

**FREGOLD VENTURES LIMITED**

**(An Exploration Stage Company)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(UNAUDITED)**

**(Expressed in U.S. Dollars)**

**March 31, 2019 and 2018**

**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)

<b>ASSETS</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>Current</b>		
Cash and cash equivalents	\$ 221,822	\$ 99,989
Restricted cash (Note 4)	702,383	-
Amounts receivable	59,045	58,672
Prepaid expenses and deposits	39,477	40,141
	<u>1,022,727</u>	<u>198,802</u>
<b>Exploration and Evaluation Properties (Note 5)</b>	<b>37,419,642</b>	<b>37,588,541</b>
<b>Property, Plant and Equipment (Note 6 (a))</b>	<b>359,052</b>	<b>360,988</b>
<b>Right-of-use Asset (Note 6 (b))</b>	<b>119,435</b>	<b>-</b>
	<u>\$ 38,920,856</u>	<u>\$ 38,148,331</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Trade payables	\$ 291,807	\$ 260,653
Accrued liabilities	24,845	30,805
Project cost advance received	702,570	-
Current portion of lease liability	49,513	-
Due to related parties (Note 7)	682,851	558,129
	<u>1,751,586</u>	<u>849,587</u>
<b>Non- current</b>		
Lease liability (Note 6(b))	72,119	-
Restoration and Environmental Obligations (Note 8)	232,477	230,033
	<u>2,056,182</u>	<u>1,079,620</u>
<b>EQUITY</b>		
<b>Share Capital (Note 9)</b>	<b>85,849,508</b>	<b>85,849,508</b>
<b>Reserves</b>	<b>16,663,493</b>	<b>16,677,246</b>
<b>Deficit</b>	<b>(65,648,327)</b>	<b>(65,458,043)</b>
	<u>36,864,674</u>	<u>37,068,711</u>
	<u>\$ 38,920,856</u>	<u>\$ 38,148,331</u>

**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
<b>Balance – December 31, 2017</b>	<b>174,018,906</b>	<b>85,316,169</b>	<b>7,602,373</b>	<b>9,341,837</b>	<b>(785,538)</b>	<b>(64,697,062)</b>	<b>36,777,779</b>
Foreign currency translation adjustment	-	-	-	-	(59)	-	(59)
Loss for the period	-	-	-	-	-	(195,963)	(195,963)
<b>Balance – March 31, 2018</b>	<b>174,018,906</b>	<b>85,316,169</b>	<b>7,602,373</b>	<b>9,341,837</b>	<b>(785,597)</b>	<b>(64,893,025)</b>	<b>36,581,757</b>
<b>Balance – December 31, 2018</b>	<b>188,953,906</b>	<b>\$ 85,849,508</b>	<b>\$ 7,740,279</b>	<b>\$ 9,714,597</b>	<b>\$ (777,630)</b>	<b>\$ (65,458,043)</b>	<b>\$ 37,068,711</b>
Foreign currency translation adjustment	-	-	-	-	(13,753)	-	(13,753)
Loss for the period	-	-	-	-	-	(190,284)	(190,284)
<b>Balance – March 31, 2019</b>	<b>188,953,906</b>	<b>\$ 85,849,508</b>	<b>\$ 7,740,279</b>	<b>\$ 9,714,597</b>	<b>\$ (791,383)</b>	<b>\$ (65,648,327)</b>	<b>\$ 36,864,674</b>

- See Accompanying Notes -

**Freegold Ventures Limited**  
*(An Exploration Stage Company)*

**Condensed Consolidated Statements of Loss and Comprehensive Loss**

**For the three months Ended March 31,  
(unaudited)**

*(Expressed in U.S. Dollars)*

	2019	2018
<b>General and Administrative Expenses</b>		
Accretion <i>(Notes 6(b) &amp; 8)</i>	\$ 2,489	\$ 2,345
Consulting fees <i>(Note 7)</i>	2,268	3,790
Depreciation <i>(Notes 6(a) &amp; 6(b))</i>	13,969	2,049
Office and miscellaneous	9,839	9,532
Professional fees <i>(Note 7)</i>	16,522	21,723
Promotion and shareholder relations	16,246	6,929
Rent and utilities	508	13,439
Transfer, filing and other fees	26,225	31,050
Travel and transportation	15,189	14,334
Wages, salaries and benefits <i>(Note 7)</i>	84,568	91,245
<b>Total General and Administrative Expenses</b>	<b>(187,823)</b>	<b>(196,436)</b>
Foreign exchange loss, net	(69)	(210)
Interest and bank charges	(2,442)	(349)
Interest income	50	1,032
	<b>(2,461)</b>	<b>473</b>
<b>Net Loss for the Period</b>	<b>\$ (190,284)</b>	<b>\$ (195,963)</b>
<b>Loss per Share – Basic and Diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted Average Number of Shares Outstanding – Basic and Diluted</b>	<b>188,953,906</b>	<b>174,018,906</b>
<b>Comprehensive Loss</b>		
Net loss for the period	\$ (190,284)	\$ (195,963)
Foreign currency translation adjustment	(13,753)	(59)
<b>Total Comprehensive Loss for the Period</b>	<b>\$ (204,037)</b>	<b>(196,022)</b>

**Freegold Ventures Limited**  
(An Exploration Stage Company)

**Condensed Consolidated Statements of Cash Flows**  
**For the Three months Ended March 31,**  
**(unaudited)**

(Expressed in U.S. Dollars)

<b>Cash Resources Provided By (Used In)</b>	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Loss for the period	\$ (190,284)	\$ (195,963)
Items not affecting cash:		
Depreciation	13,969	2,049
Accretion	2,489	2,345
Net changes in non-cash working capital components:		
Amounts receivable	(373)	(2,844)
Prepaid expenses and deposits	664	(22,078)
Trade payables	31,154	(27,694)
Accrued liabilities	(5,960)	4,074
Project cost advance received	702,570	-
Due to related parties	124,722	-
	<u>678,951</u>	<u>(240,111)</u>
<b>Investing Activities</b>		
Exploration and evaluation property acquisition costs	(4,500)	(9,500)
Exploration and evaluation property deferred exploration costs	-	(25,872)
Overhead recovery	200,000	-
	<u>195,500</u>	<u>(35,372)</u>
<b>Financing Activities</b>		
Restricted cash	(702,383)	-
	<u>(702,383)</u>	<u>-</u>
<b>Effect of Foreign Currency on Cash and Cash Equivalents</b>	<u>(50,235)</u>	<u>(15,333)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>121,833</b>	<b>(290,816)</b>
Cash and Cash Equivalents - Beginning of Year	<u>99,989</u>	<u>780,355</u>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 221,822</b>	<b>\$ 489,539</b>
<b>Interest received</b>	<b>\$ -</b>	<b>\$ 209</b>
<b>Income taxes paid</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Supplemental Disclosure of Non-Cash Items</b>		
Exploration expenditures included in trade payables and due to related parties	<b>\$ 261,325</b>	<b>\$ 223,754</b>

## **Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

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### **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 March 31, 2019 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 \$204,037 for the three month period ended March 31, 2019 (March 31, 2018 – \$196,022) and had a working capital deficit of \$728,859 at March 31, 2019 (December 31, 2018 – working capital deficit of \$650,785).

The Company had cash and cash equivalents of \$221,822 at March 31, 2019 (December 31, 2018 - \$99,989), 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, 2018.

