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

DATED: OCTOBER 31ST, 2014

The following discussion and analysis ("MD&A") is management's assessment of the results and financial condition of Freegold Ventures Limited (the "Company" or "Freegold") for the nine month period ended September 30th, 2014 and should be read in conjunction with the condensed consolidated financial statements for the nine month period ended September 30th, 2014 and related notes contained in the report. All amounts are expressed in Canadian dollars unless otherwise noted. Additional information on the Company, including its annual information form, is available on SEDAR at www.sedar.com.

This discussion contains certain forward-looking information and is expressly qualified to the cautionary statement at the end of this MD&A.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The 2014 and 2013 information set forth in this document should be read in conjunction with the condensed consolidated financial statements and related notes, prepared in accordance with IFRS, for the nine month periods ended September 30th, 2014 and 2013.

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 October 31st, 2014, the Company had 83,998,351 shares outstanding and a market capitalization of CDN $12 million. The Company has its registered corporate office in Vancouver, Canada.

REVIEW OF EXPLORATION PROJECTS

The Company continues to focus its exploration activities in Alaska. Its primary project is the Golden Summit Project, a road accessible gold exploration project near Fairbanks, Alaska. Since 2011, four NI 43-101 compliant resource updates have been completed on Golden Summit each of which resulted in an increased overall resource for the Project. During the quarter, the Company commenced a Preliminary Economic Assessment Study (PEA) on the Golden Summit Project. The PEA is being completed by Tetra Tech and is expected to be completed during the 4th quarter of 2014.

During the quarter, the Company entered into a mineral lease agreement on the Shorty Creek Project, a copper-gold porphyry exploration target located 120 km northwest of Fairbanks.

In addition to the Golden Summit and the Shorty Creek Projects, Freegold holds the Vinasale Gold Project which hosts a NI 43-101 compliant gold resource. No exploration work is being planned for the Vinasale Project this year.

GOLDEN SUMMIT, ALASKA

Located 32km northeast of Fairbanks, Alaska the Golden Summit Project is comprised of a series of long-term leases (“Keystone Claims”, “Tolovana Claims”, “Newsboy Claims”, “Green Claims”, “Chatham Claims” and “Alaska Mental Health Trust Property” see below for further details) and claims and lands owned by Freegold. The project is subject to various sliding net smelter return royalties (“NSR’s”) ranging from 1-5% dependent on the price of gold. A detailed description of the leases follows:

Keystone Claims

By an agreement dated May 17th, 1992, the Company entered into a lease on the Keystone claims whereby the Company agreed to make advance royalty payments of US$15,000 per year. In May 2000, the agreement was renegotiated and on 15 October 2000, a US$50,000 payment was made in cash and shares. On November 30th, 2001, the Company restructured the advance royalty payments.

	US Funds	
1992 – 1998 (US$15,000 per year)	$ 105,000	(paid)
2000	$ 50,000	($25,000 paid in cash and $25,000 with 9,816 treasury shares issued)
2001 - 2006 (US$50,000 per year)	$ 300,000	(paid)
2007	$ 150,000	(paid)
2008	$ 150,000	(paid $75,000 in 2008 with the remaining $75,000 paid in 2009, subject to a payment extension)
2009	$ 150,000	(paid)
2010	$ 150,000	(paid)
2011	$ 150,000	(paid)
2012	$ 150,000	(paid)
2013	$ 150,000	(paid)
2014	$ 75,000	(paid)
2014	$ 75,000	
2015 – 2019 (US$150,000 per year)	$ 750,000	

The property is subject to a 3% NSR.

In 2011, Freegold negotiated an extension of the lease for so long as permitting, development mining or processing is being conducted on a continuous basis and, if the property is not in commercial production, provided that the advance royalties are being paid, the lease shall be renewable for successive 10 year terms.

Tolovana Claims

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

Under the terms of the agreement, the Company assumed all of the Seller’s obligations under the lease, which include making annual payments of $1,000 per month for the first 23 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 payment to the seller of US$7,500 on signing and issued 66,667 shares on regulatory approval. An additional 33,333 shares were to be issued within 30 days of a minimum 200,000 ounce mineral resource being calculated on the property if the resource was established in five years or less from the date of the agreement. No resource was calculated during the prescribed time frame so these shares were not issued.

The property is subject to a sliding scale NSR as follows: 1.5% NSR if gold is below US$300 per ounce, 2.0% NSR in the event the price of gold is between US$300 to US$400, and a 3.0% NSR in the event that the price of gold is above US$400. The Company has the option to purchase 100% of the Tolovana claims for US$1,000,000.

Newsboy Claims

By lease agreement dated February 28th, 1986 and amended March 26th, 1996, the Company assumed the obligation to make advance royalty payments of US$2,500 per year until 1996 (paid) and US$5,000 per year until 2006 (paid). During 2006, the Company renewed the existing lease term for an additional 5 years on the same terms and conditions. On October 12th, 2012, the Company's amended lease agreement was formalized and the lease term was extended for a five year term, from March 1st, 2011 to February 29th, 2016. The minimum royalty payable under the amended lease is US$12,000 per year for the term of the lease. These payments are current. In addition, the Company will have the option to further extend the lease for a term of an additional 5 years by making a one-time payment of US$50,000.

The claims are subject to a 4% net smelter returns royalty ("Newsboy NSR"). The Company has the option to purchase the Newsboy NSR for the greater of the current value or US$1,000,000 less all advance royalty payments made.

Green Claims

By lease agreement dated December 16th, 2010, the Company entered into a long term lease agreement with Christina Mining Company, LLC for 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 1st, 2010	US$100,000 (paid)	-
December 1st, 2011	US$100,000 (paid)	US$250,000 (incurred)
December 1st, 2012	US$100,000 (paid)	US$500,000 (incurred)
December 1st, 2013	US$100,000 (paid)	US$750,000 (incurred)
December 1st, 2014	US$100,000	US$1,000,000 (incurred}
December 1st, 2015 to 2019	US$100,000 per year	-
December 1st, 2020 to 2029	US$200,000 per year	-
Total	**US$3,000,000**	

Chatham Claims

By lease agreement dated July 11th, 2011, the Company entered into a four year lease agreement on certain mineral claims in the Fairbanks Mining District of Alaska known as the Chatham Property. The claims are subject to a 2% net smelter returns royalty ("Chatham NSR"). The Company is required to make annual cash payments and exploration expenditures as follows:

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

The Company also has the option to purchase the property for US$750,000.

The Company has the option to purchase one-half of the Chatham NSR, representing 1 % for US$750,000.

Certain claims are subject to a 7% working interest held in trust for Fairbanks Exploration Inc. (“FEI”) by the Company. Under this 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 returns royalty (“FEI NSR”) to FEI. The Company has a 30 day right of first refusal, in the event that the 7% working interest of FEI or the FEI NSR is to be sold by FEI. The Company can also purchase the FEI NSR at any time following commercial production, based on its net present value as determined by mineable reserves.

Alaska Mental Health Trust Property

By lease agreement dated June 1st, 2012, the Company entered into a new mining lease over certain mineral claims in the Fairbanks Mining District of Alaska known as the Alaska Mental Health Trust Property. The property will be controlled by the Company through a three year lease agreement and may be extended by two extensions of three years. In 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. 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:

	Payments	Exploration Expenditures
Execution of agreement	US$25,000 (paid)	-
Years 1 (2013)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Years 1 (2014)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 3	US$10 per acre per year	US$125 per acre per year
Years 4-6	US$15 per acre per year	US$235 per acre per year
Years 7-9	US$20 per acre per year	US$355 per acre per year

The claims are 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%

EXPLORATION

The Golden Summit Project covers a 13,000 acre area. To date, resource exploration drilling has been confined to a 110 acre area in the western portion of the Project. 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**.**

Drilling since 2011 has almost exclusively focused on the Dolphin/Cleary Area. Some 32,810 metres of drilling have been completed since resource drilling commenced. Each campaign has been designed to systematically expand the resource. An initial NI 43-101 compliant resource was calculated on March 2011 and was based on 49 previously drilled reverse circulation (RC) and diamond drill core holes totaling 5,966 meters. Using a 0.3 g/t cut-off the resource calculated was 174,000 ounces (7,790,000 tonnes @ 0.695 g/t) in the indicated category and 526,000 ounces (27,010,000 tonnes @ 0.606 g/t) in the inferred category**.**

The full report entitled, "*Geology and Mineralization and Mineral Resource Estimate for the Golden Summit Project, Fairbanks Mining District, Alaska*" by David D. Adams, BSc, MSc, P.Geo. and Gary H. Giroux, P.Eng, MASc., dated March 31st, 2011, was filed on SEDAR as "Amended & restated technical report (NI 43-101)", on April 1st, 2011.

Additional drilling was completed during 2011 and an updated NI 43-101 resource was completed in December 2011. Using a 0.3 g/t cut-off the resource calculated was 341,000 ounces (17,270,000 tonnes @ 0.62 g/t) in the indicated category and 1,137,000 ounces (64,440,000 tonnes @ 0.55 g/t) in the inferred category.

The full report entitled, "*2011 Update Report on the Geology and Mineralization and Mineral Resource Estimate for the Golden Summit Project, Fairbanks Mining District, Alaska*" by David D. Adams, BSc, MSc, P.Geo. and Gary H. Giroux, P.Eng, MASc., dated January 26th, 2012, was filed on SEDAR on January 26th, 2012.

During 2012 an additional 14,917 (74, holes) metres were drilled on both the Dolphin and Cleary Hill areas and an updated NI 43-101 resource was reported in October 2012. Using a 0.3 g/t cut-off the resource calculated was 1,576,000 ounces (73,580,000 tonnes @ 0.67 g/t) in the indicated category and 4,437,000 ounces (223,300,000 tonnes @ 0.62 g/t) in the inferred category.

The full report entitled, "*Technical Report for the Golden Summit Project, Fairbanks Mining District, Alaska*" by Mark Abrams, BSc, MSc, P. Geo. and Gary H. Giroux, P. Eng, MASc., dated December 14th, 2012, was filed on SEDAR on December 17th, 2012.

