FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(Expressed in U.S. Dollars)

September 30, 2018 and 2017

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

(unaudited)

(Expressed in U.S. Dollars)

ASSETS		September 30, 2018		December 31, 2017
Current				
Cash and cash equivalents	**$**	**251,315**	$	780,355
Amounts receivable		**3,869**		66,318
Prepaid expenses and deposits		**40,172**		51,425
		295,356		898,098
Exploration and Evaluation Properties *(Note 4)*		**37,225,735**		36,395,650
Property, Plant and Equipment *(Note 5)*		**363,023**		369,157
	$	**37,884,114**	$	37,662,905

LIABILITIES				
Current				
Trade payables	**$**	**625,538**	$	119,707
Accrued liabilities		**-**		25,110
Due to related parties *(Note 7)*		**474,874**		519,654
		1,100,412		664,471
Restoration and Environmental Obligations *(Note 8)*		**227,689**		220,655
		1,328,101		885,126
EQUITY				
Share Capital *(Note 9)*		**85,316,169**		85,316,169
Shares to be issued *(Note 9a)*		**386,672**		-
Reserves		**16,291,943**		16,158,672
Deficit		**(65,438,771)**		(64,697,062)
		36,556,013		36,777,779
	$	**37,884,114**	$	37,662,905

Nature and Continuance of Operations *(Note 1)*, **Commitments** *(Note 10)* and **Subsequent Events** *(Note 14)*

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Changes in Equity
(unaudited)

(Expressed in U.S. Dollars)

	Common Shares	Amount	Stock Options Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance – December 31, 2016	**145,082,617**	**$ 84,141,989**	**$ 7,597,549**	**$ 8,417,404**	**$ (876,105)**	**$ (64,358,527)**	**$ 34,922,310**
Public offering (Note 9a)	25,042,600	2,307,024	-	-	-	-	2,307,024
Value assigned to warrants (Note 9c)	-	(837,247)	-	837,247	-	-	-
Share issue costs (Note 9a)	-	(420,710)	-	-	-	-	(420,710)
Share issue costs – agents warrants(Note 9a and c)	-	(87,186)	-	87,186	-	-	-
Share-based payments (Note 9d)	-	-	4,824	-	-	-	4,824
Foreign currency translation adjustment	-	-	-	-	117,726	-	117,726
Loss for the period	-	-	-	-	-	(653,051)	(653,051)
Balance – September 30, 2017	**170,125,217**	**85,103,870**	**7,602,373**	**9,341,837**	**(758,379)**	**(65,011,578)**	**36,278,123**
Balance – December 31, 2017	**174,018,906**	**85,316,169**	**7,602,373**	**9,341,837**	**(785,538)**	**(64,697,062)**	**36,777,779**
Issuance and allotment of shares for:							
Shares to be issued (Note 9a)	-	386,672	-	-	-	-	386,672
Share-based payments (Note 9d)	-	-	137,906	-	-	-	137,906
Foreign currency translation adjustment	-	-	-	-	(4,635)	-	(4,635)
Loss for the period	-	-	-	-	-	(741,709)	(741,709)
Balance – September 30, 2018	**174,018,906**	**$ 85,702,841**	**$ 7,740,279**	**$ 9,341,837**	**$ (790,173)**	**$ (65,438,771)**	**$ 36,556,013**

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Loss and Comprehensive Loss

(unaudited)

(Expressed in U.S. Dollars)

