FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

31 MARCH 2015 and 2014

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position

Canadian Funds

ASSETS		31 March 2015		31 December 2014 (audited)
Current				
Cash and cash equivalents	$	**453,992**	$	234,901
Amounts receivable		**17,580**		12,220
Prepaid expenses and deposits		**87,109**		62,266
Assets held for sale *(Note 4)*		**161,478**		147,900
		720,159		457,287
Exploration and Evaluation Properties *(Note 5)*		**38,214,974**		34,887,888
Property, Plant and Equipment *(Note 6)*		**498,104**		460,188
	$	**39,433,237**	$	35,805,363

LIABILITIES				
Current				
Trade payables *(Note 7)*	$	**243,410**	$	149,239
Accrued liabilities		**25,741**		27,686
Due to related parties *(Note 8)*		**228,306**		151,042
		497,457		327,967
Restoration and Environmental Obligations *(Note 9)*		**609,401**		555,087
Trade payables – Non-current *(Note 7)*		**591,911**		542,141
		1,698,769		1,425,195
EQUITY				
Share Capital *(Note 10)*		**81,313,352**		81,313,352
Shares to be issued *(Note 10)*		**440,000**		-
Reserves		**20,282,919**		17,092,416
Deficit		**(64,301,803)**		(64,025,600)
		37,734,468		34,380,168
	$	**39,433,237**	$	35,805,363

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

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD ON 11 May 2015:

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

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Changes in Equity

Canadian Funds

	Common Shares	Amount	Shares to be issued	Stock Options Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance – 31 December 2013 (audited)	**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)*	2,827,323	650,284	-	-	-	-	-	650,284
- Value assigned to warrants *(Notes 10a and 10c)*	-	(240,252)	-	-	240,252	-	-	-
Fair value of change in exercise price of warrants *(Note 10c)*	-	-	-	-	184,691	-	-	184,691
Share-based payments *(Note 10d)*	-	-	-	65,928	-	-	-	65,928
Share issuance costs *(Note 10a)*	-	(14,033)	-	-	3,786	-	-	(10,247)
Foreign currency translation adjustment	-	-	-	-	-	1,427,829	-	1,427,829
Loss for the period	-	-	-	-	-	-	(545,531)	(545,531)
Balance – 31 March 2014	**78,248,351**	**80,515,933**	**-**	**7,048,154**	**5,024,061**	**2,614,184**	**(56,815,309)**	**38,387,023**
Balance – 31 December 2014 (audited)	**83,998,351**	**81,313,352**	**-**	**7,117,435**	**5,439,656**	**4,535,325**	**(64,025,600)**	**34,380,168**
Issuance and allotment of shares for:								
- Shares to be issued *(Note 10a)*	-	-	440,000	-	-	-	-	440,000
Foreign currency translation adjustment	-	-	-	-	-	3,190,503	-	3,190,503
Loss for the period	-	-	-	-	-	-	(276,203)	(276,203)
Balance – 31 March 2015	**83,998,351**	**$ 81,313,352**	**$ 440,000**	**$ 7,117,435**	**$ 5,439,656**	**$ 7,725,828**	**$ (64,301,803)**	**$ 37,734,468**

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Loss and Comprehensive Income (Loss)

For the Three months Ended 31 March

Canadian Funds

		2015		2014
General and Administrative Expenses				
Consulting fees *(Note 8)*	**$**	**32,400**	$	37,425
Share-based payments *(Note 10d)*		**-**		4,959
Travel and transportation		**23,589**		59,554
Promotion and shareholder relations		**15,584**		44,321
Professional fees (*Note 8)*		**18,800**		20,923
Wages, salaries and benefits *(Note 8)*		**102,869**		105,394
Transfer, filing and other fees		**51,327**		52,527
Rent and utilities		**10,803**		10,676
Office and miscellaneous		**12,649**		15,568
Depreciation *(Note 6)*		**3,704**		3,956
Accretion *(Note 9)*		**3,345**		5,273
Total General and Administrative Expenses		**(275,070)**		(360,576)
Other Income (Expenses)				
Interest income		**104**		1,004
Foreign exchange gain, net		**(569)**		(735)
Interest and bank charges		**(668)**		(533)
Financing cost *(Note 10c)*		**-**		(184,691)
		(1,133)		(184,955)
Net Loss for the Period	**$**	**(276,203)**	$	(545,531)
Loss per Share – Basic and Diluted	**$**	**(0.00)**	$	(0.01)
Weighted Average Number of Shares Outstanding		**83,998,351**		75,515,272
Comprehensive Income (Loss)				
Net loss for the period	**$**	**(276,203)**	$	(545,531)
Foreign currency translation adjustment		**3,190,503**		1,427,829
Total Comprehensive Income for the Period	**$**	**2,914,300**		882,298
Comprehensive Income per Share – Basic and Diluted	**$**	**0.03**	$	0.01