Additional drilling was carried out in 2013, with an additional 3,472 metres drilled in 8 holes drilled during the winter program and an updated NI 43-101 resource was announced in June 2013. The complete resource table is presented below:

DOLPHIN/CLEARY ZONE INDICATED RESOURCE

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	108,370,000	0.55	59,390	1,909,000
0.25	93,030,000	0.60	56,000	1,801,000
0.30	**79,800,000**	**0.66**	**52,350**	**1,683,000**
0.35	68,170,000	0.71	48,610	1,563,000
0.40	58,440,000	0.77	45,000	1,447,000
0.50	42,860,000	0.89	38,020	1,222,000
0.60	31,420,000	1.01	31,730	1,020,000
0.70	23,410,000	1.14	26,570	854,000
0.80	17,580,000	1.26	22,220	714,000
0.90	13,300,000	1.40	18,580	597,000
1.00	10,190,000	1.54	15,640	503,000
1.10	7,990,000	1.67	13,340	429,000
1.20	6,240,000	1.82	11,330	364,000
1.30	4,990,000	1.96	9,780	314,000

DOLPHIN/CLEARY ZONE INFERRED RESOURCE

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	313,210,000	0.53	166,940	5,367,000
0.25	281,570,000	0.57	159,930	5,142,000
0.30	**248,060,000**	**0.61**	**150,570**	**4,841,000**
0.35	213,530,000	0.65	139,440	4,483,000
0.40	179,520,000	0.71	126,740	4,075,000
0.50	124,750,000	0.82	102,300	3,289,000
0.60	87,420,000	0.94	81,910	2,634,000
0.70	61,810,000	1.06	65,330	2,101,000
0.80	43,730,000	1.19	51,820	1,666,000
0.90	30,120,000	1.34	40,300	1,296,000
1.00	21,200,000	1.50	31,880	1,025,000
1.10	15,830,000	1.66	26,260	844,000
1.20	12,340,000	1.80	22,260	716,000
1.30	9,810,000	1.95	19,110	614,000

In addition, a surface oxide resource was provided and the resource was divided into material above and below this surface. The oxide cap is contained largely within the upper 200 feet (60 metres) of the resource. To date resource drilling has been confined to a 300 metre by 1.5 km area (approx. 110 acres) however the entire Golden Summit project area covers 13,000 acres area and hosts numerous other significant exploration targets with potential to host additional resources, all of which have an oxide cap in the upper 200 feet (60 metres).

The indicated and inferred resource using a 0.2 gram/tonne (g/tn) cut-off for the oxide component is:

DOLPHIN/CLEARY ZONE INDICATED RESOURCE (Oxide Zone)

Au Cut-off (g/t)	Tonnes	Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	25,026,200	0.55	13,660	439,000

DOLPHIN/CLEARY ZONE INFERRED RESOURCE (Oxide Zone)

Au Cut-off (g/t)	Tonnes	Grade		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.20	16,620,510	0.47	7,860	253,000

The full report entitled, "*Technical Report for the Golden Summit Project, Fairbanks Mining District, Alaska*" by Mark Abrams, BSc, MSc, P. Geo. and Gary H. Giroux, P. Eng, MASc., dated August 7th, 2013 was filed on SEDAR on August 8th, 2013.

In July 2013, drilling recommenced on the Dolphin area. A total of 3 holes for a total of 1,666.8 metres were drilled.

For all drill results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com.

EXPLORATION 2014 – Golden Summit Project

In addition to the ongoing Preliminary Economic Assessment ("PEA"), additional metallurgical work is currently underway. A significant metallurgical program commenced on the Golden Summit Project during 2013 and results were received during the 2nd quarter of 2014. The program composited different areas of the resource to form 5 sample types: oxide, transition, hornfels-sulphide, intrusive-sulphide and schist-sulphide in order to provides adequate data for the Company to examine both the potential for a stand-alone valley heap leach operation on all material (oxide and sulphide) as well as to investigate a higher recovery milling operation. Both scenarios are expected to be addressed within the PEA.

Overall gold recoveries from standard 48 hour bottle roll tests and 120 hour intermittent agitation leach tests from the as-received material (F_{80} 850 – 1550 µm) were as follows: Oxide material averaged 88%, Transition material averaged 57%, Intrusive material averaged 56%, and Hornfels-Sulphide material averaged 45%. Standard bottle roll testwork was carried out on a variety of grind sizes however recoveries did not increase substantially with finer grinds, with the exception of the transition material which showed recoveries of greater than 70% are achievable at a 75 micron grind size. For additional information the reader is referred to the June 27, 2014 news release which can be found at www. freegoldventures.com.

Metallurgical work is continuing on the Golden Summit Project. During the 3rd quarter, column leach tests commenced on the oxide component. McClelland Laboratories of Sparks, Nevada is conducting the tests and results are expected within the coming weeks. In addition to the PEA, baseline environmental and cultural resource studies remain ongoing. A small geochemical program was also undertaken.

Shorty Creek Project

On July 17th 2014, the Company entered into a ten-year lease agreement to acquire certain mineral claims located 100 km northwest of Fairbanks, Alaska known as the Shorty Creek Project. 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. The foregoing is subject to regulatory approval.

The property is located 4 kms to the south of the all-weather paved Elliott Highway and within the Livengood-Tolovana Mining District. Total recorded production from the district through 2007 is approximately 530,000 ounces of placer gold. The Shorty Creek target was originally identified as an antimony prospect in the 1970's. In the mid 1980's, soil sampling identified significant gold, copper and pathfinder elements associated with gold-copper porphyry mineralization. A limited drill program was completed by the Asarco-Fairbanks Exploration Joint Venture in 1989-1990 consisting of 6,843 feet in 20 holes; maximum hole depth was 500 feet (Table 1).

Table 1: Significant results from the Asarco –Fairbanks Exploration Joint Venture Drill Program.

Hole #	From (ft)	To (ft)	Interval (ft)	Au g/t	Ag g/t	Cu (ppm)
RH89-02	0	90	90	0.39	NA	NA
RH89-08	0	220	220	1.22	NA	NA
incl.	0	125	125	1.78	NA	NA
incl.	60	85	25	4.59	NA	NA
RH90-09	0	170	170	0.35	3.17	44
RH90-15	0	190	190	0.51	4.07	62
RH90-16	0	500	500	0.40	3.58	138
RH90-17	0	500	500	0.39	2.45	80
RH90-18	15	85	70	0.56	4.00	94
RH90-19	15	70	55	1.03	5.60	19

NA – not assayed. *These results are historical in nature and are reported for information purposes only and have not been verified by the Company and are not to be relied upon*.

Further work on the project since the drill program has been limited to soil and rock sampling programs (566 soil samples and 21 rock samples).

Shorty Creek mineralization has similarities to gold-enriched porphyry copper deposits of Tertiary age that are found throughout Interior Alaska and the western Yukon. In addition to the geochemical signature, extensive alteration and hornfels metamorphism spatially associated with small bodies of biotite granodiorite, quartz porphyry and aplite are mapped throughout the property and are suggestive of this deposit type.

On September 30th, 2014, the Company announced that its recently completed geophysical survey has defined significant induced polarization chargeability anomalies which are coincident with strong copper, molybdenum, gold and bismuth geochemistry.

Since acquiring the project, the Company's program has consisted of 28.6 line km of induced polarization surveying and the collection of 354 soil geochemical samples for multi element analysis and the staking of additional claims increasing the project area to 26,087 acres.

Results show a strong chargeability anomaly which is over 2 km long and 1 km wide in the northwestern area of the grid. Coincident with the geophysical anomaly strongly anomalous copper values (up to 669 ppm) with significant molybdenum (up to 150 ppm) were returned.

In the southern portion of the grid, where previous drilling by Fairbanks Exploration and Asarco in 1989-1990 was completed, a significant chargeability zone was identified which correlates very well with the area of limited previous drilling (maximum hole depth was 500 feet). Strongly anomalous gold (up to 480 ppb) and bismuth (up to 276 ppm) are associated with the geophysical anomaly.

In addition to the geophysical and geochemical anomalies identified, extensive alteration and hornfels metamorphism spatially associated with small bodies of biotite granodiorite, quartz porphyry and aplite have previously been mapped over a 4 km x 4 km area.

The Company believes this project represents a drill ready porphyry copper-gold target.

For all results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com.

Vinasale Project

In 2007, Freegold signed an Exploration with an Option to Lease agreement with Doyon Limited ("Doyon"), an Alaskan regional Native corporation, on the Vinasale Gold Project. Vinasale is located 16 air miles south of McGrath, Alaska. The Vinasale deposit occurs in a north trending belt that hosts a number of igneous intrusion-related gold deposits including NovaGold Resources' and Barrick Gold's 39.3 million ounce Donlin Creek deposit and the high grade Nixon Fork copper-gold deposit.

Under the Exploration Agreement, Freegold must make payments of US$360,000 (US$50,000 first year) over five years, make annual scholarship donations of US$10,000, and make exploration expenditures totaling US$5,000,000 (US$300,000 first year). Freegold may at its option enter into a one year extension by making a further payment of US$100,000 and incurring an additional US$1,500,000 in exploration expenditures which it elected to do in February 2012. In the event the property is reduced by 50% or more, the additional exploration expenditures shall be reduced to US$1,000,000. Freegold may enter into one or more Mining Leases with Doyon on lands on which it has expended at least US$600,000, carried out at least 10,000 ft of core drilling, and submitted a pre-feasibility study. Freegold will be required to make advance royalty payments and continue to conduct minimum exploration expenditures on leased lands until such time as a Board approved positive feasibility study has been delivered. Advance royalty payments shall be US$100,000 per year during the initial five-year period, increasing to US$250,000 per year thereafter. The minimum mandatory exploration expenditures shall be equal to the greater of US$25/acre or US$250,000 for each of the first five years, and US$50/acre or US$500,000 in subsequent years. Upon submission of a Board approved feasibility study Doyon will have the right, for a period of 180 days, to acquire a minimum 5%, and a maximum 10% participating interest in Freegold's interest. Within 60 days of Doyon electing to participate, Doyon shall contribute to a joint venture an amount equal to 2.25 times Doyon's proportionate share of Freegold's cumulative expenditures on the leased area after the Effective Date of the Lease. Following the expenditure of such funds, each party will be required to contribute its pro rata share of further expenditures. On January 30th, 2013, the Company paid US$70,000 to Doyon to extend the option to lease agreement on the Vinasale Property by one year and was required to incur an additional US$1,500,000 in exploration expenditures. The Company is in the process of negotiating an amended agreement with Doyon.

