

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

MANAGEMENT DISCUSSION & ANALYSIS

The following discussion and analysis is management's assessment of the results and financial condition of Freegold Ventures Limited (the "Company" or "Freegold") for the three month period ended March 31, 2007 and should be read in conjunction with the consolidated financial statements for the three month period ended March 31, 2007 and related notes contained in the report. The date of this management's discussion and analysis is May 15, 2007. Additional information on the Company is available on SEDAR at { HYPERLINK "http://www.sedar.com" }.

Business of Freegold

Freegold is an exploration stage company engaged in the acquisition exploration and evaluation of mineral properties of merit with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation.

Forward looking statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Review of Exploration Projects

Almaden Gold Project, Idaho

Freegold is re-activating and re-evaluating its Almaden gold project. Located 12 miles east of Weiser, Idaho, this 2,980-acre property is within one mile of paved road and in close proximity (six miles) to Idaho Power's transmission lines. Freegold acquired its initial interest in this project in 1995, and increased its interest to 60% by completing a feasibility study in 1997. The 1997 study by Watts, Griffis and McQuat Limited is referenced in a new 43-101 report that was filed on SEDAR on March 15, 2006. The historic WGM 1997 study contemplated a 22,500-ton per day open-pit, heap leach operation producing an average of 95,000 ounces of gold per year at an overall 0.6 to 1 strip ratio. In 2001, Freegold purchased the remaining 40% interest and now controls 100% of this project, subject to the underlying lease and royalty agreements.

Almaden is a classic hot spring epithermal gold deposit. Gold mineralization occurs as a flat lying, tabular deposit dispersed beneath a thin impermeable opalite cap rock. There are two known zones of mineralization on the Almaden property: the Main Zone, and a smaller North Zone. Combined, these zones are roughly one mile in length, and gold mineralization extends from surface down to a currently known depth of 600 feet. Freegold's 43-101 report contained an independent resource calculation showing 515,834 ounces in the Indicated category (24,778,000 tons grading 0.021 oz/ton) and 359,802 ounces in the Inferred category (19,989,000 tons grading 0.018 oz/ton). The current gold resource at Almaden is defined by 677 drill holes (88% of which are less than 100 feet apart), with homogeneous mineralization exhibiting good continuity. Following the completion of a new geological model (which was still in progress at the time of the 43-101 report was finalized), it is anticipated that the bulk of these resources will be brought back into the measured and indicated category as part of the next resource evaluation.

Freegold commenced a new 34,000-foot drill program in July 2006. One core rig and one reverse circulation rig are currently on the property in a program that is designed to define new gold resources at

Almaden. This new drilling follows the recent re-evaluation of the company's 1997 feasibility study by Hatch Limited. The WGM study recommended that additional drilling be conducted to test areas of the deposit that remained open laterally and at depth. These possible expansion areas were confirmed during Freegold's re-modelling of the deposit, and include the following:

- the periphery of the Main and North zones where a number of holes drilled by previous operators intercepted thick intervals of resource grade mineralization (+.011 oz/ton cut-off) that were not brought into the model due to the wide spacing of the drilling;
- the southern portion of the Main zone which remains open;
- depth extensions within the Main and North zones where prior drill holes ended in resource grade material; and
- an area 1,500 feet to the west of the North Zone where seven previous holes intersected significant shallow mineralization (eg. hole SW13: 180 feet grading 0.038 oz/ton, hole SW40: 160 feet grading 0.053 oz/ton). Six of these holes containing resource-grade mineralization are located in a 200-foot by 50-foot wide area that is currently open for more than 500 feet in two directions and between 200 and 300 feet in the other two directions.

The 34,000 foot resource expansion program is comprised of approximately 2,500 feet of large diameter PQ core drilling that is being used for supplemental metallurgical testing, 16,500 feet of HQ core drilling, and 15,000 feet of RC drilling. Drilling from this first phase is forecast to be complete by the end of May 2007 at which time a new independent 43-101 resource calculation will be generated. Mine Development Associates ("MDA") of Reno, NV has been engaged to assist the Company in the ongoing modelling of the deposit, and to prepare an updated 43-101 compliant resource calculation.