Freegold Ventures Limited
(An Exploration Stage Company)

Condensed Consolidated Statements of Cash Flows

For the Three months Ended 31 March

Canadian Funds

Cash Resources Provided By (Used In)		**2015**		2014
Operating Activities				
Loss for the period	**$**	**(276,203)**	$	(545,531)
Items not affecting cash:				
Depreciation		**3,704**		3,956
Accretion		**3,345**		5,273
Financing cost		**-**		184,691
Share-based payments		**-**		4,959
Net changes in non-cash working capital components:				
Amounts receivable		**(5,361)**		17,402
Prepaid expenses and deposits		**(24,843)**		31,477
Trade payables		**105,619**		(61,847)
Accrued liabilities		**(1,945)**		(18,700)
Due to related parties		**77,264**		(15,335)
		(118,420)		(393,655)
Investing Activities				
Exploration and evaluation property acquisition costs		**(53,197)**		(44,356)
Exploration and evaluation property deferred exploration costs		**-**		(80,756)
		(53,197)		(125,112)
Financing Activities				
Share capital issued		**-**		650,284
Share capital to be issued		**440,000**		-
Share issuance costs		**-**		(10,247)
		440,000		640,037
Effect of Foreign Currency on Cash and Cash Equivalents		**(49,292)**		68,034
Net Increase (Decrease) in Cash and Cash Equivalents		**219,091**		189,304
Cash and cash equivalents - Beginning of year		**234,901**		765,530
Cash and Cash Equivalents - End of Period	**$**	**453,992**	$	954,834
Interest paid	**$**	**669**	$	338
Interest received	**$**	**-**	$	57
Income taxes paid	**$**	**-**	$	-
Supplemental Disclosure of Non-Cash Items				
Exploration expenditures included in trade payables	**$**	**(38,322)**	$	(55,193)
Share-based compensation in mineral property	**$**	**-**	$	(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 March 2015 and for the period then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has comprehensive income of $2,914,300 for the period ended 31 March 2015 (31 March 2014 – $882,298) and has working capital of $222,702 at 31 March 2015 (31 December 2014 – $129,320).

The Company had cash and cash equivalents of $453,992 at 31 March 2015 (31 December 2014 - $234,901), 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 consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

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

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended 31 December 2014.

a) **Consolidation**

These 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. (inactive), Dolphin Gold, Inc., Grizzly Bear Gold Inc. and McGrath Gold Inc. (inactive). All subsidiaries are US corporations which are involved in exploration and evaluation of properties. Inter-company balances are eliminated upon consolidation.

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

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

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

3. Approval

These consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on 11 May 2015.

4. Assets Held For Sale

	31 March 2015	31 December 2014
Opening assets held for sale	**$ 147,900**	$ 150,555
Dispositions	**-**	-
Write down	**-**	(15,591)
Foreign currency translation	**13,578**	12,936
Ending assets held for sale	**$ 161,478**	$ 147,900

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 2014, the Company sold $Nil (31 December 2013 - $54,330) of equipment for proceeds of $Nil (31 December 2013 - $57,500) resulting in a gain of $Nil (31 December 2013 – gain of $3,170). During the year ended 31 December 2014, the Company wrote-down $15,591 (31 December 2013 - $Nil) to reflect the current estimated value. The Company is actively pursuing the disposal of its remaining mining equipment and expects to dispose of these assets in 2015.