#### **a) 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

## **Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

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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 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.

### **c) Exploration and Evaluation Properties**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Revenue for the Company is derived from management fees. It is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection. Management fees are generated when the Company operates an exploration program under a budget approved by the earn-in partner. The Company charges the earn-in partner a pre-determined fee based on a percentage of the total exploration expenditures incurred.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.



**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**d) Adoption of new and revised standards and interpretations**

The Company has adopted IFRS 16 Leases effective January 1, 2019. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

**3. Approval**

These condensed consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on May 13, 2019.

**4. Restricted Cash**

Restricted cash consists of an advance from an earn-in partner who has forwarded funds to the Company for use on a specific property.

**5. Exploration and Evaluation Properties**

	Golden Summit Property	Shorty Creek Property	Total
<b>Acquisition costs</b>			
Balance, December 31, 2017	\$ 3,081,164	\$ 198,546	\$ 3,279,710
Additions	88,655	-	88,655
Balance, December 31, 2018	\$ 3,169,819	\$ 198,546	\$ 3,368,365
<b>Exploration and evaluation costs</b>			
Balance, December 31, 2017	\$ 28,654,287	\$ 4,461,653	\$ 33,115,940
Assaying	-	30,398	30,398
Camp costs	-	87,171	87,171
Drilling	-	283,012	283,012
Engineering and consulting	110	34,800	34,910
Geological and field expenses	12,490	84,547	97,037
Helicopter support	-	172,493	172,493
Land maintenance and tenure	65,270	23,810	89,080
Legal	8,088	-	8,088
Metallurgical studies	-	18,165	18,165
Personnel	46,280	201,996	248,276
Travel	-	35,606	35,606
Total incurred during December 31, 2018	\$ 132,238	\$ 971,998	\$ 1,104,236
Balance, December 31, 2018	\$ 28,786,525	\$ 5,433,651	\$ 34,220,176
<b>Total</b>	<b>\$ 31,956,344</b>	<b>\$ 5,632,197</b>	<b>\$ 37,588,541</b>

**Freegold Ventures Limited**  
*(An Exploration Stage Company)*

**Notes to Condensed Consolidated Financial Statements**

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*(Expressed in U.S. Dollars)*

	Golden Summit Property		Shorty Creek Property		Total
<b>Acquisition costs</b>					
Balance, December 31, 2018	\$	3,169,819	\$	198,546	\$ 3,368,365
Additions		4,500		-	4,500
Balance, March 31, 2019	\$	3,174,319	\$	198,546	\$ 3,372,865
<b>Exploration and evaluation costs</b>					
Balance, December 31, 2018	\$	28,786,525	\$	5,433,651	\$ 34,220,176
Assaying		-		4,523	4,523
Camp costs		-		165	165
Geological and field expenses		4,689		5,839	10,528
Land maintenance and tenure		-		3,588	3,588
Legal		1,447		-	1,447
Travel		6,271		79	6,350
Total incurred during March 31, 2019	\$	12,407	\$	14,194	\$ 26,601
Less:					
Overhead recovery		-		(200,000)	(200,000)
Balance, March 31, 2019	\$	28,798,932	\$	5,247,845	\$ 34,046,777
<b>Total</b>	<b>\$</b>	<b>31,973,251</b>	<b>\$</b>	<b>5,446,391</b>	<b>\$ 37,419,642</b>

**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

*(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 \$75,000)
2017	\$	150,000 **	(paid \$75,000)
2018	\$	150,000 ***	(paid \$15,000)
2019	\$	150,000 ***	

The property is subject to a 3% NSR.

## **Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

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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.

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

\*\* On December 8, 2015, the Company renegotiated the lease to reduce the annual royalty payments to \$75,000 payable in two equal installments on August 1 and November 1, until such time as the price of gold averages \$1,400 per ounce 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.

\*\*\* The Company is in negotiations to decrease the annual royalty payments of \$75,000 to \$15,000, pursuant to a forbearance agreement entered into subsequent to year-end. The agreement permits the Company to pay \$15,000 on August 1 of each year with the remaining balance of \$60,000 payable in equal monthly installments over 2 years, following the price of gold averaging US\$1,400 per ounce for a period of 3 years. Pursuant to the terms of this agreement, a payment of \$15,000 was paid during the year ended December 31, 2018.

### **(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 on 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 (the "Signing Bonus") due on or before February 28, 2017. The Company renegotiated the agreement to defer payments of the Signing Bonus to two installments of \$25,000 due on February 28, 2017 (paid) and \$25,000 due on February 28, 2018 (\$15,000 paid).

The Company is currently renegotiating the payment terms surrounding the Signing Bonus and annual lease payments. 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 completed to date.

### **(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 a 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

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(Expressed in U.S. Dollars)

months, increasing to \$1,250 per month for the 24th to the 48th months, and \$1,500 per month 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 was established in 5 years or less from the date of the agreement. No resource was calculated during the prescribed timeframe; therefore, these shares were not issued to the Seller.

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 ("Christina Mining") 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, with the payment deferred until March 31, 2016.

\*\* In 2016, the Company renegotiated the lease to reduce the annual royalty payments to \$50,000 until such time as the price of gold averages \$1,400 per ounce for a period of 3 months at which time the original agreement will be re-instated. In addition, the Company

## Notes to Condensed Consolidated Financial Statements

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guaranteed 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.

\*\*\* The Company amended the lease to waive the 2018 advance royalty payment. This concession may be extended with notice to the Company for a further two years and with further agreement to waive the annual advance royalty payment for the following two years. As consideration for this concession, the Company agreed to relinquish its rights to certain mineral claims. Following reclamation and in the event the advance royalty payments are made in full, the Company shall have the right, but not the obligation to reincorporate the claims into the lease. The Company shall reimburse Christina Mining the annual claim rents for the relinquished claims until such time as the mineral lease is terminated.

### (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 (waived)
July 11, 2015	-	\$50,000 (waived)
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* (paid \$15,000)	\$20,000*
September 30, 2019	\$50,000 *	\$20,000*
Total	\$175,000	\$80,000

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*(Expressed in U.S. Dollars)*

\*A payment of \$15,000 was made in 2018 and on March 27, 2019, the Company renegotiated and extended the lease agreement for an additional 2 years. The Company is now required to make annual cash payments as follows:

	Payments
September 30, 2019	\$15,000
September 30, 2020	\$35,000
September 30, 2021	\$35,000
Total	\$85,000

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

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

**(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 *
Year 8 (2019)	\$20 per acre per year	\$355 per acre per year
Year 9	\$20 per acre per year	\$355 per acre per year

**Freegold Ventures Limited**  
(An Exploration Stage Company)

**Notes to Condensed Consolidated Financial Statements**

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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*
Year 5 (2019)	\$15 per acre per year	\$235 per acre per year
Year 6	\$15 per acre per year	\$235 per acre per year
Years 7-9	\$20 per acre per year	\$355 per acre per year

\*The Company is currently renegotiating the terms of the exploration expenditure requirement.

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%



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### **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 the area of interest and the Company will be responsible for these annual State of Alaska rents.

