FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(Expressed in U.S. Dollars)

March 31, 2017 and 2016

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position

(unaudited)

(Expressed in U.S. Dollars)

ASSETS		**March 31, 2017**		**December 31, 2016**
Current				
Cash and cash equivalents	**$**	**1,890,325**	$	2,305,584
Amounts receivable		**26,469**		7,404
Prepaid expenses and deposits		**56,095**		79,178
		1,972,889		2,392,166
Exploration and Evaluation Properties *(Note 4)*		**33,751,162**		33,638,005
Property, Plant and Equipment *(Note 5)*		**374,812**		377,177
	$	**36,098,863**	$	36,407,348

LIABILITIES				
Current				
Trade payables *(Note 6)*	**$**	**116,277**	$	184,005
Accrued liabilities		**22,859**		25,289
Due to related parties *(Note 7)*		**442,366**		441,094
		581,502		650,388
Restoration and Environmental Obligations *(Note 8)*		**213,908**		211,659
Trade payables – Non-current *(Note 6)*		**622,991**		622,991
		1,418,401		1,485,038
EQUITY				
Share Capital *(Note 9)*		**84,141,989**		84,141,989
Reserves		**15,156,980**		15,138,848
Deficit		**(64,618,507)**		(64,358,527)
		34,680,462		34,922,310
	$	**36,098,863**	$	36,407,348

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

APPROVED AND AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD OF DIRECTORS ON MAY 10, 2017:

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

- See Accompanying Notes -

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, 2015	**104,370,851**		**81,776,736**		**7,074,207**		**5,931,183**		**(853,831)**		**(63,423,811)**		**30,504,484**
Foreign currency translation adjustment	-		-		-		-		(24,771)		-		(24,771)
Loss for the period	-		-		-		-		-		(192,275)		(192,275)
Balance – March 31, 2016	**104,370,851**	**$**	**81,776,736**	**$**	**7,074,207**	**$**	**5,931,183**	**$**	**(878,602)**	**$**	**(63,616,086)**	**$**	**30,287,438**
Balance – December 31, 2016	**145,082,617**	**$**	**84,141,989**	**$**	**7,597,549**	**$**	**8,417,404**	**$**	**(876,105)**	**$**	**(64,358,527)**	**$**	**34,922,310**
Foreign currency translation adjustment	-		-		-		-		18,132		-		18,132
Loss for the period	-		-		-		-		-		(259,980)		(259,980)
Balance – March 31, 2017	**145,082,617**	**$**	**84,141,989**	**$**	**7,597,549**	**$**	**8,417,404**	**$**	**(857,973)**	**$**	**(64,618,507)**	**$**	**34,680,462**

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the Three months Ended March 31,
(unaudited)

(Expressed in U.S. Dollars)

		2017		2016
General and Administrative Expenses				
Accretion *(Note 8)*	**$**	**2,249**	$	2,157
Consulting fees *(Note 7)*		**7,502**		18,434
Depreciation *(Note 5)*		**2,365**		2,643
Office and miscellaneous		**10,642**		7,114
Professional fees (*Note 7)*		**15,003**		15,117
Promotion and shareholder relations		**50,888**		5,983
Rent and utilities		**12,568**		7,998
Transfer, filing and other fees		**29,630**		36,490
Travel and transportation		**46,772**		23,166
Wages, salaries and benefits *(Note 7)*		**84,280**		72,961
Total General and Administrative Expenses		**(261,899)**		(192,063)
Foreign exchange gain, net		**(60)**		140
Interest and bank charges		**(489)**		(551)
Interest income		**2,468**		199
		1,919		(212)
Net Loss and Comprehensive Loss for the Period	**$**	**(259,980)**	$	(192,275)
Loss and Comprehensive Loss per Share – Basic and Diluted	**$**	**(0.00)**	$	(0.00)
Weighted Average Number of Shares Outstanding – Basic and Diluted		**145,082,617**		104,370,851

- See Accompanying Notes -

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows

For the Three months Ended March 31, (unaudited)

(Expressed in U.S. Dollars)

Cash Resources Provided By (Used In)		2017		2016
Operating Activities				
Loss for the period	**$**	**(259,980)**	$	(192,275)
Items not affecting cash:				
Depreciation		**2,365**		2,643
Accretion		**2,249**		2,157
Net changes in non-cash working capital components:				
Amounts receivable		**(19,065)**		(192)
Prepaid expenses and deposits		**23,083**		(24,639)
Trade payables		**1,103**		(11,160)
Accrued liabilities		**(2,430)**		(15,288)
Due to related parties		**1,272**		115,665
		(251,403)		(123,089)
Investing Activities				
Exploration and evaluation property acquisition costs		**(41,500)**		(92,000)
Exploration and evaluation property deferred exploration costs		**(140,488)**		(85,599)
		(181,988)		(177,599)
Financing Activities				
Share capital issued		**-**		-
Share issuance costs		**-**		-
		-		-
Effect of Foreign Currency on Cash and Cash Equivalents		**18,132**		38,658
Net Decrease in Cash and Cash Equivalents		**(415,259)**		(262,030)
Cash and cash equivalents - Beginning of Period		**2,305,584**		370,802
Cash and Cash Equivalents - End of Period	**$**	**1,890,325**	$	108,772
Interest received	**$**	**2,468**	$	199
Income taxes paid	**$**	**-**	$	-
Supplemental Disclosure of Non-Cash Items				
Exploration expenditures included in trade payables and due to related parties	**$**	**225,590**	$	403,960

1. Nature and Continuance of Operations

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

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

The Company's consolidated financial statements as at March 31, 2017 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 $259,980 for the three month period ended March 31, 2017 (March 31, 2016 – $192,275) and had working capital of $1,391,387 at March 31, 2017 (December 31, 2016 - $1,741,778).

The Company had cash and cash equivalents of $1,890,325 at March 31, 2017 (December 31, 2016 - $2,305,584), 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 condensed interim consolidated financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Accounting Standards ("IAS") 34, "*Interim Financial Reporting*" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2016.

a) **Change in presentation currency**

These condensed consolidated financial statements are presented in United States Dollars ("U.S. Dollars"), unless otherwise specified. The functional currency of Freegold Ventures Limited is the Canadian Dollar. The functional currencies of the Company's foreign subsidiaries is the U.S. Dollar. In 2016, the Company changed its presentation currency from Canadian Dollars to U.S. Dollars to better reflect the Company's business activities. Accordingly, these condensed consolidated financial statements are presented in U.S. Dollars. The change in presentation currency is to better reflect the Company's business activities and to improve investor's ability to compare the Company's financial results with other publicly traded businesses in the mineral exploration industry.

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

b) **Consolidation**

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

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

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

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

3. Approval

These condensed consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on May 10, 2017.