		3 Months Ended September 30, 2018	3 Months Ended September 30, 2017	9 Months Ended September 30, 2018	9 Months Ended September 30, 2017
General and Administrative Expenses					
Accretion *(Note 8)*	**$**	**2,344**	2,249	**7,034**	$ 6,747
Consulting fees *(Note 7)*		**2,915**	6,959	**10,400**	20,805
Depreciation *(Note 5)*		**2,043**	2,512	**6,134**	7,235
Office and miscellaneous		**10,979**	12,486	**31,621**	31,324
Professional fees (*Note 7)*		**16,829**	20,413	**67,599**	61,363
Promotion and shareholder relations		**18,605**	6,490	**56,678**	68,009
Rent and utilities		**13,085**	13,237	**39,627**	38,199
Share-based payments *(Notes 9d)*		**133,615**	-	**133,615**	4,824
Transfer, filing and other fees		**10,662**	14,086	**63,812**	64,027
Travel and transportation		**21,832**	9,847	**62,143**	70,553
Wages, salaries and benefits *(Note 7)*		**84,170**	87,661	**261,083**	253,532
Total General and Administrative Expenses		**(317,079)**	(175,940)	**(739,746)**	(626,618)
Foreign exchange gain, net		**(355)**	(29,173)	**(2,320)**	(29,420)
Interest and bank charges		**(732)**	(958)	**(1,381)**	(1,989)
Interest income		**56**	724	**1,738**	4,976
		(1,031)	(29,407)	**(1,963)**	(26,433)
Net Loss for the Period	**$**	**(318,110)**	(205,347)	**(741,709)**	$ (653,051)
Loss per Share – Basic and Diluted	**$**	**(0.00)**	(0.00)	**(0.00)**	$ (0.00)
Weighted Average Number of Shares Outstanding – Basic and Diluted		**174,018,906**	148,143,379	**174,018,906**	146,102,871
Comprehensive Loss					
Net loss for the period	**$**	**(318,110)**	(205,347)	**(741,709)**	$ (653,051)
Foreign currency translation adjustment		**(4,486)**	96,912	**(344)**	117,726
Total Comprehensive Loss for the Period	**$**	**(322,596)**	(108,435)	**(742,053)**	(535,325)

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows

For the Nine months Ended September 30,
(unaudited)

(Expressed in U.S. Dollars)

Cash Resources Provided By (Used In)		2018		2017
Operating Activities				
Loss for the period	$	(741,709)	$	(653,051)
Items not affecting cash:				
Depreciation		6,134		7,235
Accretion		7,034		6,747
Share-based payments		133,615		4,824
Net changes in non-cash working capital components:				
Amounts receivable		62,210		(14,883)
Prepaid expenses and deposits		9,887		(21,250)
Trade payables		65,066		(8,469)
Accrued liabilities		(25,110)		(11,599)
Due to related parties		(28,722)		45,110
		(511,595)		(645,336)
Investing Activities				
Exploration and evaluation property acquisition costs		(69,155)		(155,775)
Exploration and evaluation property deferred exploration costs		(243,036)		(1,667,779)
Property, plant and equipment additions		-		(1,715)
		(312,191)		(1,825,269)
Financing Activities				
Share capital issued		-		2,307,024
Share capital to be issued		386,672		-
Share issuance costs		-		(420,710)
		386,672		1,886,314
Effect of Foreign Currency on Cash and Cash Equivalents		(91,926)		117,726
Net increase (decrease) in Cash and Cash Equivalents		(529,040)		(466,565)
Cash and Cash Equivalents - Beginning of Period		780,355		2,305,584
Cash and Cash Equivalents - End of Period	$	251,315	$	1,839,019
Interest received	$	1,653	$	4,444
Income taxes paid	$	-	$	-
Supplemental Disclosure of Non-Cash Items				
Share-based payments included in exploration and evaluation expenditures	$	4,291	$	-
Exploration expenditures included in trade payables and due to related parties	$	744,090	$	342,585
Fair value of agents warrants	$	-	$	87,186

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 September 30, 2018 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 had a comprehensive loss of $742,053 for the nine month period ended September 30, 2018 (September 30, 2017 – $535,325) and had a working capital deficit of $805,056 at September 30, 2018 (December 31, 2017 – working capital of $233,627).

The Company had cash and cash equivalents of $251,315 at September 30, 2018 (December 31, 2017 - $780,355), 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 condensed 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 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 financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2017.

a) **Change in presentation currency**

These condensed consolidated financial statements are presented in United States Dollars ("U.S. Dollars"), unless otherwise specified. The functional currency of Freegold Ventures Limited is the

Canadian Dollar. The functional currency of the Company's foreign subsidiaries is the U.S. Dollar. In 2016, the Company changed its presentation currency from Canadian Dollars to U.S. Dollars to better reflect the Company's business activities. Accordingly, all financial information within these condensed consolidated financial statements are presented in U.S. Dollars, unless otherwise noted. The change in presentation currency is to better reflect the Company's business activities and to improve investor's ability to compare the Company's financial results with other publicly traded businesses in the mineral exploration industry.

In making this change to the U.S. Dollar presentation currency, the Company followed the guidance in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and have applied the change retrospectively as if the new presentation currency had always been the Company's presentation currency. In accordance with IAS 21, the condensed consolidated financial statements for all years and periods presented have been translated to the new U.S. Dollar presentation currency.

b) **Consolidation**

These condensed consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, Free Gold Recovery, USA, Freegold Ventures Limited, USA, Grizzly Bear Gold Inc., Dolphin Gold Inc. (inactive) 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.