On March 5, 2019, the Company entered into an agreement with a wholly-owned subsidiary of South32 Limited ("South32") whereby South32 has the option to earn a 70% interest in the Shorty Creek Property (the "Project"). To maintain the option in good standing, South32 must contribute minimum exploration funding of \$10 million over a 4-year option period with minimum exploration expenditures of \$2 million in Years 1 and 2, and \$3 million in Years 3 and 4 for an aggregate of \$10 million.

Provided that all exploration data and information has been made available by December 31 of each year of the option agreement, South32 shall decide within 30 days whether to fund a further tranche. The first year expenditure of a minimum \$2 million is a firm commitment. Should South32 withdraw prior to exercising its option, the option will lapse and South32 will have no further interest in or claim against the Project.

South32 may exercise its option at any time following Year 1 to subscribe for 70% of the shares of a newly formed project company by committing \$30 million to the newly formed company, less the amount of exploration expenditures contributed by South32 during the option period.

After the subscription funding has been expended by the project holding company, the parties will contribute funding on a pro rata basis (70% and 30% to South 32 and the Company, respectively), as contemplated by the operating agreement which will govern the period subsequent to the option exercise.

The Company will act as the operator of the Project during the 4-year option period and will provide annual reports and budgets to a technical committee formed by the Company and South32, for the purpose of reviewing and approving each year's program.

**Freegold Ventures Limited***(An Exploration Stage Company)***Notes to Condensed Consolidated Financial Statements****March 31, 2019 and 2018***(Expressed in U.S. Dollars)***6 (a). Property, Plant and Equipment**

	Automotive	Computer Equipment	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
<b>Costs</b>							
Balance, December 31, 2017	\$ 33,602	\$ 12,209	\$ 6,658	\$ 179,944	\$ 13,396	\$ 218,892	\$ 464,701
Additions	-	-	-	-	-	-	-
<b>Balance, December 31, 2018</b>	<b>\$ 33,602</b>	<b>\$ 12,209</b>	<b>\$ 6,658</b>	<b>\$ 179,944</b>	<b>\$ 13,396</b>	<b>\$ 218,892</b>	<b>\$ 464,701</b>
<b>Accumulated Depreciation</b>							
Balance, December 31, 2017	\$ (30,242)	\$ (8,320)	\$ (4,835)	\$ (41,912)	\$ (10,235)	\$ -	\$ (95,544)
Depreciation	(1,008)	(711)	(298)	(5,520)	(632)	-	(8,169)
<b>Balance, December 31, 2018</b>	<b>\$ (31,250)</b>	<b>\$ (9,031)</b>	<b>\$ (5,133)</b>	<b>\$ (47,432)</b>	<b>\$ (10,867)</b>	<b>\$ -</b>	<b>\$ (103,713)</b>
<b>Net Book Value</b>	<b>\$ 2,352</b>	<b>\$ 3,178</b>	<b>\$ 1,525</b>	<b>\$ 132,512</b>	<b>\$ 2,529</b>	<b>\$ 218,892</b>	<b>\$ 360,988</b>

**Freegold Ventures Limited***(An Exploration Stage Company)***Notes to Condensed Consolidated Financial Statements****March 31, 2019 and 2018***(Expressed in U.S. Dollars)*


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	Automotive	Computer Equipment	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
<b>Costs</b>							
Balance, December 31, 2018	\$ 33,602	\$ 12,209	\$ 6,658	\$ 179,944	\$ 13,396	\$ 218,892	\$ 464,701
Additions	-	-	-	-	-	-	-
<b>Balance, March 31, 2019</b>	<b>\$ 33,602</b>	<b>\$ 12,209</b>	<b>\$ 6,658</b>	<b>\$ 179,944</b>	<b>\$ 13,396</b>	<b>\$ 218,892</b>	<b>\$ 464,701</b>
<b>Accumulated Depreciation</b>							
Balance, December 31, 2018	\$ (31,250)	\$ (9,031)	\$ (5,133)	\$ (47,432)	\$ (10,867)	\$ -	\$ (103,713)
Depreciation	(176)	(248)	(59)	(1,326)	(127)	-	(1,936)
<b>Balance, March 31, 2019</b>	<b>\$ (31,426)</b>	<b>\$ (9,279)</b>	<b>\$ (5,192)</b>	<b>\$ (48,758)</b>	<b>\$ (10,994)</b>	<b>\$ -</b>	<b>\$ (105,649)</b>
<b>Net Book Value</b>	<b>\$ 2,176</b>	<b>\$ 2,930</b>	<b>\$ 1,466</b>	<b>\$ 131,186</b>	<b>\$ 2,402</b>	<b>\$ 218,892</b>	<b>\$ 359,052</b>

## Notes to Condensed Consolidated Financial Statements

March 31, 2019 and 2018

(Expressed in U.S. Dollars)

### 6 (b). Right-of-use asset

The Company has an office lease with a lease term to September 30, 2021. As at March 31, 2019, the present value of the estimated remaining office lease is \$119,435 using a discount rate of 4.25% and no consideration of an inflation rate.

	<u>Right-of-use asset</u>	
<b>Cost</b>		
Balance, December 31, 2018	\$	-
Initial valuation		<b>131,468</b>
<b>Balance, March 31, 2019</b>	<b>\$</b>	<b>131,468</b>
<b>Accumulated Depreciation</b>		
Balance, December 31, 2018	\$	-
Depreciation		<b>(12,033)</b>
<b>Balance, March 31, 2019</b>	<b>\$</b>	<b>(12,033)</b>
<b>Net Book Value</b>	<b>\$</b>	<b>119,435</b>

Movements in the non-current lease liability balances during the periods are as follows:

	<b>March 31, 2019</b>	
Balance, beginning of year	\$	<b>82,968</b>
Accretion		<b>45</b>
Amounts paid		<b>(10,894)</b>
<b>Balance, end of period</b>	<b>\$</b>	<b>72,119</b>

**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

*(Expressed in U.S. Dollars)*

**7. Related Party Balances and Transactions**

A summary of key management compensation is as follows:

	<b>March 31, 2019</b>		March 31, 2018
Accounting – Chief Financial Officer	\$ 14,631	\$	15,594
Consulting – Corporate Secretary	2,268		2,369
Salaries and benefits – President and Vice President	<b>73,724</b>		76,984
<b>Total</b>	<b>\$ 90,623</b>	<b>\$</b>	<b>94,947</b>

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

	<b>March 31, 2019</b>		December 31, 2018
President and Chief Executive Officer	\$ 281,171	\$	239,686
Vice President, Exploration and Development	275,715		234,340
Chief Financial Officer	103,540		64,538
Corporate Secretary	22,425		19,565
<b>Total</b>	<b>\$ 682,851</b>	<b>\$</b>	<b>558,129</b>

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.

**8. Restoration and Environmental Obligations**

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property (*Note 5a*). As at March 31, 2019, the present value of the estimated obligations relating to properties is \$232,477 (December 31, 2018 – \$230,034) using a discount rate of 4.25% (2018 – 4.25%) and no consideration of an inflation rate (2018 – 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 March 31, 2019 is \$250,000 (December 31, 2018 – \$250,000) and the revised estimate of remediation work is expected to occur in 2020.

## Notes to Condensed Consolidated Financial Statements

March 31, 2019 and 2018

(Expressed in U.S. Dollars)

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

	<b>March 31, 2019</b>	December 31, 2018
Balance, beginning of year	\$ 230,033	\$ 220,655
Accretion	2,444	9,378
Balance, end of period	\$ 232,477	\$ 230,033

### 9. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At March 31, 2019, the Company had 188,953,906 common shares outstanding (December 31, 2018 – 188,953,906).

