

FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(Expressed in U.S. Dollars)

September 30, 2019 and 2018

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position
(unaudited)

(Expressed in U.S. Dollars)

ASSETS	September 30, 2019	December 31, 2018
Current		
Cash and cash equivalents	\$ 1,515,687	\$ 99,989
Restricted cash (Note 4)	495,807	-
Amounts receivable	17,789	58,672
Prepaid expenses and deposits	81,411	40,141
	<u>2,110,694</u>	<u>198,802</u>
Exploration and Evaluation Properties (Note 5)	37,554,944	37,588,541
Property, Plant and Equipment (Note 6 (a))	355,185	360,988
Right-of-use Asset (Note 6 (b))	94,808	-
	<u>\$ 40,115,631</u>	<u>\$ 38,148,331</u>
LIABILITIES		
Current		
Trade payables	\$ 621,992	\$ 260,653
Accrued liabilities	-	30,805
Project cost advance received	121,327	-
Current portion of lease liability	49,962	-
Due to related parties (Note 7)	850,027	558,129
	<u>1,643,308</u>	<u>849,587</u>
Non- current		
Lease liability (Note 6(b))	47,783	-
Restoration and Environmental Obligations (Note 8)	237,365	230,033
	<u>1,928,456</u>	<u>1,079,620</u>
EQUITY		
Share Capital (Note 9)	86,727,430	85,849,508
Reserves	17,315,702	16,677,246
Deficit	(65,855,957)	(65,458,043)
	<u>38,187,175</u>	<u>37,068,711</u>
	<u>\$ 40,115,631</u>	<u>\$ 38,148,331</u>

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

Freegold Ventures Limited
(An Exploration Stage Company)
Condensed Consolidated Statements of Changes in Equity
(unaudited)
(Expressed in U.S. Dollars)

	Common Shares	Amount	Stock Options Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance – December 31, 2017	174,018,906	\$ 85,316,169	\$ 7,602,373	\$ 9,341,837	\$ (785,538)	\$ (64,697,062)	\$ 36,777,779
Shares to be issued (Note 9a)	-	386,672	-	-	-	-	386,672
Share-based payments (Note 9d)	-	-	137,906	-	-	-	137,906
Foreign currency translation adjustment	-	-	-	-	(4,635)	-	(4,635)
Loss for the period	-	-	-	-	-	(741,709)	(741,709)
Balance – September 30, 2018	174,018,906	85,702,841	7,740,279	9,341,837	(790,173)	(65,438,771)	36,556,013
Balance – December 31, 2018	188,953,906	85,849,508	7,740,279	9,714,597	(777,630)	(65,458,043)	37,068,711
Private placement (Note 9a)	31,492,304	1,483,583	-	-	-	-	1,483,583
Value assigned to warrants (Notes 9a and 9c)	-	(603,249)	-	603,249	-	-	-
Share issue costs (Note 9a)	-	(2,412)	-	-	-	-	(2,412)
Fair value of change in re-pricing of warrants (Note 9d)	-	-	-	47,700	-	-	47,700
Share-based payments (Note 9d)	-	-	2,901	-	-	-	2,901
Foreign currency translation adjustment	-	-	-	-	(15,394)	-	(15,394)
Loss for the period	-	-	-	-	-	(397,914)	(397,914)
Balance – September 30, 2019	220,446,210	\$ 86,727,430	\$ 7,743,180	\$ 10,365,546	(793,024)	\$ (65,855,957)	\$ 38,187,175

- See Accompanying Notes -

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the nine months Ended September 30,
(unaudited)

(Expressed in U.S. Dollars)

	3 Months Ended September 30, 2019	3 Months Ended September 30, 2018	9 Months Ended September 30, 2019	9 Months Ended September 30, 2018
General and Administrative Expenses				
Accretion (Notes 6(b) & 8)	\$ 2,757	2,344	7,867	\$ 7,034
Consulting fees (Note 7)	2,288	2,915	6,784	10,400
Depreciation (Notes 6(a) & 6(b))	14,482	2,043	42,464	6,134
Office and miscellaneous	10,357	10,979	28,939	31,621
Professional fees (Note 7)	15,981	16,829	47,895	67,599
Promotion and shareholder relations	850	18,605	19,714	56,678
Rent and utilities	513	13,085	1,521	39,627
Share-based payments (Notes 9d)	-	133,615	2,901	133,615
Transfer, filing and other fees	20,164	10,662	64,967	63,812
Travel and transportation	192	21,832	38,240	62,143
Wages, salaries and benefits (Note 7)	85,472	84,170	253,470	261,083
Total General and Administrative Expenses	(153,056)	(317,079)	(514,762)	(739,746)
Foreign exchange gain (loss), net	(1,009)	(355)	(343)	(2,320)
Financing costs	(47,700)	-	(47,700)	-
Gain on forgiveness of debt	-	-	20,013	-
Interest and bank charges	(1,807)	(732)	(6,271)	(1,381)
Overhead recovery fee	107,379	-	142,946	-
Interest income	4,311	56	8,203	1,738
	61,174	(1,031)	116,848	(1,963)
Net Loss for the Period	\$ (91,882)	(318,110)	(397,914)	\$ (741,709)
Loss per Share – Basic and Diluted	\$ (0.00)	(0.00)	(0.00)	\$ (0.00)
Weighted Average Number of Shares Outstanding – Basic and Diluted	197,701,768	174,018,906	191,827,291	174,018,906
Comprehensive Loss				
Net loss for the period	\$ (91,882)	(318,110)	(397,914)	\$ (741,709)
Foreign currency translation adjustment	20,322	(4,486)	(15,394)	(344)
Total Comprehensive Loss for the Period	\$ (71,560)	(322,596)	(413,308)	\$ (742,053)

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows
For the Nine months Ended September 30,
(unaudited)

(Expressed in U.S. Dollars)

Cash Resources Provided By (Used In)	2019	2018
Operating Activities		
Loss for the period	\$ (397,914)	\$ (741,709)
Items not affecting cash:		
Depreciation	42,464	6,134
Accretion	7,867	7,034
Gain on forgiveness of debt	(20,013)	-
Financing cost	47,700	-
Overhead recovery fee	(106,576)	-
Share-based payments	2,901	133,615
Net changes in non-cash working capital components:		
Amounts receivable	40,883	62,210
Prepaid expenses and deposits	(41,270)	9,887
Trade payables	53,406	65,066
Accrued liabilities	(30,805)	(25,110)
Project cost advance received	121,327	-
Due to related parties	291,898	(28,722)
	<u>11,867</u>	<u>(511,595)</u>
Investing Activities		
Exploration and evaluation property acquisition costs	(43,500)	(69,155)
Exploration and evaluation property deferred exploration costs	(1,396,215)	(243,036)
Exploration and evaluation property deferred exploration cost recovery	1,581,243	-
Overhead recovery	200,000	-
	<u>341,528</u>	<u>(312,191)</u>
Financing Activities		
Share capital issued	1,483,583	386,672
Share issue costs	(2,412)	-
Restricted cash	(495,807)	-
	<u>985,364</u>	<u>386,672</u>
Effect of Foreign Currency on Cash and Cash Equivalents	<u>76,938</u>	<u>(91,926)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,415,698</u>	<u>(529,040)</u>
Cash and Cash Equivalents - Beginning of Year	<u>99,989</u>	<u>780,355</u>
Cash and Cash Equivalents - End of Period	<u>\$ 1,515,687</u>	<u>\$ 251,315</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Supplemental Disclosure of Non-Cash Items		
Share-based payments included in exploration and evaluation expenditures	\$ -	\$ 4,291
Exploration expenditures included in trade payables and due to related parties	\$ 378,478	\$ 744,090

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

1. Nature and Continuance of Operations

Freegold Ventures Limited (the "Company") is in the process of acquiring, exploring and developing precious and base metal 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 and the Company is considered to be in the exploration stage. The recoverability of the amounts expended by the Company on mineral properties is dependent upon future profitable production or selling the property.

