend yield	**-**	0.00%
Expected stock price volatility	**-**	109.58%
Risk-free interest rate	**-**	1.68%
Expected life of options	**-**	4.69 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

e) **Shareholders Rights Plan**

Effective 9 May 2012, the Board of Directors has approved and adopted a shareholders rights plan (the "Rights Plan"). The Rights Plan extends the minimum expiry period for a takeover bid to 60 days and requires a bid to remain open for an additional 10 business days after an offeror publicly announces it has received tenders for more than 50% of the Company's voting shares. The principal purpose of the Rights Plan is to ensure that shareholders have sufficient time to consider a takeover bid without undue time constraints. It is designed to provide the Board of Directors additional time to consider alternatives in maximizing for shareholders the full and fair value for their common shares.

11. Commitments and Contingency

a) The Company has the following commitments related to payments required under an office lease and a photocopier lease:

	< 1 year	2-5 years	> 5 years	Total
Office lease - Vancouver	$ 41,412	$ 10,354	$ -	$ 51,766
Photocopier lease payments	$ 3,888	$ 197	$ -	$ 4,085

b) The Company has future commitments under exploration and evaluation property option agreements to pay cash and incur exploration expenditures *(Note 5).*

c) During the previous year, the Company wrote off trade payables in the amount of $119,299 (31 December 2013 - $52,027). Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future *(Note 7)*.

12. Segmented Information

Details on a geographic basis as at 30 June 2015 are as follows:

	USA	Canada	Total
Loss for the period	**$ (12,045)**	**$ (549,708)**	**$ (561,753)**
Comprehensive income (loss) for the period	**$ 2,659,939**	**$ (549,708)**	**$ 2,110,231**
Current assets	**$ 225,481**	**$ 273,144**	**$ 498,625**
Property, plant and equipment	**$ 481,706**	**$ 8,485**	**$ 490,191**
Exploration and evaluation properties	**$ 37,659,110**	**$ -**	**$ 37,659,110**
Total assets	**$ 38,366,297**	**$ 281,629**	**$ 38,647,926**

Details on a geographic basis as at 31 December 2014 are as follows:

	USA	Canada	Total
Loss for the year	$ (6,416,566)	$ (1,339,256)	$ (7,755,822)
Comprehensive income (loss) for the year	$ (3,067,596)	$ (1,339,256)	$ (4,406,852)
Current assets	$ 241,697	$ 215,590	$ 457,287
Property, plant and equipment	$ 453,460	$ 6,728	$ 460,188
Exploration and evaluation properties	$ 34,887,888	$ -	$ 34,887,888
Total assets	$ 35,583,045	$ 222,318	$ 35,805,363

Details on a geographic basis as at 30 June 2014 are as follows:

		USA		Canada		Total
Loss for the period	$	(17,469)	$	(868,584)	$	(886,053)
Comprehensive income (loss) for the period	$	96,248	$	(868,584)	$	(772,336)
Current assets	$	191,343	$	515,581	$	706,924
Property, plant and equipment	$	423,601	$	7,851	$	431,452
Exploration and evaluation properties	$	36,806,184	$	-	$	36,806,184
Total assets	$	37,421,128	$	523,432	$	37,944,560

13. Comparative Figures

Certain comparative figures have been adjusted to conform to the current period's presentation.

14. Financial Instruments and Risk Management

a) Financial Instruments

The carrying value of financial assets and liabilities at 30 June 2015 and 31 December 2014 are as follows:

		30 June 2015		31 December 2014
Financial Assets				
FVTPL, measured at fair value				
Cash and cash equivalents	**$**	**261,321**	$	234,901
Loans and receivables, measured at amortized cost				
Amounts receivable		**11,291**		278

		30 June 2015		31 December 2014
Financial Liabilities				
Other liabilities, measured at amortized cost				
Trade payables	**$**	**251,247**	$	149,239
Trade payables – non-current		**583,686**		542,141
Accrued liabilities		**1,500**		27,686
Due to related parties	**$**	**344,072**	$	151,042

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

		30 June 2015		31 December 2014
		Level 1		Level 1
Cash and cash equivalents	**$**	**261,321**	$	234,901

There were no transfers between Level 1 and 2 in the period ended 30 June 2015 and the year ended 31 December 2014.

b) **Capital Management**

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued capital, accumulated other comprehensive income and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended 30 June 2015. Neither the Company nor its subsidiaries is subject to externally imposed capital requirements.

c) **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at 30 June 2015, amounts receivable of $18,122 (31 December 2014 - $12,220) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $6,831 (31 December 2014 - $11,942), interest receivable of $56 (31 December 2014 - $278) and other receivables of $11,235 (31 December 2014 - $Nil). As a result, credit risk is considered insignificant.

d) **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 manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at 30 June 2015, the Company had cash of $261,321 to settle current liabilities of $596,819 which have contractual maturities of less than 30 days and are subject to normal trade terms.

e) **Currency Risk**

Foreign currency exchange risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. As the Company's operations are conducted internationally, operations and capital activity may be transacted in currencies other than the functional currency of the entity party to the transaction.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and statement of financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations.

The following table provides an indication of the Company's foreign currency exposures during the periods ended 30 June 2015 and 31 December 2014:

	30 June 2015	31 December 2014
Cash and cash equivalents	**US$ 54,263**	US$ 99,121
Trade payables	**US$ 587,529**	US$ 533,432

A 1% change in Canadian/US foreign exchange rate at period end would have changed the net loss of the Company, assuming that all other variables remained constant, by approximately $5,332 for the period ended 30 June 2015.

The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

f) **Interest Risk**

The Company is not subject to interest risk.

g) **Commodity Price Risk**

The Company is in the exploration stage and is not subject to commodity price risk.

15. Subsequent Events

The following events occurred subsequent to 30 June 2015:

i) On 28 July 2015, the Company granted 150,000 stock options to purchase shares at $0.12 until 28 July 2020.

ii) On 2 August 2015, 1,648,298 warrants to purchase shares at $0.25 expired.

iii) On 12 August 2015, the Company closed a first tranche of a non-brokered private placement of 13,500,000 ("Units"), priced at $0.10 per Unit for total proceeds of $1,350,000. Each Unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire an additional Share at a price of $0.15 per Share for a period of 3 years from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation's common shares trade on the TSX at or above a volume weighted average trading price of $0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until 13 December 2015.