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

The preparation of the Company's condensed 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 condensed 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 obligations, the recoverability and measurement of deferred tax assets and liabilities, determination of functional currencies and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3. Approval

These condensed consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on November 13, 2018.

(Expressed in U.S. Dollars)

4. Exploration and Evaluation Properties

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, December 31, 2016	$	2,833,389	$	198,546	$	3,031,935
Additions		247,775		-		247,775
Balance, December 31, 2017	$	3,081,164	$	198,546	$	3,279,710
Exploration and evaluation costs						
Balance, December 31, 2016	$	27,835,798	$	2,770,272	$	30,606,070
Assaying		80,211		44,146		124,357
Camp costs		-		217,413		217,413
Drilling		347,264		625,025		972,289
Engineering and consulting		5,101		80,276		85,377
Geological and field expenses		28,081		71,888		99,969
Geophysical		58,081		-		58,081
Helicopter support		-		404,791		404,791
Land maintenance and tenure		84,143		8,155		92,298
Legal		8,206		-		8,206
Metallurgical studies		25,103		-		25,103
Personnel		137,052		181,448		318,500
Travel		45,247		58,239		103,486
Balance, December 31, 2017	$	28,654,287	$	4,461,653	$	33,115,940
Total	**$**	**31,735,451**	**$**	**4,660,199**	**$**	**36,395,650**

(Expressed in U.S. Dollars)

	Golden Summit Property	Shorty Creek Property	Total
Acquisition costs			
Balance, December 31, 2017	$ 3,081,164	$ 198,546	$ 3,279,710
Additions	69,155	-	69,155
Balance, September 30, 2018	$ 3,150,319	$ 198,546	$ 3,348,865
Exploration and evaluation costs			
Balance, December 31, 2017	$ 28,654,287	$ 4,461,653	$ 33,115,940
Assaying	-	15,065	15,065
Camp costs	-	70,900	70,900
Drilling	-	275,847	275,847
Engineering and consulting	-	27,623	27,623
Geological and field expenses	10,006	79,640	89,646
Helicopter support	-	172,493	172,493
Land maintenance and tenure	22,302	5,810	28,112
Legal	4,362	-	4,362
Metallurgical studies	-	18,165	18,165
Personnel	1,059	22,052	23,111
Travel	-	35,606	35,606
Total incurred for the nine months ended September 30, 2018	$ 37,729	$ 723,201	$ 760,930
Balance, September 30, 2018	$ 28,692,016	$ 5,184,854	$ 33,876,870
Total	**$ 31,842,335**	**$ 5,383,400**	**$ 37,225,735**

(Expressed in U.S. Dollars)

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

Fairbanks Exploration Inc.

By various agreements dated from December 1, 1992 to May 9, 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. In the deed conveying its remaining interest, FEI reserved a 7% working interest which is held in trust for FEI by the Company. The property is controlled by the Company through long-term lease agreements or outright claim ownership.

The Company will fund 100% of the costs 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"), 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 commercial ore reserves.

(i) **Keystone Claims**

By an agreement dated May 17, 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 October 15, 2000, a US$50,000 signing bonus was paid. On November 30, 2001, the Company restructured the advance royalty payments as follows:

1992 – 1998 ($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 ($50,000 per year)	$	300,000		(paid)
2007	$	150,000		(paid)
2008	$	150,000		(paid)
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)
2015	$	75,000		(paid)
2015	$	75,000	**	(paid)
2016	$	150,000	*	(paid)
2017	$	150,000	*	(paid)
2018	$	150,000	*	
2019	$	150,000	*	

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.

* On December 8, 2015, the Company renegotiated the lease to reduce the 2016 annual payment to $75,000 payable in two equal installments on August 1, 2016 (paid) and November 1, 2016 (paid), until such time as the price of gold averages $1,400 per oz. for a period of 3 months at which time the original agreement will be re-instated. In addition, the Company will undertake $75,000 in annual exploration expenditures as consideration for the reduced payments until such time as the advance royalty payments are resumed at $150,000 per year. A payment of $75,000 was paid in 2017 as the price of gold remained below $1,400 per oz.