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

The Company's condensed consolidated financial statements as at September 30, 2019 and for the period then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company had a comprehensive loss of \$413,308 for the nine month period ended September 30, 2019 (September 30, 2018 – \$742,053) and working capital of \$467,386 at September 30, 2019 (December 31, 2018 – working capital deficit of \$650,785).

The Company had cash and cash equivalents of \$1,515,687 at September 30, 2019 (December 31, 2018 -\$99,989), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

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

These financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2018.

a) Consolidation

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

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

b) Significant Accounting Judgments, Estimates and Assumptions

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

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

c) Exploration and Evaluation Properties

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

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

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

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

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

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.

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

d) Adoption of new and revised standards and interpretations

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

3. Approval

These condensed consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on November 12, 2019.

4. Restricted Cash

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

5. Exploration and Evaluation Properties

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

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

	Golden Summit Property	Shorty Creek Property	Total
Acquisition costs			
Balance, December 31, 2018	\$ 3,169,819	\$ 198,546	\$ 3,368,365
Additions	43,500	-	43,500
Balance, September 30, 2019	\$ 3,213,319	\$ 198,546	\$ 3,411,865
Exploration and evaluation costs			
Balance, December 31, 2018	\$ 28,786,525	\$ 5,433,651	\$ 34,220,176
Assaying	-	18,664	18,664
Camp costs	-	205,696	205,696
Drilling	-	389,953	389,953
Engineering and consulting	-	56,919	56,919
Geological and field expenses	10,081	81,590	91,671
Geophysics	-	286,752	286,752
Helicopter support	-	355,615	355,615
Land maintenance and tenure	23,827	4,734	28,561
Legal	3,395	-	3,395
Metallurgical studies	-	16,993	16,993
Overhead cost	-	143,749	143,749
Personnel	949	47,626	48,575
Travel	6,270	51,333	57,603
Total incurred during September 30, 2019	\$ 44,522	\$ 1,659,624	\$ 1,704,146
Less:			
Expenditure recovery	-	(1,581,243)	(1,581,243)
Overhead recovery	-	(200,000)	(200,000)
Balance, September 30, 2019	\$ 28,831,047	\$ 5,312,032	\$ 34,143,079
Total	\$ 32,044,366	\$ 5,510,578	\$ 37,554,944

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

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

Fairbanks Exploration Inc.

By various agreements dated from December 1, 1992 to May 9, 1997, the Company acquired from Fairbanks Exploration Inc. ("FEI") certain mineral claims in the Fairbanks Mining District of Alaska known as the Golden Summit Property. In the deed conveying its remaining interest, FEI reserved a 7% working interest which is held in trust for FEI by the Company. The property is controlled by the Company through long-term lease agreements or outright claim ownership.

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

(i) **Keystone Claims**

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

1992 – 1998 (\$15,000 per year)	\$	105,000	(paid)
2000	\$	50,000	(\$25,000 paid in cash and \$25,000 with 9,816 treasury shares issued)
2001 - 2006 (\$50,000 per year)	\$	300,000	(paid)
2007	\$	150,000	(paid)
2008	\$	150,000	(paid)
2009	\$	150,000	(paid)
2010	\$	150,000	(paid)
2011	\$	150,000	(paid)
2012	\$	150,000	(paid)
2013	\$	150,000	(paid)
2014	\$	112,500	(paid)
2014	\$	37,500	(paid)
2015	\$	75,000	(paid)
2015	\$	75,000 *	(paid)
2016	\$	150,000 **	(paid \$75,000)
2017	\$	150,000 **	(paid \$75,000)
2018	\$	150,000 ***	(paid \$15,000)
2019	\$	150,000 ***	(paid \$15,000)

The property is subject to a 3% NSR.

Notes to Condensed Consolidated Financial Statements

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

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

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

*** The Company is in negotiations to decrease the annual royalty payments of \$75,000 to \$15,000, pursuant to a forbearance agreement entered into subsequent to December 31, 2018. The agreement permits the Company to pay \$15,000 on August 1 of each year with the remaining balance of \$60,000 payable in equal monthly installments over 2 years, following the price of gold averaging US\$1,400 per ounce for a period of 3 months. Pursuant to the terms of this agreement, a payment of \$15,000 was paid during the year ended December 31, 2018 and \$15,000 was paid on July 30, 2019.

(ii) Newsboy Claims

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

On October 12, 2012, the Company amended the lease agreement and the lease term was extended for an additional 5 years from March 1, 2011 to February 29, 2016. The minimum royalty payable under the amended lease was \$12,000 per year for the term of the lease. The Company amended the lease agreement whereby the \$12,000 due on February 29, 2016 was deferred to May 31, 2016 (paid), and the lease term was extended for an additional 5-year term from March 1, 2016 to February 28, 2021. As consideration, the Company had agreed to a one-time payment of \$50,000 (the "Signing Bonus") due on or before February 28, 2017. The Company renegotiated the agreement to defer payments of the Signing Bonus to two installments of \$25,000 due on February 28, 2017 (paid) and \$25,000 due on February 28, 2018 (\$15,000 paid).

The Company is currently renegotiating the payment terms surrounding the Signing Bonus and annual lease payments. The claims are subject to a 4% NSR. The Company has the option to purchase the NSR for the greater of the current value or US\$1,000,000 less all advance royalty payments completed to date.

(iii) Tolovana Claims

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

Under the terms of the agreement, the Company assumed all of the Seller's obligations under the lease, which include making annual payments of \$1,000 per month for the first 23

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months, increasing to \$1,250 per month for the 24th to the 48th months, and \$1,500 per month after the 49th month and for the duration of the lease. These payments are current.

In addition, the Company made a cash payment to the Seller of \$7,500 on signing and issued 66,667 shares on regulatory approval. An additional 33,333 shares were to be issued within 30 days of a minimum 200,000 ounce mineral resource being calculated on the property, if the resource was established in 5 years or less from the date of the agreement. No resource was calculated during the prescribed timeframe; therefore, these shares were not issued to the Seller.