Notes to Condensed Consolidated Financial Statements

31 March 2015 and 2014

Canadian Funds

5. Exploration and Evaluation Properties

	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
Shares issued	-	-	-	150,000	150,000
Additions	286,580	-	11,089	53,322	350,991
Foreign currency translation	169,843	-	27,050	8,614	205,507
Write downs	-	-	(330,629)	-	(330,629)
Balance, 31 December 2014	$ 2,328,392	$ -	$ -	$ 211,936	$ 2,540,328
Exploration and evaluation costs					
Balance, 31 December 2013	$ 28,454,458	$ -	$ 5,621,407	$ -	$ 34,075,865
Assaying	11,642	-	-	14,169	25,811
Engineering and consulting	55,868	-	-	9,411	65,279
Geological and field expenses	136,240	-	3,443	25,284	164,967
Helicopter support	-	-	-	18,931	18,931
Geophysical	16,004	-	-	112,849	128,853
Preliminary economic assessment	181,140	-	-	-	181,140
Metallurgical studies	123,917	-	-	-	123,917
Environmental studies	106,136	-	-	-	106,136
Permitting	4,865	-	-	-	4,865
Land maintenance and tenure	74,719	538	-	13,797	89,054
Personnel	320,708	-	18,393	77,191	416,292
Foreign currency translation	2,590,231	-	510,028	-	3,100,259
Write downs	-	(538)	(6,153,271)	-	(6,153,809)
Balance, 31 December 2014	$ 32,075,928	$ -	$ -	$ 271,632	$ 32,347,560
Total	**$ 34,404,320**	**$ -**	**$ -**	**$ 483,568**	**$ 34,887,888**

		Golden Summit Property		Shorty Creek Property		Total
Acquisition costs						
Balance, 31 December 2014	$	2,328,392	$	211,936	$	2,540,328
Additions		53,197		-		53,197
Foreign currency translation		213,753		19,457		233,210
Balance, 31 March 2015	$	2,595,342	$	231,393	$	2,826,735
Exploration and evaluation costs						
Balance, 31 December 2014	$	32,075,928	$	271,632	$	32,347,560
Geological and field expenses		10,575		-		10,575
Legal		24,682		-		24,682
Personnel		3,065		-		3,065
Foreign currency translation		2,969,092		33,265		3,002,357
Balance, 31 March 2015	$	35,083,342	$	304,897	$	35,388,239
Total	**$**	**37,678,684**	**$**	**536,290**	**$**	**38,214,974**

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 Mines Partnership ("Keystone") whereby the Company agreed to make advance royalty payments of US$15,000 per year. In May 2000, the agreement was renegotiated and on 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	$	112,500	(paid)
2014	$	37,500	(paid in 2015)
2015	$	150,000	
2016 – 2019 (US$150,000 per year)	$	600,000	

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. 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$50,000 (paid)	US$1,000,000 (incurred)
1 December 2014	US$50,000 (*paid subsequently)	-
1 December 2015 to 2019	US$100,000 per year	-
1 December 2020 to 2029	US$200,000 per year	-
Total	US$3,000,000	

* US$50,000 was paid subsequent to the period ended 31 March 2015 and the lease agreement remains in good standing.

(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.

* The US$50,000 exploration expenditure commitment has been waived and the lease agreement remains in good standing.

(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) **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.

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

During the year ended 31 December 2014, the Company assessed its Vinasale property for indicators of impairment in accordance with IFRS 6 and IAS 36. Due to the economic uncertainty in general, and the downturn in the mining industry in particular, the Company made the decision to significantly reduce future exploration expenditures on the Vinasale property. As a result of the lack of planned expenditures on the property, the Company recorded a loss on impairment of $6,483,900.

After further discussions with Doyon, the Company decided it would be in the best interest of the Company not to pursue further negotiations on the Vinasale Lease and notified Doyon on 30 March 2015 that it would not be pursuing the Vinasale project.

d) **Rob Property, Alaska, USA**

By agreement dated 9 July 2002, the Company had 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.

During the year ended 31 December 2014, the Company terminated the option agreement and wrote off its remaining interest of $538 (31 December 2013 - $89,798).

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.

During the year ended 31 December 2014, the Company did not renew its interest in the property and wrote off its remaining interest of $Nil (31 December 2013 - $1,528).