** $75,000 was paid during the year ended December 31, 2016.

(ii) **Newsboy Claims**

By lease agreement dated February 28, 1986 and amended March 26, 1996, the Company assumed the obligation to make advance royalty payments of $2,500 per year until 1996 (paid) and $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 12, 2012, the Company amended the lease agreement and the lease term was extended for an additional 5 years, from March 1, 2011 to February 29, 2016. The minimum royalty payable under the amended lease was $12,000 per year for the term of the lease. The Company amended the lease agreement whereby the $12,000 due February 29, 2016 was deferred to May 31, 2016 (paid) and the lease term was extended for an additional 5 year term from March 1, 2016 to February 28, 2021. As consideration, the Company had agreed to a one-time payment of $50,000 due on or before February 28, 2017. The Company amended the lease agreement whereby the $50,000 due February 29, 2017 was renegotiated to two installments of $25,000 due February 28, 2017 (paid) and $25,000 due February 28, 2018. The lease agreement whereby the $25,000 ($15,000 paid) due February 28, 2018 will be deferred to December 31, 2018. 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 $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 5 years or less from the date of the agreement. No resource was calculated during the prescribed time frame so these shares were not issued.

(Expressed in U.S. Dollars)

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

The Company, at its option, can purchase 100% of the Tolovana Gold Property claims and NSR for $1,000,000 less any amounts paid.

(iv) **Green Claims**

On December 16, 2010, the Company entered into a 20-year 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
December 1, 2010	$100,000 (paid)	-
December 1, 2011	$100,000 (paid)	$250,000 (incurred)
December 1, 2012	$100,000 (paid)	$500,000 (incurred)
December 1, 2013	$100,000 (paid)	$750,000 (incurred)
December 1, 2014	$50,000 (paid)	$1,000,000 (incurred)
December 1, 2014	$50,000 (paid)	-
December 1, 2015	$50,000 * (paid)	-
December 1, 2016	$50,000 ** (paid)	-
December 1, 2017	$50,000 ** (paid)	-
December 1, 2018 to 2019	$100,000 per year	-
December 1, 2020 to 2028	$200,000 per year	-
December 1, 2029	$150,000 per year	-
Total	$2,800,000	

*In December 2015, an amendment was negotiated to reduce the annual advance royalty for 2015 to $50,000 and payment was deferred until March 31, 2016.

** In 2016, the Company renegotiated the lease to reduce the 2016 annual payment to $50,000 until such time as the price of gold averages $1,400 per oz. for a period of 3 months at which time the original agreement will be re-instated. In addition, the Company guarantees to pay the 2017 and 2018 land maintenance costs as consideration for the reduced payments or until such time as the advance royalty payments are resumed pursuant to the original agreement.

(Expressed in U.S. Dollars)

(v) **Chatham Claims**

On July 11, 2011, the Company entered into a 4-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 was required to make annual cash payments and exploration expenditures as follows:

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

On July 11, 2015, the Company renegotiated and extended the lease agreement for an additional 4 years. The Company is now required to make annual cash payments and exploration expenditures as follows:

	Payments	Exploration Expenditures
September 30, 2016	$25,000 (paid)	$20,000 (incurred)
September 30, 2017	$50,000 (paid)	$20,000 (incurred)
September 30, 2018	$50,000	$20,000
September 30, 2019	$50,000	$20,000
Total	$175,000	$80,000

The Company has the option to purchase the property for $750,000 less the annual payments made under the amended lease agreement.

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

(Expressed in U.S. Dollars)

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

By lease agreement effective June 1, 2012, the Company entered into a mining lease to acquire 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 3-year lease agreement and may be extended for two extensions of 3 years. On February 1, 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 1, 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	$25,000 (paid)	-
Year 1 (2012)	$10 per acre per year (paid)	$125 per acre per year (incurred)
Year 2 (2013)	$10 per acre per year (paid)	$125 per acre per year (incurred)
Year 3 (2014)	$10 per acre per year (paid)	$125 per acre per year (incurred)
Year 4 (2015)	$10 per acre per year (paid)	$235 per acre per year (incurred)
Year 5 (2016)	$15 per acre per year (paid)	$235 per acre per year (incurred)
Year 6 (2017)	$15 per acre per year (paid)	$235 per acre per year (incurred)
Year 7 (2018)	$20 per acre per year (paid)	$355 per acre per year
Years 8-9	$20 per acre per year	$355 per acre per year

For the amendment for an additional 1,173 acres:

