Form 51-102F1
Management Discussion and Analysis
For
Freegold Ventures Limited

MANAGEMENT DISCUSSION & ANALYSIS

The following discussion and analysis is management's assessment of the results and financial condition of Freegold Ventures Limited (the "Company" or "Freegold") for the three month period ended March 31st, 2011 and should be read in conjunction with the consolidated financial statements for the three month period ended March 31st, 2011 and related notes contained in the report. All amounts are expressed in Canadian dollars unless otherwise noted. The date of this management's discussion and analysis is June 13th, 2011. Additional information on the Company, including its annual information form, is available on SEDAR at www.sedar.com.

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.

Forward looking statements

Certain information included in this discussion may constitute forward-looking information within the meaning of Canadian securities laws including, without limitation, statements and information regarding the Company's exploration operations and financing needs. Such forward-looking information reflects the current expectations or beliefs of the Company. Forward-looking information is subject to a number of risks, assumptions and uncertainties that may cause the actual results of the Company to differ materially from those discussed herein, including the possibility that future exploration results will not be consistent with the Company's expectations, the uncertainties involved in interpreting exploration results, other inherent risks in the mineral exploration and development industry and the possibility that the Company may not be able to obtain the necessary financing to carry out its business plan. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that expectations, predictions, forecasts, projections and other form of forward-looking information will not be achieved by the Company. A change in any one of these factors could cause actual events or results to differ materially from those projected in the forward-looking information. Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements and information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. The forward-looking statements and information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified herein, the Company has made assumptions regarding, among other things, the ability to conduct exploration activities in a timely manner, the availability and costs of financing, the degree of risk that credit approvals may be delayed or withheld, and other risks and uncertainties described elsewhere in this document or in the Company's other filings with Canadian securities authorities. Such forward-looking information speaks only as of the date on which it is made and, unless required by applicable securities laws, the Company undertakes no obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

Corporate update

The Company remains focused on gold exploration in Alaska and has three primary projects: Golden Summit, Vinasale and the Rob Project. Exploration in 2010 was focused on the Golden Summit and Vinasale Projects.

Freegold has an extensive exploration program planned on the projects in Alaska for the 2011 season including drilling on both the Golden Summit and Vinasale Projects. National Instrument 43-101 ("NI 43-101") resource calculations were completed on both the Vinasale and Golden Summit projects during the 1st quarter of 2011.

In February 2011, the Company announced the appointment of Mr. Alvin W. Jackson, P.Geo. to the position of Vice President Exploration and Development. Mr. Jackson has been a Director of Freegold since March 2010. Mr. Jackson was instrumental in the development of EuroZinc Mining Corporation, which acquired the Aljustrel zinc-lead project and the Neves-Corvo copper mine, both located in southern Portugal. As a result of those acquisitions, EuroZinc grew to a market capitalization of over $1.8 billion before merging with Lundin Mining in 2006. Mr. Jackson has over 40 years experience in mineral exploration and mine development and was directly involved in the exploration and development of two major gold deposits and one porphyry copper deposit, all of which subsequently became producers. The Company also accepted the resignation of its former Vice President Exploration, Mr. Michael Gross, who had been VP Exploration since March 2006. Mr. Gross will continue to act in a consulting capacity for the Company.

In addition, Mr. Garnet Dawson, P.Geo. also joined the Freegold Board in February. Mr. Dawson is presently Vice President, Exploration of Brazilian Gold Corporation and is a registered Professional Geologist (APEGBC) with 28 years of domestic and international exploration experience. He was the former Vice President, Exploration of EuroZinc Mining Corporation before it merged with Lundin Mining in 2006. Prior to joining EuroZinc, he consulted internationally and held a number of positions with Battle Mountain Canada Inc., British Columbia Geological Survey and Esso Minerals Canada Ltd. He holds a Bachelors of Science in Geology from the University of Manitoba and a Master's of Science in Economic Geology from the University of British Columbia.

On April 21, 2011, the Company accepted the resignation of Mr. Bruce Ramsden from its Board of Directors. The Company thanks Mr. Ramsden for his contribution over the past two years and wishes him all the best in his future endeavours.

2011 – Three month period in Review

On January 18th, 2011, the Company issued 750,000 shares pursuant to the July 6th, 2010 settlement agreement with Western Standard. The Company consented to the termination of both the Vinasale and Golden Summit Option Agreements with Western Standard whereby Western Standard was to relinquish its option to earn a 50% undivided interest in each of the Vinasale and the Golden Summit properties. In consideration for the early termination, the Company has agreed to issue Western Standard a total of 750,000 common shares of the Company subject to Western Standard paying certain creditors related to the 2010 exploration program on the Vinasale and Golden Summit properties. A reimbursement of mineral property exploration expenditures of $69,201 for the Golden Summit project and $200,799 for the Vinasale project has been recorded in the accounts for the year ended December 31st, 2010.

On February 2nd, 2011, the Company issued 500,000 share purchase warrants to the convertible loan lenders with an exercise price of $0.60, expiring on February 2nd, 2012.

On March 16th, 2011, the Company closed a non-brokered private placement of 4,583,331 Units, priced at $0.48 per Unit. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant will entitle the holder to acquire an additional common share at a price of $0.59 until March 17, 2012 and at a price of $0.65 until March 17, 2013.

Review of Exploration Projects

Golden Summit Project, Alaska

Since 1992, Freegold has been exploring the Golden Summit Project – located 20 miles north of Fairbanks, Alaska, and less than 5 miles from one of Alaska's largest gold mines (Kinross' 350,000 oz/year Fort Knox Mine). Freegold's 7-long wide Golden Summit property is located at the center of the historic Fairbanks mining district. This property contains over 80 known gold occurrences, and has hosted the district's largest and highest-grade historic underground gold producers, with over 500,000 ounces of gold being produced from 1902 to 1942 at average grades in excess of 1 oz/ton.

Detailed exploration conducted to date covers only a small portion (1.2 miles) of the 7 mile long property. The balance of the property contains numerous old mines, veins and shears that have not been systematically explored, including areas with a greater density of identified gold-bearing veins and shear zones than exists in the Cleary Hill area. An airborne geophysical survey over the entire property in 2007 also suggests that there are numerous other areas on the property that are prospective for hosting gold mineralization. Significant bulk tonnage potential may exist in these areas in addition to the virtually unexplored depth potential of Golden Summit. In December of 2010 the Company entered into a long term lease agreement on additional property in the Golden Summit area and expanded the property holdings at Golden Summit by an additional 216 state claims.

In order to further advance the project the Company undertook a small geophysical program on the Golden Summit project in July 2010. A total of 26 line kms were completed and the results show good correlation with areas of known mineralization. As there is reasonable density of drilling in the Dolphin area (western property area) the Company undertook the first NI-43-101 resource calculation on the Golden Summit Project which using a 0.3 g/t as a possible open pit cutoff estimated an indicated and inferred resource as follows:

- Total indicated resource is 7,790,000 mt @ 0.695 gpt for a total of 174,000 contained gold ounces.
- Total inferred resource is 27,010,000 mt @ 0.606 gpt for a total of 526,000 contained gold ounces.

Exploration 2011

A 5,000 metre diamond drilling program commenced in mid February on the areas covered by the induced polarization survey. A total of 7,000 metres will have been completed by the end of Phase 1 which is expected to be completed by the end of June. The program is aimed at expanding and upgrading the existing historical resources located in the Dolphin area.

On 13 June 2011, the Company provided assays for the first six holes of drilling on the property.

25 holes have now been completed totaling 5,600 metres of a planned 7,000 metre program which represents a 2,000 metre increase from the original 5,000 metre program. Drilling in this phase is designed to upgrade the resource category as well as to expand the known resource to over one million ounces. Early results indicate that the existing resource will be expanded with this phase of drilling.

Holes GSDC 11-1 -- 11-06 were drilled within the main intrusive of the Dolphin Zone. (Hole Location Map: http://www.freegoldventures.com/i/maps/GS11DH_PR_June13.pdf). These first six holes were designed to both expand the resource to the south and to depth. Hole GSDC-11-06 was drilled to a depth of 452 metres and was a step out 60 metres to the southwest of hole TLD98-01 which was previously the deepest hole on the property. Hole TLD 98-01 was vertical hole drilled to a depth of 315 metres. Hole TLD 98-01 intersected 161 metres from 11 metres to 172 metres which average 0.65 g/t Au as well as 47 metres which averaged 1.7 g/t from 245m to 292 m.

Hole GSDC -11-06 is mineralized throughout the entire hole and remains open to depth. The highest grade intercept was 0.81g/t Au over 166.4 metres. The bottom 19.8 metres averaged 0.79 g/t Au with the last 4.6 metres averaging 1.3 g/t Au.

Hole Number	**From**	**To**	**Interval (m)**	**Au g/t**
GSDC-11-01	108.5	158.2	49.7	0.66
GSDC-11-01	230.4	256.8	26.4	0.47
GSDC-11-02	11.6	184.4	172.8	0.43
GSDC-11-03	**71.0**	**125.9**	**54.9**	**0.82**
GSDC-11-04	**50.0**	**110.5**	**60.5**	**0.73**
GSDC-11-05	169.0	194.0	26.0	0.50
GSDC-11-06	**0**	**452.0**	**452.0**	**0.68**
including	***11.6***	***178.0***	***166.4***	***0.81***
including	***226.8***	***452.0***	***225.2***	***0.72***

In addition to the Phase 1 drill program Freegold also assayed previously unassayed portions of drill core from the 2004 program. Assay results are pending.

Upon completion of the Phase 1 program the Company will undertake property wide ground geophysical and geochemical surveys in order to delineate additional targets for a planned fall drilling program. One of the areas to be evaluated is the Goose Creek area where historical drilling intersected 4.0 g/t gold over 48 metres, and 29 g/t silver over 56 metres. No drilling has been completed in this particular area since 1997. These intercepts are historical in nature and were drilled under Freegold's supervision.

Vinasale Gold Project, Alaska

In 2007, Freegold signed an Exploration with Option to Lease agreement with Doyon Limited, an Alaskan regional native corporation, on the Vinasale gold project. Vinasale is located 16 air miles south of McGrath, Alaska in a north trending belt of igneous intrusion-related deposits that includes the 39.3 million ounce Donlin Creek deposit and the high grade Nixon Fork copper-gold deposit.

Gold mineralization was first discovered at Vinasale by Central Alaskan Gold Company ("CAG") in 1989. Exploration from 1990 to 1993 by CAG and their joint venture partner, Placer Dome, consisted of soil sampling, geophysics, diamond drilling (5,285 metres in 39 holes) and metallurgy. While the gold mineralization was found to be refractory, metallurgical testwork indicates that greater than 95% of the gold reports to the sulphide concentrate, thereby considerably reducing the volume of material required to be oxidized before extraction by cyanide. The Project was subsequently optioned by ASA-Montague and additional soil sampling, diamond drilling (5,262 metres in 26 holes) and metallurgy were completed in 1994. Drilling intersected significant gold values beneath multi-element soil anomalies in the Northeast, Central and South zones. Previous wide-spaced drilling northeast and southeast of the Central Zone indicates these areas may have potential for resource expansion while previous limited reconnaissance work has indicated that additional gold mineralization exists on the property outside the area known to contain resources.