The drill program is having success in delineating depth extensions in the central part of the Main Zone. Drilling in this area has extended mineralization an additional 300 feet below the 200-foot depth that was previously identified in shallow drilling. The southern end of the Main Zone remains open, and drilling in this area is continuing to intersect higher-grade zones (e.g. Hole C-66 intercepts 440 feet grading 0.02 oz/ton gold, which includes 55 feet grading 0.051 oz/ton). Drilling is also being conducted to further define the eastern and western limits of the deposit, and numerous extensions of gold mineralization assaying above the resource cut-off grade have been identified. Current drilling is focused on the area around hole C-63, which recently discovered a new feeder structure and which intercepted the thickest and deepest mineralization to date on the property. Tests of this hydrothermal breccia zone to depths of up to 800 feet are in progress.

Upon the completion of the updated resource calculation by MDA and the metallurgical testing by McClelland, Freegold will initiate a new preliminary assessment to determine whether the original mine design in the 1997 WGM feasibility study remains the optimal manner in which to develop the deposit.

Subsequent exploration at Almaden will also be focused on the search for higher-grade bonanza gold mineralization in discrete feeder zones under the main lower-grade deposit, similar to mines in northern Nevada. No deeper drilling to test for bonanza grade gold targets has been conducted on the project to date, and Freegold's ongoing mapping and drilling is helping identify suitable targets to test in future drilling to depths of 1,000 to 1,500 feet.

Golden Summit Project, Alaska

Since 1992, Freegold has been systematically exploring the Golden Summit Project – located 20 miles north of Fairbanks, Alaska, and less than 5 miles away from one of Alaska's largest gold mine – Fort Knox (+350,000 oz/year). Freegold's 8-mile wide Golden Summit property is located at the center of the historic Fairbanks mining district, with approximately 6.75 million ounces of gold having been recovered from the streams that drain our project area. This property contains over 80 known gold occurrences, and has hosted the district's largest and highest-grade historic underground gold producers, with over 500,000 ounces of gold being produced from 1902 to 1942 at average grades in excess of 1 oz/ton. Freegold has conducted numerous exploration programs on its property, including drilling 188 holes (78,177 feet), 18,000 feet of

surface trenching and collecting and analyzing 7,729 soil samples, allowing Freegold to trim its initial 30,940-acre property holding to 7,500-acres which hosts the most prospective targets.

All of Freegold's work in 2006 was focused on the area surrounding the historic Cleary Hill mine, which was the largest underground producer in the district before its closure in 1942. Freegold's 2006 trenching and bulk sampling programs not only discovered a new eastern extension of the Cleary Hill vein, but more importantly, discovered the presence of mineralized zones of up to 100 feet wide from the extensive blebbing of gold mineralization, via smaller quartz vein splays and horsetails into both the hanging and foot wall rocks surrounding the Cleary Hill structure.

The discovery was initially made at the old Beistline shaft area, 1,300 feet to the east of the last Cleary Hill underground workings. Channel samples in the summer of 2006 along the 185-foot strike length of the 4" to 18" wide vein in this area averaged 1.15 oz/ton (39.5 g/tonne). Mineralization was noted to extend to the south, and five-foot long channel samples, extending 5-10 feet into the hanging wall returned assays of 25.3, 34.3, 31.1, 26.1 and 46.3 g/tonne (0.74 to 1.35 oz/ton). Overburden stripping in advance of bulk sampling in this area continued to expose additional mineralization further to the south. Samples taken from the walls of the 300' x 30' x 30' bulk sampling pit returned 18 oz/ton (616.7 g/tonne) and 1.9 oz/ton (65.2 g/tonne) over 3-foot long vertical channel samples located 20 feet apart, indicating that multi-oz/ton mineralization can also be found outside the main veins. Additional gold mineralization 80 feet to the south of the bulk-sample pit wall, assayed 0.65 oz/ton (22.3 g/tonne) over 15 feet, perpendicular to the strike of the structures.

A new vein swarm was also discovered in an area 1,000 feet to the south of the Cleary Hill structure. This swarm is comprised of a series of east-northeast trending veins and shear zones that to date have been traced over a 1,100 foot strike length.

Part of the 10,000-ton bulk sample collection in the fall of 2007 involved the construction of a haul road, which aided considerably in the identification of additional veins in the area, as the new road switched back and forth through the vein swarm. The best intercept in this area was the Wackwitz vein, where trenching discovered a new five-foot wide zone averaging 0.48 oz/ton (16.4 g/tonne) over 235 feet, including a higher-grade section of 85 feet averaging 1.01 oz/ton (34.8 g/tonne).

Broader shear zones, with gold grades in the 0.03 - 0.09 oz/ton (1 to 3 g/tonne) range were also discovered over widths up to 25 feet. The 10,000-ton bulk sample was taken from a total of eight locations, and representative material is currently being tested by McClelland Laboratories and Knelson Gravity Solutions. This testing is to determine an optimal flow sheet to process this material in the spring of 2007 using a portable on-site gravity concentration circuit. Permit applications have also been submitted that could allow for the mining and processing of up to 130,000 tons of material per year.