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

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

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(iv) Green Claims

On December 16, 2010, the Company entered into a 20-year lease agreement with Christina Mining Company, LLC ("Christina Mining") to acquire certain mineral claims in the Fairbanks Mining District of Alaska known as the Green Property. The claims are subject to a 3% NSR. The Company is required to make annual cash payments and cumulative exploration expenditures as follows:

	Payments	Cumulative Exploration Expenditures
December 1, 2010	\$100,000 (paid)	-
December 1, 2011	\$100,000 (paid)	\$250,000 (incurred)
December 1, 2012	\$100,000 (paid)	\$500,000 (incurred)
December 1, 2013	\$100,000 (paid)	\$750,000 (incurred)
December 1, 2014	\$50,000 (paid)	\$1,000,000 (incurred)
December 1, 2014	\$50,000 (paid)	-
December 1, 2015	\$50,000 * (paid)	-
December 1, 2016	\$50,000 ** (paid)	-
December 1, 2017	\$50,000 ** (paid)	-
December 1, 2018 to 2019	\$100,000*** per year	-
December 1, 2020 to 2028	\$200,000 per year	-
December 1, 2029	\$150,000 per year	-
Total	\$2,800,000	

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

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

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

guaranteed to pay the 2017 and 2018 land maintenance costs as consideration for the reduced payments or until such time as the advance royalty payments are resumed pursuant to the original agreement.

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

(v) Chatham Claims

On July 11, 2011, the Company entered into a 4-year lease agreement to acquire certain mineral claims in the Fairbanks Mining District of Alaska known as the Chatham Property. The claims are subject to a 2% NSR. The Company was required to make annual cash payments and exploration expenditures as follows:

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

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

	Payments	Exploration Expenditures
September 30, 2016	\$25,000 (paid)	\$20,000 (incurred)
September 30, 2017	\$50,000 (paid)	\$20,000 (incurred)
September 30, 2018	\$50,000* (paid \$15,000)	\$20,000*
September 30, 2019	\$50,000* (paid \$15,000)	\$20,000*
Total	\$175,000	\$80,000

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

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

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

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

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

(vi) Alaska Mental Health Trust Property

By lease agreement effective June 1, 2012, the Company entered into a mining lease to acquire certain mineral claims in the Fairbanks Mining District of Alaska known as the Alaska Mental Health Trust Property. The property is controlled by the Company through a 3-year lease agreement and may be extended for two extensions of 3 years. On February 1, 2013, the Company entered into an agreement to amend the terms of the lease to reflect an increase in the size of the lease to 403 acres. On June 1, 2015, the Company entered into an agreement to amend the terms of the lease to reflect an increase in the size of the lease to 1,576 acres. As a result, the work commitment schedule and annual cash payments have been modified. The Company is required to make annual cash payments and exploration expenditures as follows:

For the amendment to 403 acres:

	Payments	Exploration Expenditures
Execution of agreement	\$25,000 (paid)	-
Year 1 (2012)	\$10 per acre per year (paid)	\$125 per acre per year (incurred)
Year 2 (2013)	\$10 per acre per year (paid)	\$125 per acre per year (incurred)
Year 3 (2014)	\$10 per acre per year (paid)	\$125 per acre per year (incurred)
Year 4 (2015)	\$10 per acre per year (paid)	\$235 per acre per year (incurred)
Year 5 (2016)	\$15 per acre per year (paid)	\$235 per acre per year (incurred)
Year 6 (2017)	\$15 per acre per year (paid)	\$235 per acre per year (incurred)
Year 7 (2018)	\$20 per acre per year (paid)	\$355 per acre per year *
Year 8 (2019)	\$20 per acre per year	\$355 per acre per year
Year 9	\$20 per acre per year	\$355 per acre per year

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For the amendment for an additional 1,173 acres:

	Payments	Exploration Expenditures
Year 1 (2015)	\$10 per acre per year (paid)	\$125 per acre per year (incurred)
Year 2 (2016)	\$10 per acre per year (paid)	\$125 per acre per year (incurred)
Year 3 (2017)	\$10 per acre per year (paid)	\$125 per acre per year (incurred)
Year 4 (2018)	\$15 per acre per year (paid)	\$235 per acre per year*
Year 5 (2019)	\$15 per acre per year	\$235 per acre per year
Year 6	\$15 per acre per year	\$235 per acre per year
Years 7-9	\$20 per acre per year	\$355 per acre per year

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

The claims will be subject to the following NSR:

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

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b) Shorty Creek Property, Alaska, USA

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

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

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

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

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

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

Freegold Ventures Limited*(An Exploration Stage Company)***Notes to Condensed Consolidated Financial Statements****September 30, 2019 and 2018***(Expressed in U.S. Dollars)***6 (a). Property, Plant and Equipment**

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

Freegold Ventures Limited*(An Exploration Stage Company)***Notes to Condensed Consolidated Financial Statements****September 30, 2019 and 2018***(Expressed in U.S. Dollars)*

	Automotive		Computer Equipment		Office Equipment		Exploration Office		Exploration Office Equipment		Land		Total	
Costs														
Balance, December 31, 2018	\$	33,602	\$	12,209	\$	6,658	\$	179,944	\$	13,396	\$	218,892	\$	464,701
Additions		-		-		-		-		-		-		-
Balance, September 30, 2019	\$	33,602	\$	12,209	\$	6,658	\$	179,944	\$	13,396	\$	218,892	\$	464,701
Accumulated Depreciation														
Balance, December 31, 2018	\$	(31,250)	\$	(9,031)	\$	(5,133)	\$	(47,432)	\$	(10,867)	\$	-	\$	(103,713)
Depreciation		(529)		(743)		(175)		(3,976)		(380)		-		(5,803)
Balance, September 30, 2019	\$	(31,779)	\$	(9,774)	\$	(5,308)	\$	(51,408)	\$	(11,247)	\$	-	\$	(109,516)
Net Book Value	\$	1,823	\$	2,435	\$	1,350	\$	128,536	\$	2,149	\$	218,892	\$	355,185

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

6 (b). Right-of-use asset

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

	Right-of-use asset	
Cost		
Balance, December 31, 2018	\$	-
Initial valuation		131,468
Balance, September 30, 2019	\$	131,468
Accumulated Depreciation		
Balance, December 31, 2018	\$	-
Depreciation		(36,660)
Balance, September 30, 2019	\$	(36,660)
Net Book Value	\$	94,808

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

	September 30, 2019	
Balance, beginning of year	\$	82,968
Accretion		535
Amounts paid		(35,720)
Balance, end of period	\$	47,783

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

7. Related Party Balances and Transactions

A summary of key management compensation is as follows:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Accounting – Chief Financial Officer	\$ 14,891	15,379	44,810	46,178
Consulting – Corporate Secretary	2,264	2,307	6,780	6,985
Salaries and benefits – President and Vice President	73,700	74,962	220,472	227,008
Total	\$ 90,855	92,648	272,062	280,171

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

	September 30, 2019	December 31, 2018
President and Chief Executive Officer	\$ 357,343	\$ 239,686
Vice President, Exploration and Development	351,837	234,340
Chief Financial Officer	113,619	64,538
Corporate Secretary	27,228	19,565
Total	\$ 850,027	\$ 558,129

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

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

8. Restoration and Environmental Obligations

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property (*Note 5a*). As at September 30, 2019, the present value of the estimated obligations relating to properties is \$237,365 (December 31, 2018 – \$230,034) using a discount rate of 4.25% (2018 – 4.25%) and no consideration of an inflation rate (2018 – none). Significant reclamation and closure cost activities include, land rehabilitation, demolition of field camps, ongoing care and maintenance and other costs.