6. Property, Plant and Equipment

	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	3,243	-	-	-	17,364	1,292	21,123	43,022
Balance, 31 December 2014	$ 38,982	$ 8,224	$ 6,140	$ 7,724	$ 208,753	$ 15,540	$ 253,937	$ 539,300
Accumulated Depreciation								
Balance, 31 December 2013	$ (20,854)	$ (3,698)	$ (6,140)	$ (3,275)	$ (18,533)	$ (6,041)	$ -	(58,541)
Depreciation	(4,655)	(1,357)	-	(890)	(7,207)	(1,711)	-	(15,820)
Foreign currency translation	(2,108)	-	-	-	(2,016)	(627)	-	(4,751)
Balance, 31 December 2014	$ (27,617)	$ (5,055)	$ (6,140)	$ (4,165)	$ (27,756)	$ (8,379)	$ -	$ (79,112)
Net Book Value	**$ 11,365**	**$ 3,169**	**$ -**	**$ 3,559**	**$ 180,997**	**$ 7,161**	**$ 253,937**	**$ 460,188**

Notes to Condensed Consolidated Financial Statements

31 March 2015 and 2014

Canadian Funds

	Automotive	Computer Equipment	Computer Software	Office Equipment	Exploration Office	Exploration Office Equipment	Land	Total
Costs								
Balance, 31 December 2014	$ 38,982	$ 8,224	$ 6,140	$ 7,724	$ 208,753	$ 15,540	$ 253,937	$ 539,300
Additions	-	-	-	-	-	-	-	-
Foreign currency translation	3,578	-	-	-	19,164	1,427	23,312	47,481
Balance, 31 March 2015	$ 42,560	$ 8,224	$ 6,140	$ 7,724	$ 227,917	$ 16,967	$ 277,249	$ 586,781
Accumulated Depreciation								
Balance, 31 December 2014	$ (27,617)	$ (5,055)	$ (6,140)	$ (4,165)	$ (27,756)	$ (8,379)	$ -	$ (79,112)
Depreciation	(928)	(238)	-	(178)	(1,970)	(390)	-	(3,704)
Foreign currency translation	(2,537)	-	-	-	(2,554)	(770)	-	(5,861)
Balance, 31 March 2015	$ (31,082)	$ (5,293)	$ (6,140)	$ (4,343)	$ (32,280)	$ (9,539)	$ -	$ (88,677)
Net Book Value	**$ 11,478**	**$ 2,931**	**$ -**	**$ 3,381**	**$ 195,637**	**$ 7,428**	**$ 277,249**	**$ 498,104**

7. Trade Payables

During the year ended 31 December 2014, the Company wrote off trade payables in the amount of $119,299 (31 December 2013 - $52,027). 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:

		31 March 2015		31 March 2014
Accounting – Chief Financial Officer	**$**	**18,800**	$	18,800
Consulting – Corporate Secretary		**8,100**		8,100
Salaries and benefits – President and Vice President		**87,500**		87,500
Total	**$**	**114,400**	$	114,400

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

		31 March 2015		31 December 2014
President and Chief Executive Officer	**$**	**104,687**	$	75,521
Vice President, Exploration and Development		**104,687**		75,521
Chief Financial Officer		**13,178**		-
Corporate Secretary		**5,754**		-
Total	**$**	**228,306**	$	151,042

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.

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 $609,401 (31 December 2014 - $555,087) using discount rates at which cash flows have been discounted by 4.25%. Significant reclamation and closure cost activities include, land rehabilitation, demolition of field camps, ongoing care and maintenance and other costs.

The undiscounted reclamation and closure cost obligation at 31 March 2015 is $580,050 (US$500,000) (31 December 2014 - $580,500 (US$500,000)) and the cash outflows are expected to occur in 2016.

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

		31 March 2015		31 December 2014
Balance, beginning of year	**$**	**555,087**	$	488,684
Accretion		**3,345**		21,086
Foreign currency translation		**50,969**		45,317
Balance, end of period	**$**	**609,401**	$	555,087

10. Share Capital

The Company has authorized an unlimited number of common shares with no par value. At 31 March 2015, the Company had 83,998,351 common shares outstanding (31 December 2014 – 83,998,351).

a) **Share Issuances and Other**

As at 31 March 2015, the Company received $440,000 towards a non-brokered private placement at $0.10 per unit. Each unit will consist of one common share and one-half non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of $0.15 per share exercisable for 3 years after closing *(Note 15)*.