Freegold's exploration program in 2007 was focused on evaluating the large land package surrounding the deposit, where limited systematic work has been conducted in the past. Freegold's efforts in 2007 included a stream, soil and rock sampling program. This program was followed up with a 1,788 line kilometre high resolution EM and Magnetic airborne geophysical survey. The focus of exploration in 2008 was directed towards mapping, sampling and geophysics aimed at expanding the known extent of the gold mineralization within the Central Zone. The program consisted of an Induced Polarization (IP) survey on areas north and north-east of the Central Zone. The preliminary results of geophysics indicated that the anomaly associated with the Central Zone, although weaker, continues to the north and the north-east, where there is thought to be potential to expand the known resources.

On December 31st, 2009, the Company optioned to Western Standard the right to earn a 50% interest in the Vinasale Property. As consideration, Western Standard paid Cdn $350,000 to the Company and was to incur US$6,500,000 in exploration and development expenditures over a 3 year period.

On July 6th, 2010, the Company and Western Standard terminated the option agreement on the Vinasale project. In consideration for the early termination, the Company has agreed to issue Western Standard 557,775 common shares of the Company subject to Western Standard paying certain creditors related to the 2010 exploration program. A reimbursement of mineral property exploration expenditures of $200,799 for the Vinasale project has been recorded in the accounts for the year ended December 31st, 2010. The Company felt that it would facilitate financings if the Company had the right to earn a 100% lease interest in the project. Drilling commenced on the project in July 2010.

Prior to the termination of the option agreement, Western Standard undertook an exploration program on the Vinasale property which resulted in the establishment of a camp and line cutting in preparation for a ground based geophysical survey.

Following the termination of the option agreement Freegold undertook a drilling program. A total of 6 holes were drilled for total footage of 6,386 feet (1,947m). The program was aimed at expanding the known resources as well as testing weaker geophysical anomalies to the northeast of known mineralization. Significant results are reported as follows:

Hole Number	Total Depth (ft)	From	To	Interval (ft)	Oz/T	Interval (m)	g/t
VM10-01	1297	658	672	14	0.12	4.3	4.1
		790	1024	234	0.044	71.3	1.52
VM10-02	1407	657	677	20	0.16	6.1	5.34
		747	931	184	0.075	56.1	2.58
		1028.5	1212	183.5	0.046	55.9	1.58
		1297	1327	30	0.035	9.1	1.19
		1392	1399	7.5	0.058	2.3	1.98
VM10-3	1132	Anomalous Values					
VM10-4	1003	No Significant Values					
VM10-5	757	No Significant Values					
VM10-6	790	87	197	110	0.011	33.5	0.4
		447	565.5	118.5	0.068	36.1	2.33
		627	680.5	53.5	0.037	16.3	1.28

"Oz/T" is troy ounces per short ton; "g/t" is grams per metric tonne

Hole VM10-01 is the northern most hole drilled in the Central Zone. The hole intersected the mineralization approximately 100 metres west of the previously drilled VM94-26 which was a vertical hole drilled to a depth of 500 feet and was the last hole drilled on the project prior to this year. Hole VM94-26 intersected the mineralized zone from 368 to 458 feet (90ft at 0.066 oz/t) (27.4m at 2.28 g/t). The results of VM10-01 have confirmed the previous intersection and extended the mineralization to a vertical depth of

886 feet. Hole VM10-02 was collared approximately 60 metres southwest of hole VM 10-01. The hole was aimed at confirming and extending mineralization downdip from hole VM94-13, which was drilled to a depth of 930 feet. Hole VM94-13 intersected the mineralization from 95 - 870 feet (775 ft @ 0.048 oz/t) (237.7 m @ 1.64 g/t). Hole VM10-02 confirmed results of the previous drilling and extended the mineralization to a vertical depth of 1,212 feet. VM10-3, 10-04 and 10-5 were aimed at testing weaker geophysical anomalies. Anomalous values were intersected in hole VM10-03. Hole VM10-06 is a vertical hole terminated at a depth of 790 feet. It was drilled 50 metres west of hole VM94-26, and confirms mineralization to the west and to the north of that hole. To date mineralization in the Central Zone extends over a length of 400 metres and remains open to the north, south and to depth.

43-101 Compliant Resource Calculation

The Company completed the first National Instrument 43-101 ("NI 43-101") resource calculation on the Vinasale Project which using a cutoff value of 0.5 grams/tonne (g/t) as a possible open pit cutoff resulted in an Inferred resources of 37.3 million tonnes averaging 1.11 g/t Au for 1,331,000 ounces of gold during the first quarter of 2011. The full report is filed on SEDAR.

Exploration 2011

An induced polarization survey commenced in June at Vinasale. The survey will cover the eastern edge of the intrusive contact and expand ground based coverage to the south in an effort to better delineate targets for the drilling program. A total of 5,000 metres is expected to be drilled during 2011 which is aimed at both upgrading and expanding the known resources.

Rob Project, Alaska

Since acquiring the project in 2002, Freegold has conducted limited work on this 106-claim property, however this work has confirmed the presence of high-grade gold mineralization located within large soil anomalies completed by the WGM/Sumitomo exploration team in the early 1990's. This team was also responsible for the discovery of the nearby Pogo deposit, a 5.6 million ounce gold deposit that is hosted in the same intrusive and metamorphic rocks, and on the flank of the same 18 mile long gneiss dome that hosts the Rob gold mineralization. In 2009, the Pogo mine produced 389,808 ounces of gold at a cash cost of $423 per ounce.

A total of 29 holes (6,658 feet) have been drilled on the project by Freegold focussing on the Grey Lead and O'Reely vein prospects. Drilling at the O'Reely vein did not intersect the multi-ounce values sampled at surface, 7 holes within the Grey Lead vein consistently intersected thick intervals of high-grade gold mineralization that exhibit geological and geochemical characteristics similar to those seen at the Pogo gold mine. True width drill intercepts included a 13.5 foot interval averaging 20.1 g/t and a 13 foot interval averaging 29.0 g/t and included other significant intervals included 7.9 feet averaging 62 g/t gold, and 7.4 feet averaging 35 g/t. Prospecting and IP geophysical surveys discovered two additional veins running parallel to Grey Lead. These veins returned grab samples up to 18 g/t and 75 g/t, and have been traced over 850 feet at surface. Further work was also conducted on the eastern side of the property at the undrilled Michigan prospect, where prospecting and sampling has now traced a large intrusive hosted stock-work vein system over an approximate 3,500 foot by 2,500 foot area.

In March 2010, the Company staked an additional 141 State of Alaska mining claims covering 15,360 acres adjacent to its Rob gold project in the Goodpaster Mining District, Alaska. These new claims bring the total Rob project land holdings to 19,600 acres in one of the most prospective mining districts in Alaska. The newly acquired lands sit between the Tibbs Creek and Serpentine faults which define the western and eastern limits, respectively, of the northeast trending regional scale Black Mountain tectonic zone. Virtually all of the known lode gold occurrences in the eastern Goodpaster Mining district are located within the Black Mountain tectonic zone. Host rocks in the new claims include Paleozoic paragneiss and orthogneiss intruded by mid-Cretaceous intermediate plutonic rocks, the same units which host high-grade mineralization at the Grey Lead, Blue Lead, Michigan and Trench prospects at Rob.

Public-sector geochemical data from the newly acquired claims indicates widespread anomalous gold, arsenic, bismuth and tungsten in rocks, stream sediments and pan concentrate samples. The elevated bismuth and tungsten values are indicative of proximal intrusive-related gold mineralization similar to that at the Grey lead prospect at Rob.

A revised National Instrument 43-101 technical report was completed in March 2010 on the Rob Project and has recommended exploration expenditures of US$1,000,000 that includes reconnaissance sampling on both the original and the newly acquired claim blocks.

As the Company has significant exploration programs planned for the Golden Summit and Vinasale properties during 2011, exploration on the Rob project is expected to be limited; however a small prospecting sampling and mapping program has been budgeted in order to better evaluate the Michigan, Blue Lead and Trench prospects as well as the newly acquired claims.

Selected quarterly financial information

The following selected financial information is derived from the unaudited consolidated interim financial statements of the Company prepared in accordance with International Financial Reporting Standards.

For the Quarters Ended (unaudited)

	Mar. 31st 2011	Dec. 31st 2010	Sept. 30th 2010	June 30th 2010	Mar. 31st 2010	Dec. 31st 2009	Sept. 30th 2009	June 30th 2009
Total revenues	$Nil	$Nil	$Nil	$171	$Nil	$213	$Nil	$Nil
Net comprehensive loss – before tax	518,308	1,518,101	404,805	540,217	433,447	534,088	2,406,339	127,146
Net comprehensive loss per share	0.01	0.02	0.02	0.01	0.01	0.01	0.04	0.002
Total assets	31,558,110	30,611,765	25,673,499	24,763,063	25,198,833	25,566,763	25,672,602	31,412,885

The three month period ended March 31st, 2011 resulted in a net comprehensive loss of $518,308 which compares with a net comprehensive loss of $433,447 for the three month period ended March 31st, 2010. General and administrative expenses for the three month period ended March 31st, 2011 were $426,527, a decrease of $93,644 compared to the three month period ended March 31st, 2010. The loss is mainly attributable to $Nil (2010: $290,930) in non-cash stock-based compensation expenses that were charged upon the granting of long-term incentive stock options.

Consulting fees of $54,760 (2010: $4,910) were recorded as a consultant was hired to assist in its shareholder relations.

Travel costs of $80,280 (2010: $23,807) were incurred to facilitate the closing of the 4,583,331 unit private placement which raised $2,199,999.

Shareholder relations and promotional activities undertaken by the Company, which included attendance at various trade shows, advertising, news releases, distribution fees and marketing materials, cost $80,706 (2010: $20,985), an increase of $59,721 compared to the three month period ended March 31st, 2010.

Wages of $98,200 (2010: $31,414) were incurred by the President and Vice-President of the Company.

Transfer and filing fees of $49,198 (2010: $62,255) decrease slightly and were due to the expenses incurred during the three month period to assist in the financing.

Mining equipment amortization of $37,814 (2010: $67,507) was attributed to the mining equipment that was obtained for the Golden Summit project in Alaska.

A foreign exchange loss of $36,830 (2010: gain $100,328) was recorded mainly on the US$2,493,253 bank balance of the Company. This resulted as the US dollar became weaker relative to the Canadian dollar.

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

The Company purchased an exploration office in Fairbanks, Alaska for US$179,944.

During the three month period ended March 31st, 2011, the Company incurred mineral property deferred exploration costs of $339,753. Of the deferred exploration costs, $330,890 was incurred on the Golden Summit project in Alaska of which $211,976 was for drilling. $8,863 was incurred on the Vinasale Alaska project to produce a geological report.

Mineral property acquisition costs of $105,926 were also incurred which included $22,558 for the Golden Summit Alaska project and $83,368 for the Vinasale Alaska project.

Liquidity and capital resources

At March 31st, 2011, the Company's working capital, defined as current assets less current liabilities, was $3,677,920 compared to a working capital of $2,686,037 at December 31st, 2010. A $854,974 loan secured by certain equipment and real property of the Company comprises part of the working capital and is repayable on October 1st, 2011. The Company also has trade payables of $895,383 of which $297,394 are long term. An additional $92,861 is due to related parties as at March 31st, 2011.

On August 27th, 2010, the Company consolidated its share capital on a one new common share for every six existing common share basis. All common shares and per share amounts have been adjusted to give retroactive effect to the share consolidation.

During the 1st quarter of 2011 the Company closed a non-brokered private placement of 4,583,331 units priced at $0.48 for proceeds of $2,199,999. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.59 per share exercisable until March 17th, 2012 and at a price of $0.65 per share exercisable until March 17th, 2013.