The undiscounted reclamation and closure cost obligation at September 30, 2019 is \$250,000 (December 31, 2018 – \$250,000) and the revised estimate of remediation work is expected to occur in 2020.

Notes to Condensed Consolidated Financial Statements

September 30, 2019 and 2018

(Expressed in U.S. Dollars)

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

		September 30, 2019		December 31, 2018
Balance, beginning of year	\$	230,033	\$	220,655
Accretion		7,332		9,378
Balance, end of period	\$	237,365	\$	230,033

9. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At September 30, 2019, the Company had 220,446,210 common shares outstanding (December 31, 2018 – 188,953,906).

a) Share Issuances and Other

On September 5, 2019, the Company closed a non-brokered private placement of 31,492,304 (“Units”), priced at Cdn\$0.0625 per Unit for total proceeds of Cdn\$1,968,269 (\$1,483,583). Each Unit consists of one common share (a “Share”) and one half common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to acquire an additional Share at a price of Cdn\$0.081 per Share for a period of 36 months from the date of closing. All securities issued bear a legend restricting resale until January 6, 2020. The Company incurred \$2,412 share issue costs associated with this financing.

On October 26, 2018, the Company closed a non-brokered private placement of 14,935,000 (“Units”), priced at Cdn\$0.08 per Unit for total proceeds of Cdn\$1,194,800 (\$918,794). Each Unit consists of one common share (a “Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to acquire an additional Share at a price of Cdn\$0.12 per Share for a period of 36 months from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if, at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation’s common shares trade on the TSX at or above a volume weighted average trading price of Cdn\$0.20 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until February 27, 2019. The Company incurred \$12,695 share issue costs associated with this financing.

b) Exercise of Warrants and Options

No warrants were exercised during the nine month periods ended September 30, 2019 and September 30, 2018.

No options were exercised during the nine month periods ended September 30, 2019 and September 30, 2018.

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September 30, 2019 and 2018

(Expressed in U.S. Dollars)

c) Share Purchase Warrants

The following is a summary of the changes in the Company's share purchase warrants for the periods ended September 30, 2019 and December 31, 2018:

	September 30, 2019		December 31, 2018	
	Number of warrants	Weighted average exercise price (Cdn\$)	Number of warrants	Weighted average exercise price (Cdn\$)
Outstanding, beginning of the year	51,771,637	0.19	46,772,887	0.20
Granted	15,746,152	0.081	14,935,000	0.12
Expired	(20,230,883)	0.25	(3,186,250)	0.15
Expired	(2,832,324)	0.18	(6,750,000)	0.15
Outstanding, end of the period	44,454,582	0.11	51,771,637	0.19

The following table summarizes information regarding share purchase warrants outstanding as at September 30, 2019:

Number	Price per Share (Cdn\$)	Expiry Date	
12,521,300	0.15	September 19, 2020	***
1,252,130	0.10	September 19, 2020	****
14,935,000	0.12	October 26, 2021	**
15,746,152	0.081	September 5, 2022	*
Total	44,454,582		

*During the period ended September 30, 2019, 15,746,152 share purchase warrants having a relative fair value of \$603,249 were issued relating to a private placement. Each warrant entitles the holder to purchase one additional common share at a price of Cdn\$0.081 per share exercisable until September 5, 2022. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 1.27%, a dividend yield of 0% and historical volatility of 115% (Note 9a).

**During the year ended December 31, 2018, 14,935,000 share purchase warrants having a relative fair value of \$372,760 were issued relating to a private placement. Each warrant entitles the holder to purchase one additional common share at a price of Cdn\$0.12 per share exercisable until October 26, 2021. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 2.29%, a dividend yield of 0% and historical volatility of 113% (Note 9a).

***During the year ended December 31, 2017, 12,521,300 share purchase warrants having a relative fair value of \$837,247 were issued relating to the 2017 Prospectus offering. Each warrant entitled the holder to purchase one additional common share at a price of Cdn\$0.18 per share

Notes to Condensed Consolidated Financial Statements

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exercisable until September 19, 2019. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 2.0 years, risk-free interest rate of 0.69%, a dividend yield of 0% and historical volatility of 123%. On September 13, 2019, these warrants were reduced to Cdn\$0.15 per share and extended to September 19, 2020, subject to regulatory approval.

****During the year ended December 31, 2017, 1,252,130 agent warrants having a fair value of \$87,186 were issued to Paradigm relating to the 2017 Prospectus offering. Each warrant entitles the agent to purchase one additional common share at a price of Cdn\$0.12 per share exercisable until September 19, 2019. The fair value was calculated using the Black-Scholes option pricing model with an expected life of 2.0 years, risk-free interest rate of 0.69%, a dividend yield of 0% and historical volatility of 123%. On September 13, 2019, these warrants were reduced to Cdn\$0.10 per share and extended to September 19, 2020, subject to regulatory approval. A fair value of \$47,700 was calculated relating to these warrants and shown as a financing cost. The fair value was calculated using the Black-Scholes option pricing model with an expected life of 1.0 years, risk-free interest rate of 1.61%, a dividend yield of 0% and historical volatility of 135%.

d) Stock Options

The Company has established a stock option plan (the "Stock Option Plan") whereby the Board of Directors (the "Board"), may from time to time, grant options to directors, officers, employees or consultants. At the Company's Annual General Meeting held on June 29, 2018, shareholders re-approved a resolution which reserves up to 10% of the issued and outstanding shares from time to time (including existing stock options), as a "rolling stock option plan". Stock options may be granted under the Stock Option Plan with an exercise period of up to ten (10) years from the date of grant or such lesser period as determined by the Board, subject to a short extension in the case of a Company imposed blackout period. Any stock options granted under the Stock Option Plan will not be subject to any vesting schedule, unless otherwise determined by the Board. The exercise price of an option will not be less than the closing price of the common shares on the day prior to grant. The policies of the TSX require the approval of all unallocated options, rights or entitlements under the Stock Option Plan by the Company's shareholders every three years with the next such renewal approval requested by shareholders on or before June 29, 2021.