(Expressed in U.S. Dollars)

4. Exploration and Evaluation Properties

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, December 31, 2015	$	2,508,739	$	185,371	$	2,694,110
Additions		324,650		-		324,650
Staking costs		-		13,175		13,175
Balance, December 31, 2016	$	2,833,389	$	198,546	$	3,031,935
Exploration and evaluation costs						
Balance, December 31, 2015	$	27,587,645	$	1,031,919	$	28,619,564
Assaying		13,101		60,798		73,899
Camp costs		-		150,275		150,275
Drilling		-		646,142		646,142
Engineering and consulting		4,727		82,186		86,913
Geological and field expenses		19,271		114,745		134,016
Geophysical		-		27,486		27,486
Helicopter support		-		217,544		217,544
Land maintenance and tenure		74,099		6,581		80,680
Legal		34,127		-		34,127
Metallurgical studies		9,875		-		9,875
Personnel (includes share-based payments)		83,664		206,959		290,623
Preliminary economic assessment		9,289		-		9,289
Road building		-		225,637		225,637
Balance, December 31, 2016	$	27,835,798	$	2,770,272	$	30,606,070
Total	**$**	**30,669,187**	**$**	**2,968,818**	**$**	**33,638,005**

(Expressed in U.S. Dollars)

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, December 31, 2016	$	2,833,389	$	198,546	$	3,031,935
Additions		41,500		-		41,500
Balance, March 31, 2017	$	2,874,889	$	198,546	$	3,073,435
Exploration and evaluation costs						
Balance, December 31, 2016	$	27,835,798	$	2,770,272	$	30,606,070
Engineering and consulting		-		6,746		6,746
Geological and field expenses		3,573		13,302		16,875
Land maintenance and tenure		3,575		-		3,575
Travel		22,042		22,419		44,461
Balance, March 31, 2017	$	27,864,988	$	2,812,739	$	30,677,727
Total	**$**	**30,739,877**	**$**	**3,011,285**	**$**	**33,751,162**

(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, subject to a 7% working interest held in trust for FEI by the Company on certain mineral claims. The property is controlled by the Company through long-term lease agreements or outright claim ownership. As consideration, the Company issued 20,833 shares and expended US$1,767,000 on the property before the year 2000. The Company is also required to make all underlying lease payments.

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

(i) **Keystone Claims**

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

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

The property is subject to a 3% NSR.

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

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

** $75,000 was paid during the period ended June 30, 2016.

(ii) **Newsboy Claims**

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

On October 12, 2012, the Company amended the lease agreement and the lease term was extended for an additional 5 years, from March 1, 2011 to February 29, 2016. The minimum royalty payable under the amended lease was $12,000 per year for the term of the lease. The Company amended the lease agreement whereas $12,000 due February 29, 2016 was deferred to May 31, 2016 (paid) and the lease term was extended for an additional 5 year term from March 1, 2016 to February 28, 2021. As consideration, the Company had agreed to a one-time payment of $50,000 due on or before February 28, 2017. The Company amended the lease agreement whereas $50,000 due February 29, 2017 was renegotiated to $25,000 due February 28, 2017 (paid) and $25,000 due February 28, 2018. The claims are subject to a 4% NSR. The Company has the option to purchase the NSR for the greater of the current value or US$1,000,000 less all advance royalty payments made.

(iii) **Tolovana Claims**

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

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

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

(Expressed in U.S. Dollars)

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

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

(iv) **Green Claims**

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

	Payments	Cumulative Exploration Expenditures
December 1, 2010	$100,000 (paid)	-
December 1, 2011	$100,000 (paid)	$250,000 (incurred)
December 1, 2012	$100,000 (paid)	$500,000 (incurred)
December 1, 2013	$100,000 (paid)	$750,000 (incurred)
December 1, 2014	$50,000 (paid)	$1,000,000 (incurred)
December 1, 2014	$50,000 (paid)	-
December 1, 2015	$50,000 * (paid)	-
December 1, 2016	$50,000 ** (paid)	-
December 1, 2017 to 2019	$100,000** per year	-
December 1, 2020 to 2028	$200,000 per year	-
December 1, 2029	$150,000 per year	-
Total	$2,850,000	

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

** In 2016, the Company renegotiated the lease to reduce the 2016 through 2019 annual payments from $100,000 to $50,000 until such time as the price of gold averages $1,400 per oz. for a period of 3 months at which time the original agreement will be re-instated. In addition, the Company guarantees to pay the 2017 and 2018 land maintenance costs as consideration for the reduced payments or until such time as the advance royalty payments are resumed pursuant to the original agreement.

(Expressed in U.S. Dollars)

(v) **Chatham Claims**

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

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

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

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

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

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

(Expressed in U.S. Dollars)

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

By lease agreement effective June 1, 2012, the Company entered into a new 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)	$125 per acre per year (incurred)
Year 5 (2016)	$15 per acre per year (paid)	$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

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 *
Year 2 (2016)	$10 per acre per year (paid)	$125 per acre per year *
Year 3	$10 per acre per year	$125 per acre per year
Year 4	$15 per acre per year	$235 per acre per year
Years 5-6	$15 per acre per year	$235 per acre per year
Years 7-9	$20 per acre per year	$355 per acre per year

*The Company is in the process of incurring the required exploration expenditures.

(Expressed in U.S. Dollars)

The claims will be subject to the following NSR:

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

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

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

(Expressed in U.S. Dollars)

5. Property, Plant and Equipment

	Automotive	Computer Equipment	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs							
Balance, December 31, 2015	$ 33,602	$ 9,202	$ 6,658	$ 179,944	$ 13,396	$ 218,892	$ 461,694
Additions	-	1,284	-	-	-	-	1,284
Balance, December 31, 2016	$ 33,602	$ 10,486	$ 6,658	$ 179,944	$ 13,396	$ 218,892	$ 462,978
Accumulated Depreciation							
Balance, December 31, 2015	$ (26,744)	$ (5,629)	$ (4,004)	$ (30,167)	$ (8,457)	$ -	$ (75,001)
Depreciation	(2,058)	(1,306)	(458)	(5,990)	(988)	-	(10,800)
Balance, December 31, 2016	$ (28,802)	$ (6,935)	$ (4,462)	$ (36,157)	$ (9,445)	$ -	$ (85,801)
Net Book Value	**$ 4,800**	**$ 3,551**	**$ 2,196**	**$ 143,787**	**$ 3,951**	**$ 218,892**	**$ 377,177**

Notes to Condensed Consolidated Financial Statements

March 31, 2017 and 2016
(unaudited)

(Expressed in U.S. Dollars)

	Automotive	Computer Equipment	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs							
Balance, December 31, 2016	$ 33,602	$ 10,486	$ 6,658	$ 179,944	$ 13,396	$ 218,892	$ 462,978
Additions	-	-	-	-	-	-	-
Balance, March 31, 2017	$ 33,602	$ 10,486	$ 6,658	$ 179,944	$ 13,396	$ 218,892	$ 462,978
Accumulated Depreciation							
Balance, December 31, 2016	$ (28,802)	$ (6,935)	$ (4,462)	$ (36,157)	$ (9,445)	$ -	$ (85,801)
Depreciation	(360)	(277)	(92)	(1,438)	(198)	-	(2,365)
Balance, March 31, 2017	$ (29,162)	$ (7,212)	$ (4,554)	$ (37,595)	$ (9,643)	$ -	$ (88,166)
Net Book Value	**$ 4,440**	**$ 3,274**	**$ 2,104**	**$ 142,349**	**$ 3,753**	**$ 218,892**	**$ 374,812**

(Expressed in U.S. Dollars)

6. Trade Payables

The Company entered into an agreement with one of its vendors to pay certain trade payables over two years. Accordingly, the Company has presented a portion of its trade payables as non-current as at March 31, 2017 and December 31, 2016. During the year ended December 31, 2016, the vendor agreed to further extend payment of US$622,991 for an additional year.