The Company also received $16,000 on the exercise of 40,000 warrants.

The Company has 43,116,332 issued and outstanding shares at June 13th, 2011.

Contractual commitments

The Company is committed under mineral property option agreements to pay cash and issue common shares of the Company and has outstanding and future commitments under loan agreements and long term account payables. See note 11 of the consolidated financial statements.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the consolidated financial statements for the three month period ended March 31st, 2011.

Significant estimates used in the preparation of these consolidated financial statements include, amongst other things, amortization, determination of net recoverable value of assets, determination of fair value on, taxes, contingencies and stock-based compensation.

Changes in accounting policies – initial adoption

Adoption of International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises would be replaced by IFRS for fiscal years beginning on or after January 1st, 2011. The Company's first interim financial statements prepared under IFRS are the condensed consolidated interim financial statements for the three month period ended March 31st, 2011 with the effective date of transition being January 1st, 2010. These condensed consolidated interim financial statements include full disclosure of its new IFRS policies in Note 2.

Transition to IFRS

IFRS 1, "First-time Adoption of International Financial Reporting Standards", sets forth guidance for the initial adoption of IFRS. The Company has applied the following exemptions to its opening statement of financial position dated January 1st, 2010.

Share-based Payments - IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, "Share-based Payment" to equity instruments that were granted on or before November 7th, 2002, or equity instruments that were granted subsequent to November 7th, 2002 and vested before the transition date. The Company elected not to apply IFRS 2 to equity instruments that vested prior to the transition date.

Business Combinations - IFRS 1 provides the option to apply IFRS 3, "Business Combinations", retrospectively or prospectively from the transition date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its transition date.

Consolidated and Separate Financial Statements - In accordance with IFRS 1, if a company elects to apply IFRS 3 retrospectively, IAS 27, "Consolidated and Separate Financial Statements" must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

Restoration and Environmental Obligations - IFRS 1 provides an optional exemption to elect not to retrospectively recalculate the restoration and environmental obligation liability and the related impact on the cost of the related asset and accumulated depreciation. The Company elected to use this exemption and measured the liability as at the transition date adjusted for a historical risk discount rate.

IFRS 1 also outlines mandatory guidelines that a first time adopter must follow. The Company applied the following mandatory guidelines to its opening statement of financial position dated January 1st, 2010.

Estimates - In accordance with IFRS 1, the Company's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under Canadian GAAP unless there is objective evidence that those estimates were in error. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS.

Canadian GAAP to IFRS differences

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow users to better understand these changes, the Company's Canadian GAAP statements of financial position as at January 1st, 2010, March 31st, 2010 and December 31st, 2010, statement of loss and comprehensive loss for the three month period ended March 31st, 2010 and for the year ended December 31st, 2010 and statement of cash flows for the three month period ended March 31st, 2010 have been reconciled to IFRS, with the resulting differences explained.

Share-based Payments - The Company elected to apply IFRS 2 only to those stock options granted subsequent to November 7th, 2002 and not vested before January 1st, 2010. This resulted in an increase of stock options reserve as at the Transition Date of $30,291 with an increase in deficit of an equal amount, and a decrease in share-based payment expense of $8,308 for the year ended 31 December 2010, of which $8,308 was adjusted for the three month period ended 31 March 2010.

Flow-through Shares - Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP, the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, "Flow-through Shares". At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a deferred tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP, a portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through liability. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability is reversed, with any difference recorded as deferred tax expense. A portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will reduce the deferred tax liability and record a deferred tax recovery.

The change in accounting policy related to flow-through shares resulted in an increase in share capital and an increase in deficit of $80,816 as at the Transition Date.

Financial instruments – Derivative Liability - During the year ended 31 December 2008, the Company issued convertible loans that were convertible into a fixed number of the Company's common shares in exchange for a fixed amount of US dollar (Note 8i). Under Canadian GAAP, the Company accounted for the issue of convertible loans in accordance with CICA Handbook Section 3863, "Financial Instruments – Presentation". At the time of issue, the compound financial instrument is bifurcated into a liability component and an equity component. The Company assigned to the equity component the residual amount after deducting from the compound financial instrument as a whole the fair value determined for the liability component.

Under IFRS, a convertible loan that is denominated in a foreign currency has no equity component and is presented as a liability with an embedded derivative. The convertible loan is classified as a financial liability under IAS 32, "Financial Instruments: Presentation" and is subject to IAS 39, "Financial Instruments: Recognition and Measurement" for recognition and measurement. The embedded derivative liability is initially recognized at fair value and is classified as financial liability at FVTPL. The fair value of the embedded derivative liability was determined using the Black-Scholes option pricing model. The embedded derivative liability is presented separately in the statement of financial position.

The change in accounting policy related to convertible loan denominated in foreign currency resulted in following differences:

As at	1 January 2010	31 March 2010	31 December 2010
Decrease in loans payable	955,799	940,491	-
Increase in derivative liability	(298,061)	(84,414)	-
Decrease in deficit	(657,738)	(856,077)	-

Financial Instruments – Available-for-Sale - Under Canadian GAAP, the Company grouped its redeemable guaranteed investment certificate as available-for-sale instruments. Upon adoption of IFRS, the Company determined both that the redeemable guaranteed investment certificate meets the criteria for financial assets at FVTPL and that it should be grouped as cash and cash equivalents.

Reclassification within Equity section - Under Canadian GAAP, "Contributed Surplus" was used to record the issuance of warrants and stock options as well as shares to be issued and warrants to be issued. Upon adoption of IFRS, the balances in "Contributed Surplus" have been reclassified to "Stock option reserve", "Warrants reserve" and "Other reserve".

In addition, the Company reclassified the balance of the "Accumulated other comprehensive income" that existed under Canadian GAAP into "Available-for-sale investments reserve".

Outstanding share data

On August 27th, 2010, the Company consolidated its share capital on a one new common share for every six existing common share basis. All common shares and per share amounts have been adjusted to give retroactive effect to the share consolidation.

The Company is authorized to issue unlimited common shares without par value. As at June 13th, 2011, there were 43,116,332 outstanding common shares compared to 37,348,835 outstanding shares at December 31st, 2010.

The increase reflects the issuance of 4,583,331 shares for proceeds of $2,199,999, 750,000 shares for mineral properties, 180,000 shares issued on the exercise of warrants and 254,166 shares issued on the exercise of options.

As at March 31st, 2011 there were 26,193,719 warrants outstanding.

	Number	Price per Share	Expiry Date
	83,333	$0.84	July 11th, 2011
	577,083	$1.20	June 30th, 2012
	8,935,759	$0.40/$0.50	October 1st, 2011/2012
	11,514,213	$0.55/$0.65	December 15th, 2011/2012
	500,000	$0.60	February 2nd, 2012
	4,583,332	$0.59/$0.65	March 17th, 2012/2013
Total	26,193,720		

Subsequent to quarter end, 140,000 warrants were exercised for gross proceeds of $71,000 resulting in a total of 26,053,720 warrants outstanding and exercisable at June 13th, 2011.

Directors, officers, employees and contractors are granted options to purchase common shares under the Company Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 10d to the consolidated financial statements at March 31st, 2011.

Number Outstanding December 31st 2010	Granted	Exercised	Cancelled	Expired	Number Outstanding and Exercisable March 31st 2011	Exercise Price Per Share	Expiry Date
48,333	-	-	-	(48,333)	-	$2.10	March 13th, 2011
5,000	-	-	-	-	5,000	$3.00	July 17th, 2011
4,167	-	-	-	-	4,167	$9.00	July 13th, 2012
16,667	-	-	-	-	16,667	$12.60	November 1st, 2012
186,667	-	-	-	-	186,667	$8.52	February 21st, 2013
25,000	-	-	-	-	25,000	$8.52	April 10th, 2013
41,667	-	-	-	-	41,667	$0.84	September 14th, 2014
37,500	-	-	-	-	37,500	$0.60	December 4th, 2014
745,833	-	-	-	-	745,833	$0.48	February 26th, 2015
900,000	-	-	-	-	900,000	$0.50	October 29th, 2015
2,010,834	-	-	-	(48,333)	1,962,501		

Subsequent to quarter end, 254,166 options were exercised for gross proceeds of $126,500 and 2,035,000 options were granted at an exercise price of $0.87 per share resulting in a total of 3,743,335 options outstanding and exercisable at June 13th, 2011.

Related party transactions

The related party transactions during the three month period ended March 31st, 2011, which occurred in the normal course of operations and were measured at the exchange amount (the amount of consideration established and agreed to by the related parties), were as follows:

- Each outside director is entitled to receive up to $500 per month. During the three month period, the Company paid/accrued $3,000 (2010: $6,000) to directors. As at March 31st, 2011, amounts due to related parties consists of $Nil (2010: $61,653) owing to directors.
- During the three month period, the Company paid/accrued $67,500 (2010: $30,000) to the President and Chief Executive Officer. As at March 31st, 2011, $49,930 (2010: $132,929) is included in due to related parties.
- During the three month period, the Company paid $50,000 (2010: $Nil) to the Vice-President of Exploration and Development. As at March 31st, 2011, $9,486 (2010: $Nil) is included in due to related parties.
- During the three month period, the Company paid/accrued $28,750 (2010: $18,750) for professional fees to a company controlled by the Chief Financial Officer. As at March 31st, 2011, $30,000 (2010: $77,562) is included in due to related parties.
- During the three month period, legal fees of $3,049 (2010: $23,163) were paid/accrued to a law firm of which a Company director is a partner. As at March 31st, 2011, $3,445 (2010: $91,367) is included in due to related parties.
- During a prior year, the Company secured a US$2 million short term loan from a company with a former director in common with the Company. During the prior year, $1,504,330 of this loan was converted into 2,785,796 shares of the Company. On October 1st, 2010, a director in common was elected and as at March 31st, 2011, $854,974 (2010: $854,974) is outstanding on this loan. On April 21, 2011, this director resigned.

Disclosure controls and internal controls over financial reporting

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's CEO and CFO have evaluated and are satisfied with the effectiveness of these disclosure controls and procedures for the three month period ending March 31st, 2011.

The CEO and CFO acknowledge responsibility for the design of internal control over financial reporting (ICFR), and confirm that there were no changes in these controls that occurred during the most recent period ended March 31st, 2011 which materially affected, or are reasonably likely to materially affect the Company's ICFR.

Risks and uncertainties

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

Cash Flows and Additional Funding Requirements

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

Industry

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

Commodity Prices

The profitability of the Company's operations will be dependent 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. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of mineral commodities.

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 mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral 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. If the Company fails to make these payments, the Company may lose its right to such properties and forfeit any funds expended to such time.

Estimates of Mineral Resources

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

Key Management

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

Volatility of Share Price

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

Foreign Currency Risk

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

Conflict of Interest

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

Outlook

During the 1st quarter of 2011 the Company closed a non-brokered private placement of 4,583,331 units priced at $0.48 per unit for gross proceeds of $2,199,999 and received $16,000 on the exercise of 40,000 warrants.

Subsequent to quarter end, 254,166 options were exercised for gross proceeds of $126,500 and 140,000 warrants were exercised for gross proceeds of $71,000.

As at June 13th, 2011, the Company has approximately $4,000,000 in cash and has conducted a $1,500,000 exploration program on the Golden summit project and will be conducting a $2,000,000 exploration program on the Vinasale project.

Approval

The Board of Directors of Freegold has approved the disclosure contained in this interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.

FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2011 and 2010

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position

Canadian Funds

ASSETS	31 March 2011	31 December 2010 *(Note 16)*	1 January 2010 *(Note 16)*
Current			
Cash and cash equivalents	$ **5,078,717**	$ 4,818,038	$ 328,354
Amounts receivable	**35,940**	21,598	13,855
Available-for-sale investments *(Note 3)*	-	-	1,200,000
Prepaid expenses and deposits	**114,758**	42,274	26,900
	5,229,415	4,881,910	1,569,109
Exploration and Evaluation Properties *(Note 4)*	**24,079,453**	23,633,774	21,447,441
Property, Plant and Equipment *(Note 5)*	**2,249,242**	2,096,081	2,550,213
	$ **31,558,110**	$ 30,611,765	$ 25,566,763

LIABILITIES			
Current			
Trade payables *(Note 6)*	$ **597,989**	$ 863,720	$ 2,512,573
Accrued liabilities	**5,671**	29,000	29,000
Due to related parties *(Note 7)*	**92,861**	448,179	458,540
Loans payable *(Notes 7f and 8ii)*	**854,974**	854,974	627,937
Derivative liability *(Note 8i)*	-	-	298,061
	1,551,495	2,195,873	3,926,111
Trade Payables – Long Term *(Note 6)*	**297,394**	301,555	573,264
Restoration and Environmental Obligations *(Note 9)*	**180,500**	182,792	92,194
Loans Payable – Long Term	-	-	854,974
	2,029,389	2,680,220	5,446,543
EQUITY			
Share Capital *(Note 10)*	**57,616,234**	57,337,400	53,136,870
Reserves	**13,871,814**	12,035,164	5,991,799
Deficit	**(41,959,327)**	(41,441,019)	(39,008,449)
	29,528,721	27,931,545	20,120,220
	$ **31,558,110**	$ 30,611,765	$ 25,566,763

Nature and Continuance of Operations *(Note 1)*, **Commitments** *(Note 11)*, **Contingency** *(Note 13)* and **Subsequent Events** *(Note 17)*.

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD ON JUNE 14, 2011:

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

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Equity

Canadian Funds

	Common Shares	Amount $	Stock Options Reserve $	Warrants Reserve $	Available-for-Sale Reserve $	Other Reserve $	Deficit $	Total $
Balance –1 January 2010 *(Note 16)*	14,437,290	53,136,870	4,121,939	1,405,860	464,000	-	(39,008,449)	20,120,220
Issuance and allotment of shares for:								
- Debt settlement *(Note 10a)*	2,421,573	1,598,238	-	-	-	-	-	1,598,238
Share issuance costs	-	(7,144)	-	-	-	-	-	(7,144)
Share-based payments *(Note 10d)*	-	-	290,930	-	-	-	-	290,930
Unrealized loss on available-for-sale investments *(Note 3)*	-	-	-	-	(120,000)	-	-	(120,000)
Loss for the period	-	-	-	-	-	-	(313,447)	(313,447)
Balance – 31 March 2010 *(Note 16)*	16,858,863	54,727,964	4,412,869	1,405,860	344,000	-	(39,321,896)	21,568,797
Issuance and allotment of shares for:								
- Private placements *(Note 10a)*	20,489,972	8,286,538	-	-	-	-	-	8,286,538
- Value assigned to warrants *(Note 10c)*	-	(5,479,604)	-	5,479,604	-	-	-	-
Shares to be issued *(Notes 4a, 4c and 10a)*	-	-	-	-	-	270,000	-	270,000
Share issuance costs	-	(197,498)	-	-	-	-	-	(197,498)
Warrants to be issued *(Notes 8i and 10a)*	-	-	-	-	-	125,756	-	125,756
Share-based payments *(Note 10d)*	-	-	341,075	-	-	-	-	341,075
Unrealized loss on available-for-sale investments *(Note 3)*	-	-	-	-	(558,241)	-	-	(558,241)
Reclassification of loss on available-for-sale investments *(Note 3)*	-	-	-	-	214,241	-	-	214,241
Loss for the period	-	-	-	-	-	-	(2,119,123)	(2,119,123)
Balance – 31 December 2010 *(Note 16)*	37,348,835	57,337,400	4,753,944	6,885,464	-	395,756	(41,441,019)	27,931,545
Issuance and allotment of shares for:								
- Private placements *(Note 10a)*	4,583,331	2,199,999	-	-	-	-	-	2,199,999
- Exercise of warrants *(Note 10b)*	40,000	25,200	-	(9,200)	-	-	-	16,000
- Value assigned to warrants *(Note 10c)*	-	(2,115,850)	-	2,115,850	-	-	-	-
Shares to be issued *(Notes 4a, 4c and 10a)*	750,000	270,000	-	-	-	(270,000)	-	-
Share issuance costs	-	(100,515)	-	-	-	-	-	(100,515)
Loss for the period	-	-	-	-	-	-	(518,308)	(518,308)
Balance – 31 March 2011	42,722,166	57,616,234	4,753,944	8,992,114	-	125,756	(41,959,327)	29,528,721

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the Three months Ended 31 March

Canadian Funds

		2011		2010 (*Note 16*)
General and Administrative Expenses				
Consulting fees *(Note 7e)*	$	**54,760**	$	4,910
Share-based payments *(Note 10d)*		**-**		290,930
Travel		**80,280**		23,807
Promotion and shareholder relations		**80,706**		20,985
Director fees *(Note 7a)*		**3,000**		6,000
Professional fees *(Notes 7b and 7c)*		**34,247**		55,733
Wages, salaries and benefits *(Note 7d and 7e)*		**98,200**		31,414
Transfer and filing fees		**49,198**		62,255
Rent and utilities		**6,193**		14,736
Office and miscellaneous		**17,985**		6,001
Amortization *(Note 5)*		**32**		2,427
Accretion *(Note 9)*		**1,926**		973
Loss Before Other Income (Expenses)		**(426,527)**		(520,171)
Other Income (Expenses)				
Interest income		**4,532**		-
Amortization of mining equipment *(Note 5)*		**(37,814)**		(67,507)
Foreign exchange gain (loss), *net*		**(36,830)**		100,328
Interest, bank charges and loan arrangement fees (*Note 8*)		**(21,669)**		(24,437)
Loss of derivative liability		**-**		198,340
		(91,781)		206,724
Net Loss for the Year	**$**	**(518,308)**	$	(313,447)
Other Comprehensive Income (Loss)				
Unrealized (loss) gain on available-for-sale investments		**-**		(120,000)
Comprehensive Loss for the Year	**$**	**(518,308)**	$	(433,447)
Loss per Share – Basic and Diluted	**$**	**(0.01)**	$	(0.02)
Comprehensive Loss per Share – Basic and Diluted	**$**	**(0.01)**	$	(0.03)
Weighted Average Number of Shares Outstanding		**38,719,391**		15,728,817

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows

For the Three months Ended 31 March

Canadian Funds

Cash Resources Provided By (Used In)	2011	2010
		(Note 16)
Operating Activities		
Loss for the year	$ (518,308)	$ (313,447)
Items not affecting cash:		
Amortization	37,846	69,934
Accretion	1,926	973
Share-based payments	-	290,930
Loss on derivative liability	-	(198,340)
Unrealized foreign exchange gain	(4,302)	(2,752)
Net changes in non-cash working capital components:		
Amounts receivable	(14,342)	4,040
Prepaid expenses and deposits	(72,484)	(40,303)
Trade payables	(417,943)	(121,543)
Accrued liabilities	(23,329)	(29,000)
Due to related parties	(355,318)	77,454
	(1,366,254)	(262,054)
Investing Activities		
Mineral property acquisition costs	(105,926)	-
Mineral property deferred exploration costs	(191,702)	-
Purchase of property, plant and equipment	(190,923)	-
	(488,551)	-
Financing Activities		
Share capital issued	2,215,999	-
Share issuance costs	(100,515)	(7,144)
Foreign exchange on loans	-	(37,946)
	2,115,484	(45,090)
Net Increase in Cash and Cash Equivalents	260,679	(307,144)
Cash and cash equivalents - Beginning of year	4,818,038	328,354
Cash and Cash Equivalents - End of Period	$ 5,078,717	$ 21,210
Cash Resources Provided By (Used In)		
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Exploration expenditures included in trade payables	$ (148,051)	$ (92,886)
Shares issued for debt	$ -	$ (1,598,238)

1. Nature and Continuance of Operations

Freegold Ventures Limited (the "Company") is in the process of acquiring, exploring and developing precious metal mineral 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 mineral 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 Company's consolidated financial statements as at 31 March 2011 and for the period then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has a comprehensive loss of $518,308 for the period ended 31 March 2011 (2010 – $433,447) and has working capital of $3,677,920 at 31 March 2011 (31 December 2010 – $2,686,037).

The Company had cash and cash equivalents of $5,048,037 at 31 March 2011 (31 December 2010 - $4,818,038), 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. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

On 27 August 2010, the Company consolidated its 101,153,306 old common shares, exchanging 6 (old) common shares for 1 (new) common share resulting in 16,858,863 new common shares outstanding. All common shares and per share amounts have been adjusted to give retroactive effect to the 6:1 share consolidation that took effect on 27 August 2010 *(Note 10)*.

2. Significant Accounting Policies

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

a) **Consolidation**

These consolidated financial statements include the accounts of the Company's wholly owned subsidiaries, Free Gold Recovery, USA, Freegold Ventures Limited, USA, and Ican Minerals, Inc. All subsidiaries are US corporations which are involved in mineral property exploration. Inter-company balances are eliminated upon consolidation.

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

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

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

c) **Cash and Cash Equivalents**

The Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The Company places its cash and cash equivalents with institutions of high-credit worthiness.

d) **Financial Assets**

Financial assets are classified as loans and receivables, available-for-sale financial assets, financial assets at fair value through profit or loss ("FVTPL"), or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Amounts receivables are included in this category of financial assets.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Available-for-sale assets include investment in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Financial assets at fair value through profit or loss

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Cash and cash equivalents are included in this category of financial assets.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

e) **Impairment of Financial Assets**

Financial assets, other than financial assets at fair value through profit or loss, are assessed for indicators of impairment at each period end.

Loans and receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

f) **Financial Liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables, amounts due to related parties and loans payable are included in this category of financial liabilities.

g) **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 Group 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 mineral property 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.

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.

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.

h) **Impairment**

The carrying amount of the Group's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

i) **Restoration and environmental obligations**

The Group recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Group's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Group's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Group's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Group's accounting policy for exploration and evaluation assets.

j) **Property, Plant and Equipment**

Property, plant and equipment are recorded at cost and are amortized over their estimated useful lives using the declining balance method at the following annual rates:

Mining equipment	30%
Automotive	30%
Land	NA
Exploration office	4%
Office equipment	20%

Where an item of property, plant and equipment consists of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

k) **Share-based Payments**

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock options reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

l) **Loss per Share**

Basic loss per share is based on the weighted average number of common shares issued and outstanding during the year. The effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore basic and diluted loss per share are the same.

m) **Income Taxes**

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

n) **Foreign Currency Translation**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the functional and presentation currency of the Company and its subsidiaries.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

o) **Flow-Through Shares**

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

p) **New Accounting Standards and Interpretations Not Yet Adopted**

Amendments to IFRS 7, "*Financial Instruments: Disclosures*" are effective for annual periods beginning on or after July 1, 2011. These amendments increase the disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

New standard IFRS 9, "*Financial Instruments*" is effective for annual periods beginning on or after January 1, 2013. This new standard is the fist part of a multi-phase project to replace IAS 39, *Financial Instruments: Recognition and Measurement*.