#### a) Share Issuances and Other

On October 26, 2018, the Company closed 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 (\$918,794). Each Unit consists of one common share (a “Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles 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 27, 2019. The Company incurred \$12,695 share issue costs associated with this financing.

#### b) Exercise of Warrants and Options

No warrants were exercised during the three month periods ended March 31, 2019 and March 31, 2018.

No options were exercised during the three month periods ended March 31, 2019 and March 31, 2018.

**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(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 March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
	Number of warrants	Weighted average exercise price (Cdn\$)	Number of warrants	Weighted average exercise price (Cdn\$)
Outstanding, beginning of the year	51,771,637	0.19	46,772,887	0.20
Granted	-	-	14,935,000	0.12
Expired	-	-	(3,186,250)	0.15
Expired	-	-	(6,750,000)	0.15
Outstanding, end of the period	51,771,637	0.19	51,771,637	0.19

The following table summarizes information regarding share purchase warrants outstanding as at March 31, 2019:

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	***
14,935,000	0.12	October 26, 2021	*
<b>Total</b>	<b>51,771,637</b>		

\*During the year ended December 31, 2018, 14,935,000 share purchase warrants having a relative fair value of \$372,760 were issued relating to a private placement. Each warrant entitles the holder to purchase one additional common share at a price of Cdn\$0.12 per share exercisable until October 26, 2021. 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 2.29%, a dividend yield of 0% and historical volatility of 113% (Note 9a).

\*\*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 9a).

\*\*\*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

**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

the agent to purchase one additional common share at a price of Cdn\$0.12 per share exercisable until September 19, 2019. 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 9a).

**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 March 31, 2019 and the changes for the period are as follows:

Number Outstanding December 31, 2018	Granted	Exercised	Cancelled	Expired	Number Outstanding March 31, 2019	Number Exercisable March 31, 2019	Exercise Price (Cdn\$)	Expiry Date
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
8,420,000	-	-	-	(700,000)	7,720,000	7,720,000	0.16	

During the year ended December 31, 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.



**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

A summary of the Company's stock options at December 31, 2018 and the changes for the year are as follows:

Number Outstanding December 31, 2017	Granted	Exercised	Cancelled	Expired	Number Outstanding December 31, 2018	Number Exercisable December 31, 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	

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:

	March 31, 2019	December 31, 2018
Expected dividend yield	n/a	0.00%
Historical volatility	n/a	122.44%
Risk-free interest rate	n/a	2.07%
Expected life of options	n/a	5.00 years

**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	68,191	104,747	-	172,938
Photocopier lease payments	4,006	4,006	-	8,012
Total	72,197	108,753	-	180,950

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

**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

*(Expressed in U.S. Dollars)*

**11. Segmented Information**

Details on a geographic basis as at March 31, 2019 are as follows:

	USA		Canada		Total
<b>Comprehensive loss for the period</b>	<b>\$ (4,467)</b>	<b>\$</b>	<b>(199,570)</b>	<b>\$</b>	<b>(204,037)</b>
<b>Current assets</b>	<b>\$ 912,949</b>		<b>\$ 109,778</b>		<b>\$ 1,022,727</b>
<b>Property, plant and equipment</b>	<b>\$ 354,656</b>		<b>\$ 4,396</b>		<b>\$ 359,052</b>
<b>Right-of-use asset</b>	<b>\$ -</b>		<b>\$ 119,435</b>		<b>\$ 119,435</b>
<b>Exploration and evaluation properties</b>	<b>\$ 37,419,642</b>		<b>\$ -</b>		<b>\$ 37,419,642</b>
<b>Total assets</b>	<b>\$ 38,687,247</b>		<b>\$ 233,609</b>		<b>\$ 38,920,856</b>

Details on a geographic basis as at December 31, 2018 are as follows:

	USA		Canada		Total
Current assets	\$ 69,895		\$ 128,907		\$ 198,802
Property, plant and equipment	\$ 356,284		\$ 4,704		\$ 360,988
Exploration and evaluation properties	\$ 37,588,541		\$ -		\$ 37,588,541
Total assets	\$ 38,014,720		\$ 133,611		\$ 38,148,331

Details on a geographic basis as at March 31, 2018 are as follows:

	USA		Canada		Total
Comprehensive loss for the period	\$ (4,273)		\$ (191,749)		\$ (196,022)

**12. Comparative Figures**

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

**Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

**13. Financial Instruments and Risk Management**

a) **Financial Instruments**

The carrying value of financial assets and liabilities at March 31, 2019 and December 31, 2018 are as follows:

	<b>March 31, 2019</b>	December 31, 2018
<b>Financial Assets</b>		
<i>Amortized cost</i>		
Cash and cash equivalents	\$ 221,822	\$ 99,989
Restricted cash	702,383	-
Amounts receivable	59,045	54,125
<b>Financial Liabilities</b>		
<i>Other liabilities, measured at amortized cost</i>		
Trade payables	\$ 291,807	\$ 260,653
Accrued liabilities	24,845	30,805
Project cost advance received	702,570	-
Due to related parties	682,851	558,129

**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).

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

	<b>March 31, 2019</b>	December 31, 2018
	<b>Level 1</b>	Level 1
Cash and cash equivalents	\$ 221,822	\$ 99,989

There were no transfers between levels during the periods ended March 31, 2019 and December 31, 2018.

## **Notes to Condensed Consolidated Financial Statements**

**March 31, 2019 and 2018**

(Expressed in U.S. Dollars)

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**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 March 31, 2019. Neither the Company nor its subsidiaries are 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 March 31, 2019, amounts receivable of \$59,045 (December 31, 2018 - \$58,672) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of \$4,979 (December 31, 2018 - \$4,547), interest receivable of \$181 (December 31, 2018 - \$129) and other receivables of \$53,885 (December 31, 2018 - \$53,996). 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 March 31, 2019, the Company had cash of \$221,822 to settle current liabilities of \$999,503, 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.

## Notes to Condensed Consolidated Financial Statements

March 31, 2019 and 2018

(Expressed in U.S. Dollars)

The following table provides an indication of the Company's foreign currency exposures during the periods ended March 31, 2019 and December 31, 2018:

	<b>March 31, 2019 (Cdn\$)</b>	December 31, 2018 (Cdn\$)
Cash and cash equivalents	<b>90,944</b>	123,079
Trade payables and accruals	<b>258,913</b>	236,818
Due to related parties	<b>912,494</b>	761,400

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 \$2,701 for the three month period ended March 31, 2019 (March 31, 2018 - \$521).

The Company has not entered into any 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

There were no reportable subsequent events.



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

**DATED: MAY 13<sup>TH</sup>, 2019**

This discussion contains certain forward-looking information and is expressly qualified by the cautionary statement at the end of this Management's Discussion and Analysis ("MD&A").

**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The 2019 and 2018 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 three month periods ended March 31<sup>st</sup>, 2019 and 2018.

**PRESENTATION CURRENCY**

**The condensed consolidated financial statements are presented in United States Dollars ("U.S. Dollars"), unless otherwise specified.** The functional currency of Freegold Ventures Limited is Canadian Dollars. However, the functional currency of the Company's foreign subsidiaries is the U.S. Dollar. Accordingly, the condensed consolidated financial statements are presented in U.S. Dollars. Unless otherwise noted, all currency amounts presented in this MD&A are stated in U.S. Dollars.