	Payments	Exploration Expenditures
Year 1 (2015)	$10 per acre per year (paid)	$125 per acre per year (incurred)
Year 2 (2016)	$10 per acre per year (paid)	$125 per acre per year (incurred)
Year 3 (2017)	$10 per acre per year (paid)	$125 per acre per year (incurred)
Year 4 (2018)	$15 per acre per year (paid)	$235 per acre per year
Years 5-6	$15 per acre per year	$235 per acre per year
Years 7-9	$20 per acre per year	$355 per acre per year

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(Expressed in U.S. Dollars)

The claims will be 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%

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

By agreement dated July 17, 2014, the Company entered into a renewable 10-year lease agreement to acquire certain mineral claims located 100 km northwest of Fairbanks, Alaska known as the Shorty Creek Property. On August 8, 2014, the Company issued 750,000 common shares as consideration. The vendor will retain a 2% NSR and is responsible for the annual State of Alaska rents for the first 5 years after which the Company will be responsible. In 2014 and 2016, additional claims were staked within and outside of the area of interest and the Company will be responsible for these annual State of Alaska rents.

(Expressed in U.S. Dollars)

5. Property, Plant and Equipment

		Automotive		Computer Equipment		Office Equipment		Exploration Office		Exploration Office Equipment		Land		Total
Costs														
Balance, December 31, 2016	$	33,602	$	10,486	$	6,658	$	179,944	$	13,396	$	218,892	$	462,978
Additions		-		1,723		-		-		-		-		1,723
Balance, December 31, 2017	$	33,602	$	12,209	$	6,658	$	179,944	$	13,396	$	218,892	$	464,701
Accumulated Depreciation														
Balance, December 31, 2016	$	(28,802)	$	(6,935)	$	(4,462)	$	(36,157)	$	(9,445)	$	-	$	(85,801)
Depreciation		(1,440)		(1,385)		(373)		(5,755)		(790)		-		(9,743)
Balance, December 31, 2017	$	(30,242)	$	(8,320)	$	(4,835)	$	(41,912)	$	(10,235)	$	-	$	(95,544)
Net Book Value	**$**	**3,360**	**$**	**3,889**	**$**	**1,823**	**$**	**138,032**	**$**	**3,161**	**$**	**218,892**	**$**	**369,157**

Notes to Condensed Consolidated Financial Statements

September 30, 2018 and 2017
(unaudited)

(Expressed in U.S. Dollars)

	Automotive	Computer Equipment	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs							
Balance, December 31, 2017	$ 33,602	$ 12,209	$ 6,658	$ 179,944	$ 13,396	$ 218,892	$ 464,701
Additions	-	-	-	-	-	-	-
Balance, September 30, 2018	$ 33,602	$ 12,209	$ 6,658	$ 179,944	$ 13,396	$ 218,892	$ 464,701
Accumulated Depreciation							
Balance, December 31, 2017	$ (30,242)	$ (8,320)	$ (4,835)	$ (41,912)	$ (10,235)	$ -	$ (95,544)
Depreciation	(756)	(537)	(226)	(4,141)	(474)	-	(6,134)
Balance, September 30, 2018	$ (30,998)	$ (8,857)	$ (5,061)	$ (46,053)	$ (10,709)	$ -	$ (101,678)
Net Book Value	**$ 2,604**	**$ 3,352**	**$ 1,597**	**$ 133,891**	**$ 2,687**	**$ 218,892**	**$ 363,023**

(Expressed in U.S. Dollars)

6. Trade Payables

The Company entered into an agreement with one of its vendors to pay certain trade payables over two years. Accordingly, the Company had presented a portion of its trade payables as non-current as at December 31, 2016. During the year ended December 31, 2017, the Company issued 3,893,689 shares to settle $622,991 debt and recognized a $318,465 gain on forgiveness of debt.

7. Related Party Balances and Transactions

A summary of key management compensation is as follows: Management salaries have not been paid but are being accrued since August 2018 pending receipt of additional financing.

		Three months ended Sep. 30, 2018	Three months ended Sept. 30, 2017	Nine months ended Sept. 30, 2018	Nine months ended Sept. 30, 2017
Accounting – Chief Financial Officer	$	15,379	16,182	46,178	45,831
Consulting – Corporate Secretary		2,307	5,531	6,985	17,120
Salaries and benefits – President and Vice President		74,962	77,812	227,008	224,550
Total	$	92,648	99,525	280,171	287,501

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

		September 30, 2018		December 31, 2017
President and Chief Executive Officer	**$**	**205,517**	$	186,163
Vice President, Exploration and Development		**199,884**		180,351
Chief Financial Officer		**51,385**		42,100
Corporate Secretary		**18,088**		18,012
Total	**$**	**474,874**	$	426,626

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.