Amendments to IAS 12, "*Income Taxes*" are effective for annual periods beginning on or after January 1, 2012. These amendments supersede Standing Interpretations Committee ("SIC") Interpretation 21, "*Income Taxes – Recovery of Revalued Non-Depreciable Assets*".

The Company is currently assessing the impact that these revised or new standards will have on the consolidated financial statements.

3. Available-for-Sale Investments

	31 March 2011		31 December 2010		1 January 2010	
	Cost	**Fair Value**	Cost	Fair Value	Cost	Fair Value
Common Shares of Western Standard Metals Ltd.	-	-	-	-	736,000	1,200,000
	$ -	$ -	$ -	$ -	$ 736,000	$ 1,200,000

4. Exploration and Evaluation Properties

	Golden Summit Property	Rob Property	Vinasale Property	Union Bay Property	Total
Acquisition costs					
Balance, 1 January 2010	$ 742,242	$ 964,330	$ -	$ -	$ 1,706,572
Additions	268,299	91,611	-	-	359,910
Write-down due to impairment	-	-	-	-	-
Balance, 31 December 2010	$ 1,010,541	$ 1,055,941	$ -	$ -	$ 2,066,482
Exploration and evaluation costs					
Balance, 1 January 2010	$ 16,494,345	$ 2,401,662	$ 777,644	$ 67,218	$ 19,740,869
Assaying	766	-	35,145	-	35,911
Drilling	-	-	290,337	-	290,337
Engineering and consulting	2,137	146	100,509	937	103,729
Geological and field expenses	37,246	2,456	301,304	-	341,006
Geophysical	46,106	-	-	-	46,106
Helicopter support	-	-	230,634	-	230,634
Mineral property fees	61,876	26,537	10,552	6,809	105,774
Personnel	76,046	9,321	226,163	-	311,530
Reimbursements to third parties	69,201	-	200,799	-	270,000
Increase in restoration and environmental obligation	91,396	-	-	-	91,396
Write-down due to impairment	-	-	-	-	-
Balance, 31 December 2010	$ 16,879,119	$ 2,440,122	$ 2,173,087	$ 74,964	$ 21,567,292
Total	$ 17,889,660	$ 3,496,063	$ 2,173,087	$ 74,964	$ 23,633,774

	Golden Summit Property	Rob Property	Vinasale Property	Union Bay Property	Total
Acquisition costs					
Balance, 31 December 2010	$ 1,010,541	$ 1,055,941	$ -	$ -	$ 2,066,482
Additions	22,558	-	83,368	-	105,926
Write-down due to impairment	-	-	-	-	-
Balance, 31 March	$ 1,033,099	$ 1,055,941	$ 83,368	$ -	$ 2,172,408
Exploration and evaluation costs					
Balance, 31 December 2010	$ 16,879,119	$ 2,440,122	$ 2,173,087	$ 74,964	$ 21,567,292
Drilling	211,976	-	-	-	211,976
Engineering and consulting	1,034	-	8,863	-	9,897
Geological and field expenses	32,324	-	-	-	32,324
Personnel	85,556	-	-	-	85,556
Write-down due to impairment	-	-	-	-	-
Balance, 31 March 2011	$ 17,210,009	$ 2,440,122	$ 2,181,950	$ 74,964	$ 21,907,045
Total	$ 18,243,108	$ 3,496,063	$ 2,265,318	$ 74,964	$ 24,079,453

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

(i) **Fairbanks Exploration Inc.**

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

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

(ii) **Keystone Claims**

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

	US Funds		
1992 – 1998 (US$15,000 per year)	$	105,000	(paid)
2000	$	50,000	($25,000 paid in cash and $25,000 with 9,816 treasury shares issued)
2001 - 2006 (US$50,000 per year)	$	300,000	(paid)
2007	$	150,000	(paid)
2008	$	150,000	(paid $75,000 in 2008 with the remaining $75,000 paid in 2009, subject to a payment extension)
2009	$	150,000	(paid)
2010	$	150,000	(paid)
2011 – 2019 (US$150,000 per year)	$	1,350,000	

The property is subject to a 3% NSR.

(iii) **Newsboy Claims**

By lease agreement dated 28 February 1986 and amended 26 March 1996, the Company assumed the obligation to make advance royalty payments of US$2,500 per year until 1996 (paid) and US$5,000 per year until 2006 (paid). During 2006, the Company renewed the existing lease term for an additional 5 years on the same terms and conditions. These payments are current. The claims are subject to a 4% NSR. The Company has the option to purchase the NSR for the greater of the current value or US$1,000,000 less all advance royalty payments made.

(iv) **Tolovana Claims**

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

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

The property is subject to a sliding scale NSR as follows: 1.5% NSR if gold is below US$300 per ounce, 2.0% NSR in the event the price of gold is between US$300 to US$400, and 3.0% NSR in the event that the price of gold is above US$400. In addition, the Company made a cash payment of US$7,500 on signing and issued 66,667 shares on regulatory approval. An additional 33,333 shares are to be issued within 30 days of a minimum 200,000 ounce mineral resource being calculated on the property if the resource is established in five years or less from the date of the agreement.

By agreement dated 31 December 2009, the Company entered into an option agreement with Western Standard Metals Ltd. ("Western") whereby Western could have earned a 50% interest in the Golden Summit Property. As consideration, Western paid $300,000 and was to incur exploration and development expenditures as follows in order to vest with a 50% interest:

	Exploration Expenditures
31 December 2010	US$750,000
31 December 2011	US$1,000,000
31 December 2012	US$1,500,000
31 December 2013	US$2,500,000
Total	US$5,750,000

On 6 July 2010, the Company and Western terminated the Golden Summit Option Agreement. In consideration for the early termination and in recognition of the cash payments made by Western, the Company agreed to issue Western common shares of the Company valued at $69,201, which has been recorded as a reimbursement of mineral property exploration expenditures *(Note 10a)*.

(v) **Green Claims**

By lease agreement dated 16 December 2010, the Company acquired from Christina Mining Company, LLC ("CMC") certain mineral claims in the Fairbanks Mining District of Alaska known as the Green Property. The property is controlled by the Company through a long-term lease agreement. The claims are subject to a 3% NSR. The Company must make annual cash payments and exploration expenditures as follows:

	Payments	Exploration Expenditures
1 December 2010	US$100,000 (paid)	-
1 December 2011	US$100,000	US$250,000
1 December 2012	US$100,000	US$500,000
1 December 2013	US$100,000	US$750,000
1 December 2014	US$100,000	US$1,000,000
1 December 2015 to 2019	US$100,000 per year	-
1 December 2020 to 2029	US$200,000 per year	-
Total	US$3,000,000	US$2,500,000

b) **Rob Property, Alaska, USA**

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

As consideration, the Company was required to make cash payments of US$80,000 (paid) for an underlying agreement with the vendor.

In addition, the Company paid US$29,000 and issued 166,667 shares. The Company is also required to expend a total of US$1,000,000 in exploration expenditures on the property prior to 31 December 2008 (completed).

During a prior year, the Company reached the required US$1,000,000 level of cumulative expenditures on the property and issued an additional 83,333 shares of the Company valued at $305,000. In addition, the vendor retains a 1% NSR which the Company may purchase for US$1,000,000.

The underlying lease holder shall retain a NSR, which shall vary according to the London gold price for the preceding six-month period as follows: 1% for gold prices less than US$300 per ounce, 1.5% for gold prices between US$301 and US$350, and 2% for gold prices greater than US$350. The NSR may be purchased for US$500,000 for each percentage point. An undivided 100% interest in the property may be purchased for US$1,500,000.

Commencing 1 December 2008, annual advance royalty payments must be made to the vendor depending on the average gold price for the preceding year as follows:

Gold Price Per Ounce	Annual Royalty Payment
Less than US$350	US$30,000
US$350 to US$400	US$40,000
More than US$400	US$50,000

These payments are current.

During the prior year, the Company staked a further 141 State of Alaska mining claims covering 15,360 acres adjacent to the property. These new claims bring the total property land holdings to 19,600 acres. The staked claims are 100% owned and not subject to any royalties.

c) Vinasale Property, Alaska, USA

By agreement dated 28 February 2007 and as amended on 18 January 2010, the Company entered into a mineral exploration agreement with an option to lease from Doyon Limited ("Doyon"), an Alaskan Native Corporation on the Vinasale property in central Alaska. The Company must make annual cash payments and incur exploration expenditures as follows:

Option Year Commencing	Payments	Exploration Expenditures
28 February 2007	US$50,000 (Paid)	US$300,000 (incurred)
1 February 2008	US$70,000 (Paid)*	US$700,000*
1 February 2009	US$75,000 (Paid)*	US$1,000,000**
1 February 2010	US$80,000 (Paid)	US$1,500,000
1 February 2011	US$85,000 (Paid)	US$1,500,000
Total	US$360,000	US$5,000,000

On or before 1 February 2012, the Company may at its option enter into a one year extension by making an additional cash payment of US$100,000 and incurring an additional US$1,500,000 in exploration expenditures. In the event the property is reduced by 50% or more, the additional exploration expenditures shall be reduced to US$1,000,000.

* During 2008, the Company requested that Doyon consider deferring the remaining 2008 expenditures to 2009, 2010 and 2011 in exchange for an additional contribution of US$20,000 to the scholarship fund and Doyon agreed to such request.

** By amendment dated 18 January 2010, Doyon agreed to waive the 2009 exploration expenditures. As consideration, the Company agreed to place US$300,000 in an escrow account by 15 April 2010. The funds were to be released upon mobilization of a drill rig to the property. These funds were released in July 2010.

By agreement dated 31 December 2009, the Company optioned to Western up to a 50% interest in the Vinasale Property. In consideration, Western paid $350,000 and was to incur exploration and development expenditures as follows:

	Exploration Expenditures
31 December 2010	US$1,500,000
31 December 2011	US$2,250,000
31 December 2012	US$2,750,000
Total	US$6,500,000

On 6 July 2010, the Company and Western terminated the Vinasale Option Agreement. In consideration of the early termination and recognition of the cash payments and exploration expenditures incurred by Western, the Company has agreed to issue Western common shares of the Company valued at $200,799, which has been recorded as a reimbursement of mineral property exploration expenditures *(Note 10a)*.

d) Union Bay Property, Alaska, USA

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

By agreement dated 1 October 2002 and amended 2 April 2003, the Company granted to Pacific North West Capital Corp. ("PFN"), a company that previously had certain directors in common, an option to earn a 70% interest in the property by purchasing a private placement of $165,000 (2002) and making cash payments of $100,000 (received), issuing 60,000 shares (received) and incurring exploration expenditures of $1,000,000 (completed).

PFN vested with a 50% interest on 1 July 2006 and accordingly issued 253,586 shares pursuant to the agreement. Following vesting, PFN had the right to elect within 45 days to increase its interest to 60% by completing a feasibility study within 12 months of having vested. This election was not made.

By Memorandum of Agreement dated 4 May 2007, the Company and PFN confirmed their 50:50 interest in the property.