7. Related Party Balances and Transactions

A summary of key management compensation is as follows:

		March 31, 2017		March 31, 2016
Accounting – Chief Financial Officer	**$**	**15,003**	$	13,844
Consulting – Corporate Secretary		**6,138**		5,996
Salaries and benefits – President and Vice President		**73,880**		64,776
Total	**$**	**95,021**	$	84,616

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

		March 31, 2017		December 31, 2016
President and Chief Executive Officer	**$**	**188,375**	$	186,580
Vice President, Exploration and Development		**182,893**		181,148
Chief Financial Officer		**49,465**		48,993
Corporate Secretary		**21,633**		21,427
Total	**$**	**442,366**	$	438,148

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.

Norton Rose Fulbright Canada LLP, a legal firm of which a Director of the Company is a partner was owed $nil as at March 31, 2017 (December 31, 2016 - $2,946).

These amounts are non-interest bearing, unsecured and due on demand unless otherwise noted.

(Expressed in U.S. Dollars)

8. Restoration and Environmental Obligations

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property *(Note 4a)*. As at March 31, 2017, the present value of the estimated obligations relating to properties is $213,908 (December 31, 2016 - $211,659) using a discount rate of 4.25% (2016 – 4.25%) and no consideration of an inflation rate (2016 – none). Significant reclamation and closure cost activities include, land rehabilitation, demolition of field camps, ongoing care and maintenance and other costs.

The undiscounted reclamation and closure cost obligation at March 31, 2017 is $250,000 (December 31, 2016 - $250,000) and the revised estimate of remediation work is expected to occur in 2020.

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

		March 31, 2017		December 31, 2016
Balance, beginning of period	**$**	**211,659**	$	203,030
Costs incurred		**-**		-
Estimate revision		**-**		-
Accretion		**2,249**		8,629
Balance, end of period	**$**	**213,908**	$	211,659

9. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At March 31, 2017, the Company had 145,082,617 common shares outstanding (December 31, 2016 – 145,082,617).

a) **Share Issuances and Other**

On May 13, 2016, the Company filed a short form prospectus ("Prospectus"). The Prospectus qualified the distribution of 40,461,766 units of the Company at a price of Cdn$0.18 per unit for gross proceeds of Cdn$7,283,118 ($5,508,750). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire an additional share at a price of Cdn$0.25 per share for a period of 3 years from the date of the closing.

The Company granted the agent, Paradigm, 2,832,324 agent warrants relating to the Prospectus offering. Each warrant entitles the agent to acquire a common share at a price of Cdn$0.18 per share for a period of 3 years from the date of the closing. The Company incurred total share issue costs associated with this financing of $977,762 of which $685,640 were commissions and related expenses and $292,122 was the value attributed to the agent warrants (Note 9c).

On August 12, 2015, the Company completed a first tranche of a non-brokered private placement of 13,500,000 units, priced at Cdn$0.10 per unit for total proceeds of Cdn$1,350,000 ($1,055,712). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire an additional share at a price of Cdn$0.15 per share for a period of 3 years from the date of closing. Each warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed shares, the Company's common shares trade on the Toronto Stock Exchange ("TSX") at or above a volume weighted average trading price of Cdn$0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each warrant will expire 30 days from the date of providing such notice. The Company incurred share issue costs of $7,561 associated with this financing.

On May 4, 2015, the Company completed a non-brokered private placement of 6,872,500 units, priced at Cdn$0.10 per unit for total proceeds of Cdn$687,250 ($537,418). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire an additional share at a price of Cdn$0.15 per share for a period of 3 years from the date of closing. Each warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed shares, the Company's common shares trade on the TSX at or above a volume weighted average trading price of Cdn$0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each warrant will expire 30 days from the date of providing such notice. The Company incurred share issue costs of $991 associated with this financing.

b) **Exercise of Warrants and Options**

No warrants were exercised during the periods ended March 31, 2017 and March 31, 2016.

No options were exercised during the periods ended March 31, 2017 and March 31, 2016.

(Expressed in U.S. Dollars)

c) **Share Purchase Warrants**

The following is a summary of the changes in the Company's share purchase warrants for the periods ended March 31, 2017 and December 31, 2016:

	March 31, 2017		December 31, 2016	
	Number of warrants	Weighted average exercise price Cdn$	Number of warrants	Weighted average exercise price Cdn$
Outstanding, beginning of the period	38,170,957	0.23	19,479,628	0.22
Exercised	-	-	(250,000)	0.15
Granted	-	-	20,230,883	0.25
Granted	-	-	2,832,324	0.18
Expired *****	-	-	(1,250,000)	0.30
Expired	-	-	(2,871,878)	0.35
Outstanding, end of the period	38,170,957	0.23	38,170,957	0.23

The following table summarizes information regarding share purchase warrants outstanding as at March 31, 2017:

	Number	Price per Share Cdn$	Expiry Date	
	5,171,500	0.30	September 11, 2017	
	3,186,250	0.15	May 4, 2018	****
	6,750,000	0.15	August 12, 2018	***
	20,230,883	0.25	May 20, 2019	*
	2,832,324	0.18	May 20, 2019	**
Total	38,170,957			

*During the year ended December 31, 2016, 20,230,883 share purchase warrants having a relative fair value of $2,207,184 were issued relating to the Prospectus offering. Each warrant entitles the holder to purchase one additional common share at a price of Cdn$0.25 per share exercisable until May 20, 2019. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 0.55%, a dividend yield of 0% and historical volatility of 121% *(Note 9a)*.

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

The fair value was calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 0.55%, a dividend yield of 0% and historical volatility of 121% *(Note 9a)*.

***During the year ended December 31, 2015, 6,750,000 share purchase warrants having a relative fair value of $402,393 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of Cdn$0.15 per share exercisable until August 12, 2018. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 0.71%, a dividend yield of 0% and historical volatility of 105%.

****During the year ended December 31, 2015, 3,436,250 share purchase warrants having a relative fair value of $186,003 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of Cdn$0.15 per share exercisable until May 4, 2018. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 3.0 years, risk-free interest rate of 0.43%, a dividend yield of 0% and historical volatility of 99%.

d) **Share Purchase 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, 2015, shareholders re-approved a resolution which reserves up to 10% of the issued and outstanding shares from time to time (including existing stock options), as a “rolling stock option plan”. Stock options may be granted under the 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, 2018.

(Expressed in U.S. Dollars)

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

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

During the year ended December 31, 2016, the Company granted the following options to Directors, Officers and consultants of the Company which vested immediately:

	Exercise Price Cdn$	Number of options	2016 Vested Amount
Consultants	0.21	300,000	$37,204*
Directors and Officers	0.21	3,920,000	$486,138**
Total	0.21	4,220,000	$523,342

*The $37,204 ($0.124 per option) estimated fair value of 300,000 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.

**The $486,138 ($0.124 per option) estimated fair value of 3,920,000 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.