In addition to the ongoing collection and processing of material for grade confirmation and cash flow generation purposes, Freegold is also in the midst of a 25,000 foot shallow, close spaced drill program that is testing these two areas through their known 1,000 foot width, and at various locations along the known 3,500 foot strike length of this zone. Initial results from this drill program indicates that Golden Summit may have the potential to host bulk tonnage gold mineralization in addition to high-grade gold mineralization in individual veins.

Vinasale Gold Project, Alaska

On March 2, 2007, Freegold announced the signing of an Exploration with Option to Lease agreement on the Vinasale gold project. Vinasale is located 16 air miles south of McGrath, Alaska in a north trending belt of igneous intrusion-related deposits that includes the 33 million oz Donlin Creek deposit and the operating Nixon Fork gold mine. The property is under option from Doyon, Limited an Alaskan native regional corporation, which holds 100% of the 128,000-acre property.

Significant gold mineralization was first discovered at Vinasale by Central Alaska Gold Company (CAGC) in 1990. Subsequent drilling by CAGC and then joint venture partner Placer Dome established an initial gold resource of 614,000 oz (10.4 million tons @ 0.057 oz/ton). While the gold mineralization was found

to be refractory, metallurgical testing showed that 95% of the gold reported to the flotation concentrate, thereby considerably reducing the volume of material that would need to be processed in order to recover the gold. The property was subsequently optioned by ASA Montague in 1994 and additional soil sampling, followed by limited in-fill and expansion drilling was successful in further increasing the gold resource to 920,000 oz (18.04 million tons @ 0.051 oz/ton) based on the 36 holes that had been drilled into the Central Zone. (Note that these resource figures are historical in nature and are provided for informational purposes only. They are not 43-101 compliant, and as such should not be relied upon.) Previous wide-spaced drilling northeast and south of the known deposit indicates these areas may have potential for resource expansion while previous limited reconnaissance work has indicated that additional gold mineralization exists on the property outside the area known to contain resources.

Freegold's 2007 program will focus on expanding the current resources and testing other areas on the property that may have the potential to host additional resources. Initial programs will include geological mapping, sampling and geophysical surveys. Freegold will also be collecting new samples for further metallurgical testing. This test work will be conducted under the supervision of Freegold's new VP of Project Development, Jeff Woods, who has considerable experience in the metallurgical testing of refractory deposits, and in the design, construction and operation of numerous refractory processing plants.

Rob Project, Alaska

Acquired in 2002, Rob is the latest Freegold project in the company's portfolio to undergo a new re-evaluation. Since acquiring the project, Freegold conducted limited reconnaissance work on this 106-claim property, confirming the presence of high-grade gold mineralization from various large soil anomaly locations originally identified by the WGM/Sumitomo exploration team in the early 1990's. This team was also responsible for the discovery of the nearby Pogo deposit, a + 4 million oz gold deposit that is hosted in the same intrusive and metamorphic rocks, and on the flank of the same 18 mile long intrusive dome that hosts the Rob gold mineralization. Previous grab samples from Rob returned values of 25.2 oz/ton (856 g/tonne) gold (Blue Lead prospect) and 28.9 oz/ton (991 g/tonne) gold (Michigan prospect). Interest in the Goodpaster district, which hosts the Rob property, has picked up considerably with the commencement of production at the Pogo mine in 2006 (scheduled to be the largest gold mine in the State with annual production ranging from 350,000 to 500,000 oz/year) and most recently with the consolidation of a large land package surrounding the Pogo mine and our Rob property by the founder and former Chairman of Goldcorp., Robert McEwen. Freegold believes that Rob represents an excellent early stage exploration project that has the potential to add significant value to our portfolio.

Grew Creek Project, Yukon Territory

Acquired in 2004, Freegold is earning up to a 100% interest in a 25 km long claim block within the Tintina Trench. The Tintina Gold Belt, stretching from southeastern Yukon to southwestern Alaska, is one of the most prolific gold trends in North America and host's major gold deposits such as Donlin Creek, Fort Knox, Pogo, Dublin Gulch and Brewery Creek. The Grew Creek Project contains the first documented epithermal (hot springs) gold occurrence in the Yukon Territory, and evidence of hydrothermal activity is found throughout the property. One deposit (the Main Zone) was discovered on the property and delineated with 147 holes by prior operators in the late 1980's/early 1990's. Freegold undertook its own 12-hole confirmatory drilling program on the Main Zone in 2004. Intercepts from this program included: 297 feet grading 2.25 g/t and 145 feet grading 4.34 g/t. Other higher-grade intercepts within the Main Zone from drilling conducted by prior operators include: 59 feet grading 38.8 g/t and 20 feet grading 54.9 g/t (note: these results are not true width and are non 43-101 complaint results. These are presented here for historical purposes and should not be relied upon).