**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 May 13<sup>th</sup>, 2019, the Company had 188,953,906 shares outstanding. The Company has its registered corporate office in Vancouver, Canada.

**REVIEW OF EXPLORATION PROJECTS**

The Company continues to focus its exploration activities in Alaska on its Shorty Creek and Golden Summit Projects.

**SHORTY CREEK**

The Company entered into a renewable ten-year lease agreement to acquire certain mineral claims comprising the Shorty Creek Project in July 2014. The Project is located 120 kilometres northwest of Fairbanks, Alaska and 4 kilometres to the south of the all-weather paved Elliott Highway within the Livengood-Tolovana Mining District. The Company issued 750,000 common shares as consideration. The vendor will retain a 2% net smelter returns royalty ("NSR") and be responsible for the annual State of Alaska rents for the first five years after which, the Company will assume responsibility. In 2014, additional claims were staked in the area of interest and the

Company will be responsible for these annual State of Alaska rents. Additional claims were also staked during the 2016 exploration program.

Shorty Creek is a copper–gold porphyry target on which Freegold intersected 91.4 metres grading 0.55% copper during its initial drill campaign in 2015. Subsequent drilling in 2016 and 2017 intersected broad zones of copper mineralization. Highlights include 434.5 metres grading 0.36% copper, 0.12 g/t gold, 7.46 g/t silver in hole SC 16-01, and 409.6 metres grading 0.29% copper, 0.06 g/t Au, and 5.66 g/t silver in Hole SC 16-02. A follow-up program in 2017 continued to expand upon these broad zones of copper mineralization. Highlights from 2017 include 360 metres grading 0.24% copper, 0.07 g/t gold, and 4.04 g/t silver in hole SC 17-01, and 408 metres grading 0.27% copper, and 0.05 g/t gold and 4.97 g/t silver in hole SC 17-02. In addition to the copper mineralization at Hill 1835, significant tungsten mineralization was intersected. Significant intercepts include 207 metres grading 0.045% W03 in hole SC 16-01, 0.03% W0<sub>3</sub> over 409.6 metres in hole SC 16-02, 0.06% W0<sub>3</sub> over 87 metres in hole SC 17-01 and 0.06% W0<sub>3</sub> over 339 metres in hole SC 17-02.

On January 16<sup>th</sup>, 2019, the Company reported results from holes SC 18-01 and SC 18-02 drilled during the 2018 program. A total of 1,166 metres were drilled in two holes within the magnetic high at Hill 1835. Both holes intersected consistent mineralization over broad widths.

*Highlights from the Hole SC 18-01 & SC 18-02: 2018 program include:*

Hole Number	From	To	Interval (m)	Cu %	Au g/t	Ag g/t	W03 %	Cu EQ %
SC 18-01	113	555.2	442.2	0.24	0.09	4.74	0.02	0.42
<b>Incl</b>	<b>194</b>	<b>315.15</b>	<b>121.15</b>	<b>0.45</b>	<b>0.15</b>	<b>10.5</b>	<b>0.045</b>	<b>0.80</b>
SC 18-02	92	534.4	442.4	0.22	0.13	4.03	0.02	0.42
Incl	92	407	315	0.25	0.08	4.61	0.026	0.44
<b>Incl</b>	<b>281</b>	<b>407</b>	<b>126</b>	<b>0.36</b>	<b>0.09</b>	<b>6.3</b>	<b>0.018</b>	<b>0.54</b>

*Freegold has not as yet collected sufficient data to determine how the downhole drill intervals might relate to the actual true thickness of mineralization. \*Copper equivalent grades are based on metal prices of US\$2.70/lb copper, US\$1,280 per oz gold and US\$16 per oz silver and US\$220/mtu tungsten. Metal recoveries have not been applied in the copper equivalent calculation. The copper equivalent calculation is as follows; CuEq=Cu grade+(Au grade x Au price + Ag grade x Ag price)/(22.0462 x 31.1035 x Cu price) + tungsten.*

Hole SC 18-01 was drilled to a depth of 555.2 metres and terminated in a significant fault zone. Hole SC 18-02, located 175 metres southeast of Hole SC 18-01, was drilled to a depth of 610.85 metres.

The Shorty Creek Project area hosts a cluster of magnetic anomalies commonly seen in porphyry districts. Hill 1835 is only one of the potentially significant areas identified to date. The mineralized area at Hill 1835 extends over a 600 metre x 300 metre area and remains open. The 2016 program also tested a broad magnetic anomaly with coincident geochemistry at Hill 1710, an area located two kilometres north of Hill 1835, with 4 holes spaced on average 400 metres apart. The holes intersected copper mineralization with the copper grades increasing as drilling moved to the northeast. Only 1.6 kilometre of the 6.0 kilometre long magnetic feature has been drill tested.

Other exploration targets within the 100 square kilometre property include the Quarry target, where oxidized porphyritic rock with stockwork veining returned values of 500 ppm copper in rock samples. Steel Creek, which was initially tested with one hole in 2017, lies two kilometres northeast of Hill 1835 and drilling intersected anomalous copper and a mineral suite similar to that seen at Hill 1835.

Metallurgical work has been underway for the past several months aimed at both determining copper, silver and gold recoveries through locked cycle testing as well as evaluating the potential for a gravity circuit to recover the tungsten. The tungsten intersected in drilling at Shorty Creek occurs as wolframite and hence is likely amenable to gravity recovery. Results will be reported when available. The metallurgical program is being conducted by Base Metallurgical Laboratories Ltd. of Kamloops, B.C.

Drill cores were cut in half using a core saw. In all cases, one-half of the core was placed in sealed bags for geochemical analysis and the other half stored on site. Core samples were either delivered to ALS Chemex at its facility in Fairbanks, Alaska or picked up by ALS Chemex at the camp facility. A quality control assurance program was part of the sampling program to ensure the quality of the assay results.

For results of the 2015 - 2018 drill programs, reference should be made to the full news releases contained on the Company's website at [www.freegoldventures.com](http://www.freegoldventures.com), as well as a technical report with respect to the Shorty Creek Project entitled, "An Updated *Technical Report for the Shorty Creek Project, Livengood – Tolovana Mining District, Alaska*" by John R. Woodman, B.Sc., P. Geo., dated April 2<sup>nd</sup>, 2018, which was filed under the Company's profile on SEDAR.

On March 5, 2019, the Company entered into an agreement with a wholly-owned subsidiary of South32 Limited ("South32") whereby South32 has the option to earn a 70% interest in the Shorty Creek Property (the "Project"). To maintain the option in good standing, South32 must contribute minimum exploration funding of \$10 million over a 4-year option period with minimum exploration expenditures of \$2 million in Years 1 and 2, and \$3 million in Years 3 and 4 for an aggregate of \$10 million.

Provided that all exploration data and information has been made available by December 31 of each year of the option agreement, South32 shall decide within 30 days whether to fund a further tranche. The first year expenditure of a minimum \$2 million is a firm commitment. Should South32 withdraw prior to exercising its option, the option will lapse and South32 will have no further interest in or claim against the Project.

South32 may exercise its option at any time following Year 1 to subscribe for 70% of the shares of a newly formed project company by committing \$30 million to the newly formed company, less the amount of exploration expenditures contributed by South32 during the option period.