A summary of the Company's stock options at December 31, 2016 and the changes for the year are as follows:

Number Outstanding December 31, 2015	Granted	Exercised	Cancelled	Expired	Number Outstanding December 31, 2016	Number Exercisable December 31, 2016	Exercise Price Cdn$	Expiry Date
2,035,000	-	-	-	(2,035,000)	-	-	0.87	May 10, 2016
1,585,000	-	-	-	(1,585,000)	-	-	0.65	October 20, 2016
20,000	-	-	-	-	20,000	20,000	0.75	February 20, 2017
200,000	-	-	(200,000)	-	-	-	0.92	November 12, 2017
700,000	-	-	-	-	700,000	700,000	0.25	January 1, 2019
150,000	-	-	-	-	150,000	150,000	0.20	July 23, 2019
150,000	-	-	-	-	150,000	150,000	0.12	July 28, 2020
-	4,220,000	-	-	-	4,220,000	4,220,000	0.21	July 8, 2021
4,840,000	4,220,000	-	(200,000)	(3,620,000)	5,240,000	5,240,000	0.21	

(Expressed in U.S. Dollars)

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

	March 31, 2017	December 31, 2016
Expected dividend yield	**n/a**	0.00%
Historical volatility	**n/a**	108.69%
Risk-free interest rate	**n/a**	0.91%
Expected life of options	**n/a**	5.00 years

e) **Shareholders Rights Plan**

Effective May 9, 2012, the Board has approved and adopted a Shareholders' Rights Plan (the "Rights Plan"). The Rights Plan extends the minimum expiry period for a takeover bid to 60 days and requires a bid to remain open for an additional 10 business days after an offeror publicly announces it has received tenders for more than 50% of the Company's voting shares. The principal purpose of the Rights Plan is to ensure that shareholders have sufficient time to consider a takeover bid without undue time constraints. It is designed to provide the Board additional time to consider alternatives in maximizing for shareholders the full and fair value for their common shares. The termination date is May 9, 2020 unless the plan is terminated by the directors 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	65,379	239,723	-	305,102
Photocopier lease payments	4,006	12,018	-	16,024
Total	69,385	251,741	-	321,126

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

(Expressed in U.S. Dollars)

11. Segmented Information

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

		USA		Canada		Total
Loss and comprehensive loss for the period	**$**	**(4,416)**	**$**	**(255,564)**	**$**	**(259,980)**
Current assets	**$**	**162,367**	**$**	**1,810,522**	**$**	**1,972,889**
Property, plant and equipment	**$**	**369,434**	**$**	**5,378**	**$**	**374,812**
Exploration and evaluation properties	**$**	**33,751,162**	**$**	**-**	**$**	**33,751,162**
Total assets	**$**	**34,282,963**	**$**	**1,815,900**	**$**	**36,098,863**

Details on a geographic basis as at December 31, 2016 are as follows:

		USA		Canada		Total
Current assets	$	201,289	$	2,190,877	$	2,392,166
Property, plant and equipment	$	371,430	$	5,747	$	377,177
Exploration and evaluation properties	$	33,638,005	$	-	$	33,638,005
Total assets	$	34,210,724	$	2,196,624	$	36,407,348

Details on a geographic basis as at March 31, 2016 are as follows:

		USA		Canada		Total
Loss and comprehensive loss for the period	$	(4,613)	$	(187,662)	$	(192,275)

12. Comparative Figures

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

(Expressed in U.S. Dollars)

13. Financial Instruments and Risk Management

a) Financial Instruments

The carrying value of financial assets and liabilities at March 31, 2017 and December 31, 2016 are as follows:

		March 31, 2017		December 31, 2016
Financial Assets				
FVTPL, measured at fair value				
Cash and cash equivalents	**$**	**1,890,325**	$	2,305,584
Loans and receivables, measured at amortized cost				
Amounts receivable		**16,964**		2,590

		March 31, 2017		December 31, 2016
Financial Liabilities				
Other liabilities, measured at amortized cost				
Trade payables	**$**	**116,277**	$	184,005
Trade payables – non-current		**622,991**		622,991
Accrued liabilities		**22,859**		25,289
Due to related parties		**442,366**		441,094

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:

		March 31, 2017		December 31, 2016
		Level 1		Level 1
Cash and cash equivalents	**$**	**1,890,325**	$	2,305,584

There were no transfers between levels during the period ended March 31, 2017 and the year ended December 31, 2016.

b) **Capital Management**

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2017. Neither the Company nor its subsidiaries is subject to externally imposed capital requirements.

c) **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at March 31, 2017, amounts receivable of $26,469 (December 31, 2016 - $7,404) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $9,505 (December 31, 2016 - $4,814), interest receivable of $2,484 (December 31, 2016 - $2,473) and other receivables of $14,480 (December 31, 2016 - $117). As a result, credit risk is considered insignificant.

d) **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at March 31, 2017, the Company had cash of $1,890,325 to settle current liabilities of $581,502 which have contractual maturities of less than 30 days and are subject to normal trade terms.

e) **Currency Risk**

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

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by 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.

(Expressed in U.S. Dollars)

The following table provides an indication of the Company's foreign currency exposures during the period ended March 31, 2017 and the year ended December 31, 2016:

	March 31, 2017	December 31, 2016
Cash and cash equivalents	**Cdn$ 961,782**	Cdn$ 1,353,465
Trade payables	**Cdn$ 667,661**	Cdn$ 706,503

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 $735 for the three month period ended March 31, 2017 (Year ended December 31, 2016 - $6,470).

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

f) **Interest Rate Risk**

The Company is not subject to interest rate risk.

g) **Commodity Price Risk**

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

14. Subsequent Events

The following events occurred subsequent to March 31, 2017:

i) On April 6, 2017, the Company granted stock options to acquire 50,000 shares at an exercise price of $0.155 until April 6, 2022.

ii) On April 25, 2017, the Company filed a preliminary short form prospectus in connection with a proposed marketed offering of units (the "Units") of the Company for minimum gross proceeds of $3,000,000 and maximum gross proceeds of $5,000,000 (the "Offering"). The Offering will be priced in the context of the market with the specifics of the Offering to be determined at the time of pricing. Each Unit will consist of one common share in the capital of the Company and a number of common share purchase warrants that will be determined in the context of the market, with each whole common share purchase warrant entitling the holder thereof to purchase one common share of the Company within 36 months from the closing date of the Offering.

The Units are being offered on a "best efforts" basis pursuant to an agency agreement entered into between Paradigm Capital Inc. (the "Agent") and the Company. The Units will be offered in the provinces of Alberta, British Columbia and Ontario. The Units may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Company has also agreed to grant the Agent an option to cover over-allotments and for market stabilization purposes (the "Over-Allotment Option"), which will allow the Agent to arrange for purchasers to acquire up to an additional 15% of the number of Units initially sold under the Offering. The Over-Allotment Option will be exercisable, in whole or in part, at any time up to 30 days after the closing of the Offering.

Freegold Ventures Limited

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

DATED: MAY 10TH, 2017

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 2017 and 2016 information set forth in this document should be read in conjunction with the condensed consolidated audited financial statements and related notes, prepared in accordance with IFRS, for the three month periods ended March 31st, 2017 and 2016.