Amounts owing to key management are non-interest bearing, unsecured and due on demand unless otherwise noted.

(Expressed in U.S. Dollars)

8. Restoration and Environmental Obligations

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property *(Note 4a)*. As at September 30, 2018, the present value of the estimated obligations relating to properties is $227,689 (December 31, 2017 - $220,655) using a discount rate of 4.25% (2017 – 4.25%) and no consideration of an inflation rate (2017 – none). 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 September 30, 2018 is $250,000 (December 31, 2017 - $250,000)) and the revised estimate of remediation work is expected to occur in 2020.

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

		September 30, 2018		December 31, 2017
Balance, beginning of period	**$**	**220,655**	$	211,659
Accretion		**7,034**		8,996
Balance, end of period	**$**	**227,689**	$	220,655

9. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At September 30, 2018, the Company had 174,018,906 common shares outstanding (December 31, 2017 – 174,018,906).

a) Share Issuances and Other

As at September 30, 2018, the Company received $386,672 pursuant to a non-brokered private placement of 14,935,000 units at Cdn$ 0.08 per unit for total proceeds of Cdn$1,194,800 which closed on October 26, 2018.

On December 22, 2017, the Company issued 3,893,689 shares to settle $622,991 of debt. The Company incurred $4,685 share issue costs associated with this debt settlement (Note 7).

On September 11, 2017, the Company filed a short form prospectus ("2017 Prospectus"). The 2017 Prospectus qualified the distribution of 25,042,600 units of the Company at a price of Cdn$0.12 per unit for gross proceeds of Cdn$3,005,112 ($2,307,024). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire an additional share at a price of Cdn$0.18 per share for a period of 2 years from the date of the closing.

The Company granted the agent, Paradigm (Note 8), 1,252,130 agent warrants relating to the 2017 Prospectus offering. Each agent warrant entitles the agent to acquire a common share at a price of Cdn$0.12 per share for a period of 2 years from the date of the closing. The Company incurred total share issue costs associated with this financing of $595,438 of which $508,252 were commissions and related expenses and $87,186 was the value attributed to the agent warrants (Note 10c).

b) **Exercise of Warrants and Options**

No warrants were exercised during the periods ended September 30, 2018 and September 30, 2017.

No options were exercised during the periods ended September 30, 2018 and September 30, 2017.

(Expressed in U.S. Dollars)

c) **Share Purchase Warrants**

The following is a summary of the changes in the Company's share purchase warrants for the periods ended September 30, 2018 and December 31, 2017:

	September 30, 2018		December 31, 2017	
	Number of warrants	Weighted average exercise price (Cdn$)	Number of warrants	Weighted average exercise price (Cdn$)
Outstanding, beginning of the period	46,772,887	0.20	38,170,957	0.23
Exercised	-	-	-	-
Granted	-	-	12,521,300	0.18
Granted	-	-	1,252,130	0.12
Expired	(3,186,250)	0.15	(5,171,500)	0.30
Expired	(6,750,000)	0.15	-	-
Outstanding, end of the period	36,836,637	0.22	46,772,887	0.20

The following table summarizes information regarding share purchase warrants outstanding as at September 30, 2018:

	Number	Price per Share (Cdn$)	Expiry Date	
	20,230,883	0.25	May 20, 2019	***
	2,832,324	0.18	May 20, 2019	****
	12,521,300	0.18	September 19, 2019	*
	1,252,130	0.12	September 19, 2019	**
Total	36,836,637			

*During the year ended December 31, 2017, 12,521,300 share purchase warrants having a relative fair value of $837,247 were issued relating to the 2017 Prospectus offering. Each warrant entitles the holder to purchase one additional common share at a price of Cdn$0.18 per share exercisable until September 19, 2019. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 2.0 years, risk-free interest rate of 0.69%, a dividend yield of 0% and historical volatility of 123% *(Note 10a)*.

**During the year ended December 31, 2017, 1,252,130 agent warrants having a fair value of $87,186 were issued to Paradigm relating to the 2017 Prospectus offering. Each warrant entitles the agent to purchase one additional common share at a price of Cdn$0.12 per share exercisable until September 19, 2019.