A summary of the Company's stock options at September 30, 2019 and the changes for the period are as follows:

Number Outstanding December 31, 2018	Granted	Exercised	Cancelled	Expired	Number Outstanding September 30, 2019	Number Exercisable September 30, 2019	Exercise Price (Cdn\$)	Expiry Date
700,000	-	-	-	(700,000)	-	-	0.25	January 1, 2019
150,000	-	-	-	(150,000)	-	-	0.20	July 23, 2019
150,000	-	-	-	-	150,000	150,000	0.12	July 28, 2020
4,220,000	-	-	-	-	4,220,000	4,220,000	0.21	July 8, 2021
50,000	-	-	-	-	50,000	50,000	0.155	April 6, 2022
3,150,000	-	-	-	-	3,150,000	3,150,000	0.10	July 23, 2023
-	100,000	-	-	-	100,000	100,000	0.07	May 15, 2024
8,420,000	100,000	-	-	(850,000)	7,670,000	7,670,000	0.16	

Notes to Condensed Consolidated Financial Statements

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During the period ended September 30, 2019, the Company granted the following options which vested immediately:

	Exercise Price (Cdn\$)	Number of options	2019 Vested Amount
Officer	0.07	100,000	\$2,901*
Total	0.07	100,000	\$2,901

*The \$2,901 (\$0.029 per option) estimated fair value of 100,000 options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to the stock options reserve.

During the year ended December 31, 2018, the Company granted the following options which vested immediately:

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

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

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

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

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

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

	September 30, 2019	December 31, 2018
Expected dividend yield	0.00%	0.00%
Historical volatility	114.92%	122.44%
Risk-free interest rate	1.56%	2.07%
Expected life of options	5.00 years	5.00 years

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e) Shareholders Rights Plan

Effective May 9, 2012, the Board has approved and adopted a Shareholders' Rights Plan (the "Rights Plan"). The Rights Plan extends the minimum expiry period for a takeover bid to 60 days and requires a bid to remain open for an additional 10 business days after an offeror publicly announces it has received tenders for more than 50% of the Company's voting shares. The principal purpose of the Rights Plan is to ensure that shareholders have sufficient time to consider a takeover bid without undue time constraints. It is designed to provide the Board additional time to consider alternatives in maximizing for shareholders the full and fair value for their common shares. The termination date is May 9, 2020 unless the plan is terminated by the Board before that date.

10. Commitments

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

	< 1 year (Cdn\$)	2-5 years (Cdn\$)	> 5 years (Cdn\$)	Total (Cdn\$)
Office lease - Vancouver	68,894	70,300	-	139,194
Photocopier lease payments	4,006	2,003	-	6,009
Total	72,900	72,303	-	145,203

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

11. Segmented Information

Details on a geographic basis as at September 30, 2019 are as follows:

	USA		Canada		Total
Comprehensive gain (loss) for the period	\$	14,355	\$	(427,663)	\$ (413,308)
Current assets	\$	612,592	\$	1,498,102	\$ 2,110,694
Property, plant and equipment	\$	351,400	\$	3,785	\$ 355,185
Right-of-use asset	\$	-	\$	94,808	\$ 94,808
Exploration and evaluation properties	\$	37,554,944	\$	-	\$ 37,554,944
Total assets	\$	38,518,936	\$	1,596,695	\$ 40,115,631

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

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

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

	USA		Canada		Total
Comprehensive loss for the period	\$	(12,827)	\$	(729,226)	\$ (742,053)

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(Expressed in U.S. Dollars)

12. Comparative Figures

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

13. Financial Instruments and Risk Management

a) Financial Instruments

The carrying value of financial assets and liabilities at September 30, 2019 and December 31, 2018 are as follows:

	September 30, 2019	December 31, 2018
Financial Assets		
<i>Amortized cost</i>		
Cash and cash equivalents	\$ 1,515,687	\$ 99,989
Restricted cash	495,807	-
Amounts receivable	13,334	54,125
Financial Liabilities		
<i>Other liabilities, measured at amortized cost</i>		
Trade payables	\$ 621,992	\$ 260,653
Accrued liabilities	-	30,805
Project cost advance received	121,327	-
Due to related parties	850,027	558,129

Financial instrument hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	September 30, 2019	December 31, 2018
	Level 1	Level 1
Cash and cash equivalents	\$ 1,515,687	\$ 99,989

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There were no transfers between levels during the periods ended September 30, 2019 and December 31, 2018.

b) Capital Management

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2019. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

c) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at September 30, 2019, amounts receivable of \$17,789 (December 31, 2018 - \$58,672) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of \$4,455 (December 31, 2018 - \$4,547), interest receivable of \$3,370 (December 31, 2018 - \$129) and other receivables of \$9,964 (December 31, 2018 - \$53,996). As a result, credit risk is considered insignificant.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at September 30, 2019, the Company had cash of \$1,515,687 to settle current liabilities of \$1,472,019 which have contractual maturities of less than 30 days and are subject to normal trade terms.

e) Currency Risk

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

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by obtaining most of its estimated annual U.S. cash requirements and holding the remaining currency in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and condensed consolidated statement of financial

Notes to Condensed Consolidated Financial Statements

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position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations.

The following table provides an indication of the Company's foreign currency exposures during the periods ended September 30, 2019 and December 31, 2018:

	September 30, 2019 (Cdn\$)	December 31, 2018 (Cdn\$)
Cash and cash equivalents	1,920,605	123,079
Trade payables and accruals	179,196	236,818
Due to related parties	1,125,691	761,400

A 1% change in Canadian/US foreign exchange rate at period end would have changed the net loss of the Company, assuming that all other variables remained constant, by approximately \$4,618 for the nine month period ended September 30, 2019 (September 30, 2018 - \$5,269).

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

f) Interest Rate Risk

The Company is not subject to interest rate risk.

g) Commodity Price Risk

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

14. Subsequent Events

There were no subsequent events after the reporting period.



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

DATED: NOVEMBER 12TH, 2019

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The 2019 and 2018 information set forth in this document should be read in conjunction with the condensed consolidated financial statements and related notes, prepared in accordance with IFRS, for the nine month periods ended September 30th, 2019 and 2018.

PRESENTATION CURRENCY

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

BUSINESS OF FREEGOLD

Freegold is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties of merit with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. The Company was incorporated in 1985 and is listed on the Toronto Stock Exchange under the symbol "FVL". As of November 12th, 2019, the Company had 220,446,210 shares outstanding. The Company has its registered corporate office in Vancouver, Canada.

REVIEW OF EXPLORATION PROJECTS

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

SHORTY CREEK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 2019 exploration program commenced in May with a budget of \$2.3 million fully funded by South32. During the 2019 program 100 km of induced polarization and 98 km of ground magnetic surveys were completed. In addition 543 soil samples were collected. A diamond drill program commenced in mid-August and a total of 5 holes (1,542 metres) were drilled. Difficult drill conditions resulted in the abandonment of three holes. Two holes were abandoned before their target depth on Hill 1835 and one hole on Hill 1710 area was also abandoned before reaching target depth. Results of the program will be released once received.