In March 2011, the Company completed the first NI 43-101 resource estimate on the Vinasale Project using a cutoff value of 0.5 grams/tonne (g/t Au) as a possible open pit cut-off (the economic cut-off being unknown). This effort resulted in an inferred resource of 37.3 million tonnes averaging 1.11 g/t Au for 1,331,000 ounces. A full NI 43-101 technical report on the Vinasale Project entitled, "*Geologic Summary and Mineral Resource Estimate Report for the Vinasale Gold Project, McGrath Mining District, Alaska*" by David D. Adams, BSc, MSc, P.Geo. and Gary H. Giroux, P.Eng, MASc., dated March 31st, 2011, was filed on SEDAR as an "Amended & restated technical report (NI 43-101)" on April 1st, 2011.

Following the resource estimate in March of 2011, the Company undertook a 3,501 metre drilling program during the summer of 2011 in addition to a ground geophysical survey (induced polarization) over the surface projection of the intrusive stock that is host to auriferous mineralization at Vinasale. Results of the induced polarization program indicate that in addition to the Central Zone, where all the drilling was conducted in 2011, a geophysical anomaly was defined in the North East Zone where limited previous drilling has indicated mineralization of similar character to the Central Zone.

EXPLORATION 2012 – Vinasale Project

In March 2012, Freegold updated its NI 43-101 resource on the Vinasale project based on the 3,501 metres of diamond drilling completed in 2011. For all drill results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com .

The resource estimate was completed by Giroux Consultants Ltd. of Vancouver, BC, Canada. The full report entitled, "*Geologic Summary and Mineral Resource Estimate Report for the Vinasale Gold Project, McGrath Mining District, Alaska*" by David D. Adams, BS, MS, P.Geo. and Gary H. Giroux, P.Eng, MASc., dated March 30th, 2012, was filed on SEDAR on March 30th, 2012.

The addition of 13 drill holes drilled in 2011 expanded the resource at a 0.5 g/t cut-off by 32.4 % on tonnage at essentially the same grade for an increase of 30.4 % ounces of contained gold from the original March 2011 resource estimate.

A total of 85 drill holes containing 10,945 gold assays were completed on the project within three areas: the Central, Northeast and South Zones. The highest density of drilling has been completed in the Central Zone where 41 drill holes totaling 9,948 metres were used in estimating the resource for the Central Zone. Gold assays were capped at 22.0 grams/tonne gold. Composites, 5 metres in length, were used to model the grade continuity using semivariograms. Blocks measuring 10 by 10 by 5 metres were populated using Ordinary Kriging. No economic parameters were utilized in determining the cutoffs.

Vinasale Central Zone Inferred Resource

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.50	**49,320,000**	**1.09**	**53,960**	**1,735,000**

The 2012 exploration program drill tested both the Central Zone as well as the North East Zone. A total of 13 holes (3,425 metres) were drilled during the 2012 exploration program. Results of the additional drilling in the Central Zone continue to demonstrate that the mineralization in the Central Zone remains open to expansion to the south, east and to depth. The wide spaced drilling carried out in the North East Zone (holes VM1201 and VM1204) indicated that additional drilling is warranted in this area as a possible resource expansion target.

For all drill results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com

EXPLORATION 2013 – Vinasale Project

In March 2013, Freegold again updated its NI 43-101 resource on the Vinasale project based on diamond drilling completed in 2012. The 2012 drill program resulted in the estimation of indicated material for the first time and also expanded the inferred category from the March 2012 resource estimate. Of significance is the increase in grade in the indicated category and it is anticipated that additional drilling within the core of the Central Zone may have the potential to increase both the grade and tonnage within the indicated category.

The resource estimate was completed by Giroux Consultants Ltd. of Vancouver, BC, Canada. The full report entitled, "*Technical Report for the Vinasale Mountain Prospect, McGrath Mining District, Alaska*" by Mark J. Abrams, CPG, MS. and Gary H. Giroux, P.Eng, MASc., dated March 31st, 2013, was filed on SEDAR on April 2nd, 2013.

A total of 98 drill holes containing 11,284 gold assays were completed on the project within three areas: the Central, Northeast and South Zones. The highest density of drilling has been completed in the Central Zone where 53 drill holes totaling 12,352 metres were used in estimating the resource for the Central Zone. Gold assays were capped at 20 grams/tonne gold. Composites, 5 metres in length, were used to model the grade continuity using semivariograms. Blocks measuring 10 by 10 by 5 metres were populated using Ordinary Kriging.

Vinasale Central Zone Indicated Resource (Total Blocks)

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.50	3,410,000	1.48	5,030	162,000

Vinasale Central Zone Inferred Resource (Total blocks)

Au Cut-off (g/t)	Tonnes> Cut-off (tonnes)	Grade > Cut-off		
		Au (g/t)	Contained	
			kgs Au	ozs Au
0.50	53,250,000	1.05	55,970	1,799,000

The mineralization in the Central Zone extends over a strike length of 400 metres and remains open to the south and to depth.

No additional exploration was undertaken on the Vinasale project in 2013 nor to date in 2014. Mineralization in the Central Zone remains open to the south and there maybe the potential for additional resource definition in the North East Zone. The North East Zone was further defined by the 2011 ground geophysical program and limited prior drilling.

During the current period, the Company did not renew its 50% interest in the Union Bay property claims in Alaska.

On October 31st, 2014, the Company terminated the option agreement for the Rob property in Alaska.

For all results reference should be made to the full news releases contained on the Company's website at www.freegoldventures.com.

The Qualified Person who has reviewed and approved the technical disclosure contained in the Management Discussion is Curtis Freeman, MSc., PGeo., a geological consultant to the Company.

SUMMARY OF QUARTERLY RESULTS

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

Quarters Ended (unaudited)

	Sept. 30th 2014	**June. 30th 2014**	**Mar. 31st 2014**	**Dec. 31st 2013**	**Sept. 30th 2013**	**June 30th 2013**	**Mar. 31st 2013**	**Dec. 31st 2012**
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net comprehensive (loss) income – before tax	1,324,769	(1,654,634)	882,298	729,318	(1,076,633)	830,367	(44,377)	(3,946,940)
Net comprehensive (loss) income per share	0.02	(0.02)	0.00	0.01	(0.01)	0.01	(0.01)	(0.05)
Total assets	40,735,242	37,944,560	39,567,683	37,740,179	36,869,294	37,278,176	37,199,358	36,361,237

RESULTS OF OPERATIONS

Nine months ended September 30th 2014

The nine month period ended September 30th, 2014 resulted in net comprehensive income of $552,433 which compares with a net comprehensive loss of $290,641 for the nine month period ended September 30th, 2013. As the Company's consolidated financial statements translate the assets and liabilities of the Company's subsidiaries using the period-end rates, this resulted in a foreign currency translation gain of $1,934,995 as the US dollar became stronger relative to the Canadian dollar during the current nine month period. During the previous nine month period ended September 30th, 2013, there was a foreign currency translation gain of $1,127,909 as the US dollar was also stronger relative to the Canadian dollar during that period. General and administrative expenses for the nine month period ended September 30th, 2014 were $1,072,598, a decrease of $127,104 compared to $1,199,702 for the nine month period ended September 30th, 2013. The other changes in comprehensive income/loss were mainly attributable to:

- an increase of $14,687 in consulting fees, from $133,985 in 2013 to $148,672 as more consultants were contracted in order to evaluate additional opportunities for the Company and to generate additional investor awareness and potential financing opportunities;

- an increase of $19,082 in non-cash share-based compensation expenses, from $50,391 in 2013 to $69,473 that were charged upon the granting and vesting of long-term incentive stock options;

- a decrease of $66,435 in travel and transportation costs from $204,281 in 2013 to $137,846. Travel and transportation costs were incurred to expand investor awareness, attend several trade shows and to facilitate a financing that raised $1,650,284;

- a decrease of $48,854 in promotion and shareholder relations from $152,665 in 2013 to $103,811, which included attendance at various trade shows, advertising, news releases, distribution fees and marketing materials;

- a decrease of $29,426 in professional fees from $107,459 in 2013 to $78,033, due to lower legal costs as compared to the previous nine month period;

- a decrease of $11,491 in interest income from $13,782 in 2013 to $2,291 due to a decrease in cash on hand;

- a financing cost of $309,516 was recognized when the Company reduced the exercise price from $0.65 to $0.25 and extended the exercise date for 1,698,297 share purchase warrants from February 2nd, 2014 to August 2nd, 2014. These warrants were extended again to August 2nd, 2015. The Company also reduced the exercise price from $0.50 to $0.25 until September 20th, 2014 and to $0.30 until September 20th, 2015 for 1,250,000 share purchase warrants. This compares to $276,316 in 2013 that was recognized when the Company extended the exercise period for 2,677,999 share purchase warrants from March 16th, 2013 to September 16th, 2013;

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

During the nine month period ended September 30th, 2014, the Company incurred the below acquisition and exploration and evaluation property expenditures:

		Golden Summit Property	Vinasale Property	Shorty Creek Property		Total
Acquisition costs						
Balance, December 31st, 2013	$	1,871,969	292,490	-	$	2,164,459
Additions		178,114	11,089	170,180		359,383
Foreign currency translation		99,266	15,621	-		114,887
Balance, September 30th, 2014	$	2,149,349	319,200	170,180	$	2,638,729
Exploration and evaluation costs						
Balance, December 31st, 2013	$	28,454,458	5,621,407	-	$	34,075,865
Engineering and consulting		44,007	-	247		44,254
Geological and field expenses		63,488	1,207	2,089		66,784
Metallurgical studies		115,798	-	-		115,798
Environmental studies		58,497	-	-		58,497
Exploration and evaluation property fees		23,373	-	-		23,373
Geophysical		15,451	-	108,948		124,399
Preliminary economic assessment		154,047	-	-		154,047
Personnel		104,923	-	-		104,923
Helicopter support		-	-	18,276		18,276
Foreign currency translation		1,520,107	298,088	-		1,818,195
Balance, September 30th, 2014	$	30,554,149	5,920,702	129,560	$	36,604,411
Total	$	32,703,498	6,239,902	299,740	$	39,243,140