CHANGE IN 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. The functional currencies of the Company's foreign subsidiaries is the U.S. Dollar. In 2016, the Company changed its presentation currency from Canadian Dollars to U.S. Dollars. Accordingly, the condensed consolidated financial statements are presented in U.S. Dollars. The change in presentation currency is to better reflect the Company's business activities and to improve investor's ability to compare the Company's financial results with other publicly traded businesses in the mineral exploration industry. Unless otherwise noted, all currency amounts presented in this MD&A are stated in U.S. Dollars.

BUSINESS OF FREEGOLD

Freegold is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties of merit with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. The Company was incorporated in 1985 and is listed on the Toronto Stock Exchange under the symbol "FVL". As of May 10th, 2017, the Company had 145,082,617 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, in particular on its Shorty Creek and Golden Summit Projects. During the year ended December 31st, 2016, a 3,038 metre (~10,000 feet) diamond drill program was carried out at Shorty Creek while additional geochemical work was undertaken at Golden Summit.

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

The property is located 4 kilometres to the south of the all-weather paved Elliott Highway and within the Livengood-Tolovana Mining District. Total recorded placer production from the District through 2007 is estimated at 530,000 ounces gold. Originally identified as an antimony prospect in the 1970's, Earth Resources drilled 10 to 15 reverse circulation holes to a reported maximum depth of 150 metres to test the near surface potential for copper-molybdenum mineralization in the northern part of the property, referred to as Hill 1710. Assay results of this drilling are not available.

In the mid 1980's, soil sampling by the Asarco-Fairbanks Exploration Joint Venture identified significant gold, copper and pathfinder elements associated with gold-copper porphyry mineralization. A limited drill program was completed by the Joint Venture in 1989 and 1990 consisting of 2,086 metres in 20 holes; the maximum hole depth was 150 metres. The presence of copper mineralization in conjunction with gold mineralization was noted at depth in most of the historic drill holes. Subsequent outcrop mapping confirmed the presence of quartz-feldspar porphyry in a creek 40 metres below the depth of this drilling.

In August 2014, the Company undertook a small ground geophysical and geochemical soil sampling survey on the property. The survey expanded the Hill 1835 target area by an additional 500 metres to the southwest and 400 metres to the northeast of the area drilled by Asarco. In addition, it highlighted another significant target 2.5 kilometre northwest of Hill 1835. The target area is comprised of a strong chargeability anomaly coincident with high copper values in soils (up to 669 ppm Cu) covering a 2,000 metre x 1,000 metre area. A strong molybdenum in soil anomaly, which covers a 1,000 metre by 800 metre area in the central portion of the copper and chargeability anomaly.

In 2015, the Company undertook its first core drilling program at Shorty Creek. Four holes were drilled during the 2015 program, which was severely hampered by an unseasonably large snowfall (the second largest for September in 102 years). The 2015 drill program was designed to test a combination of geochemistry, geophysics (airborne magnetic and induced polarization surveys) as well as the favourable geology based on the results of the 2014 program and previous work. Of particular interest were large magnetic highs with coincident copper, gold and molybdenum soil chemistry, as these magnetic highs are often indicative of potassic cores within porphyry systems.
Results of the 2015 program not only demonstrated the potential for a significant copper-gold porphyry deposit at Shorty Creek with the intersection of 91.4 metres grading 0.55% copper,0.14 g/t gold and 7.02 g/t silver in Hole SC 15-03, but also successfully discovered mineralization beneath the depth of the previous Asarco drilling (1989 to 1990) in the area of Hill 1835.

In July 2016, a second phase of drilling commenced on the Shorty Creek Project. The 2016 program was designed to test both the large geochemical target at Hill 1710, as well as to further expand on the success of the 2015 drill program at Hill 1835. A total of 7 holes were completed during the 2016 program for a total of 3,038 metres (9,966 feet).

In early September, the Company provided results from its first drill hole from the summer 2016 drilling program.

Hole SC 16-01 was collared approximately 125 metres SW of hole SC 15-03 and was collared in the center of the magnetic high at Hill 1835. Results demonstrate that the mineralization is associated with the magnetic high. The airborne magnetic high at Hill 1835 covers roughly a 750 metre by 1,000 metre area. Hole SC 16-01 intersected 434.5 metres grading 0.36% copper, 0.12 g/t gold, and 7.46 g/t silver from the base of oxidation at 86.1 metres to the end of the hole at 520.6 metres. Within this broad intercept, a higher-grade interval of 45 metres grading 0.57 % copper, 0.38 g/t gold, and 9.90 g/t silver was intersected. Mineralization remains open at depth with the last 12 metres grading 0.55% copper, 0.145 g/t gold and 9.67 g/t silver.

Hole Number	Hole Incl.	Depth of Hole (m)	From (m)	To (m)	Interval (m)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu %
SC 16-01	-90	520.6	86.1	520.6	434.5	1425.5	0.12	7.46	0.36
	incl		138.6	345.6	207	679	0.16	9.6	0.45
	incl		**300.6**	**345.6**	**45**	**147.6**	**0.38**	**9.9**	**0.57**

Freegold has not as yet collected sufficient data to determine how the downhole drill intervals might relate to the actual true thickness of mineralization.

In addition to the significant copper, gold and silver mineralization reported from SC 16-01, tungsten values averaging 273 ppm over 434.5 metres with a higher grade interval of 359 ppm over 207 metres were intersected.

In late October 2016, the Company announced results from its second drill hole from the summer 2016 drilling program, which are shown in the table below.

Hole SC 16-02 was collared approximately 120 metres SW of hole SC 16-01.

Hole Number	Hole Incl.	Depth of Hole (m)	From (m)	To (m)	Interval (m)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu %
SC 16-02	-90	497.6	88	497.6	409.6	1344	0.06	5.66	0.29
	incl		88	209	141	462.6	0.07	8.31	0.33
	incl		**135.5**	**229**	**93.5**	**307**	**0.07**	**8.96**	**0.38**

Freegold has not as yet collected sufficient data to determine how the downhole drill intervals might relate to the actual true thickness of mineralization.

In addition to the significant copper, gold and silver mineralization reported from SC 16-02, tungsten values averaging 252 ppm tungsten(0.03 % WO_3) over 409.6 metres with a higher grade interval of 519 ppm tungsten (0.065% WO_3) over 93.5 metres were intersected.

Early mineralogical work has confirmed that the tungsten present at Hill 1835 is in the form of wolframite, which is typically recovered by gravity concentration. The presence of tungsten within Hill 1835 may represent a significant by-product credit.

Five drill holes (2019.8 m) collared on Hill 1710, located 2.5 kilometre northwest of Hill 1835, tested a large magnetic anomaly, which strikes northeast-southwest and covers 6,000 metres x 1,500 metre. To date, ground geophysics and soil geochemical surveys have been conducted over a small part (2,500 metres) of this large magnetic anomaly. The anomaly was tested with 5 holes. Four of these holes were spaced approximately 400 metres apart starting on the western edge of the soil geochemical anomaly and one hole was an angle hole aimed at testing IP chargeability anomaly. Each hole intersected both copper and molybdenum mineralization with the copper values increasing as the drilling moved to the northeast. Coincident with the increase in assay values was a corresponding increase in the amount of quartz-feldspar porphyry intersected within both holes SC 16-06, and SC 16-07, the two most northeastern holes. Silver values were also elevated in these two holes.