GOLDEN SUMMIT

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

which is held in trust for FEI by the Company on certain mineral claims. The Company will fund 100% of the costs until commercial production is achieved at which point FEI is required to contribute 7% of any approved budget. These claims are subject to a 2% NSR to FEI unless otherwise noted. The Company has a 30 day right of first refusal in the event that the 7% working interest of FEI or the NSR is to be sold. The Company can also purchase the NSR at any time following commercial production, based on its net present value as determined by commercial ore reserves.

Freegold has been exploring the Golden Summit Project since 1992. Exploration activities have included ground and airborne geophysics, rock, soil and trench sampling and drilling (reverse circulation, rotary air blast and core). In addition, detailed geochemical and geophysical programs have been undertaken over the entire Project. The Project is host to several high-grade historical gold mines as well as significant historical placer gold production. It is estimated that some 6.75 million ounces of placer gold have been recovered from the streams that drain the Golden Summit Project area.

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

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

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

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

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

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

Planning is currently underway for a drill program expected to commence early in 2020. The program will test a revised interpretation based on the Company's work over the past few months which indicates that the higher grade mineralization may extend to the west of the old Cleary Hill Mine workings in a previously undrilled area. As the district's highest grade historical underground mine, Cleary Hill produced 281,000 ounces at an average grade of 1.3 oz. per/t before production ceased in 1942. The potential for higher grade could potentially increase the overall resource grade.

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

RESULTS OF OPERATIONS

Nine month period ended September 30th, 2019

On January 1st, 2019, the Company adopted all of the requirements of IFRS 16 – Leases. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has a three-year office lease, which resulted in a “right-of-use” asset of \$94,808 and a corresponding current lease liability of \$49,962 and a non-current lease liability of \$47,783. The associated depreciation is \$36,660 and rent expense is reduced accordingly.

The Company's net loss for the nine months ended September 30th, 2019 was \$397,914 compared to \$741,709 for the same period in the previous year. The decrease in net loss was mainly attributable to a reduction in general and administrative expenses from \$739,746 to \$514,762, a decrease of \$224,984. The changes in general and administrative expenses were mainly attributable to:

- a reduction of \$38,106 in rent and utilities expenses from \$39,627 in 2018 to \$1,521 in 2019 and a corresponding increase in depreciation as a result of the adoptions of IFRS 16;
- a decrease of \$19,704 in professional fees, from \$67,599 in 2018 to \$47,895;
- a decrease of \$36,964 in promotion and shareholder relations expenses, from \$56,678 in 2018 to \$19,714;
- a decrease of \$23,903 in travel and transportation expenses, from \$62,143 in 2018 to \$38,240;
- a non-cash financing cost of \$47,700 was recorded as a result of the amended and extended 1,252,130 broker warrants that were reduced from Cdn\$0.12 to Cdn\$0.10 and extended to September 19, 2020;
- a \$20,013 gain on forgiveness of debt was recorded upon the reduction of a previous trade payable;
- a \$142,946 overhead recovery fee was recorded to recognize the 10% management fee associated with the Shorty Creek option agreement; and
- an increase of \$6,465 in interest income, from \$1,738 in 2018 to \$8,203, due to increased amounts of cash on deposit.

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

During the nine month period ended September 30th, 2019, the Company incurred acquisition, and exploration and evaluation property expenditures of:

	Golden Summit Property		Shorty Creek Property		Total
Acquisition costs					
Balance, December 31 st , 2018	\$	3,169,819	\$	198,546	\$ 3,368,365
Additions		43,500		-	43,500
Balance, September 30 th , 2019	\$	3,213,319	\$	198,546	\$ 3,411,865
Exploration and evaluation costs					
Balance, December 31 st , 2018	\$	28,786,525	\$	5,433,651	\$ 34,220,176
Assaying		-		18,664	18,664
Camp costs		-		205,696	205,696
Drilling		-		389,953	389,953
Engineering and consulting		-		56,919	56,919
Geological and field expenses		10,081		81,590	91,671
Geophysics		-		286,752	286,752
Helicopter support		-		355,615	355,615
Land maintenance and tenure		23,827		4,734	28,561
Legal		3,395		-	3,395
Metallurgical studies		-		16,993	16,993
Overhead cost		-		143,749	143,749
Personnel		949		47,626	48,575
Travel		6,270		51,333	57,603
Total incurred during September 30 th , 2019	\$	44,522	\$	1,659,624	\$ 1,704,146
Less:					
Expenditure recovery		-		(1,581,243)	(1,581,243)
Overhead recovery		-		(200,000)	(200,000)
Balance, September 30 th , 2019	\$	28,831,047	\$	5,312,032	\$ 34,143,079
Total	\$	32,044,366	\$	5,510,578	\$ 37,554,944

Three month period ended September 30th, 2019

The Company's net loss for the three months ended September 30th, 2019 was \$91,882 compared to \$318,110 for the same period in the previous year. The decrease in net loss was mainly attributable to a reduction in general and administrative expenses from \$317,079 to \$153,056, a decrease of \$164,023. The changes in general and administrative expenses were mainly attributable to:

- a reduction of \$12,572 in rent and utilities expenses from \$13,085 in 2018 to \$513 in 2019 and a corresponding increase in depreciation as a result of the adoptions of IFRS 16;
- a decrease of \$17,755 in promotion and shareholder relations expenses, from \$18,605 in 2018 to \$850;
- an increase of \$9,502 in filings fees, from \$10,662 in 2018 to \$20,164 due to increased regulatory costs;
- a decrease of \$21,640 in travel and transportation expenses, from \$21,832 in 2018 to \$192;

- a non-cash financing cost of \$47,700 was recorded as a result of the amended and extended 1,252,130 broker warrants that were reduced from Cdn\$0.12 to Cdn\$0.10 and extended to September 19, 2020; and
- a \$107,379 overhead recovery fee was recorded to recognize the 10% management fee associated with the Shorty Creek option agreement.

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

During the three month period ended September 30th, 2019, the Company incurred acquisition, and exploration and evaluation property expenditures of:

	Golden Summit Property	Shorty Creek Property	Total
Acquisition costs			
Balance, June 30 th , 2019	\$ 3,178,819	\$ 198,546	\$ 3,377,365
Additions	34,500	-	34,500
Balance, September 30 th , 2019	\$ 3,213,319	\$ 198,546	\$ 3,411,865
Exploration and evaluation costs			
Balance, June 30 th , 2019	\$ 28,802,685	\$ 5,259,276	\$ 34,061,961
Assaying	-	11,858	11,858
Camp costs	-	147,981	147,981
Drilling	-	389,953	389,953
Engineering and consulting	-	56,919	56,919
Geological and field expenses	3,444	43,977	47,421
Geophysics	-	107,665	107,665
Helicopter support	-	252,552	252,552
Land maintenance and tenure	23,827	341	24,168
Legal	143	-	143
Metallurgical studies	-	16,993	16,993
Overhead cost	-	107,379	107,379
Personnel	948	46,979	47,927
Travel	-	51,333	51,333
Total incurred during September 30 th , 2019	\$ 28,362	\$ 1,233,930	\$ 1,262,292
Less:			
Expenditure recovery	-	(1,181,174)	(1,181,174)
Balance, September 30 th , 2019	\$ 28,831,047	\$ 5,312,032	\$ 34,143,079
Total	\$ 32,044,366	\$ 5,510,578	\$ 37,554,944

The Company's cash and cash equivalents increased from \$99,989 at December 31st, 2018 to \$1,515,687 at September 30th, 2019. The increase in cash of \$1,415,698 for the nine month period ended September 30th, 2019 was mainly attributable to a non-brokered private placement of \$1,483,583. This compares to a decrease in cash of \$529,040 for the nine month period ended September 30th, 2018 that was mainly attributable to the interim loss of \$741,709 and \$312,191 incurred on mineral exploration and acquisition costs offset by a non-brokered private placement of \$386,672.