Three months ended September 30th 2014

The three month period ended September 30th, 2014 resulted in net comprehensive income of $1,324,769 which compares with a net comprehensive loss of $1,076,633 for the three month period ended September 30th, 2013. As the Company's consolidated financial statements translate the assets and liabilities of the Company's subsidiaries using the period-end rates, this resulted in a foreign currency translation gain of $1,821,278 as the US dollar became stronger relative to the Canadian dollar during the current three month period. During the previous three month period ended September 30th, 2013, there was a foreign currency translation loss of $714,081 as the US dollar was weaker relative to the Canadian dollar during that period. General and administrative expenses for the three month period ended September 30th, 2014 were $371,145, an increase of $6,094 compared to $365,051 for the three month period ended September 30th, 2013. The other changes in comprehensive income/loss were mainly attributable to:

- an increase of $19,705 in consulting fees, from $41,395 in 2013 to $61,100 as more consultants were contracted in order to evaluate additional opportunities for the Company and to generate additional investor awareness and potential financing opportunities;

- an increase of $28,934 in non-cash share-based compensation expenses, from $11,863 in 2013 to $40,797 that were charged upon the granting and vesting of long-term incentive stock options;

- a decrease of $15,574 in travel and transportation costs from $65,026 in 2013 to $49,452. Travel and transportation costs were incurred to expand investor awareness, attend several trade shows and to facilitate a financing that raised $1,000,000;

- a decrease of $10,882 in promotion and shareholder relations from $31,928 in 2013 to $21,046, which included attendance at various trade shows, advertising, news releases, distribution fees and marketing materials;

- a decrease of $14,486 in professional fees from $45,549 in 2013 to $31,063, due to lower legal costs as compared to the previous three month period;

- a decrease of $4,393 in interest income from $4,828 in 2013 to $435 due to a decrease in cash on hand;

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

During the three month period ended September 30th, 2014, the Company incurred the below acquisition and exploration and evaluation property expenditures:

		Golden Summit Property	Vinasale Property	Shorty Creek Property		Total
Acquisition costs						
Balance, June 30th, 2014	$	1,914,209	304,095	-	$	2,218,304
Additions		141,804	-	170,180		311,984
Foreign currency translation		93,336	15,105	-		108,441
Balance, September 30th, 2014	$	2,149,349	319,200	170,180	$	2,638,729
Exploration and evaluation costs						
Balance, June 30th, 2014	$	28,947,437	5,640,443	-	$	34,587,880
Engineering and consulting		9,615	-	247		9,862
Geological and field expenses		17,592	-	2,089		19,681
Metallurgical studies		54,995	-	-		54,995
Environmental studies		28,241	-	-		28,241
Exploration and evaluation property fees		23,373	-	-		23,373
Geophysical		15,451	-	108,948		124,399
Preliminary economic assessment		7,290	-	-		7,290
Personnel		21,062	-	-		21,062
Helicopter support		-	-	18,276		18,276
Foreign currency translation		1,429,093	280,259	-		1,709,352
Balance, September 30th, 2014	$	30,554,149	5,920,702	129,560	$	36,604,411
Total	$	32,703,498	6,239,902	299,740	$	39,243,140

Liquidity and capital resources

At September 30th, 2014, the Company's working capital, defined as current assets less current liabilities, was $436,188 compared to working capital of $672,514 at December 31st, 2013. The Company has current liabilities of $607,410 mainly related to current and prior exploration work. The Company has sufficient working capital to meet all of its contractual and statutory property payments and exploration commitments for the current year, although further financing will be required to undertake all planned exploration activities.

On September 11th, 2014, the Company closed a non-brokered private placement of 5,000,000 units at $0.20 per unit for gross proceeds of $1,000,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017. 171,500 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017.

On March 28th, 2014, the Company closed a non-brokered private placement of 2,827,323 Units, priced at $0.23 per Unit to raise gross proceeds of $650,284. Each Unit consists of one common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to acquire an additional common share at a price of $0.30 until March 28th, 2015 and at a price of $0.35 per share exercisable until March 28th, 2016. 44,555 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.30 per share exercisable until March 28th, 2015 and at a price of $0.35 per share exercisable until March 28th, 2016.

Critical accounting estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to, the valuation of warrants, the assumptions used in the accounting for share-based payments, the provision for income taxes and composition of deferred tax assets and liabilities, the expected economic lives of and the estimated future operating results and net cash flows from mining interests, the anticipated costs of reclamation and closure cost obligations, and the fair value measurement of certain financial instruments.

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the consolidated financial statements for the nine month period ended September 30th 2014.

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 had positive working capital and cash balances at September 30th, 2014 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 2014.

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 or formation 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 resources; 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 10d to the condensed consolidated financial statements at September 30th, 2014.

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 Company is committed under exploration and evaluation property option agreements to pay cash, incur exploration expenditures and has future commitments related to payments required under a photocopier lease. See note 11 of the Company's condensed consolidated financial statements for the nine month period ended September 30th, 2014 and the disclosures above under "Review of Exploration Projects".

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 or loss. These amounts will be reclassified from shareholders' equity to net income 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 as FVTPL, which is measured at fair value. Short term and long term investments in other companies are classified as available-for-sale, which is measured at fair value. Interest receivable is classified as receivables and measured at amortized cost. Trade payables 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 September 30th, 2014, amounts receivable of $14,942 (December 31st, 2013 - $28,634) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $11,690 (December 31st, 2013 - $16,524), interest receivable of $1,074 (December 31st, 2013 - $274) and other receivables of $2,178 (December 31st, 2013 - $11,836). 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 the Company's financial instruments are substantially comprised of cash and cash equivalents, liquidity risk is considered insignificant.

Currency Risk

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

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

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

The following table provides an indication of the Company's foreign currency exposures during the periods ended September 30th, 2014 and December 31st, 2013:

	September 30th 2014	December 31st 2013
Cash and cash equivalents	US$ 126,429	US$ 228,253
Trade payables	US$ 595,996	US$ 375,787

A 1% change in Canadian/US foreign exchange rate at period end would have changed the net loss of the Company, assuming that all other variables remained constant, by approximately $4,700 for the period ended September 30th, 2014.

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

Interest Risk

The Company is not subject to interest risk.

Commodity Price Risk

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

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at October 31st, 2014, there were 83,998,351 outstanding common shares compared to 75,421,028 outstanding shares at December 31st, 2013.

The increase reflects the issuance of 7,827,323 shares for proceeds of $1,650,284 and 750,000 shares as consideration for the Shorty Creek Project.

As at October 31st, 2014 there were 10,991,676 warrants outstanding.

	Number Outstanding on October 31st, 2014	**Price per Share**	**Expiry Date**
	1,630,977	$0.25	August 2nd,2015*
	17,320	$0.25	August 2nd,2015*
	50,000	$0.25	August 15th, 2015**
	1,250,000	$0.25/$0.30	September 20th,2015
	2,871,878	$0.30/$0.35	March 28th, 2015/2016
	5,171,500	$0.25/$0.33	September 11th, 2016/2017
Total	**10,991,676**		

*Effective August 11th, 2014, the Company amended the expiry date for 1,648,297 share purchase warrants from August 2nd, 2014 to August 2nd, 2015. The price of $0.25 per share remains the same.

**Effective August 11th, 2014, the Company amended the expiry date for 50,000 share purchase warrants from August 15th, 2014 to August 15th, 2015. The price of $0.25 per share remains the same.

Directors, officers, employees and contractors are granted options to purchase common shares under the Company Stock Option Plan. This plan and its terms and outstanding balance are disclosed in Note 10d to the consolidated financial statements at September 30th, 2014.

Number Outstanding December 31st 2013	Granted	Exercised	Cancelled	Expired	Number Outstanding October 31st 2014	Number Exercisable October 31st 2014	Exercise Price Per Share	Expiry Date
604,167	-	-	-	-	604,167	604,167	$ 0.48	February 26th, 2015
800,000	-	-	-	-	800,000	800,000	$ 0.50	October 29th, 2015
2,035,000	-	-	-	-	2,035,000	2,035,000	$ 0.87	May 10th, 2016
1,585,000	-	-	-	-	1,585,000	1,585,000	$ 0.65	October 20th, 2016
20,000	-	-	-	-	20,000	20,000	$ 0.75	February 20th, 2017
200,000	-	-	-	-	200,000	200,000	$ 0.92	November 12th, 2017
150,000	-	-	-	-	150,000	75,000	$ 0.27	December 1st, 2016
-	700,000	-	-	-	700,000	657,739	$ 0.25	January 1st, 2019
-	150,000	-	-	-	150,000	150,000	$ 0.20	July 23rd, 2019
5,394,167	850,000	-	-	-	6,244,167	6,126,906		

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.

The related party transactions during the nine month period ended December 31st, 2014, which occurred in the normal course of operations and were measured at the exchange amount (the amount of consideration established and agreed to by the related parties), were as follows:

A summary of key management compensation is as follows:

		Three months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Accounting	$	18,400	18,500	55,950	56,200
Consulting		8,100	8,100	24,300	21,600
Legal		-	-	2,000	1,839
Salaries and benefits		87,500	87,500	262,500	262,500
Total	$	114,000	114,100	344,750	342,139

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

		September 30th, 2014		December 31st, 2013
President and Chief Executive Officer	**$**	64,583	$	64,583
Vice President, Exploration and Development		64,583		64,583
Chief Financial Officer		-		12,500
Corporate Secretary		-		2,836
Total	**$**	129,166	$	144,502

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's CEO and CFO have evaluated and are satisfied with the effectiveness of these disclosure controls and procedures for the nine month period ending September 30th, 2014.