Hole SC 16-03, the western most hole was drilled to a depth of 257.6 metres and returned 172.6 metres grading 0.03% copper and 0.034% molybdenum. Hole SC 16-04 was collared approximately 400 metres to the east and intersected 0.05% copper and 0.014% molybdenum over its entire 426.5 metres length. Hole SC 16-05 was an angle hole drilled to southeast, aimed at testing the IP chargeability anomaly and encountered abundant fault gauge and broken rock with anomalous values throughout the hole.

Hole SC 16-06 intersected quartz-feldspar porphyry with a coincident higher grade interval including 0.11% copper and 0.02% molybdenum from 25.7 to 147 metres within 0.07% copper and 0.01% molybdenum over the entire 516 metres. Hole SC 16-07 intersected 0.11% copper and 0.011% molybdenum from 0 to 159 metres including 0.15% copper and 0.009% molybdenum from 0 to 70.8 metres within quartz-feldspar porphyry. The entire hole averaged 0.08% copper and 0.006% molybdenum over its entire 396 metre length.

Both the 2015 and 2016 programs have identified the presence of significant copper mineralization and have successfully demonstrated that the copper mineralization is associated with a magnetic high in the Hill 1835 area. Mineralization consists of quartz stockwork veining and disseminations within strong secondary biotite primarily situated within a flysch unit intruded by quartz-feldspar porphyry sills and/or dykes. The 2016 drill program has also demonstrated that mineralization may extend to significant depths as mineralization has now been intersected to a depth of 520 metres and remains open to depth. Additional drilling in the 1835 area is warranted to further delineate this mineralization.

Several other strong magnetic highs were identified as a result of a review of the airborne geophysical survey and the additional ground geophysics and geochemistry that were completed during the 2016 program.

Drill cores in the 2015 and 2016 drill programs were cut in half using a diamond saw, with one-half placed in sealed bags for geochemical analysis. Core samples were delivered to ALS Chemex at its facility in Fairbanks, Alaska. A quality control assurance program was part of the sampling program to ensure the quality of the assay results.

For results of the 2016 drill program, 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, "Updated *Technical Report for the Shorty Creek Project, Livengood – Tolovana Mining District, Alaska*" by John R. Woodman, B.Sc., P. Geo., dated March 31st, 2017 which was filed on SEDAR.

GOLDEN SUMMIT

The Golden Summit Project is a road accessible gold exploration project near Fairbanks, Alaska. Since 2011, four resource updates have been completed on the Project. The most recent technical report on the Golden Summit Project, entitled "*Technical Report, Golden Summit Project, Preliminary Economic Assessment, Fairbanks North Star Borough, Alaska, USA*" dated January 20, 2016 and Amended and Restated dated May 11, 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 also been filed 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.

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. Certain claims are subject to a 7% working interest held in trust for Fairbanks Exploration Inc. ("FEI") by the Company. Under FEI Quit Claim Deed, Freegold is required to fund 100% of the project until production is achieved at which point FEI is required to contribute 7% of any approved budget. These claims are subject to a 2% net smelter royalty ("NSR") to FEI. The Company has a 30-day right of first refusal, in the event that FEI decides to sell its 7% working interest or it's NSR. 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 at the commencement of commercial production.

EXPLORATION

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 2011 resource definition drilling commenced in the western area of the project (Dolphin/Cleary Hill). Since that time, approximately 32,810 metres of core drilling and several resource estimates have been completed. 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.

The Golden Summit Project has a number of competitive advantages including existing infrastructure, a favorable permitting climate and proximity to Fairbanks. The site is within eight kilometres of Kinross Gold's Fort Knox mine, a heap leach and milling operation, which has done tremendously well for Alaska. There is ready access to an available, seasoned labour pool.

Activities throughout 2014 and 2015 focused on engineering programs associated with completing the PEA. Tetra Tech of Golden, Colorado was engaged to complete the PEA utilizing the current resource estimate and recently completed engineering studies. These studies included baseline environmental, cultural and geochemical surveys as well as an extensive metallurgical program utilizing both the services of SGS and McClelland Laboratories.

Additional drilling, metallurgical testwork, environmental analyses, other permitting and property confirmation activities will need to be undertaken as the project moves forward through pre-feasibility and feasibility studies. During 2016, additional soil geochemical work was undertaken and has delineated several higher priority oxide expansion targets. In the near term, exploration efforts will focus on the expansion of the known oxide resource as well as additional baseline and cultural resource studies.

On May 9th, 2017, the Company announced that drilling will commence on the Golden Summit Project. The 2017 Phase 1 oxide expansion program is designed to potentially increase the current oxide gold resource. Drilling during Phase One will be focused to the north of the current mineral resource where previously completed RAB (rotary air blast drilling) has identified the potential for higher- grade material. 20 – 25 holes with an average hole depth of 80 metres are currently planned.

Both the drilling to potentially expand the oxide resource and the metallurgical program underway are aimed at improving the overall project economics. In particular, further oxidation treatment on all identifiable sulphide materials as well as ultra fine grind testwork is being undertaken in an effort to explore grind size vs recovery relationships. In addition to the expansion of the oxide resource, upgrading of the inferred mineral resource to the measured and indicated category will also be necessary in order to further advance the project through to pre-feasibility.

The Qualified Person who has reviewed and approved the technical disclosure contained in the MD&A is Alvin Jackson, P. Geo., Vice President Exploration and Development for the Company.

RESULTS OF OPERATIONS

Three month period ended March 31st, 2017

General and administrative expenses for the three month period ended March 31st, 2017 were $261,899 an increase of $69,836 compared to $192,063 for the three month period ended March 31st, 2016. The changes in comprehensive loss were mainly attributable to:

- a decrease of $10,932 in consulting fees, from $18,434 in 2016 to $7,502 as fewer consultants were contracted for the Company's investor awareness campaigns and its financing activities;

- an increase of $44,905 in promotion and shareholder relations, from $5,983 in 2015 to $50,888 as the Company implemented an investor awareness campaign and attended investor meetings;

- an increase of $23,606 in travel expenses, from $23,166 in 2016 to $46,772. The increase was mainly attributable to activities to increase investor awareness and to facilitate additional financing requirements.

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

During the three month period ended March 31st, 2017, the Company incurred the below acquisition and exploration and evaluation property expenditures:

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, December 31, 2016	$	2,833,389	$	198,546	$	3,031,935
Additions		41,500		-		41,500
Balance, March 31, 2017	$	2,874,889	$	198,546	$	3,073,435
Exploration and evaluation costs						
Balance, December 31, 2016	$	27,835,798	$	2,770,272	$	30,606,070
Engineering and consulting		-		6,746		6,746
Geological and field expenses		3,573		13,302		16,875
Land maintenance and tenure		3,575		-		3,575
Travel		22,042		22,419		44,461
Balance, March 31, 2017	$	27,864,988	$	2,812,739	$	30,677,727
Total	**$**	**30,739,877**	**$**	**3,011,285**	**$**	**33,751,162**

At March 31th, 2017, the Company's financial condition which includes working capital, defined as current assets less current liabilities, was $1,391,387 compared to working capital of $1,741,778 at December 31st, 2016. The Company has current liabilities of $581,502 of which $139,136 relates to trade payables and accrued liabilities and $442,366 is owed to related parties. The Company also has a $622,991 non-current liability that will be settled in 2018.