SUMMARY OF QUARTERLY RESULTS

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

	Quarters Ended (unaudited)							
	Sept. 30 th 2019	June. 30 th 2019	Mar. 31 st 2019	Dec. 31 st 2018	Sept. 30 th 2018	June 30 th 2018	Mar. 31 st 2018	Dec. 31 st 2017
Total revenues	\$107,379	\$35,567	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net comprehensive (loss) income – before tax	(91,882)	(115,748)	(190,284)	(19,272)	(318,110)	(227,636)	(195,963)	405,083
Net comprehensive (loss) income per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00
Total assets	40,115,631	39,682,967	38,920,856	38,148,331	37,884,114	37,149,516	37,426,486	37,662,905

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

Liquidity and capital resources

At September 30th, 2019, the Company's working capital, defined as current assets less current liabilities, was \$467,386 compared to a deficit of \$650,785 at December 31st, 2018. The Company has \$621,992 related to trade payables and \$850,027 is owed to related parties. In September, 2019, the Company completed a non-brokered private placement of 31,492,304 units at Cdn\$0.0625 per unit for total proceeds of Cdn\$1,968,269 (US\$1,483,583). In March 2019, the Company announced an option agreement with South32 whereby South32 has the option to earn a 70% interest in the Shorty Creek Property by committing \$30 million. The 2019 program will consist of a minimum \$2.3 million exploration program. The Company received \$1,902,570 from South32 of which \$495,807 is shown as restricted cash with a corresponding project cost advance liability of \$121,327. The Company may seek additional financing for working capital and funding for potential further exploration activities at Golden Summit.

Significant Accounting Judgments, Estimates and Assumptions

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

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

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

New Accounting Policy

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

Going Concern Assumption

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

Currently, the Company does not have a source of revenue and is dependent on equity financings to fund its activities. The Company did not have positive working capital at September 30th, 2019 and the Company endeavors to manage the cash position prudently through ongoing monitoring of current and future cash and working capital balances relative to planned activities. The available capital will not be sufficient to fund the Company's planned activities through 2019.

Interests in Mining Properties and Exploration and Development Expenditures

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

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

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

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

Share-Based Payments, Warrants and Compensation Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company's Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 9d to the condensed consolidated financial statements for the nine month period ended September 30th, 2019.

The Company recognizes an expense for option awards using the fair value method of accounting. The Company also records the fair value of warrants granted through private offerings or in lieu of fees and compensation options granted using a fair-value estimate. Management estimates the fair value of stock options, warrants granted through private offerings or in lieu of fees, and

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

Restoration and Environmental Obligations

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

Contractual Commitments

The following table discloses, as of September 30th, 2019, the Company's contractual obligations, including anticipated mineral property payments and work commitments. Under the terms of the Company's mineral property purchase agreements, mineral leases and the terms of the unpatented mineral claims held by it, the Company is required to make certain scheduled acquisition payments, incur certain levels of expenditures, make lease or advance royalty payments, make payments to government authorities and incur assessment work expenditures as summarized in the table below in order to maintain and preserve the Company's interest in the related mineral properties. If the Company is unable or unwilling to make any such payments or incur any such expenditures, it is likely that the Company would lose or forfeit its rights to acquire or hold the related mineral properties. The following table assumes that the Company retains the rights to all of its current mineral properties, but does not exercise any lease purchase or royalty buyout options:

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

		2019	2020	2021	2022	2023	* 2024 and beyond	Total
Golden Summit payments	\$	104,655	166,500	414,000	379,000	379,000	379,000	\$ 1,822,155
Golden Summit exploration	\$	418,720	75,000	75,000	75,000	75,000	75,000	\$ 793,720
Total	\$	523,375	241,500	489,000	454,000	454,000	454,000	\$ 2,615,875

*Annual amounts

For more detailed information on the Company's statutory property payments and exploration commitments, see the Company's Annual Information Form for the year ended December 31st, 2018 and note 5 to the Company's interim condensed consolidated financial statements for the nine month period ended September 30th, 2019.

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

	< 1 year (Cdn\$)	2-5 years (Cdn\$)	Total (Cdn\$)
Office lease - Vancouver	68,894	70,300	139,194
Photocopier lease payments	4,006	2,003	6,009
Total	72,900	72,303	145,203

See Note 10 of the Company's condensed consolidated financial statements for the nine month period ended September 30th, 2019.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

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

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

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

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at September 30th, 2019, amounts receivable of \$17,789 (December 31st, 2018 - \$58,672) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of \$4,455 (December 31st, 2018 - \$4,547), interest receivable of \$3,370 (December 31st, 2018 - \$129) and other receivables of \$9,964 (December 31st, 2018 - \$53,996). As a result, credit risk is considered insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at September 30th, 2019, the Company had cash of \$1,515,687 to settle current liabilities of \$1,472,019 which have contractual maturities of less than 30 days and are subject to normal trade terms.

Currency Risk

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

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

The following table provides an indication of the Company's foreign currency exposures during the periods ended September 30th, 2019 and December 31st, 2018:

	September 30 th , 2019 (Cdn\$)	December 31 st , 2018 (Cdn\$)
Cash and cash equivalents	1,920,605	123,079
Trade payables and accrued liabilities	179,196	236,818
Due to related parties	1,125,691	761,400

A 1% change in Canadian/US foreign exchange rate at period end would have changed the net loss of the Company, assuming that all other variables remained constant, by approximately \$4,618 for the nine month period ended September 30th, 2019 compared to \$5,269 for the nine month ended September 30th, 2018.

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

Interest Rate Risk

The Company is not subject to interest rate risk.

Commodity Price Risk

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

SUBSEQUENT EVENTS

There were no subsequent events after the reporting period.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at November 12th, 2019, there were 220,446,210 outstanding common shares compared to 188,953,906 outstanding shares at December 31st, 2018. In September, 2019, the Company completed a non-brokered private placement of 31,492,304 units ("Units") at Cdn\$0.0625 per Unit for total proceeds of Cdn\$1,968,269 (US\$1,483,583). Each Unit consists of one common share and one half of a common share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder to acquire an addition share at a price of Cdn\$0.081 per share until September 5th, 2022.

As at November 12th, 2019 there were 44,454,582 warrants outstanding.