Freegold recently announced that it is developing new geological models for the deposition of gold mineralization in the Rat Creek and Tarn zones on the property following the identification of uranium in core drilled on the property by Freegold in 2006, and a re-assessment of multi-element assay results in light of new deposit types currently being explored for in the Yukon. Re-assaying of a radioactive core interval that had been held at the assay lab from Freegold's 2006 drill program into these two zones returned 1.52 m grading 0.1% U₃O₈. Areas of anomalous rare earth elements in glacial till plus elevated

arsenic, antimony, cobalt, tungsten, copper, lead, zinc, molybdenum and iron in drill core from Rat Creek and Tarn targets point to the need for new geological models (including Intrusion Related and Iron-Oxide Copper Gold deposit types). Freegold is currently seeking a joint venture partner to further exploration on this property.

Selected annual information

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

The following table summarizes selected financial data for Freegold for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and related notes.

	Years Ended December 31,(audited)		
	2006	2005	2004
Total revenues	\$126,882	\$40,434	\$168,823
General and administrative expenses	\$1,510,665	\$1,328,008	\$1,381,717
Mineral property costs	3,310,465	1,114,827	1,387,730
Income (loss) before extraordinary items			
➤ In total	(1,510,665)	(1,328,008)	(1,381,717)
➤ Basic and diluted loss per share	(0.04)	(0.04)	(0.05)
Net income (loss) before income taxes			
➤ In total	(1,772,633)	(1,368,370)	(2,018,689)
➤ Basic and diluted loss per share	(0.05)	(0.04)	(0.08)
Totals assets	12,381,233	9,431,704	10,442,657
Total long term liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

Selected quarterly financial information

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

	For the Quarters Ended (unaudited)							
	Mar. 31 2007	Dec. 31 2006	Sep 30 2006	Jun 30 2006	Mar 31 2006	Dec. 31 2005	Sep 30 2005	Jun 30 2005
Total revenues	\$115,286	\$44,728	\$10,987	\$67,509	\$3,658	\$25,065	\$6,865	\$4,933
Net loss – before tax	273,986	717,993	599,310	195,838	259,492	373,741	398,061	290,184
Net loss per share	0.01	0.02	0.02	0.01	0.01	0.01	0.01	0.01
Total assets	14,244,958	12,381,233	10,694,202	11,137,711	9,406,647	9,431,704	9,652,159	9,792,836

Results of operations

The three month period ended March 31, 2007 resulted in a net loss of \$273,986 which compares with a loss of \$259,492 for the same period in 2006. General and administrative expenses for the three month period ended March 31, 2007 were \$330,381, an increase of \$67,231 over the same period in 2006. Travel costs of \$70,392 were recorded as compared to \$20,216 during the previous year as the Company was actively increasing awareness of its exploration projects. The total fair value of stock options that vested using the Black-Scholes Option Pricing Model resulted in stock-based compensation expense of \$16,652 for the period ended March 31, 2007 compared to \$8,991 for the previous year. Interest charges of \$54,189 included a \$34,132 amount that relates to the valuation of the warrants that were issued in relation to the \$1,000,000 loan. All other general and administrative costs were relatively the same when compared to the previous year's three month period. Capital gains of \$109,370 were realized on the sale of investments as compared to \$Nil over the same period in 2006. Interest income of \$5,916 was also earned in 2007 as compared to \$3,658 in the previous three month period as the Company had more funds on deposit.

During the three month period ended March 31, 2007, the Company incurred mineral property deferred exploration costs of \$1,109,067. Of the deferred exploration costs, \$247,286 was incurred to review and update previous engineering and resource work and \$465,038 was incurred for drilling on the Almaden

project in Idaho. \$369,388 was incurred on the Golden Summit project in Alaska of which \$159,934 was for drilling and assays. A further \$26,832 was incurred on the newly optioned Vinasale project in Alaska. Mineral property acquisition costs of \$140,409 were also incurred which included \$42,909 for the Almaden Idaho project, \$11,500 cash and \$17,000 valued in shares for the Golden Summit Alaska project and \$69,000 for the newly optioned Vinasale project in Alaska.