The decrease in cash of $415,259 for the three month period ended March 31st, 2017 was mainly attributable to the quarterly loss of $259,980 and $181,988 spent on exploration costs. This compares to a decrease in cash for the three month period ended March 31st, 2016 of $262,030 that was mainly attributable to the quarterly loss of $192,275 and $177,599 spent on exploration costs offset by an increase of $115,665 due to related parties.

In May 2016, the Company filed a short form prospectus pursuant to which the Company issued an aggregate of 40,461,766 units of securities (the "Units") at a price of Cdn$0.18 per Unit for gross proceeds of Cdn$7,283,118. (US$5,508,750, US$4,823,110 net to the Company). The following table compares the previously disclosed use of proceeds (other than working capital) and the variances for the year ended December 31, 2016.

	Budgeted expenditures	Actual expenditures	Variance
Shorty Creek, Alaska			
Drilling program	$ 1,800,000	$ 1,738,353	$ 61,647
Golden Summit, Alaska			
Oxide expansion drilling	500,000	-	500,000*
Base line studies, cultural resource studies and Metallurgical work (ongoing)	200,000	9,875	190,125*
Property payments and holding costs	400,000	398,749	1,251
Total, December 31, 2016	**$ 2,900,000**	**$ 2,146,977**	**$ 753,023**

*In December 2016, the Company announced that oxide expansion drilling and metallurgical work would be undertaken in 2017. Both drilling and metallurgical work are currently underway.

SUMMARY OF QUARTERLY RESULTS

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

Quarters Ended (unaudited)

	Mar. 31st 2017	**Dec. 31st 2016**	**Sept. 30th 2016**	**June 30th 2016**	**Mar. 31st 2016**	**Dec. 31st 2015**	**Sept. 30th 2015**	**June 30th 2015**
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net comprehensive (loss) income – before tax	(259,980)	48,446	(622,319)	(190,842)	(192,275)	(107,928)	(178,576)	(231,590)
Net comprehensive (loss) income per share	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	36,098,863	36,407,348	38,431,471	39,120,294	34,101,392	32,169,227	27,998,190	28,776,705

The net comprehensive loss of $259,980 in the 1st Q ended March 31st, 2017 was higher compared to other quarters due to an increase in marketing and travel expenses.

The net comprehensive income of $48,446 in the 4th Q ended December 31st, 2016 was mainly due to $198,548 re-allocation of wages to mineral property exploration costs.

The net comprehensive loss of $622,319 in the 3rd Q ended September 30th, 2016 was significantly higher compared to other quarters due to a $486,138 share-based payment expense resulting from the granting of stock options.

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

Liquidity and capital resources

At March 31th, 2017, the Company's working capital, defined as current assets less current liabilities, was $1,391,387 compared to working capital of $1,741,778 at December 31st, 2016. The Company has current liabilities of $581,502 of which $139,136 relates to trade payables and accrued liabilities and $442,366 is owed to related parties. The Company has the required funds to meet all of its contractual and statutory property payments and exploration commitments and planned activities for the next year, but is seeking additional financing to further develop its mineral properties.

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 2016.

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 has positive working capital at March 31st, 2017 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 may not be sufficient to fund the Company's planned activities through 2017.

Interests in Mining Properties and Exploration and Development Expenditures

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

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

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

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

Share Based Payments, Warrants and Compensation Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 9d to the condensed consolidated financial statements for the period ended March 31st, 2017.

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

Restoration and Environmental Obligations

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

Contractual Commitments

The following table discloses, as of March 31st, 2017, 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.

		2017	**2018**	**2019**	**2020**	*** 2021 and after**		**Total**
Golden Summit - payments	$	281,275	330,655	330,000	430,000	430,000	$	1,801,930
Golden Summit - exploration	$	496,330	513,720	95,000	95,000	95,000	$	1,295,050
Shorty Creek - payments	$	7,000	7,000	7,000	67,000	67,000	$	155,000
Vendor agreement	$	-	622,991	-	-	-	$	622,991
Total	$	784,605	1,474,366	432,000	592,000	592,000	$	3,874,971

*The annual exploration and evaluation property option commitments will be approximately $592,000 per year assuming the Company retains the rights to its current mineral properties.

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, 2016 and note 4 to the Company's condensed consolidated financial statements for the three month period ended March 31st, 2017.

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	$	65,379	$	239,723	$	305,102
Photocopier lease payments	$	4,006	$	12,018	$	16,024
Total	$	69,385	$	251,741	$	321,126

See Note 10 of the Company's condensed consolidated financial statements for the three month period ended March 31st, 2017.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

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

The Company has designated its cash and cash equivalents as FVTPL, which is measured at fair value. Interest receivable is classified as loans and receivables and measured at amortized cost. Trade payables, accrued liabilities and amounts due to related parties are classified as other financial liabilities which are measured at amortized cost.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at March 31st, 2017, amounts receivable of $26,469 (December 31st, 2016 - $7,404) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $9,505 (December 31st, 2016 - $4,814), interest receivable of $2,484 (December 31st, 2016 - $2,473) and other receivables of $14,480 (December 31st, 2016 - $117). As a result, credit risk is considered insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at March 31st, 2017, the Company had cash of $1,890,325 to settle current liabilities of $581,502 which have contractual maturities of less than 30 days and are subject to normal trade terms.

Currency Risk

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

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

The following table provides an indication of the Company's foreign currency exposures during the periods ended March 31st, 2017 and December 31st, 2016:

	March 31st, 2017	December 31st, 2016
Cash and cash equivalents	**Cdn$ 961,782**	Cdn$ 1,353,465
Trade payables	**Cdn$ 667,661**	Cdn$706,503

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 $735 for the three month period ended March 31st, 2017 (year ended December 31st, 2016 - $6,470).

The Company has not, to the date of the condensed consolidated financial statements, entered into 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

The following events occurred subsequent to March 31st, 2017:

On April 6, 2017, the company granted stock options to acquire 50,000 shares at an exercise price of Cdn$0.155 until April 6, 2022.
On April 25, 2017, the Company filed a preliminary short form prospectus in connection with a proposed marketed offering of units (the "Units") of the Company for minimum gross proceeds of Cdn$3,000,000 and maximum gross proceeds of Cdn$5,000,000 (the "Offering"). The Offering will be priced in the context of the market with certain details of the Offering to be determined at the time of pricing. Each Unit will consist of one common share in the capital of the Company and a number of common share purchase warrants, or a fraction of a common share purchase warrant, that will be determined in the context of the market, with each whole common share purchase warrant entitling the holder thereof to purchase one common share of the Company within 36 months from the closing date of the Offering.

The Units are being offered on a "best efforts" basis pursuant to an agency agreement to be entered into between Paradigm Capital Inc. (the "Agent") and the Company. The Units will be offered in the provinces of Alberta, British Columbia and Ontario. The Units may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, up to Cdn$1,000,000 of the Offering may be issued directly by the Company or through one or more qualified placement agents to one or more investors resident outside of Canada and the United States.