5. Property, Plant and Equipment

	Cost	Accumulated Amortization	**31 March 2011 Net Book Value**	31 December 2010 Net Book Value
Mining equipment	$ 1,419,808	$ (964,241)	$ **455,567**	$ 492,085
Exploration office/accommodations	176,489	(883)	**175,606**	-
Exploration office equipment	13,139	(329)	**12,810**	-
Land	1,603,996	-	**1,603,996**	1,603,996
Office equipment	1,295	(32)	**1,263**	-
	$ 3,214,727	$ (965,485)	$ **2,249,242**	$ 2,096,081

	Cost	Accumulated Amortization	31 December 2010 Net Book Value	1 January 2010 Net Book Value
Mining equipment	$ 1,419,808	$ (964,241)	$ 492,085	$ 902,647
Automotive	3,771	(3,771)	-	2,244
Land	1,603,996	-	1,603,996	1,603,996
Office equipment	114,447	(114,447)	-	41,326
	$ 3,142,022	$ (1,045,941)	$ 2,096,081	$ 2,550,213

During the period ended 31 March 2011, total additions to property, plant and equipment were $190,923 (2010 - $Nil).

During the year ended 31 December 2010, total dispositions of property, plant and equipment were $146,309 (2009 - $469,551) for total proceeds of $68,265 (2009 - $425,604) resulting in a loss of $78,044 (2009 - $43,947).

6. Trade Payables

During the prior year, the Company wrote off trade payables in the amount of $397,556 (2009 - $Nil) related primarily to interest. Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future.

During the prior year, the Company entered into a debt settlement agreement with one of its vendors. Under the terms of the agreement, the amount owing to the vendor will be repaid in cash over three years and a portion will be repaid in shares (issued) *(Note 10a)*. The cash portion will bear interest at 6%. The portion that will be repaid in the third year has been recorded as trade payables – long term *(Note 11iii)*.

During a prior year, the Company entered into an agreement with one of its vendors to repay the amount payable over four years. The portion of this amount that will be repaid in the third and fourth years has been recorded as trade payables – long term *(Note 11iii)*.

7. Related Party Balances and Transactions

Except as noted elsewhere in these consolidated financial statements, related party transactions are as follows:

a) Effective 1 January 2005, each outside director is entitled to receive up to $500 per month. During the period, $3,000 (2010 - $6,000) was paid/accrued to directors. As at 31 March 2011, amounts due to related parties include $Nil (2010 - $61,653) owing to directors.

b) During the period, professional fees of $28,750 (2010 - $18,750) were paid/accrued to a company controlled by the Chief Financial Officer. As at 31 March 2011, $30,000 (2010 - $77,562) related to this entity is included in due to related parties.

c) During the period, legal fees of $3,049 (2010 - $23,163) were paid/accrued to a law firm of which a director is a partner. As at 31 March 2011, $3,445 (2010 - $91,367) related to this entity is included in due to related parties.

d) During the period, salaries and benefits of $67,500 (2010 - $30,000), which included a $30,000 bonus, were paid/accrued to the President and Chief Executive Officer. As at 31 March 2011, $49,930 (2010 - $132,929) related to this individual is included in due to related parties.

e) During the period, salaries and benefits of $25,000 (2010 - $Nil) and a consulting bonus of $25,000 was paid to the Vice-President of Exploration and Development. As at 31 March 2011, $9,486 (2010 - $Nil) related to this individual is included in due to related parties.

f) During a prior year, the Company secured a US$2 million short-term loan from a company with a former director in common with the Company. During the prior year, $1,504,330 of this loan was converted into 2,785,796 shares of the Company. On 1 October 2009, a director in common was elected and as at 31 March 2011, $854,974 (2010 - $854,974) is outstanding on this loan repayable over a two year term and bear a 6% annual interest rate. On 21 April 2011, this director resigned (*Notes 8ii and 10a*).

These amounts were incurred in the ordinary course of business, are non-interest bearing, unsecured and due on demand unless otherwise noted. The above transactions are measured at fair value, which has been determined by negotiations amongst the parties.

8. Loans Payable

		31 March 2011		31 December 2010
i. Convertible loans totalling US$1,791,000 bearing interest at 4% per annum with interest only payments payable quarterly beginning August 2008, secured by both bulk sampling equipment located at and land adjacent to the Golden Summit property. The convertible loans were repayable in full on 30 May 2010. The convertible loans lenders (the "Convertible Loans Lenders") had the right to convert the outstanding principal, in whole or in part, into common shares of the Company at a conversion price of US$7.38 per share at any time during the term of the loans. On 29 June 2009, US$346,500 was repaid as a result of a partial sale of mining equipment. On 28 February 2010, US$3,977 was repaid. On 20 October 2010, US$38,144 was repaid as a result of a partial sale of mining equipment. On 22 October 2010, US$257,471 was repaid. The lenders agreed to extend the repayment date for the remaining principal plus interest to 30 November 2010. As consideration, on 2 February 2011, the Company issued 500,000 warrants at an exercise price of $0.60 expiring on 2 February 2012. On 29 November 2010, the loans and interest were repaid in full *(Note 10a)*.	**$**	**-**	$	-
ii. Short term loans totalling US$5,229,032 bearing interest at 12.5% per annum with interest only payments payable monthly. On 30 September 2009, as part of the purchase and sale of a 100% interest in the Almaden Gold Project, Western assumed US$2,900,000 indebtedness to the senior bridge lender (*Note 4e*). On 1 October 2009, the amount owing to the subordinated lender of US$2,329,032 was reduced by US$1,377,591 (Cdn$1,504,330) as this debt was converted into 2,785,796 shares of the Company *(Notes 7h and 10a)*. Additionally, the transfer of 1,000,000 common shares of Western the subordinated lender reduced the debt to US$782,943 (Cdn$854,974) *(Notes 3 and 4e)* which will be repayable over a two year term and bear a 6% annual interest rate (*Note 11ii*). Included in accounts payable as at 31 March 2011 is $Nil related to interest on the short-term loans. Collateral for this loan is a first priority security agreement on the shares in the Company's wholly owned US subsidiaries and a general security agreement against the assets of the Company including a charge against bulk sampling equipment located on the Golden Summit Property.		**854,974**		854,974
Total	**$**	**854,974**	$	854,974

9. Restoration and Environmental Obligations

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property *(Note 4a)*. The present value of the estimated obligations relating to properties is $180,500 (31 December 2010 - $182,792) using discount rates at which cash flows have been discounted by 4.25%. 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 31 March 2011 is $194,360 (US$200,000) (31 December 2010 - $198,920 (US$200,000)) and the cash outflows are expected to occur in 2012.

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

	31 March 2011 $	31 December 2010 $
Balance, beginning of period	**182,792**	92,194
Addition	**-**	91,396
Accretion	**1,926**	3,919
Foreign exchange difference	**(4,218)**	(4,717)
Balance, end of period	**180,500**	182,792

10. Share Capital

a) Share Issuances and Other

On 16 March 2011, the Company closed a non-brokered private placement of 4,583,331 units at $0.48 per unit for proceeds of $2,199,999. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.59 per share exercisable until 17 March 2012 and at a price of $0.65 per share exercisable until 17 March 2013 *(Note 10c)*.

On 22 December 2010, the Company closed a non-brokered private placement of 11,514,213 units priced at $0.46 per unit for proceeds of $5,296,538. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.55 per share exercisable until 15 December 2011 and at a price of $0.65 per share exercisable until 15 December 2012 *(Note 10c)*.

On 18 October 2010, the Company agreed to issue 500,000 share purchase warrants with an exercise price of $0.60 to the convertible loan lenders, as consideration for an extension of the repayment date to 30 November 2010 *(Note 8i)*. The fair value of the share purchase warrants of $125,756 has been recorded as loan extension fees with an offsetting entry to contributed surplus. These warrants were issued on 2 February 2011.

On 1 October 2010, the Company closed a non-brokered private placement of 8,975,759 units of which 7,575,759 units were priced at $0.33 per unit and 1,400,000 units were priced at $0.35 per unit for proceeds of $2,990,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.40 per share exercisable until 1 October 2011 and at a price of $0.50 per share exercisable until 1 October 2012 *(Note 10c)*.

On 27 August 2010, the Company consolidated its 101,153,306 old common shares, exchanging 6 (old) common shares for 1 (new) common share resulting in 16,858,863 new common shares outstanding. All common shares and per share amounts have been adjusted to give retroactive effect to the 6:1 share consolidation that took effect on 27 August 2010 *(Note 1)*.

On 6 July 2010, the Company and Western terminated both the Vinasale and Golden Summit Option Agreements whereby Western relinquished its option to earn a 50% undivided interest in each of the Vinasale and the Golden Summit properties. As consideration for the early termination, the Company agreed to issue Western a total of 750,000 common shares of the Company subject to Western paying certain creditors related to the 2010 exploration program on the Vinasale and Golden Summit properties. A reimbursement of mineral property exploration expenditures of $69,201 for the Golden Summit project and $200,799 for the Vinasale project has been recorded in the accounts for the year ended 31 December 2010. The offsetting entry is to contributed surplus *(Notes 4a and, 4c)*.

On 16 February 2010, the Company issued 160,606 common shares to settle $106,000 (US$100,000) in debt *(Note 10c)*.

On 11 February 2010, the Company issued 1,282,450 common shares and 978,517 common shares to settle $846,417 and $645,821 (US$615,068), respectively, in accounts payable *(Note 6)*.

b) **Exercise of Warrants and Options**

i) During the period, a total of 40,000 (2010 – Nil) warrants were exercised for gross proceeds of $16,000 (2010 – $Nil).

ii) During the period, a total of Nil (2010 – Nil) options were exercised for gross proceeds of $Nil (2010 – $Nil).

c) **Share Purchase Warrants**

As at 31 March 2011, the following share purchase warrants are outstanding:

	Number	Price per Share	Expiry Date	
	83,333	$0.84	11 July 2011	
	577,083	$1.20	30 June 2012	
	500,000	$0.60	2 February 2012	****
	8,935,759	$0.40/$0.50	1 October 2011/2012	***
	11,514,213	$0.55/$0.65	15 December 2011/2012	**
	4,583,332	$0.59/$0.65	17 March 2012/2013	*
Total	26,193,720			

* During the period, 4,583,332 share purchase warrants having a fair value of $2,115,850 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.59 per share exercisable until 17 March 2012 and at a price of $0.65 per share exercisable until 17 March 2013 *(Note 10a).*

** During the prior year, 11,514,213 share purchase warrants having a fair value of $3,350,612 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.55 per share exercisable until 15 December 2011 and at a price of $0.65 per share exercisable until 15 December 2012 *(Note 10a).*

*** During the prior year, 8,975,759 share purchase warrants having a fair value of $2,128,992 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.40 per share exercisable until 1 October 2011 and at a price of $0.50 per share exercisable until 1 October 2012 *(Note 10a).*

**** During the period, the Company issued 500,000 share purchase warrants to the convertible loan lenders with an exercise price of $0.60, expiring on 2 February 2012 *(Notes 8i).*

d) **Share Purchase Options**

The Company has established share purchase option plans whereby the Board of Directors (the "Board"), may from time to time, grant options to directors, officers, employees or consultants to a maximum of 1,688,208 options. At the Company's Annual and Special Meeting held on 28 April 2008, shareholders approved a resolution which amended the option plans to cap the number of options and performance shares outstanding to 10% of the issued and outstanding shares. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Board. The exercise price of an option is not less than the closing price on the TSX on the last trading day preceding the grant date. Options vest upon the discretion of the Board.