Shareholder relations and promotional activities undertaken by the Company, which included attendance at various trade shows, cost \$23,229 for the period ended March 31, 2007, a decrease of \$14,352 over the same period in 2006.

Liquidity and capital resources

At March 31, 2007, the Company's working capital, defined as current assets less current liabilities, was \$1,132,333 compared with a deficit of \$805,360 at December 31, 2006. During the first quarter, the \$1,000,000 loan was repaid. During 2007, 7,206,342 shares were issued for gross proceeds of \$3,496,717.

The Company has an investment with a book value of \$181,027 and a market value of \$187,790 as at March 31, 2007. The investment consists of 528,986 shares of Pacific North West Capital Corp. This company has certain directors in common. These amounts are included in the above working capital. The Company had 47,494,224 issued and outstanding shares at March 31, 2007.

Contractual commitments

The Company is committed under an operating lease, for its office premises with the following lease payments to the expiration of the lease on June 30, 2010.

Fiscal year ended Dec. 31,	2007	2008	2009	2010	2011	Thereafter
Office lease	\$39,679	\$39,679	\$39,679	\$19,840	-	-

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates

A detailed summary of all the Company's significant accounting policies is included in Note 1 to the consolidated financial statements for the three month period ended March 31, 2007.

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

Change in accounting policies

There are no changes in significant accounting policies.

Auditors

The Company's auditors for the year ended December 31, 2005, Staley, Okada & Partners, have combined their practice with PricewaterhouseCoopers LLP. The directors subsequently appointed PricewaterhouseCoopers LLP as the Company's auditors for the year ending December 31, 2007.

Financial instruments and other instruments

Freegold's financial instruments consist of cash and cash equivalents, term deposits, accounts and advances receivable, portfolio investments, accounts payable, accrued liabilities, secured loans and amounts due to related parties. Unless otherwise noted, it is management's opinion that Freegold is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

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

Outstanding share data

The Company is authorized to issue unlimited common shares without par value. As at March 31, 2007, there were 47,494,224 outstanding common shares compared to 40,262,882 outstanding shares at December 31, 2006. The increase reflects the issuance of 577,271 performance shares, 6,629,071 shares for cash, and 25,000 shares for mineral properties.

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 Notes 8e to the consolidated financial statements to March 31, 2007.

Related party transactions

A total of \$25,920 was paid to a company controlled by Harry Barr, a Director and Chairman of the Company, for management services during the three month period ended March 31, 2007. A total of \$6,396 was paid to a company controlled by Taryn Downing, the Corporate Secretary of the Company, for Corporate secretarial services during the three month period ended March 31, 2007. A total of \$7,500 was paid to a company controlled by Gord Steblin, the Chief Financial Officer (CFO) of the Company for accounting services during the three month period ended March 31, 2007. A total of \$20,834 was paid and 50,000 performance shares issued to Kristina Walcott, the Vice-President Business Development. A total of \$32,854 was paid and 400,000 performance shares reserved for issuance to Jeff Woods, the Vice-President Project Development.

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 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 period ending March 31, 2007.

The CEO and CFO acknowledge responsibility for the design of internal control over financial reporting (ICFR), and confirm that there were no changes in these controls that occurred during the most recent period ended March 31, 2007 which materially affected, or are reasonably likely to materially affect the Company's ICFR.

Risks and uncertainties

The mineral industry is intensely competitive in all its phases. The Company competes with many other companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. Exploration for minerals is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body.

The Company's activities outside of Canada make it subject to foreign currency fluctuations and this may materially affect its financial position and results.

The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company's generative exploration programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the company's properties.

Outlook

The Company ended March 31, 2007 with working capital of \$1,132,333. The Company has repaid the \$1,000,000 loan and estimates that it will have adequate funds to meet its corporate, administrative and property obligations for the coming year.