The CEO and CFO acknowledge responsibility for the design of internal control over financial reporting (ICFR), and confirm that there were no changes in these controls that occurred during the most recent three month period ended September 30th, 2014 which materially affected, or are reasonably likely to materially affect the Company's ICFR.

RISKS AND UNCERTAINTIES

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

Cash Flows and Additional Funding Requirements

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

Industry

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

Commodity Prices

The 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

As at October 31st 2014, the Company has approximately $630,000 in cash.

The Company's recently completed geophysical survey on the Shorty Creek Property in Alaska has defined significant chargeability anomalies which are coincident with strong copper, gold and bismuth geochemistry.

Since acquiring the project, the Company's program has consisted of 28.6 line km of induced polarization surveying and the collection of 354 soil geochemical samples for multi element analysis and the staking of additional claims increasing the project area to 26,087 acres.

In addition to the geophysical and geochemical anomalies identified, extensive alteration and hornfels metamorphism spatially associated with small bodies of biotite granodiorite, quartz porphyry and aplite have previously been mapped over a 4 km x 4 km area.

The Company is extremely pleased with the results to date and believes this project represents an excellent drill ready porphyry copper-gold target.

The Golden Summit Project continues to demonstrate its potential for growth. Ground geophysics and geochemical surveys carried out in the last two years in conjunction with further compilation work has identified other significant and potentially higher grade targets in the immediate resource area.

The Dolphin/Cleary Hill deposit remains open to the west, east and to depth and covers an area of 300 metres by 1.5 km; however, the entire Golden Summit project area covers approximately a 13,000 acre area and hosts numerous other significant exploration targets also with the potential for additional bulk tonnage mineralization.

Work continues on the Golden Summit Project with metallurgical and geophysical interpretation being carried out. In addition, the Company engaged Tetra Tech to complete a Preliminary Economic Assessment (PEA) that is anticipated to be completed in the fourth quarter of 2014. Tetra Tech is a well-respected full-service engineering and science firm based in North America with a substantial global presence focused on project delivery and innovative solutions with 14,000 employees and 330 offices worldwide. The PEA will examine potential for a stand-alone heap leach operation and will also complete a comprehensive review of the current sulphide resource using different cut off grades.

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.

FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

30 SEPTEMBER 2014 and 2013

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position

Canadian Funds

ASSETS		30 September 2014		31 December 2013 (audited)
Current				
Cash and cash equivalents	$	**801,392**	$	765,530
Amounts receivable		**14,942**		28,634
Prepaid expenses and deposits		**68,725**		117,399
Assets held for sale *(Note 4)*		**158,539**		150,555
		1,043,598		1,062,118
Exploration and Evaluation Properties *(Note 5)*		**39,243,140**		36,240,324
Property, Plant and Equipment *(Note 6)*		**448,504**		437,737
	$	**40,735,242**	$	37,740,179

LIABILITIES				
Current				
Trade payables *(Note 7)*	$	**476,477**	$	213,102
Accrued liabilities		**1,767**		32,000
Due to related parties *(Note 8)*		**129,166**		144,502
		607,410		389,604
Restoration and Environmental Obligations *(Note 9)*		**530,574**		488,684
Trade payables – Long term *(Note 7)*		**260,963**		247,822
		1,398,947		1,126,110
EQUITY				
Share Capital *(Note 10)*		**81,150,173**		80,119,934
Reserves		**15,838,462**		12,763,913
Deficit		**(57,652,340)**		(56,269,778)
		39,336,295		36,614,069
	$	**40,735,242**	$	37,740,179

Nature and Continuance of Operations *(Note 1)*, **Commitments and Contingency** *(Note 11)* and **Subsequent Event** *(Note 15)*

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Changes in Equity

Canadian Funds

	Common Shares	Amount	Stock Options Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance – 31 December 2012	74,022,884	$ 79,647,572	$ 6,922,765	$ 4,202,667	$ (1,061,175)	$ (54,460,923)	$ 35,250,906
Issuance and allotment of shares for:							
- Private placements *(Note 10a)*	1,250,000	500,000	-	-	-	-	500,000
- Value assigned to warrants *(Notes 10a and 10c)*	-	(147,088)	-	147,088	-	-	-
- Exercise of warrants *(Notes 10b and 10c)*	148,144	127,033	-	(30,739)	-	-	96,294
Fair value of change in exercise price of warrants *(Note 10c)*	-	-	-	276,316	-	-	276,316
Share-based payments *(Note 10d)*	-	-	50,391	-	-	-	50,391
Foreign currency translation adjustment	-	-	-	-	1,127,909	-	1,127,909
Loss for the period	-	-	-	-	-	(1,418,550)	(1,418,550)
Balance – 30 September 2013	**75,421,028**	**$ 80,127,517**	**$ 6,973,156**	**$ 4,595,332**	**$ 66,734**	**$ (55,879,473)**	**$ 35,883,266**
Issuance and allotment of shares for:							
Share-based payments *(Note 10d)*	-	-	9,070	-	-	-	9,070
Share issuance costs *(Note 10a)*	-	(7,583)	-	-	-	-	(7,583)
Foreign currency translation adjustment	-	-	-	-	1,119,621	-	1,119,621
Loss for the period	-	-	-	-	-	(390,305)	(390,305)
Balance – 31 December 2013	**75,421,028**	**$ 80,119,934**	**$ 6,982,226**	**$ 4,595,332**	**$ 1,186,355**	**$ (56,269,778)**	**$ 36,614,069**
Issuance and allotment of shares for:							
- Private placements *(Note 10a)*	7,827,323	1,650,284	-	-	-	-	1,650,284
- Value assigned to warrants *(Notes 10a and 10c)*	-	(680,702)	-	680,702	-	-	-
Fair value of change in exercise price of warrants *(Note 10c)*	-	-	-	309,516	-	-	309,516
Mineral property *(Note 5d)*	750,000	150,000	-	-	-	-	150,000
Share-based payments *(Note 10d)*	-	-	130,443	-	-	-	130,443
Share issuance costs *(Note 10a)*	-	(89,343)	-	18,893	-	-	(70,450)
Foreign currency translation adjustment	-	-	-	-	1,934,995	-	1,934,995
Loss for the period	-	-	-	-	-	(1,382,562))	(1,382,562)
Balance – 30 September 2014	**83,998,351**	**$ 81,150,173**	**$ 7,112,669**	**$ 5,604,443**	**$ 3,121,350**	**$ (57,652,340)**	**$ 39,336,295**

- See Accompanying Notes -

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Loss and Comprehensive Income (Loss)

Canadian Funds

		3 Months Ended 30 September 2014	3 Months Ended 30 September 2013	9 Months Ended 30 September 2014	9 Months Ended 30 September 2013
General and Administrative Expenses					
Consulting fees	$	61,100	41,395	148,672	133,985
Share-based payments *(Note 10d)*		40,797	11,863	69,473	50,391
Travel and transportation		49,452	65,026	137,846	204,281
Promotion and shareholder relations		21,046	31,928	103,811	152,665
Professional fees		31,063	45,549	78,033	107,459
Wages, salaries and benefits		98,576	99,310	304,504	305,435
Transfer, filing and other fees		32,171	33,962	125,706	132,934
Rent and utilities		10,353	8,876	30,398	28,429
Office and miscellaneous		17,435	17,642	44,798	39,820
Property evaluation		-	281	1,954	17,040
Depreciation *(Note 6)*		3,926	4,554	11,757	13,388
Accretion *(Note 9)*		5,226	4,665	15,646	13,875
Loss Before Other Income (Expenses)		(371,145)	(365,051)	(1,072,598)	(1,199,702)
Other Income (Expenses)					
Interest income		435	4,828	2,291	13,782
Foreign exchange gain (loss), net		(23)	12	(755)	33,461
Interest and bank charges		(951)	(2,341)	(1,984)	(7,080)
Write down of trade payables		-	-	-	17,305
Financing cost *(Note 10c)*		(124,825)	-	(309,516)	(276,316)
		(125,364)	2,499	(309,964)	(218,848)
Net Loss for the Period	$	(496,509)	(362,552)	(1,382,562)	(1,418,550)
Loss per Share – Basic and Diluted	$	(0.01)	(0.01)	(0.02)	(0.02)
Weighted Average Number of Shares Outstanding		79,745,574	74,309,917	77,867,813	74,206,581
Comprehensive Income (Loss)					
Net loss for the period	$	(496,509)	(362,552)	(1,382,562)	(1,418,550)
Foreign currency translation adjustment		1,821,278	(714,081)	1,934,995	1,127,909
Total Comprehensive Income (Loss) for the Period	$	1,324,769	(1,076,633)	552,433	(290,641)
Comprehensive Income (Loss) per Share – Basic and Diluted	$	0.02	(0.01)	0.01	(0.00)

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows

For the Nine months Ended 30 September

Canadian Funds

Cash Resources Provided By (Used In)	2014	2013
Operating Activities		
Loss for the period	**$ (1,382,562)**	$ (1,418,550)
Items not affecting cash:		
Depreciation	**11,757**	13,388
Accretion	**15,646**	13,875
Write down of trade payables	**-**	(17,305)
Financing cost	**309,516**	276,316
Share-based payments	**69,473**	50,391
Foreign exchange	**(1,878,716)**	(1,087,448)
Net changes in non-cash working capital components:		
Amounts receivable	**13,692**	2,046
Prepaid expenses and deposits	**48,673**	27,142
Trade payables	**(93,082)**	(342,163)
Accrued liabilities	**(30,233)**	(31,640)
Due to related parties	**(15,335)**	(55,880)
	(2,931,171)	(2,569,828)
Investing Activities		
Exploration and evaluation property acquisition costs	**(206,251)**	(235,970)
Exploration and evaluation property deferred exploration costs	**(341,545)**	(1,823,586)
Proceeds on sale of assets held for sale	**-**	57,500
	(547,796)	(2,002,056)
Financing Activities		
Share capital issued	**1,650,284**	596,294
Share issuance costs	**(70,450)**	-
	1,579,834	596,294
Effect of Foreign Currency on Cash and Cash Equivalents	**1,934,995**	1,127,909
Net Increase (Decrease) in Cash and Cash Equivalents	**35,862**	(2,847,681)
Cash and cash equivalents - Beginning of year	**765,530**	4,750,282
Cash and Cash Equivalents - End of Period	**$ 801,392**	$ 1,902,601
Interest paid	**$ 1,984**	$ 2,220
Interest received	**$ 1,217**	$ 2,480
Income taxes paid	**$ -**	$ -
Supplemental Disclosure of Non-Cash Items		
Exploration expenditures included in trade payables	**$ (307,837)**	$ (275,881)
Stock based compensation included in exploration expenditures	**$ (60,969)**	$ -

1. Nature and Continuance of Operations

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

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

The Company's condensed consolidated financial statements as at 31 December 2013 and for the year then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has comprehensive income of $552,433 for the period ended 30 September 2014 (30 September 2013 – comprehensive loss of $290,641) and has working capital of $436,188 at 30 September 2014 (31 December 2013 – $672,514).