(Expressed in U.S. Dollars)

The fair value was calculated using the Black-Scholes option pricing model with an expected life of 2.0 years, risk-free interest rate of 0.69%, a dividend yield of 0% and historical volatility of 123% *(Note 10a)*.

***During the year ended December 31, 2016, 20,230,883 share purchase warrants having a relative fair value of $2,207,184 were issued relating to the 2016 Prospectus offering. Each warrant entitles the holder to purchase one additional common share at a price of Cdn$0.25 per share exercisable until May 20, 2019. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 0.55%, a dividend yield of 0% and historical volatility of 121% *(Note 10a)*.

****During the year ended December 31, 2016, 2,832,324 agent warrants having a fair value of $292,122 were issued to Paradigm relating to the 2016 Prospectus offering. Each warrant entitles the agent to purchase one additional common share at a price of Cdn$0.18 per share exercisable until May 20, 2019.

The fair value was calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 0.55%, a dividend yield of 0% and historical volatility of 121% *(Note 10a)*.

d) **Stock Options**

The Company has established a stock option plan (the "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 General Meeting held on June 29, 2018, 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 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 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. The policies of the TSX require the approval of all unallocated options, rights or entitlements under the Stock Option Plan by the Company's shareholders every three years with the next such renewal approval requested by shareholders on or before June 29, 2021.

A summary of the Company's stock options at September 30, 2018 and the changes for the period are as follows:

Number Outstanding December 31, 2017	Granted	Exercised	Cancelled	Expired	Number Outstanding September 30, 2018	Number Exercisable September 30, 2018	Exercise Price (Cdn$)	Expiry Date
700,000	-	-	-	-	700,000	700,000	0.25	January 1, 2019
150,000	-	-	-	-	150,000	150,000	0.20	July 23, 2019
150,000	-	-	-	-	150,000	150,000	0.12	July 28, 2020
4,220,000	-	-	-	-	4,220,000	4,220,000	0.21	July 8, 2021
50,000	-	-	-	-	50,000	50,000	0.155	April 6, 2022
-	3,150,000	-	-	-	3,150,000	3,150,000	0.10	July 23, 2023
5,270,000	3,150,000	-	-	-	8,420,000	8,420,000	0.17	

(Expressed in U.S. Dollars)

During the nine months ended September 30, 2018, the Company granted the following options which vested immediately:

	Exercise Price (Cdn$)	Number of options	2018 Vested Amount
Directors and Officers	0.10	3,050,000	$133,615*
Consultant	0.10	100,000	$4,291**
Total	0.10	3,150,000	$137,906

*The $133,615 ($0.04 per option) estimated fair value of 3,050,000 options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to the stock options reserve.

**The $4,291 ($0.04 per option) estimated fair value of 100,000 options is recorded in the Company accounts as deferred exploration costs calculated on the vesting date. The offsetting entry was to the stock options reserve.

A summary of the Company's stock options at December 31, 2017 and the changes for the year are as follows:

Number Outstanding December 31, 2016	Granted	Exercised	Cancelled	Expired	Number Outstanding December 31, 2017	Number Exercisable December 31, 2017	Exercise Price (Cdn$)	Expiry Date
20,000	-	-	-	(20,000)	-	-	0.75	February 20, 2017
700,000	-	-	-	-	700,000	700,000	0.25	January 1, 2019
150,000	-	-	-	-	150,000	150,000	0.20	July 23, 2019
150,000	-	-	-	-	150,000	150,000	0.12	July 28, 2020
4,220,000	-	-	-	-	4,220,000	4,220,000	0.21	July 8, 2021
-	50,000	-	-	-	50,000	50,000	0.155	April 6, 2022
5,240,000	50,000	-	-	(20,000)	5,270,000	5,270,000	0.21	

During the year ended December 31, 2017, the Company granted the following options to a consultant of the Company which vested immediately:

	Exercise Price (Cdn$)	Number of options	2017 Vested Amount
Consultant	0.155	50,000	$4,824

*The $4,824 ($0.096 per option) estimated fair value of 50,000 options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to the 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:

	September 30, 2018	December 31, 2017
Expected dividend yield	**0.00%**	0.00%
Historical volatility	**122.44%**	112.72%
Risk-free interest rate	**2.07%**	1.12%
Expected life of options	**5.00 years**	5.00 years

(Expressed in U.S. Dollars)

e) **Shareholders Rights Plan**

Effective May 9, 2012, the Board 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 additional time to consider alternatives in maximizing for shareholders the full and fair value for their common shares. The termination date is May 9, 2020 unless the plan is terminated by the Board before that date.