Number Outstanding on November 12th, 2019	Exercise Price per Share Cdn\$	Expiry Date
12,521,300	\$0.15	September 19 th , 2020
1,252,130	\$0.10	September 19 th , 2020
14,935,000	\$0.12	October 26 th , 2021
15,746,152	\$0.081	September 5 th , 2022
Total	44,454,582	

On September 13th, 2019, 12,521,300 share purchase warrants at Cdn\$0.18 were reduced to Cdn\$0.15 and extended until September 19th, 2020 and 1,252,130 share purchase warrants at Cdn\$0.12 were reduced to Cdn\$0.10 and extended until September 19th, 2020, subject to regulatory approval.

Directors, officers, employees and contractors are granted options to purchase common shares under the Company's Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 9d to the condensed consolidated financial statements for the period ended September 30th, 2019.

As at November 12th, 2019 there were 7,670,000 stock options outstanding as disclosed in the below table:

Number Outstanding November 12th, 2019	Number Exercisable November 12th, 2019	Exercise Price per Share Cdn\$	Expiry Date
150,000	150,000	\$ 0.12	July 28 th , 2020
4,220,000	4,220,000	\$ 0.21	July 8 th , 2021
50,000	50,000	\$ 0.155	April 6 th , 2022
3,150,000	3,150,000	\$ 0.10	July 23 rd , 2023
100,000	100,000	\$ 0.07	May 15 th , 2024
Total	7,670,000		

RELATED PARTY TRANSACTIONS

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

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

		Three months ended September 30 th , 2019	Three months ended September 30 th , 2018	Nine months ended September 30 th , 2019	Nine months ended September 30 th , 2018
Kristina Walcott – President	\$	36,850	37,481	110,236	113,504
Alvin Jackson – Vice President		36,850	37,481	110,236	113,504
Gord Steblin – Chief Financial Officer		14,891	15,379	44,810	46,178
Taryn Downing – Corporate Secretary		2,264	2,307	6,780	6,985
Total	\$	90,855	92,648	272,062	280,171

* Accrued and not paid

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

		September 30 th , 2019	December 31 st , 2018
Kristina Walcott - President and CEO	\$	357,343	\$ 239,686
Alvin Jackson - VP Exploration and Development		351,837	234,340
Gordon Steblin - CFO		113,619	64,538
Taryn Downing - Corporate Secretary		27,228	19,565
Total	\$	850,027	\$ 558,129

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

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

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), together with other members of management, evaluated the design and operating effectiveness of the Company’s disclosure controls and procedures as at the financial period ended September 30th, 2019. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at September 30th, 2019 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports

submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO, together with other members of management, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting as at the financial period ended September 30th, 2019. Based on that evaluation, the CEO and CFO concluded that the design and operation of internal controls over financial reporting were effective as at September 30th, 2019 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated financial statements for external purposes in accordance with IFRS. In designing and implementing such controls, it should be recognized that any system of the internal control over financial reporting, no matter how well designed and operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to condensed consolidated financial statement preparation and may not prevent or detect all misstatements due to error or fraud.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting during the nine month period ended September 30th, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

RISKS AND UNCERTAINTIES

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

Cash Flows and Additional Funding Requirements

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding will be available to continue to carry on its business and develop its mineral properties.

Industry

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

Commodity Prices

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

Competition

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

Foreign Political Risk

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

Government Laws, Regulation & Permitting

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

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

Title to Properties

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

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

Estimates of Mineral Resources

The mineral resource estimates used by the Company are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit, which can be legally or

commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

Key Management

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

Volatility of Share Price

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

Foreign Currency Risk

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

Conflict of Interest

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

OUTLOOK

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

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

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

The 2019 exploration program commenced in May with a budget of \$2.3 million fully funded by South32. During the 2019 program 100 km of induced polarization and 98 km of ground magnetic surveys were completed. In addition 543 soil samples were collected. A diamond drill program commenced in mid-August and a total of 5 holes (1,542 metres) were drilled. Difficult drill conditions resulted in the abandonment of three holes. Two holes were abandoned before their target depth on Hill 1835 and one hole on the Hill 1710 area was also abandoned before reaching target depth. Results of the program will be released once received.

Shorty Creek project was identified as having significant porphyry potential by Freegold in late 2014. Shorty Creek hosts a cluster of magnetic anomalies commonly seen in porphyry districts. Drilling has been largely concentrated on the Hill 1835 area; however it is only one of the potentially significant targets within the property area. Twelve widely spaced holes with an average depth of 500 metres have expanded the mineralized zone to over a 750 x 400 metre area with each hole intersecting significant and consistent copper, gold, silver and tungsten mineralization over broad widths from base of oxide material (average ~ 90 metres). The target remains open both laterally and to depth.

Two (2) km to the northwest of Hill 1835 is Hill 1710, which hosts a large copper and molybdenum geochemical anomaly coincident with a 6 km long broad magnetic anomaly. Initial drill testing in 2016 consisted of four (4) holes spaced 400 metres apart testing 1.6 km of this magnetic feature. Drilling intersected porphyry style mineralization, with copper grades increasing to the northeast. The magnetic anomaly extends another 2.5 km to the northeast from the limits of the 2016 drilling.

Other exploration targets within this promising 100 square kilometre property include the Quarry target, where oxidized porphyritic rock with stockwork veining returned values of 500 ppm copper in rock samples. Quarry lies 3 km north northeast of Hill 1835 at the northern end of an 11 km long magnetic high. Sampling at Quarry has confirmed both the presence of copper mineralization and quartz feldspar porphyry outcrops.

Planning is also currently underway for a drill program on the Golden Summit Project expected to commence early in 2020. The program will test a revised interpretation based on the Company's work over the past few months which indicates that the higher grade mineralization may extend to the west of the old Cleary Hill Mine workings in a previously undrilled area. As the district's highest grade historical underground mine, Cleary Hill produced 281,000 ounces at an average grade of 1.3 oz. per/t before production ceased in 1942. The potential for higher grade could potentially increase the overall resource grade.

A significant advantage for the project to keep the initial capital expenditures at a minimum is the superb supporting infrastructure in the immediate vicinity of the property, as well as in the broader region. The city of Fairbanks (population 100,000) is a 30- minute drive via paved highway while industrial scale grid power and rail transport are available nearby. Additional drilling, metallurgical testing, environmental analyses, other permitting and property confirmation activities will need to be undertaken as part of a next level of study. Drilling during 2017 was focused on the area to the north of the oxide resource and the results indicate that the oxide mineralization extends to the north. Both the areas to the west and southwest remain untested by additional drilling. These areas represent high priority areas for further potential oxide expansion.

This discussion contains certain forward-looking information. This forward-looking information includes, or may be based upon, estimates, forecasts, and statements as to management's expectations with respect to, among other things, the size and quality of the Company's mineral resources, progress in development of mineral properties, and the amount and quality of metal products recoverable from the Company's mineral resources. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the

uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and uncertainties related to metal recoveries. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.