A summary of the Company's options at 31 March 2011 and the changes for the period are as follows:

Number Outstanding 31 December 2010	Granted	Exercised	Cancelled	Expired	Number Outstanding and Exercisable 31 March 2011	Exercise Price Per Share	Expiry Date
48,333	-	-	-	(48,333)	-	$2.10	13 March 2011
5,000	-	-	-	-	5,000	$3.00	17 July 2011
4,167	-	-	-	-	4,167	$9.00	13 July 2012
16,667	-	-	-	-	16,667	$12.60	1 November 2012
186,667	-	-	-	-	186,667	$8.52	21 February 2013
25,000	-	-	-	-	25,000	$8.52	10 April 2013
41,667	-	-	-	-	41,667	$0.84	14 September 2014
37,500	-	-	-	-	37,500	$0.60	4 December 2014
745,833	-	-	-	-	745,833	$0.48	26 February 2015
900,000	-	-	-	-	900,000	$0.50	29 October 2015
2,010,834	-	-	-	(48,333)	1,962,501		

During the period, the Company did not grant any options to employees, directors and consultants.

During prior periods, the Company granted the following options to employees and directors and recognized the 2010 vested amount as follows:

Grant Date	Granted	Exercise Price	Fair Value	**2010 Vested Amount**
26 February 2010	745,833	$0.48	$287,877	**$287,877**
29 October 2010	900,000	$0.50	$341,076	**$341,076**
8 February 2008	16,667	$9.00	$94,562	**$3,986**
10 April 2008	25,000	$8.52	75,038	**7,374**
Total	1,687,500		$798,553	**$640,313**

The total estimated fair value of the 1,687,500 options is $798,553. Since the options were granted under a graded vesting schedule, $640,313 of the total fair value was recorded in the Company accounts as stock-based compensation expense. The offsetting entry was to contributed surplus.

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:

	2010	2009
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**119.92%**	113.99%
Risk-free interest rate	**2.39%**	2.55%
Expected life of options	**5.00 years**	5.00 years

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

11. Commitments

i) The Company has outstanding and future commitments under mineral property option agreements to pay cash and issue common shares of the Company *(Note 4).*

ii) The Company has outstanding and future commitments under the loan agreement *(Note 8ii).*

iii) The Company has outstanding future commitments related to trade payables as follows *(Note 6):*

	$
31 December 2011	100,000
31 December 2012	136,029
Total	236,029

The Company also has outstanding future commitments related to trade payables in US dollars as follows *(Note 6):*

	US$
31 December 2011	100,000
31 December 2012	100,000
31 December 2013	66,425
Total	266,425

12. Segmented Information

Details on a geographic basis as at 31 March 2011 are as follows:

		USA		Canada		Total
Loss for the period	$	(29,906)	$	(488,402)	$	(518,308)
Comprehensive loss for the period	$	(29,906)	$	(488,402)	$	(518,308)
Current assets	$	791,537	$	4,437,878	$	5,229,415
Property, plant and equipment	$	2,247,979	$	1,263	$	2,249,242
Mineral property costs	$	24,079,453	$	-	$	24,079,453
Total assets	$	27,118,969	$	4,439,141	$	31,558,110

Details on a geographic basis as at 31 December 2010 are as follows:

	USA	Canada	Total
Loss for the year	$ (69,103)	$ (2,363,467)	$ (2,432,570)
Comprehensive loss for the year	$ (69,103)	$ (2,827,467)	$ (2,896,570)
Current assets	$ 91,468	$ 4,790,442	$ 4,881,910
Property, plant and equipment	$ 2,096,081	$ -	$ 2,096,081
Mineral property costs	$ 23,633,774	$ -	$ 23,633,774
Total assets	$ 25,821,323	$ 4,790,442	$ 30,611,765

13. Contingency

In connection with a proposed financing in a prior year, the Company entered into an agreement with a third party under which a commission was payable in certain circumstances. No financings resulted from this arrangement and the Company arranged alternative financing. The third party maintains that it is owed a commission but the Company is disputing such claim. Arbitration proceedings have been initiated by the third party but no amounts have been accrued in these consolidated financial statements relating to this contingency because the Company believes the ultimate outcome cannot be reasonably determined at the present time.

14. Comparative Figures

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

15. Financial Instruments and Risk Management

a) Financial Instruments

The carrying value of financial assets and liabilities at 31 March 2011, 31 December 2010 and 1 January 2010 are as follows:

	31 March 2011	31 December 2010	1 January 2010
Financial Assets			
FVTPL, measured at fair value			
Cash and cash equivalents	**$ 5,078,717**	$ 4,818,038	$ 328,354
Loans and receivables, measured at amortized cost			
Receivables	**35,940**	21,598	13,855
Available-for-sale, measured at fair value			
Available-for-sale investments	**$ -**	$ -	$ 1,200,000

		31 March 2011		31 December 2010		1 January 2010
Financial Liabilities						
FVTPL, measured at fair value						
Derivative liability	$	-	$	-	$	298,061
Other liabilities, measured at amortized cost						
Trade payables		**895,383**		1,165,275		3,085,837
Due to related parties		**92,861**		448,179		458,540
Loans payable	$	**854,974**	$	854,974	$	1,482,911

The fair value hierarchy of financial instruments measured at fair value on the balance sheet is as follows:

		31 March 2011		31 December 2010		1 January 2010
		Level 1		Level 1		Level 1
Cash and cash equivalents	$	**5,078,717**	$	4,818,038	$	328,354
Available-for-sale investments	$	-	$	-	$	1,200,000
		Level 2		Level 2		Level 2
Derivative liability	$	-	$	-	$	298,061

b) **Capital Management**

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended 31 March 2011. Neither the Company nor its subsidiaries is subject to externally imposed capital requirements.

c) **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at 31 March 2011, amounts receivable was comprised of Harmonized Sales Tax receivable of $35,940 (31 December 2010 - $21,598). 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 the Company's financial instruments are substantially comprised of cash and cash equivalents, liquidity risk is considered insignificant.

e) **Currency Risk**

The Company is exposed to currency risk on its acquisition and exploration expenditures on its US properties since it has to convert Canadian dollars raised through equity financing in Canada to US dollars. The Company's expenditures will be negatively impacted if the US dollar increases versus the Canadian dollar.

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar. The Company has cash and cash equivalents held in US dollars.

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

The following table provides an indication of the Company's foreign currency exposures during the periods ended 31 March 2011, 31 December 2010 and 1 January 2010:

	31 March 2011	31 December 2010	1 January 2010
Cash and cash equivalents	**US$ 2,493,253**	US$ 189,872	US$ 125,918
Trade payables	**US$ 799,641**	US$ 876,827	US$ 2,785,765
Loans payable	**-**	-	US$ 1,444,500

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 $32,929 for the period ended 31 March 2011.

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

f) **Interest Risk**

The Company is not subject to interest risk.

g) **Commodity Price Risk**

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

16. Transition to International Financial Reporting Standards

IFRS 1, "*First-time Adoption of International Financial Reporting Standards*" sets forth guidance for the initial adoption of IFRS. The accounting policies in Note 1 have been applied in preparing the interim consolidated financial statements for the three months ended 31 March 2011, the comparative information for the three months ended 31 March 2011, the consolidated financial statements for the year ended 31 December 2010 and the preparation of an opening IFRS statement of financial position on 1 January 2010 (the "Transition Date").

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS.

a) Share-based Payments

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, "*Share-based Payment*" to equity instruments that were granted on or before 7 November 2002, or equity instruments that were granted subsequent to 7 November 2002 and vested before the Transition Date. The Company elected not to apply IFRS 2 to equity instruments that vested prior to the Transition Date.

This resulted in an increase of stock options reserve as at the Transition Date of $30,291 with an increase in deficit of an equal amount, and a decrease in share-based payment expense of $8,308 for the year ended 31 December 2010, of which $8,308 was adjusted for the three month period ended 31 March 2010.

b) Business Combinations

IFRS 1 provides the option to apply IFRS 3, "*Business Combinations*", retrospectively or prospectively from the Transition Date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its Transition Date.

c) Consolidated and Separate Financial Statements

In accordance with IFRS 1, if a company elects to apply IFRS 3 retrospectively, IAS 27, "*Consolidated and Separate Financial Statements*" must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

d) Restoration and Environmental Obligations

IFRIC 1, "*Changes in Existing Decommissioning, Restoration and Similar Liabilities*" requires re-measurement of the restoration and environmental obligation liability at each period end to reflect changes due to changes in various assumptions, including the discount rate which reflects current market assessment of the time value of money and risk specific to the liability. IFRS 1 provides an optional exemption to elect not to retrospectively recalculate the restoration and environmental obligation liability and the related impact on the cost of the related asset and accumulated depreciation. The Company elected to use this exemption and measured the liability as at the Transition Date adjusted for a historical risk discount rate.

This resulted in a decrease of exploration and evaluation properties as at the Transition Date of $569 with a decrease in restoration and environmental obligation liability of an equal amount, and a decrease in deficit of $4,740 for the year ended 31 December 2010, of which $1,780 was adjusted for the three month period ended 31 March 2010. As at 31 December 2010, exploration and evaluation properties decreased by $689 and the restoration and environmental obligation liability decreased by $5,429.

e) **IFRS Mandatory Exception**

In accordance with IFRS 1, the Company's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under Canadian GAAP unless there is objective evidence that those estimates were in error. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS.

Set forth below are other differences in accounting between Canadian GAAP and IFRS.

f) **Flow-through Shares**

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP, the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, "*Flow-through Shares*". At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a deferred tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP, a portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through liability. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability is reversed, with any difference recorded as deferred tax expense. A portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will reduce the deferred tax liability and record a deferred tax recovery.

The change in accounting policy related to flow-through shares resulted in an increase in share capital and an increase in deficit of $80,816 as at the Transition Date.

g) **Financial instruments – Derivative Liability**

During the year ended 31 December 2008, the Company issued convertible loans that were convertible into a fixed number of the Company's common shares in exchange for a fixed amount of US dollar (Note 8i). Under Canadian GAAP, the Company accounted for the issue of convertible loans in accordance with CICA Handbook Section 3863, "*Financial Instruments – Presentation*". At the time of issue, the compound financial instrument is bifurcated into a liability component and an equity component. The Company assigned to the equity component the residual amount after deducting from the compound financial instrument as a whole the fair value determined for the liability component.

Under IFRS, a convertible loan that is denominated in a foreign currency has no equity component and is presented as a liability with an embedded derivative. The convertible loan is classified as a financial liability under IAS 32, "*Financial Instruments: Presentation*" and is subject to IAS 39, "*Financial Instruments: Recognition and Measurement*" for recognition and measurement. The embedded derivative liability is initially recognized at fair value and is classified as financial liability at FVTPL. The fair value of the embedded derivative liability was determined using the Black-Scholes option pricing model. The embedded derivative liability is presented separately in the statement of financial position.

The change in accounting policy related to convertible loan denominated in foreign currency resulted in following differences:

As at	1 January 2010	31 March 2010	31 December 2010
Decrease in loans payable	955,799	940,491	-
Increase in derivative liability	(298,061)	(84,414)	-
Decrease in deficit	(657,738)	(856,077)	-

h) **Financial Instruments – Available-for-Sale**

Under Canadian GAAP, the Company grouped its redeemable guaranteed investment certificate as available-for-sale instruments. Upon adoption of IFRS, the Company determined both that the redeemable guaranteed investment certificate meets the criteria for financial assets at FVTPL and that it should be grouped as cash and cash equivalents.

i) **Reclassification within Equity section**

Under Canadian GAAP, "Contributed Surplus" was used to record the issuance of warrants and stock options as well as shares to be issued and warrants to be issued. Upon adoption of IFRS, the balances in "Contributed Surplus" have been reclassified to "Stock option reserve", "Warrants reserve" and "Other reserve".