The Company had cash and cash equivalents of $801,392 at 30 September 2014 (31 December 2013 - $765,530), 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

a) Statement of compliance

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 financial statements for the year ended 31 December 2013.

b) **Consolidation**

These condensed consolidated financial statements include the accounts of the Company's wholly owned subsidiaries, Free Gold Recovery Inc., USA, Freegold Ventures Limited, USA, Ican Minerals, Inc., Dolphin Gold, Inc., Grizzly Bear Gold Inc. and McGrath Gold Inc. 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 liabilities, the recoverability and measurement of deferred tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

d) **New and Revised Accounting Standards and Interpretations Not Yet Adopted**

At the date of authorization of these condensed consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective:

- IFRS 9 '*Financial Instruments: Classification and Measurement'* is a new financial instruments standard effective for annual periods beginning on or after 1 January 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

- IFRS 10 '*Consolidated Financial Statements*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces consolidation requirements in IAS 27 (as amended in 2008) and Standing Interpretations Committee ("SIC") -12. New amendments include an exception to specific consolidation requirements for investment entities and are effective for annual periods beginning on or after 1 January 2014, with earlier adoption permitted.

- IFRS 12 '*Disclosure of Interests in Other Entities*' is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31. New amendments include an exception to specific consolidation requirements for investment entities and are effective for annual periods beginning on or after 1 January 2014, with earlier adoption permitted.

- IAS 27 (Amendment) '*Separate Financial Statements*' is effective for annual periods beginning on or after 1 January 2013 that prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. New amendments include an exception to specific consolidation requirements for investment entities and are effective for annual periods beginning on or after 1 January 2014, with earlier adoption permitted.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. Approval

These condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on 29 October 2014.

4. Assets Held For Sale

		30 September 2014		31 December 2013
Opening assets held for sale	$	**150,555**	$	194,058
Dispositions		**-**		(54,330)
Foreign currency translation		**7,984**		10,827
Ending assets held for sale	$	**158,539**	$	150,555

As at 31 December 2011, the Company classified its remaining mining equipment as assets held for sale as it no longer had a use for this equipment. During the year ended 31 December 2013, the Company sold $54,330 (31 December 2012 - $47,225) of equipment for proceeds of $57,500 (31 December 2012 - $40,764) resulting in a gain of $3,170 (31 December 2012 – loss of $4,639). The Company is actively pursuing the disposal of its remaining mining equipment and expects to dispose of these assets in 2014.

5. Exploration and Evaluation Properties

	Golden Summit Property	Rob Property	Vinasale Property	Union Bay Property	Total
Acquisition costs					
Balance, 31 December 2012	$ 1,428,678	$ -	$ 194,006	$ -	$ 1,622,684
Additions	344,638	51,495	85,088	-	481,221
Write-downs	-	(51,495)	-	-	(51,495)
Foreign currency translation	98,653	-	13,396	-	112,049
Balance, 31 December 2013	$ 1,871,969	$ -	$ 292,490	$ -	$ 2,164,459
Exploration and evaluation costs					
Balance, 31 December 2012	$ 24,037,981	$ -	$ 5,207,163	$ -	$ 29,245,144
Assaying	103,034	-	-	-	103,034
Drilling	1,196,517	-	-	-	1,196,517
Engineering and consulting	275,318	3,131	29,591	-	308,040
Geological and field expenses	268,323	2,079	5,760	-	276,162
Geophysical	113,117	-	-	-	113,117
Metallurgical studies	197,858	-	-	-	197,858
Environmental studies	15,639	-	-	-	15,639
Exploration and evaluation properties fees	69,200	26,093	-	1,528	96,821
Personnel	517,597	7,000	19,326	-	543,923
Write-downs	-	(38,303)	-	(1,528)	(39,831)
Foreign currency translation	1,659,874	-	359,567	-	2,019,441
Balance, 31 December 2013	$ 28,454,458	$ -	$ 5,621,407	$ -	$ 34,075,865
Total	**$ 30,326,427**	**$ -**	**$ 5,913,897**	**$ -**	**$ 36,240,324**

	Golden Summit Property	Rob Property	Vinasale Property	Shorty Creek Property	Total
Acquisition costs					
Balance, 31 December 2013	$ 1,871,969	$ -	$ 292,490	$ -	$ 2,164,459
Additions	178,114	-	11,089	170,180	359,383
Foreign currency translation	99,266	-	15,621	-	114,887
Balance, 30 September 2014	$ 2,149,349	$ -	$ 319,200	$ 170,180	$ 2,638,729
Exploration and evaluation costs					
Balance, 31 December 2013	$ 28,454,458	$ -	$ 5,621,407	$ -	$ 34,075,865
Engineering and consulting	44,007	-	-	247	44,254
Geological and field expenses	63,488	-	1,207	2,089	66,784
Metallurgical studies	115,798	-	-	-	115,798
Environmental studies	58,497	-	-	-	58,497
Exploration and evaluation properties fees	23,373	-	-	-	23,373
Geophysical	15,451	-	-	108,948	124,399
Preliminary economic assessment	154,047	-	-	-	154,047
Personnel	104,923	-	-	-	104,923
Helicopter support	-	-	-	18,276	18,276
Foreign currency translation	1,520,107	-	298,088	-	1,818,195
Balance, 30 September 2014	$ 30,554,149	$ -	$ 5,920,702	$ 129,560	$ 36,604,411
Total	**$ 32,703,498**	**$ -**	**$ 6,239,902**	**$ 299,740**	**$ 39,243,140**

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

Fairbanks Exploration Inc.

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

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

(i) **Keystone Claims**

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

		US Funds	
1992 – 1998 (US$15,000 per year)	$	105,000	(paid)
2000	$	50,000	($25,000 paid in cash and $25,000 with 9,816 treasury shares issued)
2001 - 2006 (US$50,000 per year)	$	300,000	(paid)
2007	$	150,000	(paid)
2008	$	150,000	(paid $75,000 in 2008 with the remaining $75,000 paid in 2009, subject to a payment extension)
2009	$	150,000	(paid)
2010	$	150,000	(paid)
2011	$	150,000	(paid)
2012	$	150,000	(paid)
2013	$	150,000	(paid)
2014	$	75,000	(paid)
2014	$	75,000	
2015 – 2019 (US$150,000 per year)	$	750,000	

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.

(ii) **Newsboy Claims**

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

On 12 October 2012, the Company amended the lease agreement and the lease term was extended for a five year term, from 1 March 2011 to 29 February 2016. The minimum royalty payable under the amended lease is US$12,000 per year for the term of the lease. These payments are current. In addition, the Company will have the option to further extend the lease for a term of an additional 5 years by making a one-time payment of US$50,000. 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 US$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 five years or less from the date of the agreement. No resource was calculated during the prescribed time frame so these shares were not issued.

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

The Company, at its option, can purchase 100% of the Tolovana Gold Property for US$1,000,000.

(iv) **Green Claims**

On 16 December 2010, the Company entered into a long-term 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
1 December 2010	US$100,000 (paid)	-
1 December 2011	US$100,000 (paid)	US$250,000 (incurred)
1 December 2012	US$100,000 (paid)	US$500,000 (incurred)
1 December 2013	US$100,000 (paid)	US$750,000 (incurred)
1 December 2014	US$100,000	US$1,000,000 (incurred)
1 December 2015 to 2019	US$100,000 per year	-
1 December 2020 to 2029	US$200,000 per year	-
Total	US$3,000,000	

(v) **Chatham Claims**

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

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

The Company has the option to purchase the property for US$750,000.

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

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

By lease agreement effective 1 June 2012, the Company entered into a new mining lease over 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 three year lease agreement and may be extended for two extensions of three years. In 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. 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:

	Payments	Exploration Expenditures
Execution of agreement	US$25,000 (paid)	-
Year 1 (2013)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 2 (2014)	US$10 per acre per year (paid)	US$125 per acre per year (incurred)
Year 3	US$10 per acre per year	US$125 per acre per year
Years 4-6	US$15 per acre per year	US$235 per acre per year
Years 7-9	US$20 per acre per year	US$355 per acre per year

The claims will be subject to the following NSR:

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

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

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

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

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

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

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

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

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

These payments are current.

During a prior year, the Company staked a further 141 State of Alaska mining claims adjacent to the property. During the year ended 31 December 2013, the Company allowed 67 State of Alaska mining claims to lapse. The staked claims are 100% owned and not subject to any royalties.

During the year ended 31 December 2013, the Company wrote off $89,798 (31 December 2012 - $4,085,000) as no exploration program is currently being planned on this property.

On 30 October 2014, the Company terminated the option agreement *(Note 15)*.

c) **Vinasale Property, Alaska, USA**

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

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

On 20 January 2012, the Company paid US$100,000 to extend the lease by one year and was required to incur an additional US$1,500,000 (incurred) in exploration expenditures.

On 30 January 2013, the Company paid US$70,000 to extend the lease by one year and was required to incur an additional US$1,500,000 in exploration expenditures by 31 December 2013. The Company did not complete these expenditures and is actively engaged in negotiations to amend the terms of the current agreement *(Note 11)*.