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. Share issuance costs of $36,300 and 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. Share issuance costs of $10,248 and 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 8 August 2014, the Company issued 750,000 common shares valued at $150,000 as consideration for the Shorty Creek Property agreement dated 17 July 2014 *(Note 5d).*

b) **Exercise of Warrants**

No warrants were exercised during the current period or for the period ended 31 March 2014.

c) **Share Purchase Warrants**

The following is a summary of the changes in the Company's share purchase warrants for the three month period ended 31 March 2015 and the year ended 31 December 2014:

	31 March 2015		31 December 2014	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding, beginning of the year	10,991,676	0.27	2,948,298	0.59
Granted	-	-	2,871,878	0.30/0.35
Exercised	-	-	-	-
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
Granted	-	-	5,171,500	0.25/0.30
Expired	-	-	-	-
Outstanding, end of the period	10,991,676	0.27	10,991,676	0.27

The following table summarizes information regarding share purchase warrants outstanding as at 31 March 2015:

	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	$0.35	28 March 2016	**
	5,171,500	$0.25/$0.30	11 September 2016/2017	*
Total	10,991,676			

* During the year ended 31 December 2014, 5,000,000 share purchase warrants having a relative fair value of $328,584 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. The Company also issued 171,500 broker warrants valued at $15,107 with similar terms. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 2.5 years, interest rate of 1.17%, a dividend yield of 0% and historical volatility of 102% *(Note 10a)*.

** During the year ended 31 December 2014, 2,827,323 share purchase warrants having a relative fair value of $187,331 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. The Company also issued 44,555 broker warrants valued at $3,786 with similar terms. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 1.5 years, interest rate of 0.96%, a dividend yield of 0% and historical volatility of 116% *(Note 10a)*.

*** During the year ended 31 December 2013, 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. The fair values were calculated using the Black-Scholes option pricing model with an expected life of 2.0 years, interest rate of 1.23%, a dividend yield of 0% and historical volatility of 94% *((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 year ended 31 December 2012, 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.

d) **Share Purchase Options**

The Company has established a 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 31 March 2015 and the changes for the period are as follows:

Number Outstanding 31 December 2014	Granted	Exercised	Cancelled	Expired	Number Outstanding 31 March 2015	Number Exercisable 31 March 2015	Exercise Price Per Share	Expiry Date
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
700,000	-	-	-	-	700,000	700,000	$ 0.25	1 January 2019
150,000	-	-	-	-	150,000	150,000	$ 0.20	23 July 2019
6,094,167	-	-	-	(604,167)	5,490,000	5,490,000		

During the year ended 31 December 2014, the Company granted the following options to consultants of the Company which vested 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	**5,533****
1 November 2014	$0.25	42,262	**3,994****
1 December 2014	$0.25	42,261	**3,516****
Total		700,000	**$111,650**

*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 $50,681 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 year ended 31 December 2014, 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.

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:

	31 March 2015	31 December 2014
Expected dividend yield	**-**	0.00%
Expected stock price volatility	**-**	109.58%
Risk-free interest rate	**-**	1.68%
Expected life of options	**-**	4.69 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	$	20,707	$	-	$	62,119
Photocopier lease payments	$	3,888	$	1,169	$	-	$	5,057

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

c) During the previous year, the Company wrote off trade payables in the amount of $119,299 (31 December 2013 - $52,027). 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 31 March 2015 are as follows:

		USA		Canada		Total
Loss for the period	**$**	**(6,961)**	**$**	**(269,242)**	**$**	**(276,203)**
Comprehensive income (loss) for the period	**$**	**3,183,542**	**$**	**(269,242)**	**$**	**2,914,300**
Current assets	**$**	**184,691**	**$**	**535,468**	**$**	**720,159**
Property, plant and equipment	**$**	**491,792**	**$**	**6,312**	**$**	**498,104**
Exploration and evaluation properties	**$**	**38,214,974**	**$**	**-**	**$**	**38,214,974**
Total assets	**$**	**38,891,457**	**$**	**541,780**	**$**	**39,433,237**