Approval

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

FREEGOLD VENTURES LIMITED

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2007 and 2006

Prepared by Management

These financial statements have NOT been reviewed by the Company's auditors

Consolidated Balance Sheets

Canadian Funds

ASSETS	March 31, 2007	Dec. 31, 2006
Current		
Cash and cash equivalents	\$ 1,007,443	\$ 326,966
Term deposits	50,460	50,460
Accounts and advances receivable	8,405	16,180
Portfolio investments (Note 3)	181,027	232,219
Prepaid expenses and deposits	121,071	130,821
	<u>1,368,406</u>	<u>756,646</u>
Mineral Property Costs – Statement 5 (Note 4)	12,811,313	11,561,837
Property and Equipment (Note 5)	65,239	62,750
	<u>\$ 14,244,958</u>	<u>\$ 12,381,233</u>
LIABILITIES		
Current		
Accounts payable	\$ 185,073	\$ 516,006
Accrued liabilities	38,000	38,000
Due to related parties (Note 6a)	13,000	8,000
Loan (Note 7)	-	1,000,000
	<u>236,073</u>	<u>1,562,006</u>
Contingent Liabilities (Note 4b)		
Commitments (Note 10)		
Continued Operations and Going Concern (Note 1a)		
SHAREHOLDERS' EQUITY		
Share Capital - Statement 2 (Note 8)		
Authorized:		
Unlimited common shares without par value		
Issued, allotted and fully paid:		
47,494,224 (Dec. 31, 2006 – 40,262,882) shares	36,710,681	33,263,689
Contributed Surplus	1,762,780	1,746,128
Deficit Accumulated During Exploration Stage - Statement 2	(24,464,576)	(24,190,590)
	<u>14,008,885</u>	<u>10,819,227</u>
	<u>\$ 14,244,958</u>	<u>\$ 12,381,233</u>

ON BEHALF OF THE BOARD:

“Harry Barr”, Director “Hubert Marleau”, Director

- See Accompanying Notes -

Consolidated Statements of Changes in Shareholders' Equity

Canadian Funds

	Common Shares	Amount	Contributed Surplus	Accumulated Deficit	Total
Balance - 31 December 2003	26,266,705	\$ 29,334,259	\$ 499,845	\$ (19,396,866)	\$ 10,437,238
Issuance and allotment of shares for:					
- Cash	2,738,000	1,140,100	-	-	1,140,100
- Property	900,000	303,000	-	-	303,000
- Finder's fees	87,500	-	-	-	-
Share issuance costs	-	(54,910)	-	-	(54,910)
Stock-based compensation	-	-	358,150	-	358,150
Future income tax on flow-through (Note 9)	-	(365,968)	-	-	(365,968)
Loss for the year	-	-	-	(1,652,721)	(1,652,721)
Balance - 31 December 2004	29,992,205	\$ 30,356,481	\$ 857,995	\$ (21,049,587)	\$ 10,164,889
Issuance and allotment of shares for:					
- Cash	1,445,385	245,715	-	-	245,715
- Property	75,000	50,000	-	-	50,000
- Performance shares	50,000	7,500	-	-	7,500
Share issuance costs	-	(6,467)	-	-	(6,467)
Stock-based compensation	-	-	214,799	-	214,799
Loss for the year	-	-	-	(1,368,370)	(1,368,370)
Balance - 31 December 2005	31,562,590	\$ 30,653,229	\$ 1,072,794	\$ (22,417,957)	\$ 9,308,066
Issuance and allotment of shares for:					
- Private placements	8,146,542	2,737,401	-	-	2,737,401
- Value assigned to warrants (Note 7, 8d)	-	(328,813)	378,381	-	49,568
- Property	50,000	15,000	-	-	15,000
- Exercise of options	453,750	207,590	(54,465)	-	153,125
- Performance shares	50,000	19,000	-	-	19,000
- Performance shares reserved for issuance.	-	-	265,583	-	265,583
Share issuance costs	-	(39,718)	-	-	(39,718)
Stock-based compensation	-	-	83,835	-	83,835
Loss for the year	-	-	-	(1,772,633)	(1,772,633)
Balance - 31 December 2006	40,262,882	\$ 33,263,689	\$ 1,746,128	\$ (24,190,590)	\$ 10,819,227
Issuance and allotment of shares for:					
- Private placements	5,100,000	2,805,000	-	-	2,805,000
- Property	25,000	17,000	-	-	17,000
- Exercise of options	126,250	54,675	-	-	54,675
- Exercise of warrants	1,402,821	631,269	-	-	631,269
- Performance shares	577,271	5,773	-	-	5,773
Share issuance costs	-	(66,725)	-	-	(66,725)
Stock-based compensation	-	-	16,652	-	16,652
Loss for the period	-	-	-	(273,986)	(273,986)
Balance - 31 March 2007	47,494,224	\$ 36,710,681	\$ 1,762,780	\$ (24,464,576)	\$ 14,008,885