After the subscription funding has been expended by the project holding company the parties will contribute funding on a pro rata basis of 70% and 30% to South 32 and the Company, as contemplated by the operating agreement which will govern the period subsequent to the option exercise.

The Company will act as the operator of the Project during the 4-year option period and will provide annual reports and budgets to a technical committee, formed by the Company and South32, for the purpose of reviewing and approving each year's program.

## **GOLDEN SUMMIT**

The Golden Summit Project is a road accessible gold exploration project near Fairbanks, Alaska. The Project consists of a several long-term leases ("Keystone Claims", "Tolovana Claims", "Newsboy Claims", "Green Claims", "Chatham Claims" and "Alaska Mental Health Trust Property") and claims and lands owned by Freegold. The Project is subject to various fixed and sliding net smelter return royalties ("NSR's") ranging from 1 to 5% dependent on the price of gold. The Project is also subject to various payments and work commitments on an annual basis. In a deed conveying its remaining interest, Fairbanks Exploration Inc. ("FEI") reserved a 7% working interest, which is held in trust for FEI by the Company on certain mineral claims. The Company will fund



100% of the costs until commercial production is achieved at which point FEI is required to contribute 7% of any approved budget. These claims are subject to a 2% 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 commercial ore reserves.

Freegold has been exploring the Golden Summit Project since 1992. Exploration activities have included ground and airborne geophysics, rock, soil and trench sampling and drilling (reverse circulation, rotary air blast and core). 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.

Since 2011, four resource updates have been completed on the Project. The most recent technical report on the Golden Summit Project, entitled "*Technical Report, Golden Summit Project, Preliminary Economic Assessment, Fairbanks North Star Borough, Alaska, USA*" dated January 20<sup>th</sup>, 2016 and Amended and Restated as of May 11<sup>th</sup>, 2016 prepared by Tetra Tech, Inc. and Mark J. Abrams, C.P.G. and Gary Giroux, P. Eng., M.A.Sc. of Giroux Consultants Ltd. (the "Golden Summit Technical Report") has been filed under the Company's profile on SEDAR.

**The preliminary economic assessment ("PEA") reflected in the Golden Summit Technical Report is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.**

The PEA evaluates a two-phase, 24-year life of mine open pit mine generating two gold streams, each operating at 10,000 tonnes per day (tpd). Processing operations for the oxide and sulfide mineralized materials are heap leach and bio-oxidation, respectively. All values are presented in US\$.

Based on a gold price of \$1,300/oz, highlights of the PEA include:

- A post-tax net present value using a 5% discount rate and an internal rate of return of \$188 million and 19.6%, respectively;
- A mine life of 24 years with peak annual gold production of 158 thousand ounces (koz) and average annual gold production of 96 koz;
- 2,358 koz of doré produced over the life of mine;
- Total cash cost estimated at \$842/oz Au (including royalties, refining and transport);
- Ability to execute Phase 1 with low initial capital; initial and sustaining capital costs, including contingency, estimated at \$88 million and \$348 million respectively;
- A payback of 3.3 years post-tax; and
- Favourable geopolitical climate; completion risk is offset through strong legislative and financial support at state and federal levels.

Potential optimization of the project includes the additional expansion of the current oxide material, which may have the potential to increase the project's overall IRR and NPV by increasing the throughput during the oxide phase. During the 2017 season, a total of 27 holes were drilled in an area to the north of the current resource area. Using results of the previously completed RAB (Rotary Air Blast) drilling, ground resistivity and soil geochemistry, a series of vertical holes, spaced roughly 50 metres apart were completed. The hole pattern was designed to determine if the current oxide resource could be expanded to the north as well as to establish boundaries to the current oxide resource. The results of the 2017 program demonstrated the potential for expansion of the current oxide resource at Golden Summit to the north with the majority of the holes returning average grades above the oxide grade cut-off used in the 2016 PEA. The oxide resource is contained largely within the upper 200 feet (60 metres) of the surface. To date, resource drilling has been confined to a 300 metre by 1.5 kilometre area (approx. 110 acres) however, the entire Golden Summit project area covers 13,000 acres and hosts numerous other significant exploration targets with potential to host additional resources, all of which would have the potential for an oxide cap within 200 feet (60 metres) of surface.

The technical disclosure contained in the MD&A has been reviewed and approved by Alvin Jackson, P.Geol., Vice President Exploration and Development for the Company, who is a "Qualified Person" as defined under National Instrument 43-101.

## RESULTS OF OPERATIONS

### *Three month period ended March 31<sup>st</sup>, 2019*

On January 1<sup>st</sup>, 2019, the Company adopted all of the requirements of IFRS 16 – Leases. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has a three-year office lease, which resulted in a “right-of-use” asset of \$119,435 and a corresponding current lease liability of \$49,513 and a non-current lease liability of \$72,119. The associated depreciation is \$12,033 and rent expense is reduced accordingly.

The Company’s net loss for the three months ended March 31<sup>st</sup>, 2019 was \$190,284 compared to \$195,963 for the same period in the previous year. The decrease in net loss was mainly attributable to a reduction in general and administrative expenses from \$196,436 to \$187,823, a decrease of \$8,613. The changes in general and administrative expenses were mainly attributable to:

- a reduction of \$12,931 in rent and utilities expenses from \$13,439 in 2018 to \$508 in 2019 as a result of the adoptions of IFRS 16;
- a decrease of \$5,201 in professional fees, from \$21,723 in 2018 to \$16,522; and
- an increase of \$9,317 in promotion and shareholder relations expenses, from \$6,929 in 2018 to \$16,246. The increase was mainly attributable to activities to increase investor awareness.

All other general and administrative costs were relatively similar to those incurred in the previous year.

During the three month period ended March 31<sup>st</sup>, 2019, the Company incurred acquisition, and exploration and evaluation property expenditures of:

	Golden Summit Property	Shorty Creek Property	Total
<b>Acquisition costs</b>			
Balance, December 31, 2018	\$ 3,169,819	\$ 198,546	\$ 3,368,365
Additions	4,500	-	4,500
Balance, March 31, 2019	\$ 3,174,319	\$ 198,546	\$ 3,372,865
<b>Exploration and evaluation costs</b>			
Balance, December 31, 2018	\$ 28,786,525	\$ 5,433,651	\$ 34,220,176
Assaying	-	4,523	4,523
Camp costs	-	165	165
Geological and field expenses	4,689	5,839	10,528
Land maintenance and tenure	-	3,588	3,588
Legal	1,447	-	1,447
Travel	6,271	79	6,350
Total incurred during March 31, 2019	\$ 12,407	\$ 14,194	\$ 26,601
Less:			
Overhead recovery	-	(200,000)	(200,000)
Balance, March 31, 2019	\$ 28,798,932	\$ 5,247,845	\$ 34,046,777
<b>Total</b>	<b>\$ 31,973,251</b>	<b>\$ 5,446,391</b>	<b>\$ 37,419,642</b>

The Company's cash and cash equivalents increased from \$99,989 at December 31<sup>st</sup>, 2018 to \$221,822 at March 31<sup>st</sup>, 2019. The increase in cash of \$121,833 for the three month period ended March 31<sup>st</sup>, 2019 was mainly attributable to \$200,000 received as an advance under an option agreement. This compares to a decrease in cash of \$290,816 for the three month period ended March 31<sup>st</sup>, 2018 that was mainly attributable the interim loss of \$195,963 and \$35,372 incurred on mineral exploration and acquisition costs.