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

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

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

By agreement dated 17 July 2014, the Company entered into a ten year lease agreement to acquire certain mineral claims located 100 km northwest of Fairbanks, Alaska known as the Shorty Creek Property. On 8 August 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 five years after which the Company will be responsible.

e) **Union Bay Property, Alaska, USA**

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

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

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

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

During the year ended 31 December 2013, the Company wrote off $1,528 (31 December 2012 - $27,605) as no exploration program is currently being planned on this property.

During the period ended 30 September 2014, the Company did not renew its 50% interest in the property.

6. Property, Plant and Equipment

	Automotive	Computer Equipment	Computer Software	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs								
Balance, 31 December 2012	$ 33,430	$ 7,048	$ 6,140	$ 7,724	$ 179,027	$ 13,327	$ 217,776	$ 464,472
Additions	-	1,176	-	-	-	-	-	1,176
Foreign currency translation	2,309	-	-	-	12,362	921	15,038	30,630
Balance, 31 December 2013	$ 35,739	$ 8,224	$ 6,140	$ 7,724	$ 191,389	$ 14,248	$ 232,814	$ 496,278
Accumulated Depreciation								
Balance, 31 December 2012	$ (13,539)	$ (2,010)	$ (6,140)	$ (2,162)	$ (10,598)	$ (3,733)	$ -	(38,182)
Depreciation	(6,019)	(1,688)	-	(1,113)	(7,173)	(1,945)	-	(17,938)
Foreign currency translation	(1,296)	-	-	-	(762)	(363)	-	(2,421)
Balance, 31 December 2013	$ (20,854)	$ (3,698)	$ (6,140)	$ (3,275)	$ (18,533)	$ (6,041)	$ -	$ (58,541)
Net Book Value	**$ 14,885**	**$ 4,526**	**$ -**	**$ 4,449**	**$ 172,856**	**$ 8,207**	**$ 232,814**	**$ 437,737**

	Automotive	Computer Equipment	Computer Software	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs								
Balance, 31 December 2013	$ 35,739	$ 8,224	$ 6,140	$ 7,724	$ 191,389	$ 14,248	$ 232,814	$ 496,278
Additions	-	-	-	-	-	-	-	-
Foreign currency translation	1,895	-	-	-	10,149	755	12,345	25,144
Balance, 30 September 2014	$ 37,634	$ 8,224	$ 6,140	$ 7,724	$ 201,538	$ 15,003	$ 245,159	$ 521,422
Accumulated Depreciation								
Balance, 31 December 2013	$ (20,854)	$ (3,698)	$ (6,140)	$ (3,275)	$ (18,533)	$ (6,041)	$ -	(58,541)
Depreciation	(3,450)	(1,018)	-	(668)	(5,352)	(1,269)	-	(11,757)
Foreign currency translation	(1,182)	-	-	-	(1,090)	(348)	-	(2,620)
Balance, 30 September 2014	$ (25,486)	$ (4,716)	$ (6,140)	$ (3,943)	$ (24,975)	$ (7,658)	$ -	$ (72,918)
Net Book Value	**$ 12,148**	**$ 3,508**	**$ -**	**$ 3,781**	**$ 176,563**	**$ 7,345**	**$ 245,159**	**$ 448,504**

7. Trade Payables

During the prior year, the Company wrote off trade payables in the amount of $52,027 (31 December 2012 - $Nil). Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future *(Note 11)*.

During the prior year, the Company entered into an agreement with one of its vendors to repay an amount payable over two years.

8. Related Party Balances and Transactions

A summary of key management compensation is as follows:

		Three months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Accounting	$	18,400	18,500	55,950	56,200
Consulting		8,100	8,100	24,300	21,600
Legal		-	-	2,000	1,839
Salaries and benefits		87,500	87,500	262,500	262,500
Total	$	114,000	114,100	344,750	342,139

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

		30 September 2014		31 December 2013
President and Chief Executive Officer	**$**	**64,583**	$	64,583
Vice President, Exploration and Development		**64,583**		64,583
Chief Financial Officer		**-**		12,500
Corporate Secretary		**-**		2,836
Total	**$**	**129,166**	$	144,502

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.

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

9. Restoration and Environmental Obligations

The Company's restoration and environmental obligations consist of reclamation and closure costs for the Golden Summit Property *(Note 5a)*. The present value of the estimated obligations relating to properties is $530,574 (31 December 2013 - $488,684) using discount rates at which cash flows have been discounted by 4.25%. Significant reclamation and closure cost activities include, land rehabilitation, demolition of field camps, ongoing care and maintenance and other costs.

The undiscounted reclamation and closure cost obligation at 30 September 2014 is $531,800 (US$500,000) (31 December 2013 - $531,800 (US$500,000)) and the cash outflows are expected to occur in 2015.

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

		30 September 2014		31 December 2013
Balance, beginning of year	**$**	**488,684**	$	438,197
Addition		**-**		-
Accretion		**15,646**		19,588
Foreign currency translation		**26,244**		30,899
Balance, end of period	**$**	**530,574**	$	488,684

10. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At 30 September 2014, the Company had 83,998,351 common shares outstanding (31 December 2013 – 75,421,028).

a) **Share Issuances and Other**

On 11 September 2014, the Company closed a non-brokered private placement of 5,000,000 units at $0.20 per unit for gross proceeds of $1,000,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017. 171,500 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017 *(Note 10c)*.

On 28 March 2014, the Company closed a non-brokered private placement of 2,827,323 units at $0.23 per unit for proceeds of $650,284. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.30 per share exercisable until 28 March 2015 and at a price of $0.35 per share exercisable until 28 March 2016. 44,555 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.30 per share exercisable until 28 March 2015 and at a price of $0.35 per share exercisable until 28 March 2016 *(Note 10c)*.

On 20 September 2013, the Company closed a non-brokered private placement of 1,250,000 units at $0.40 per unit for proceeds of $500,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.50 per share exercisable until 20 September 2015 *(Note 10c)*. The Company recorded share issuance costs of $7,583 in relation to the private placement.

On 2 August 2012, the Company closed a non-brokered private placement of 3,411,957 units at $0.56 per unit for proceeds of $1,910,696. Each unit consists of one common share and one half non-transferable share purchase warrant. 1,655,977 warrants were issued to purchase one additional common share at a price of $0.65 per share exercisable until 2 February 2014 and 50,000 warrants were issued to purchase one additional common share at a price of $0.65 per share exercisable until 15 February 2014. 115,465 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.65 per share exercisable until 2 February 2014 *(Note 10c)*.

b) **Exercise of Warrants and Options**

i) During the period, a total of Nil (30 September 2013 – 148,144) warrants were exercised for gross proceeds of $Nil (30 September 2013 – $96,294).

ii) During the period, a total of Nil (30 September 2013 – Nil) options were exercised for gross proceeds of $Nil (30 September 2013 – $Nil).

c) **Share Purchase Warrants**

The following is a summary of the changes in the Company's share purchase warrants for the nine month period ended 30 September 2014 and the year ended 31 December 2013:

	30 September 2014		31 December 2013	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding, beginning of the year	2,948,298	0.59	4,524,441	0.65
Granted	2,871,878	0.30/0.35	1,250,000	0.50
Exercised	-	-	(148,144)	0.65
Amended old	(1,698,297)	0.65	-	-
Amended new	1,698,297	0.25	-	-
Amended old	(1,250,000)	0.50	-	-
Amended new	1,250,000	0.25/0.30	-	-
New	5,171,500	0.25/0.30	-	-
Expired	-	-	(2,677,999)	0.65
Outstanding, end of period	10,991,676	0.27	2,948,298	0.59

The following table summarizes information regarding share purchase warrants outstanding as at 31 as at 30 September 2014:

	Number	Price per Share	Expiry Date	
	1,630,978	$0.25	2 August 2015	****
	17,320	$0.25	2 August 2015	****
	50,000	$0.25	15 August 2015	****
	1,250,000	$0.30	20 September 2015	***
	2,871,878	$0.30/$0.35	28 March 2015/2016	**
	5,171,500	$0.25/$0.30	11 September 2016/2017	*
Total	10,991,676			

* During the period, 5,171,500 share purchase warrants having a fair value of $455,557 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.25 per share exercisable until 11 September 2016 and at a price of $0.30 per share exercisable until 11 September 2017 *(Note 10a)*.

** During the period, 2,871,878 share purchase warrants having a fair value of $244,038 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.30 per share exercisable until 28 March 2015 and at a price of $0.35 per share exercisable until 28 March 2016 *(Note 10a)*.

*** During the prior year, 1,250,000 share purchase warrants having a fair value of $147,088 were issued relating to private placements. Each warrant entitled the holder to purchase one additional common share at a price of $0.50 per share exercisable until 20 September 2015 *(Note 10a)*.

*** On 24 January 2014, the Company amended the original exercise price for 1,250,000 warrants from $0.50 to $0.25 per share exercisable until 20 September 2014 and to $0.30 exercisable until 20 September 2015; provided that if the Company's common shares trade on the TSX at or above a volume weighted average trading price of $0.50 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. This amendment resulted in an incremental fair value of $29,463 recorded to financing cost.

**** During the prior year, 1,821,442 share purchase warrants having a fair value of $396,546 were issued relating to private placements. 1,655,977 warrants were issued to purchase one additional common share at a price of $0.65 per share exercisable until 2 February 2014 and 50,000 warrants were issued to purchase one additional common share at a price of $0.65 per share exercisable until 15 February 2014. 115,465 broker warrants were issued that entitle the holder to purchase one additional common share at a price of $0.65 per share exercisable until 2 February 2014 *(Note 10a).* During the prior year, 148,144 warrants were exercised for proceeds of $96,294.

**** On 24 January 2014, the Company amended the expiry date for 1,648,298 share purchase warrants from 2 February 2014 to 2 August 2014 and amended the expiry date for 50,000 share purchase warrants from 15 February 2014 to 15 August 2014. The original exercise price for these share purchase warrants have also been amended from $0.65 to $0.25 per share; provided that if the Company's common shares trade on the TSX at or above a volume weighted average trading price of $0.50 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. This amendment resulted in an incremental fair value of $155,228 recorded to financing cost. On 11 August 2014, the Company amended the expiry date for 1,648,298 share purchase warrants from 2 August 2014 to 2 August 2015 and amended the expiry date for 50,000 share purchase warrants from 15 August 2014 to 15 August 2015. The exercise price for these share purchase warrants remained the same at $0.25 per share; provided that if the Company's common shares trade on the TSX at or above a volume weighted average trading price of $0.50 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. This amendment resulted in an incremental fair value of $124,825 recorded to financing cost.