Details on a geographic basis as at 31 December 2014 are as follows:

		USA		Canada		Total
Loss for the year	$	(6,416,566)	$	(1,339,256)	$	(7,755,822)
Comprehensive income (loss) for the year	$	(3,067,596)	$	(1,339,256)	$	(4,406,852)
Current assets	$	241,697	$	215,590	$	457,287
Property, plant and equipment	$	453,460	$	6,728	$	460,188
Exploration and evaluation properties	$	34,887,888	$	-	$	34,887,888
Total assets	$	35,583,045	$	222,318	$	35,805,363

Details on a geographic basis as at 31 March 2014 are as follows:

	USA	Canada	Total
Loss for the period	$ (8,768)	$ (536,763)	$ (545,531)
Comprehensive income (loss) for the period	$ 1,419,061	$ (536,763)	$ 882,298
Current assets	$ 327,124	$ 881,350	$ 1,208,474
Property, plant and equipment	$ 442,269	$ 8,413	$ 450,682
Exploration and evaluation properties	$ 37,908,527	$ -	$ 37,908,527
Total assets	$ 38,677,920	$ 889,763	$ 39,567,683

13. Comparative Figures

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

14. Financial Instruments and Risk Management

a) Financial Instruments

The carrying value of financial assets and liabilities at 31 March 2015 and 31 December 2014 are as follows:

	31 March 2015	31 December 2014
Financial Assets		
FVTPL, measured at fair value		
Cash and cash equivalents	**$ 453,992**	$ 234,901
Loans and receivables, measured at amortized cost		
Amounts receivable	**7,496**	278

	31 March 2015	31 December 2014
Financial Liabilities		
Other liabilities, measured at amortized cost		
Trade payables	**$ 243,410**	$ 149,239
Trade payables – non-current	**591,911**	542,141
Accrued liabilities	**25,741**	27,686
Due to related parties	**$ 228,306**	$ 151,042

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

		31 March 2015		31 December 2014
		Level 1		Level 1
Cash and cash equivalents	**$**	**453,992**	$	234,901

There were no transfers between Level 1 and 2 in the period ended 31 March 2015 and the year ended 31 December 2014.

b) **Capital Management**

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended 31 March 2015. Neither the Company nor its subsidiaries is subject to externally imposed capital requirements.

c) **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at 31 March 2015, amounts receivable of $17,580 (31 December 2014 - $12,220) was comprised of Goods and Services Tax/Harmonized Sales Tax receivable of $10,084 (31 December 2014 - $11,942), interest receivable of $382 (31 December 2014 - $278) and other receivables of $7,114 (31 December 2014 - $Nil). As a result, credit risk is considered insignificant.

d) **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at 31 March 2015, the Company had cash of $453,992 to settle current liabilities of $497,457 which have contractual maturities of less than 30 days and are subject to normal trade terms.

e) **Currency Risk**

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

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by 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 statement of financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations.

The following table provides an indication of the Company's foreign currency exposures during the periods ended 31 March 2015 and 31 December 2014:

	31 March 2015	31 December 2014
Cash and cash equivalents	**US$ 46,861**	US$ 99,121
Trade payables	**US$ 554,513**	US$ 533,432

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 $5,076 for the period ended 31 March 2015.

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

f) **Interest Risk**

The Company is not subject to interest risk.

g) **Commodity Price Risk**

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

15. Subsequent Event

The following event occurred subsequent to 31 March 2015:

i) On 4 May 2015, the Company completed a non-brokered private placement of 6,872,500 ("Units"), priced at $0.10 per Unit for total proceeds of $687,250 which includes $440,000 received as at 31 March 2015 *(Note 10a)*. Each Unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire an additional Share at a price of $0.15 per Share for a period of 3 years from the date of closing. Each Warrant is subject to accelerated expiry provisions such that if at any time after the expiry of any resale restriction governing the subscribed Shares, the Corporation's common shares trade on the TSX at or above a volume weighted average trading price of $0.30 per common share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice. All securities issued bear a legend restricting resale until 5 September 2015.