10. Commitments

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

	< 1 year (Cdn$)	2-5 years (Cdn$)	> 5 years (Cdn$)	Total (Cdn$)
Office lease - Vancouver	67,488	139,194	-	206,682
Photocopier lease payments	4,006	6,009	-	10,015
Total	71,494	145,203	-	216,697

b) The Company has future commitments under exploration and evaluation property option agreements to pay cash and incur exploration expenditures *(Note 4).*

11. Segmented Information

Details on a geographic basis as at September 30, 2018 are as follows:

	USA	Canada	Total
Loss and comprehensive loss for the period	**$ (12,827)**	**$ (729,226)**	**$ (742,053)**
Current assets	**$ 92,678**	**$ 202,678**	**$ 295,356**
Property, plant and equipment	**$ 358,074**	**$ 4,949**	**$ 363,023**
Exploration and evaluation properties	**$ 37,225,735**	**$ -**	**$ 37,225,735**
Total assets	**$ 37,676,487**	**$ 207,627**	**$ 37,884,114**

Details on a geographic basis as at December 31, 2017 are as follows:

	USA	Canada	Total
Current assets	$ 155,206	$ 742,892	$ 898,098
Property, plant and equipment	$ 363,445	$ 5,712	$ 369,157
Exploration and evaluation properties	$ 36,395,650	$ -	$ 36,395,650
Total assets	$ 36,914,301	$ 748,604	$ 37,662,905

(Expressed in U.S. Dollars)

Details on a geographic basis as at September 30, 2017 are as follows:

	USA	Canada	Total
Loss and comprehensive loss for the period	$ (13,555)	$ (521,770)	$ (535,325)

12. Comparative Figures

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

13. Financial Instruments and Risk Management

a) Financial Instruments

The carrying value of financial assets and liabilities at September 30, 2018 and December 31, 2017 are as follows:

	September 30, 2018	December 31, 2017
Financial Assets		
FVTPL, measured at fair value		
Cash and cash equivalents	**$ 251,315**	$ 780,355
Loans and receivables, measured at amortized cost		
Amounts receivable	**712**	59,298

	September 30, 2018	December 31, 2017
Financial Liabilities		
Other liabilities, measured at amortized cost		
Trade payables	**$ 625,538**	$ 119,707
Accrued liabilities	**-**	25,110
Due to related parties	**474,874**	519,654

Financial instrument hierarchy

Financial instruments measured at fair value on the condensed consolidated statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in U.S. Dollars)

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

		September 30, 2018		December 31, 2017
		Level 1		Level 1
Cash and cash equivalents	**$**	**251,315**	$	780,355

There were no transfers between levels during the periods ended September 30, 2018 and the year ended December 31, 2017.

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 conditions 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 September 30, 2018. 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 September 30, 2018, amounts receivable of $3,869 (December 31, 2017 - $66,318) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $3,157 (December 31, 2017 - $7,020), interest receivable of $85 (December 31, 2017 - $140) and other receivables of $627 (December 31, 2017 - $59,158). 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 September 30, 2018, the Company had cash of $251,315 to settle current liabilities of $1,100,412 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 (loss) and comprehensive income (loss) 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 obtaining most of its estimated annual U.S. cash requirements and holding the remaining currency in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and condensed consolidated 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 period ended September 30, 2018 and the year ended December 31, 2017:

	September 30, 2018 (Cdn$)	December 31, 2017 (Cdn$)
Cash and cash equivalents	**70,565**	850,972
Trade payables and accruals	**158,375**	92,435
Due to related parties	**614,724**	651,905

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 $5,269 for the nine month period ended September 30, 2018 (Year ended December 31st, 2017 - $1,066).

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.

f) **Interest Rate Risk**

The Company is not subject to interest rate risk.

g) **Commodity Price Risk**

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

14. Subsequent Events

On October 26, 2018, the Company received subscription agreements for the closing of a non-brokered private placement of 14,935,000 (“Units”), priced at Cdn$0.08 per Unit for total proceeds of Cdn$1,194,800. Each Unit will consist of one common share (a “Share”) and one common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire an additional Share at a price of Cdn$0.12 per Share for a period of 36 months 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 Cdn$0.20 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 February 27th, 2019.