In addition, the Company reclassified the balance of the "Accumulated other comprehensive income" that existed under Canadian GAAP into "Available-for-sale investments reserve".

j) **Reconciliations of Canadian GAAP to IFRS**

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. The following analysis represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted:

Freegold Ventures Limited
(An Exploration Stage Company)

Notes to Condensed Consolidated Financial Statements

31 March 2011 and 2010

Canadian Funds

Reconciliation of Statement of Financial Position as at 1 January 2010

ASSETS	Note	Canadian GAAP	IFRS Adjustments	IFRS
Current				
Cash and cash equivalents	(h)	$ 313,354	$ 15,000	$ 328,354
Amounts receivable		13,855	-	13,855
Available-for-sale investments	(h)	1,215,000	(15,000)	1,200,000
Prepaid expenses and deposits		26,900	-	26,900
		1,569,109	-	1,569,109
Exploration and Evaluation Properties	(d)	21,448,010	(569)	21,447,441
Property, Plant and Equipment		2,550,213	-	2,550,213
		$ 25,567,332	$ (569)	$ 25,566,763
LIABILITIES				
Current				
Trade payables		$ 2,512,573	$ -	$ 2,512,573
Accrued liabilities		29,000	-	29,000
Due to related parties		458,540	-	458,540
Loans payable	(g)	1,583,736	(955,799)	627,937
Derivative liability	(g)	-	298,061	298,061
		4,583,849	(657,738)	3,926,111
Trade Payables – Long Term		573,264	-	573,264
Restoration and Environmental Obligations	(d)	92,763	(569)	92,194
Loans Payable – Long Term		854,974	-	854,974
		6,104,850	(658,307)	5,446,543
EQUITY				
Share Capital	(f)	53,056,054	80,816	53,136,870
Contributed Surplus	(i)	5,497,508	(5,497,508)	-
Accumulated Other Comprehensive Income	(i)	464,000	(464,000)	-
Stock Options Reserve	(a)(i)	-	4,121,939	4,121,939
Warrants Reserve	(i)	-	1,405,860	1,405,860
Available-for-Sale Reserve	(i)	-	464,000	464,000
Deficit	(a)(f)(g)	(39,555,080)	546,631	(39,008,449)
		19,462,482	657,738	20,120,220
		$ 25,567,332	$ (569)	$ 25,566,763

Reconciliation of Statement of Financial Position as at 31 March 2010

ASSETS	Note	Canadian GAAP	IFRS Adjustments	IFRS
Current				
Cash and cash equivalents	(h)	$ 10,563	$ 10,647	$ 21,210
Amounts receivable		9,815	-	9,815
Available-for-sale investments	(h)	1,090,647	(10,647)	1,080,000
Prepaid expenses and deposits		67,202	-	67,202
		1,178,227	-	1,178,227
Exploration and Evaluation Properties	(d)	21,540,896	(569)	21,540,327
Property, Plant and Equipment		2,480,279	-	2,480,279
		$ 25,199,402	$ (569)	$ 25,198,833

LIABILITIES	Note	Canadian GAAP	IFRS Adjustments	IFRS
Current				
Trade payables		$ 1,160,677	$ -	$ 1,160,677
Accrued liabilities		-	-	-
Due to related parties		535,994	-	535,994
Loans payable	(g)	1,545,790	(940,491)	605,299
Derivative liability	(g)	-	84,414	84,414
		3,242,461	(856,077)	2,386,384
Trade Payables – Long Term		298,264	-	298,264
Restoration and Environmental Obligations	(d)	92,763	(2,349)	90,414
Loans Payable – Long Term		854,974	-	854,974
		4,488,462	(858,426)	3,630,036
EQUITY				
Share Capital	(f)	54,647,148	80,816	54,727,964
Contributed Surplus	(i)	5,796,746	(5,796,746)	-
Accumulated Other Comprehensive Income	(i)	344,000	(344,000)	-
Stock Options Reserve	(a)(i)	-	4,412,869	4,412,869
Warrants Reserve	(i)	-	1,405,860	1,405,860
Available-for-Sale Reserve	(i)	-	344,000	344,000
Deficit	(a)(d)(f)(g)	(40,076,954)	755,058	(39,321,896)
		20,710,940	857,857	21,568,797
		$ 25,199,402	$ (569)	$ 25,198,833

Reconciliation of Statement of Financial Position as at 31 December 2010

ASSETS	Note	Canadian GAAP	IFRS Adjustments	IFRS
Current				
Cash and cash equivalents	(h)	$ 4,807,391	$ 10,647	$ 4,818,038
Amounts receivable		21,598	-	21,598
Available-for-sale investments	(h)	10,647	(10,647)	-
Prepaid expenses and deposits		42,274	-	42,274
		4,881,910	-	4,881,910
Exploration and Evaluation Properties	(d)	23,634,463	(689)	23,633,774
Property, Plant and Equipment		2,096,081	-	2,096,081
		$ 30,612,454	$ (689)	$ 30,611,765

LIABILITIES	Note	Canadian GAAP	IFRS Adjustments	IFRS
Current				
Trade payables		$ 863,720	$ -	$ 863,720
Accrued liabilities		29,000	-	29,000
Due to related parties		448,179	-	448,179
Loans payable		854,974	-	854,974
		2,195,873	-	2,195,873
Trade Payables – Long Term		301,555	-	301,555
Restoration and Environmental Obligations	(d)	188,221	(5,429)	182,792
		2,685,649	(5,429)	2,680,220
EQUITY				
Share Capital	(f)	57,256,584	80,816	57,337,400
Contributed Surplus	(i)	12,013,181	(12,013,181)	-
Stock Options Reserve	(a)(i)	-	4,753,944	4,753,944
Warrants Reserve	(i)	-	6,885,464	6,885,464
Other Reserve	(i)	-	395,756	395,756
Deficit	(a)(d)(f)(g)	(41,342,960)	(98,059)	(41,441,019)
		27,926,805	4,740	27,931,545
		$ 30,612,454	$ (689)	$ 30,611,765

Notes to Condensed Consolidated Financial Statements

31 March 2011 and 2010

Canadian Funds

Reconciliation of Statement of Loss and Comprehensive Loss
For the Three Month Period Ended 31 March 2010

	Note	Canadian GAAP	IFRS Adjustments	IFRS
General and Administrative Expenses				
Consulting fees		$ 4,910	$ -	$ 4,910
Share-based payments	(a)	299,238	(8,308)	290,930
Travel		23,807	-	23,807
Promotion and shareholder relations		20,985	-	20,985
Director fees		6,000	-	6,000
Professional fees		55,733	-	55,733
Wages, salaries and benefits		31,414	-	31,414
Transfer and filing fees		62,255	-	62,255
Rent and utilities		14,736	-	14,736
Office and miscellaneous		6,001	-	6,001
Amortization		2,427	-	2,427
Accretion	(d)	-	973	973
Loss Before Other Income (Expenses)		(527,506)	7,335	(520,171)
Other Income (Expenses)				
Amortization of mining equipment		(67,507)	-	(67,507)
Foreign exchange gain (loss), *net*	(d)	97,576	2,752	100,328
Interest, bank charges and loan arrangement fees		(24,437)	-	(24,437)
Gain on derivative liability	(g)	-	198,340	198,340
		5,632	201,092	206,724
Net Loss for the Period		$ (521,874)	$ 208,427	$ (313,447)
Other Comprehensive Income (Loss)				
Unrealized loss on available-for-sale investments		(120,000)	-	(120,000)
Comprehensive Loss for the Period		$ (641,874)	$ 208,427	$ (433,447)

Notes to Condensed Consolidated Financial Statements

31 March 2011 and 2010

Canadian Funds

Reconciliation of Statement of Loss and Comprehensive Loss
For the Year Ended 31 December 2010

	Note	Canadian GAAP	IFRS Adjustments	IFRS
General and Administrative Expenses				
Consulting fees		$ 15,405	$ -	$ 15,405
Share-based payments	(a)	640,313	(8,308)	632,005
Travel		137,891	-	137,891
Promotion and shareholder relations		47,467	-	47,467
Director fees		22,000	-	22,000
Professional fees		203,001	-	203,001
Wages, salaries and benefits		71,470	-	71,470
Transfer and filing fees		142,130	-	142,130
Rent and utilities		51,205	-	51,205
Office and miscellaneous		37,667	-	37,667
Amortization		9,708	-	9,708
Accretion	(d)	3,942	(23)	3,919
Loss Before Other Income (Expenses)		(1,382,199)	8,331	(1,373,868)
Other Income (Expenses)				
Loss on sale of available-for-sale investments		(214,241)	-	(214,241)
Interest income		171	-	171
Amortization of mining equipment		(258,867)	-	(258,867)
Foreign exchange gain (loss), *net*	(d)	66,807	4,717	71,524
Write-off of trade payables		397,556	-	397,556
Interest, bank charges and loan arrangement fees		(279,815)	-	(279,815)
Write-off of property, plant and equipment		(39,248)	-	(39,248)
Loss of sale of property, plant and equipment		(78,044)	-	(78,044)
Gain on derivative liability	(g)	-	325,474	325,474
Loss on settlement of loan payable	(g)	-	(983,212)	(983,212)
		(405,681)	(653,021)	(1,058,702)
Net Loss for the Year		$ (1,787,880)	$ (644,690)	$ (2,432,570)
Other Comprehensive Income (Loss)				
Unrealized loss on available-for-sale investments		(678,241)	-	(678,241)
Realized loss on available-for-sale investments		214,241	-	214,241
Comprehensive Loss for the Year		$ (2,251,880)	$ (644,690)	$ (2,896,570)

Reconciliation of Statement of Cash Flows
For the Three Month Period Ended 31 March 2010

	Note	Canadian GAAP	IFRS Adjustments	IFRS
Operating Activities				
Loss for the period	(a)(d)(g)	$ (521,874)	$ (208,427)	$ (313,447)
Items not affecting cash:				
Amortization		69,934	-	69,934
Accretion	(d)	-	(973)	973
Share-based payments	(a)	299,238	8,308	290,930
Gain on derivative liability	(g)	-	198,340	(198,340)
Unrealized foreign exchange gain	(d)	-	2,752	(2,752)
Net changes in non-cash working capital components:				
Amounts receivable		4,040	-	4,040
Prepaid expenses and deposits		(40,303)	-	(40,303)
Accounts payable		(121,543)	-	(121,543)
Accrued liabilities		(29,000)	-	(29,000)
Due to related parties		77,454	-	77,454
		(262,054)	-	(262,054)
Investing Activities				
Proceeds on sale of available-for-sale investments	(h)	4,353	(4,353)	-
Financing Activities				
Share issuance costs		(7,144)	-	(7,144)
Foreign exchange on loans		(37,946)	-	(37,946)
		(45,090)	-	(45,090)
Net Increase in Cash and Cash Equivalents		(302,791)	10,647	(307,144)
Cash and cash equivalents - Beginning of period	(h)	313,354	15,000	328,354
Cash and Cash Equivalents - End of Period		$ 10,563	$ 10,647	$ 21,210

17. Subsequent Events

The following events occurred during the period from 31 March 2011 to the date the consolidated financial statements were available to be issued on 14 June 2011:

i) 254,166 options were exercised for gross proceeds of $126,500.

ii) 140,000 warrants were exercised for gross proceeds of $71,000.

iii) 2,035,000 options were granted at an exercise price of $0.87 per share for a term of 5 years.