- See Accompanying Notes -

Consolidated Statements of Loss

Canadian Funds

Three months ended 31 March

	2007	2006
General and Administrative Expenses		
Consulting fees	\$ 45,513	\$ 47,190
Stock-based compensation <i>(Note 8e)</i>	16,652	8,991
Travel	70,392	20,216
Promotion	18,229	17,306
Management fees <i>(Note 6b)</i>	25,920	25,920
Director fees <i>(Note 6a)</i>	7,000	6,000
Audit and accounting	7,500	6,000
Wages, salaries and benefits	84,713	54,829
Shareholder relations	5,000	20,275
Transfer and filing fees	26,963	29,683
Rent and utilities	9,521	10,004
Office and miscellaneous	7,984	9,055
Insurance	1,720	3,889
Legal	233	1,656
Telephone	3,041	2,136
	<hr/>	<hr/>
Loss Before the Undernoted	(330,381)	(263,150)
Other Income (Expenses)		
Gain on sale of portfolio investments <i>(Note 3)</i>	109,370	-
Interest income	5,916	3,658
Foreign exchange gain (loss), <i>net</i>	(4,702)	-
Interest, bank charges and loan arrangement fee	(54,189)	-
	<hr/>	<hr/>
	56,395	3,658
	<hr/>	<hr/>
Loss Before Income Taxes	(273,986)	(259,492)
	<hr/>	<hr/>
Loss for the Year	\$ (273,986)	\$ (259,492)
	<hr/>	<hr/>
Loss per Share - Basic and diluted	\$ (0.01)	\$ (0.01)
	<hr/>	<hr/>
Weighted Average Number of Shares Outstanding	47,494,224	33,112,590

- See Accompanying Notes -

Consolidated Statements of Cash Flows

Canadian Funds

Cash Resources Provided By (Used In)	Three months ended 31 March	
	2007	2006
Operating Activities		
Loss for the period	\$ (273,986)	\$ (259,492)
Items not affecting cash:		
Gain on sale of portfolio investments	(109,370)	-
Stock-based compensation	16,652	8,991
Consulting fees – performance shares issued	-	18,500
Loan arrangement fee	34,132	-
Net changes in non-cash working capital components:	(342,540)	(101,578)
	(675,112)	(333,579)
Investing Activities		
Purchase of portfolio investments	-	(7,800)
Proceeds on sale of portfolio investments	160,562	-
Mineral property acquisition costs	(123,409)	(17,491)
Mineral property deferred exploration costs	(1,109,067)	(149,695)
Repayment of loan	(1,000,000)	-
Purchase of property and equipment	(2,489)	-
	(2,074,403)	(174,986)
Financing Activities		
Share capital issued	3,490,944	300,000
Share issuance costs	(66,725)	(9,901)
Performance shares	5,773	500
	3,429,992	290,599
Net Increase (Decrease) in Cash and Cash Equivalents	680,477	(217,966)
Cash and cash equivalents - Beginning of year	377,426	544,275)
Cash and Cash Equivalents - End of Year	\$ 1,057,903	\$ 326,309
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Shares issued or allotted for mineral property	\$ 17,000	\$ -
Stock-based compensation expense	\$ (16,652)	\$ (8,991)
Performance shares issued for consulting fees	\$ -	\$ (18,500)

- See Accompanying Notes -

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

	March 31, 2007	Dec. 31, 2006
Golden Summit Property, Alaska, USA		
Acquisition costs		
Cash - option payments	\$ 11,500	\$ 78,650
Shares - option payments	17,000	-
	<u>28,500</u>	<u>78,650</u>
Deferred exploration expenditures		
Geological and field expenses	35,409	71,870
Mineral property fees	-	25,866
Drilling	71,006	38,734
Assaying	88,928	55,914
Engineering and consulting	67,366	114,535
Bulk sampling	-	531,909
Personnel	99,434	126,129
Bond	7,245	-
	<u>369,388</u>	<u>964,957</u>
Total	<u>397,888</u>	<u>1,043,607</u>
Almaden Property, Idaho, USA		
Acquisition costs		
Cash - option payments	42,909	19,922
	<u>42,909</u>	<u>19,922</u>
Deferred exploration expenditures		
Geological and field expenses	41,774	220,600
Drilling	465,038	1,478,828
Mineral property fees	-	19,266
Assaying	118,685	83,771
Metallurgical testing	-	73,408
Resource engineering	494	19,955
Engineering and consulting	86,333	304,320
	<u>712,324</u>	<u>2,200,148</u>
Total	<u>755,233</u>	<u>2,220,070</u>
Balance Forward	<u>\$ 1,153,121</u>	<u>\$ 3,263,677</u>