The Company has also agreed to grant the Agent an option to cover over-allotments and for market stabilization purposes (the "Over-Allotment Option"), which will allow the Agent to arrange for purchasers to acquire up to an additional 15% of the number of Units offered under the Offering. The Over-Allotment Option will be exercisable, in whole or in part, at any time up to 30 days after the closing of the Offering.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at May 10th, 2017 and December 31st, 2016, there were 145,082,617 outstanding common shares.

As at May 10th, 2017 there were 38,170,957 warrants outstanding as disclosed in the table below:

	Number Outstanding May 10th, 2017	Exercise Price per Share Cdn$	Expiry Date
	5,171,500	$0.30	September 11th, 2017
	3,186,250	$0.15	May 4th, 2018
	6,750,000	$0.15	August 12th, 2018
	20,230,883	$0.25	May 20th, 2019
	2,832,324	$0.18	May 20th, 2019
Total	**38,170,957**		

Directors, officers, employees and contractors are granted options to purchase common shares under the Company Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 9d to the condensed consolidated financial statements for the period ended March 31st, 2017.
As at May 10th, 2017 there were 5,270,000 stock options outstanding as disclosed in the below table:

	Number Outstanding May 10th 2017	Number Exercisable May 10th 2017	Exercise Price per Share Cdn$	Expiry Date
	700,000	700,000	$ 0.25	January 1st, 2019
	150,000	150,000	$ 0.20	July 23rd, 2019
	150,000	150,000	$ 0.12	July 28th, 2020
	4,220,000	4,220,000	$ 0.21	July 8th, 2021
	50,000	50,000	$ 0.155	April 6th, 2022
Total	5,270,000	5,270,000		

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 key management compensation is as follows:

		March 31st, 2017		March 31st, 2016
Kristina Walcott – President and CEO	$	36,940	$	32,388
Alvin Jackson - VP Exploration and Development		36,940		32,388
Gordon Steblin - CFO		15,003		13,844
Taryn Downing - Corporate Secretary		6,138		5,996
Total	$	95,021	$	84,616

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

		March 31st, 2017		December 31st, 2016
Kristina Walcott – President and CEO	$	188,375	$	186,580
Alvin Jackson - VP Exploration and Development		182,893		181,148
Gordon Steblin - CFO		49,465		48,993
Taryn Downing - Corporate Secretary		21,633		21,427
Total	$	442,366	$	438,148

The amounts owing to related parties are for past wages and consulting fees from 2015. 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.

Norton Rose Fulbright Canada LLP, a legal firm of which a Director of the Company is a partner was owed $nil as at March 31, 2017 (December 31, 2016 - $2,946).

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 management, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as at the period ended March 31st, 2017. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at March 31st, 2017 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 management, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting as at the financial period ended March 31st, 2017. Based on that evaluation, the CEO and CFO concluded that the design and operation of internal controls over financial reporting were effective as at March 31st, 2017 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated financial statements for external purposes in accordance with IFRS. In designing and implementing such controls, it should be recognized that any system of the internal control over financial reporting, no matter how well designed and operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to condensed consolidated financial statement preparation and may not prevent or detect all misstatements due to error or fraud.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting during the three month period ended March 31st, 2017 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.

Industry

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

Commodity Prices

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

Competition

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

Foreign Political Risk

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

Government Laws, Regulation & Permitting

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

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

Title to Properties

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

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

Estimates of Mineral Resources

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

Key Management

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

Volatility of Share Price

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

Foreign Currency Risk

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

Conflict of Interest

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

OUTLOOK

Given the results of the Golden Summit PEA, the next significant step for the Golden Summit Project, subject to arranging appropriate financing, would be the preparation of a Preliminary Feasibility Study. A significant advantage for the project to keep the initial capital expenditures at a minimum is the superb supporting infrastructure in the immediate vicinity of the property, as well as in the broader region. The city of Fairbanks (population 100,000) is a 30 minute drive via paved highway while industrial scale grid power and rail transport are available nearby. Additional drilling, metallurgical testing, environmental analyses, other permitting and property confirmation activities will need to be undertaken as part of this next level of study. In the near term, particular emphasis will be placed on planning a drill program aimed at expanding the current oxide resource. Geophysical, geochemical and geological results have identified three primary areas in which drilling should be focused. Holes drilled in order to potentially expand the current oxide resource are expected to be drilled to a depth of 100 metres or less. A metallurgical program is also currently underway and aimed at improving the economics of the sulphide resource.

In addition to the studies being planned at Golden Summit, exploration is planned to continued at Shorty Creek as a result of the encouraging results obtained from the 2015 and 2016 field programs. In 2015, the first core drilling was undertaken at Shorty Creek. In particular, Hole SC 15-03 confirmed that the copper mineralization present at Hill 1835 is associated with a magnetic high. Drilling during 2016 focused on both Hill 1835 in the area of the 2015 drilling as well as Hill 1710 where a broad magnetic anomaly with coincident copper and molybdenum in soil anomaly was identified. Seven holes were completed in the 2016 program for a total of 3,038 metres (9,966 feet). Assays from the first 2 holes were reported on September 8th, 2016 and October 26th, 2016, respectively. Assays from the remaining holes were reported on December 6th, 2016.

The 2016 drill program successfully confirmed the presence of a copper-gold-molybdenum porphyry system at Shorty Creek Project, with an alteration/mineralization footprint that covers an area of approximately 10 kilometre in diameter. The airborne magnetic survey has identified a number of northeast trending magnetic highs. Copper-gold-molybdenum mineralization and associated porphyry alteration has been intersected in drill holes at Hills 1835 and 1710. Four additional targets (Hill 1890, Hill 1870, Steel Creek and Quarry) have been identified. All of these targets require follow-up exploration and diamond drilling.

Targets yet to be drilled are:

1) Hill 1870 is located approximately two kilometres southwest of Hill 1835. Mineralization and alteration identified on surface indicate strong similarities to Hill 1835. A historical surface rock grab sample assayed 1.05 g/t gold, 2 g/t silver, and 0.38% copper from this area. Mapping has also identified the presence of quartz-feldspar porphyry.

2) Steel Creek located directly northeast of Hill 1835. Additional ground magnetic and geochemical surveys were undertaken on this target during the 2016 exploration program. The Steel Creek anomaly measures 700 metres x 2,000 metres and is associated with a strong magnetic signature similar to Hill 1835.

3) Hill 1890 is located in the northern portion of the Shorty Creek claim block. Streams draining this area are anomalous in silver, gold, bismuth, molybdenum, antimony, tungsten, copper and zinc. Rock chip samples are anomalous in silver, arsenic, molybdenum, copper and zinc.

4) Quarry is located approximately five kilometres east of Hill 1835. A northeast trending magnetic high that is over 10 kilometres in length and associated with stockwork veined quartz-feldspar porphyry was staked during the 2016 exploration program. Ground magnetics and soil geochemistry over a small portion of the 1,000 metre by 10,000 metre anomaly were also completed. Soil geochemistry returned both strong copper and molybdenum values. Surface rock samples returned up to 0.05% copper in oxidized quartz-feldspar porphyry.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's Annual Information Form for the year ended December 31, 2016, can be found on the Company's profile on SEDAR at www.sedar.com.

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