## 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)							
	Mar. 31 <sup>st</sup> 2019	Dec. 31 <sup>st</sup> 2018	Sept. 30 <sup>th</sup> 2018	June 30 <sup>th</sup> 2018	Mar. 31 <sup>st</sup> 2018	Dec. 31 <sup>st</sup> 2017	Sept. 30 <sup>th</sup> 2017	June 30 <sup>th</sup> 2017
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net comprehensive (loss) income – before tax	(190,284)	(19,272)	(318,110)	(227,636)	(195,963)	405,083	(205,347)	(187,724)
Net comprehensive (loss) income per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)
Total assets	38,920,856	38,148,331	37,884,114	37,149,516	37,426,486	37,662,905	38,038,616	36,206,296

The Company's exploration expenses generally tend to be lower during winter months as much of the field exploration is carried out during the summer season. In particular, the Shorty Creek drill season is limited largely from May to September, although drilling is possible year-round at Golden Summit.

## Liquidity and capital resources

At March 31<sup>th</sup>, 2019, the Company's working capital, defined as current assets less current liabilities, was a deficit of \$728,859 compared to a deficit of \$650,785 at December 31<sup>st</sup>, 2018. The Company has \$316,652 related to trade payables and accrued liabilities and \$682,851 is owed to related parties. In March 2019, the Company announced an option agreement with South32 whereby South32 has the option to earn a 70% interest in the Shorty Creek Property by committing \$30 million. The 2019 program will consist of a minimum \$2.2 million exploration program. The Company received \$702,383 from South32 which is shown as restricted cash with a corresponding project cost advance liability of \$702,570. The Company will be required to seek additional financing for working capital and funding for potential further exploration activities at Golden Summit.

## 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.

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the consolidated financial statements for the year ended December 31<sup>st</sup>, 2018.

### **New Accounting Policy**

On January 1<sup>st</sup>, 2019, the Company adopted all of the requirements of IFRS 16 – Leases. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

### **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 did not have positive working capital at March 31<sup>st</sup>, 2019 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 available capital will not be sufficient to fund the Company's planned activities through 2019.

### **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 reserve estimates for the following reasons:

- mineralization could be different from those predicted by drilling, sampling and similar tests;
- the grade of mineral reserves may vary from time to time and there can be no assurance that any particular level of recovery can be achieved from the mineral reserve; and
- declines in the market prices of contained minerals may render the mining of some or all of the Company's mineral reserves 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's Stock Option Plan. This plan and its terms and outstanding balance are

disclosed in Note 9d to the condensed consolidated financial statements for the three month period ended March 31<sup>st</sup>, 2019.

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 following table discloses, as of March 31<sup>st</sup>, 2019, the Company's contractual obligations, including anticipated mineral property payments and work commitments. Under the terms of the Company's mineral property purchase agreements, mineral leases and the terms of the unpatented mineral claims held by it, the Company is required to make certain scheduled acquisition payments, incur certain levels of expenditures, make lease or advance royalty payments, make payments to government authorities and incur assessment work expenditures as summarized in the table below in order to maintain and preserve the Company's interest in the related mineral properties. If the Company is unable or unwilling to make any such payments or incur any such expenditures, it is likely that the Company would lose or forfeit its rights to acquire or hold the related mineral properties. The following table assumes that the Company retains the rights to all of its current mineral properties, but does not exercise any lease purchase or royalty buyout options:

The Company is committed under exploration and evaluation property option agreements to pay cash and incur exploration expenditures as outlined in the table below, but has the ability to reduce or terminate the option agreements upon appropriate notice.

		2019	2020	2021	2022	2023	* 2024 and beyond	Total
Golden Summit payments	\$	167,655	166,500	414,000	379,000	379,000	379,000	\$ 1,885,155
Golden Summit exploration	\$	418,720	75,000	75,000	75,000	75,000	75,000	\$ 793,720
<b>Total</b>	<b>\$</b>	<b>586,375</b>	<b>241,500</b>	<b>489,000</b>	<b>454,000</b>	<b>454,000</b>	<b>454,000</b>	<b>\$ 2,678,875</b>

\*Annual amounts

For more detailed information on the Company's statutory property payments and exploration commitments, see the Company's Annual Information Form for the year ended December 31<sup>st</sup>, 2018 and note 5 to the Company's interim condensed consolidated financial statements for the three month period ended March 31<sup>st</sup>, 2019.

The Company has future commitments related to payments required under an office lease and a photocopier lease agreements (amounts in Canadian dollars).

	< 1 year (Cdn\$)	2-5 years (Cdn\$)	Total (Cdn\$)
Office lease - Vancouver	68,191	104,747	172,938
Photocopier lease payments	4,006	4,006	8,012
<b>Total</b>	<b>72,197</b>	<b>108,753</b>	<b>180,950</b>

See Note 10 of the Company's condensed consolidated financial statements for the three month period ended March 31<sup>st</sup>, 2019.

#### Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

#### Financial Instruments

On January 1<sup>st</sup>, 2018, the Company adopted all of the requirements of IFRS 9 – Financial Instruments. The effect of initially applying this standard did not have a material impact on the Company's financial statements. A number of other new standards are also effective from January 1<sup>st</sup>, 2018; however, are also not considered to have a material impact on the Company's financial statements.

IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 – Financial Instruments: Recognition and Measurement. There was no material impact to the Company's consolidated financial statements as a result of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out in Note 2(d) in the audited consolidated financial statements for the year ended December 31<sup>st</sup>, 2018.

## 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 March 31<sup>st</sup>, 2019, amounts receivable of \$59,045 (December 31<sup>st</sup>, 2018 - \$58,672) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of \$4,979 (December 31<sup>st</sup>, 2018 - \$4,547), interest receivable of \$181 (December 31<sup>st</sup>, 2018 - \$129) and other receivables of \$53,885 (December 31<sup>st</sup>, 2018 - \$53,996). 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 March 31<sup>st</sup>, 2019, the Company had cash of \$221,822 to settle current liabilities of \$999,503 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 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 periods ended March 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2018:

	March 31 <sup>st</sup> , 2019 (Cdn\$)	December 31 <sup>st</sup> , 2018 (Cdn\$)
Cash and cash equivalents	90,944	123,079
Trade payables and accrued liabilities	258,913	236,818
Due to related parties	912,494	761,400

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 \$2,701 for the three month period ended March 31<sup>st</sup>, 2019 compared to \$521 for the three month ended March 31<sup>st</sup>, 2018.

The Company has not entered into any derivative instruments to offset the impact of foreign currency fluctuations.



### Interest Rate Risk

The Company is not subject to interest rate risk.

### Commodity Price Risk

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

### SUBSEQUENT EVENTS

There were no reportable subsequent events.

### OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at May 13<sup>th</sup>, 2019, there were 188,953,906 outstanding common shares compared to 188,953,906 outstanding shares at December 31<sup>st</sup>, 2018.

As at May 13<sup>th</sup>, 2019 there were 51,771,637 warrants outstanding.