During a prior year, 4,583,331 share purchase warrants having a fair value of $859,060 were issued relating to private placements. Each warrant entitles the holder to purchase one additional common share at a price of $0.59 per share exercisable until 16 March 2012 and at a price of $0.65 per share exercisable from 17 March 2012 until 16 March 2013. During the year, 50,000 warrants were exercised for proceeds of $32,500. Effective 16 March 2013, the exercise date of 2,677,999 share purchase warrants was amended from previously 16 March 2013 to 16 September 2013 resulting in an incremental fair value of $276,316 recorded to financing cost. This amount is shown as a financing cost. 298,000 of these warrants are held by directors and officers of the Company and the extension of such warrants was approved by shareholders of the Company, excluding the votes attached to common shares beneficially owned by holder of the insider warrants, at the Company's 28 June 2013 Annual and Special General Meeting. The exercise price of the warrants of $0.65 per common share remained the same. On 16 September 2013, these warrants expired unexercised.

d) **Share Purchase Options**

The Company has established a new stock option plan (the "2012 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 and Special Meeting held on 29 June 2012, shareholders 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 2012 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 2012 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.

A summary of the Company's options at 30 September 2014 and the changes for the year are as follows:

Number Outstanding 31 December 2013	Granted	Exercised	Cancelled	Expired	Number Outstanding 30 September 2014	Number Exercisable 30 September 2014	Exercise Price Per Share	Expiry Date
604,167	-	-	-	-	604,167	604,167	$ 0.48	26 February 2015
800,000	-	-	-	-	800,000	800,000	$ 0.50	29 October 2015
2,035,000	-	-	-	-	2,035,000	2,035,000	$ 0.87	10 May 2016
1,585,000	-	-	-	-	1,585,000	1,585,000	$ 0.65	20 October 2016
20,000	-	-	-	-	20,000	20,000	$ 0.75	20 February 2017
200,000	-	-	-	-	200,000	200,000	$ 0.92	12 November 2017
150,000	-	-	-	-	150,000	75,000	$ 0.27	1 December 2016
-	700,000	-	-	-	700,000	573,215	$ 0.25	1 January 2019
-	150,000	-	-	-	150,000	150,000	$ 0.20	23 July 2019
5,394,167	850,000	-	-	-	6,244,167	6,042,382		

During the period, the Company granted the following options to consultants of the Company which vest on the following dates:

Vesting Date	Exercise Price	Number of options	**2014 Vested Amount**
1 January 2014	$0.25	300,000	**$60,969***
1 June 2014	$0.25	146,429	**20,399****
1 July 2014	$0.25	42,262	**5,815****
1 August 2014	$0.25	42,262	**5,764****
1 September 2014	$0.25	42,262	**5,660****
1 October 2014	$0.25	42,262	**-**
1 November 2014	$0.25	42,262	**-**
1 December 2014	$0.25	42,261	**-**
Total		700,000	**$98,607**

*The $60,969 estimated fair value of these options is recorded in the Company accounts as deferred exploration costs calculated on the vesting date. The offsetting entry was to stock options reserve.

**The $37,638 estimated fair value of these options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to stock options reserve.

During the period, the Company granted the following options to a Director of the Company which vested immediately:

	Exercise Price	Number of options	**2014 Vested Amount**
Total	$0.20	150,000	**$23,559**

*The $23,559 estimated fair value of these options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to stock options reserve.

During the prior year, the Company granted the following options to a consultant of the Company which vest on the following dates:

Vesting Date	Exercise Price	Number of options	**2014 Vested Amount**
1 March 2014	$0.27	37,500	**$4,959**
1 June 2014	$0.27	37,500	**3,318**
1 September 2014	$0.27	37,500	**-**
1 December 2014	$0.27	37,500	**-**
Total		150,000	**$8,277**

The total estimated fair value of the options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to stock options reserve.

During a prior year, the Company granted the following options to a consultant of the Company which vest on the following dates:

Vesting Date	Exercise Price	Number of options	**2013 Vested Amount**
12 February 2013	$0.92	50,000	**$25,711**
12 May 2013	$0.92	50,000	**12,817**
12 August 2013	$0.92	50,000	**11,863**
12 November 2013	$0.92	50,000	**9,070**
Total		200,000	**$59,461**

The total estimated fair value of the options is recorded in the Company accounts as share-based payments expense calculated on the vesting date. The offsetting entry was to stock options reserve.

The total estimated fair value of the vested 337,500 (30 September 2013 - 50,000) options is $65,928 (30 September 2013 - $25,711) and $4,959 was recorded in the Company accounts as share-based payments expense and $60,969 was recorded in the Company accounts as deferred exploration costs. The offsetting entry was to stock options reserve.

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

	30 September 2014	31 December 2013
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**114.51%**	115.13%
Risk-free interest rate	**1.90%**	1.48%
Expected life of options	**4.80 years**	4.38 years

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

e) **Shareholders Rights Plan**

Effective 9 May 2012, the Board of Directors 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 of Directors additional time to consider alternatives in maximizing for shareholders the full and fair value for their common shares.

11. Commitments and Contingency

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

	< 1 year	2-5 years	> 5 years	Total
Office lease - Vancouver	$ 41,412	$ 41,413	$ -	$ 82,825
Photocopier lease payments	$ 3,888	$ 3,113	$ -	$ 7,001

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

c) On 30 January 2013, the Company paid US$70,000 to extend the Vinasale lease by one year and was required to incur an additional US$1,500,000 in exploration expenditures by 31 December 2013. The Company did not complete these expenditures and is actively engaged in negotiations to amend the terms of the current agreement *(Note 5c)*.

d) During the prior year, the Company wrote off trade payables in the amount of $52,027 (31 December 2012 - $Nil). Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future *(Note 7)*.

12. Segmented Information

Details on a geographic basis as at 30 September 2014 are as follows:

	USA	Canada	Total
Loss for the period	**$ (26,583)**	**$ (1,355,979)**	**$ (1,382,562)**
Comprehensive gain (loss) for the period	**$ 1,908,412**	**$ (1,355,979)**	**$ 552,433**
Current assets	**$ 255,452**	**$ 788,146**	**$ 1,043,598**
Property, plant and equipment	**$ 441,215**	**$ 7,289**	**$ 448,504**
Exploration and evaluation properties	**$ 39,243,140**	**$ -**	**$ 39,243,140**
Total assets	**$ 39,939,807**	**$ 795,435**	**$ 40,735,242**

Details on a geographic basis as at 31 December 2013 are as follows:

	USA	Canada	Total
Loss for the year	**$ (88,755)**	**$ (1,720,100)**	**$ (1,808,855)**
Comprehensive gain for the year	**$ 2,158,775**	**$ (1,720,100)**	**$ 438,675**
Current assets	**$ 421,556**	**$ 640,562**	**$ 1,062,118**
Property, plant and equipment	**$ 428,762**	**$ 8,975**	**$ 437,737**
Exploration and evaluation properties	**$ 36,240,324**	**$ -**	**$ 36,240,324**
Total assets	**$ 37,090,642**	**$ 649,537**	**$ 37,740,179**

Details on a geographic basis as at 30 September 2013 are as follows:

	USA	Canada	Total
Loss for the period	$ (26,336)	$ (1,392,214)	$ (1,418,550)
Comprehensive gain (loss) for the period	$ 1,101,573	$ (1,392,214)	$ (290,641)
Current assets	$ 269,394	$ 1,869,470	$ 2,138,864
Property, plant and equipment	$ 419,125	$ 9,719	$ 428,844
Exploration and evaluation properties	$ 34,301,586	$ -	$ 34,301,586
Total assets	$ 34,990,105	$ 1,879,189	$ 36,869,294

13. Comparative Figures

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

14. Financial Instruments and Risk Management

a) **Financial Instruments**

The carrying value of financial assets and liabilities at 30 September 2014 and 31 December 2012 are as follows:

		30 September 2014		31 December 2013
Financial Assets				
FVTPL, measured at fair value				
Cash and cash equivalents	**$**	**801,392**	$	765,530
Loans and receivables, measured at amortized cost				
Receivables		**3,252**		1,351

		30 September 2014		31 December 2013
Financial Liabilities				
Other liabilities, measured at amortized cost				
Trade payables	**$**	**476,477**	$	213,102
Trade payables – long term		**260,963**		247,822
Due to related parties	**$**	**129,166**	$	144,502

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

		30 September 2014		31 December 2013
		Level 1		Level 1
Cash and cash equivalents	**$**	**801,392**	$	765,530

There were no transfers between Level 1 and 2 in the period ended 30 September 2014.

b) **Capital Management**

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, accumulated other comprehensive income and deficit. The

Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended 30 September 2014. 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 30 September 2014, amounts receivable of $14,942 (31 December 2013 - $28,634) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $11,690 (31 December 2013 - $16,524), interest receivable of $1,074 (31 December 2013 - $274) and other receivables of $2,178 (31 December 2013 - $11,836). As a result, credit risk is considered insignificant.

d) **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As the Company's financial instruments are substantially comprised of cash and cash equivalents, liquidity risk is considered insignificant.

e) **Currency Risk**

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

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

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

The following table provides an indication of the Company's foreign currency exposures during the periods ended 30 September 2014 and 31 December 2013:

	30 September 2014	31 December 2013
Cash and cash equivalents	**US$ 126,429**	US$ 228,253
Trade payables	**US$ 595,996**	US$ 375,787

A 1% change in Canadian/US foreign exchange rate at year end would have changed the net loss of the Company, assuming that all other variables remained constant, by approximately $4,700 for the period ended 30 September 2014.

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 Risk**

The Company is not subject to interest risk.

g) **Commodity Price Risk**

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

15. Subsequent Event

The following significant event occurred from 30 September 2014 to the date the interim condensed financial statements were available to be issued on 31 October 2014.

i) On 30 October 2014, the Company terminated the option agreement for the Rob property in Alaska.