	<b>Number Outstanding on May 13<sup>th</sup>, 2019</b>	<b>Exercise Price per Share Cdn\$</b>	<b>Expiry Date</b>
	20,230,883	\$0.25	May 20 <sup>th</sup> , 2019
	2,832,324	\$0.18	May 20 <sup>th</sup> , 2019
	12,521,300	\$0.18	September 19 <sup>th</sup> , 2019
	1,252,130	\$0.12	September 19 <sup>th</sup> , 2019
	14,935,000	\$0.12	October 26 <sup>th</sup> , 2021
<b>Total</b>	<b>51,771,637</b>		

Directors, officers, employees and contractors are granted options to purchase common shares under the Company's Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 9d to the condensed consolidated financial statements for the period ended March 31<sup>st</sup>, 2019.

As at May 13<sup>th</sup>, 2019 there were 7,720,000 stock options outstanding as disclosed in the below table:

	<b>Number Outstanding May 13<sup>th</sup>, 2019</b>	<b>Number Exercisable May 13<sup>th</sup>, 2019</b>	<b>Exercise Price per Share Cdn\$</b>	<b>Expiry Date</b>
	150,000	150,000	\$ 0.20	July 23 <sup>rd</sup> , 2019
	150,000	150,000	\$ 0.12	July 28 <sup>th</sup> , 2020
	4,220,000	4,220,000	\$ 0.21	July 8 <sup>th</sup> , 2021
	50,000	50,000	\$ 0.155	April 6 <sup>th</sup> , 2022
	3,150,000	3,150,000	\$ 0.10	July 23 <sup>rd</sup> , 2023
<b>Total</b>	<b>7,720,000</b>	<b>7,720,000</b>		

## 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.

A summary of compensation accrued/paid to key management personnel is as follows:

		March 31 <sup>st</sup> , 2019		March 31 <sup>st</sup> , 2018
Kristina Walcott - President and CEO	\$	36,862*	\$	38,492
Alvin Jackson - VP Exploration and Development		36,862*		38,492
Gordon Steblin - CFO		14,631*		15,594
Taryn Downing - Corporate Secretary		2,268*		2,369
<b>Total</b>	<b>\$</b>	<b>90,623*</b>	<b>\$</b>	<b>94,947</b>

\* Accrued and not paid

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

		March 31 <sup>st</sup> , 2019		December 31 <sup>st</sup> , 2018
Kristina Walcott - President and CEO	\$	281,171	\$	239,686
Alvin Jackson - VP Exploration and Development		275,715		234,340
Gordon Steblin - CFO		103,540		64,538
Taryn Downing - Corporate Secretary		22,425		19,565
<b>Total</b>	<b>\$</b>	<b>682,851</b>	<b>\$</b>	<b>558,129</b>

Key management personnel include 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.

## DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with other members of management, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as at the financial period ended March 31<sup>st</sup>, 2019. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at March 31<sup>st</sup>, 2019 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The CEO and CFO, together with other members of management, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting as at the financial period ended March 31<sup>st</sup>, 2019. Based on that evaluation, the CEO and CFO concluded that the design and operation of internal controls over financial reporting were effective as at March 31<sup>st</sup>, 2019 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated financial statements for external purposes in accordance with IFRS. In designing and implementing such controls, it should be recognized that any system of the internal control over financial reporting, no matter how well designed and operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to condensed consolidated financial statement preparation and may not prevent or detect all misstatements due to error or fraud.

## **CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There have been no changes in the Company's internal controls over financial reporting during the three month period ended March 31<sup>st</sup>, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## **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 to continue to carry on its business and develop its mineral properties.

### **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 and developing 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**

Given the results of the Golden Summit PEA, the next significant step for the Golden Summit Project, subject to arranging appropriate financing, would be the preparation of a Preliminary Feasibility Study. The Company is seeking additional financing and/or joint venture opportunities to further develop this Project. A significant advantage for the project to keep the initial capital expenditures at a minimum 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. Additional drilling, metallurgical testing, environmental analyses, other permitting and property confirmation activities will need to be undertaken as part of this next level of study. In the near term, particular emphasis will be placed on planning additional drilling aimed at expanding the current oxide resource. Geophysical, geochemical and geological results had identified three primary areas in which drilling should be focused. Drilling during 2017 was focused on the area to the north of the oxide resource and the results indicate that the oxide mineralization extends to the north. Both the areas to the west and southwest remain untested by additional drilling. These areas represent high priority areas for further oxide expansion.

In addition to the studies being planned at Golden Summit, exploration is continuing at Shorty Creek as a result of the encouraging results obtained from the 2015 to 2018 field programs. In 2015, the first core drilling was undertaken at Shorty Creek. Hole SC 15-03 confirmed that copper mineralization present at Hill 1835 is associated with a magnetic high. Drilling during 2016 focused

on both Hill 1835 in the area of the 2015 drilling as well as Hill 1710 where a broad magnetic anomaly with coincident copper and molybdenum in soil anomaly was identified. Seven holes were completed in the 2016 program for a total of 3,038 metres (9,966 feet).

The 2016 drill program successfully confirmed the presence of a copper-gold-molybdenum porphyry system at the Shorty Creek Project within the 100 square kilometre property. The airborne magnetic survey has identified several northeast trending magnetic highs. Copper-gold mineralization and associated porphyry alteration has been intersected in drill holes at Hill 1835, while copper-molybdenum mineralization has been confirmed at Hill 1710.

The 2017 program at Shorty Creek was aimed at expanding the mineralization at Hill 1835, a large-scale porphyry target. Results from the drilling at Hill 1835 has indicated continuous mineralization both laterally and to depth, having been drilled over an area of 700 metres by 400 metres and 500 metres to depth and open.

Drilling at Hill 1835 in 2018 (2 holes – 1,166 metres) continued to intersect broad zones of copper-gold mineralization over significant widths consistent with previous drill results in the Hill 1835 target area.

Drilling at Hill 1835 is early stage with the spacing between holes averaging 120 metres and a large untested area remaining. Considerable infill drilling will be necessary in order to define an indicated resource, however, each hole drilled to date has intersected broad zones of mineralization, despite the wide spacing, and results continue to confirm both the grade and overall tonnage potential of this sizeable target area. Several additional targets remain to be tested, including the Quarry target which is a geophysical and geochemical target with outcropping feldspar porphyry with up to 0.05% copper in grab samples from the outcropping oxide material.

On March 5, 2019, the Company entered into an agreement with a wholly-owned subsidiary of South32, whereby South32 has the option to earn a 70% interest in the Shorty Creek Property (the "Project"). To maintain the option in good standing, South32 must contribute minimum exploration funding of \$10 million over a 4-year option period with minimum exploration expenditures of \$2 million in Years 1 and 2, and \$3 million in Years 3 and 4 for an aggregate of \$10 million.

South32 may exercise its option at any time following Year 1 to subscribe for 70% of the shares of a newly formed project company by committing \$30 million to the newly formed company, less the amount of exploration expenditures contributed by South32 during the option period.

The Company will act as the operator of the Project during the 4-year option period and will provide annual reports and budgets to a technical committee, formed by the Company and South32, for the purpose of reviewing and approving each year's program.

The 2019 exploration program is expected to commence shortly, with a budget of \$2.2 million fully funded by South32. The program is expected to include additional ground geophysics and geochemical sampling in preparation for a minimum 2,000 metre drill program to be carried out this summer. Exploration is expected to primarily focus on the areas outside of Hill 1835 in an effort to define additional mineralization within the property area.

*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, and the 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.*