- See Accompanying Notes -

Consolidated Schedules of Mineral Property Costs - Continued

Canadian Funds

	March 31, 2007	Dec. 31, 2006
Balance Carried Forward	\$ 1,153,121	\$ 3,263,677
Grew Creek Property, Yukon, Canada		
Acquisition costs		
Cash - option payments	-	65,000
Shares - option payments	-	15,000
	-	80,000
Deferred exploration expenditures		
Geological and field expenses	-	74,426
Mineral property fees	-	10,850
Geophysics	-	-
Drilling	-	60,241
Assaying	-	13,343
Engineering and consulting	-	31,837
Mineral tax credit	-	(169,186)
	-	21,511
Total	-	101,511
Rob Property, Alaska, USA		
Acquisition costs		
Cash - option payments	-	25,425
	-	25,425
Deferred exploration expenditures		
Mineral property fees	-	15,571
Engineering and consulting	103	10,537
Geological and field expenses	199	1,471
Assaying	-	2,739
Wages	221	2,731
	523	33,049
Total	523	58,474
Union Bay Property, Alaska, USA		
Shares - option payments received	-	(100,000)
Cash - option payments received	-	(30,000)
Total	-	(130,000)
Balance Forward	\$ 1,153,644	\$ 3,293,662

Consolidated Schedules of Mineral Property Costs - Continued

Canadian Funds

	March 31, 2007	Dec. 31, 2006
Balance Carried Forward	\$ 1,153,644	\$ 3,293,662
Vinasale Property, Alaska, USA		
Acquisition costs		
Cash - option payments	69,000	-
	<u>69,000</u>	<u>-</u>
Deferred exploration expenditures		
Engineering and consulting	4,396	14,919
Geological and field expenses	20,206	329
Wages	2,230	663
	<u>26,832</u>	<u>15,911</u>
Total	<u>95,832</u>	<u>15,911</u>
Duke Property, British Columbia, Canada		
Acquisition costs		
Shares - option payments	-	-
	<u>-</u>	<u>-</u>
Deferred exploration expenditures		
Geological and field expenses	-	204
Assaying	-	688
Drilling	-	-
	<u>-</u>	<u>892</u>
Total	<u>-</u>	<u>892</u>
Costs for the Year	1,249,476	3,310,465
Balance - Beginning of year	11,561,837	8,584,178
Write-off of mineral property costs (Note 4)	-	(332,806)
Balance - End of Period	\$ 12,811,313	\$ 11,561,837

- See Accompanying Notes -

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

1. Continued Operations/Going Concern and Significant Accounting Policies

a) Continued Operations and Going Concern

The Company is in the process of acquiring, exploring and developing precious metal mineral properties. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties, or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. Several adverse conditions may cast substantial doubt on the validity of this assumption. The Company has incurred losses since inception, and has accumulated an operating deficit of \$24,464,576 at 31 March 2007. If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

These financial statements do not reflect the adjustments to carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used that would be necessary should the going concern assumption be inappropriate.

b) Consolidation

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

c) Cash and Cash Equivalents

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

d) Portfolio Investments

Portfolio investments are recorded at the lower of cost or quoted market value. Portfolio investments are written down to market value when the decline in market value is deemed to be other than temporary.

Freegold Ventures Limited

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

1. Significant Accounting Policies - Continued**e) Mineral Properties and Deferred Exploration Expenditures**

The company records its interests in mineral properties at cost. The costs of acquiring mineral properties and related exploration and development expenditures, holding costs to maintain a property and related foreign exchange amounts are deferred and would be amortized against future production following commencement of commercial production or are written-off if the properties are sold, allowed to lapse or abandoned.

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

Management of the company regularly reviews the net carrying value of each mineral property. Where events or changes in circumstances suggest impairment, estimated future cash flows are calculated using estimated future prices, proven and probable reserves, value beyond proven and probable reserves, probability weighted outcomes and operating capital and reclamation costs on an undiscounted basis. If it is determined that the future cash flows are less than the carrying value, a write-down to the estimated fair value is expensed for the period. The company presently has no proven or probable reserves. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if carrying values can be recovered. If the carrying values exceed estimated recoverable values, then the project is written-down to estimated fair values with the write-down expensed in the period.

Management's estimates of future mineral prices, recoverable resources, initial and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur that could adversely affect management's estimate of the net cash flows to be generated from its properties.

f) Asset Retirement Obligation

On May 1, 2004 the company retroactively adopted the new CICA accounting standard, Section 3110 for "Asset Retirement Obligations". Operating under this Section, future obligations to retire an asset or property are recognized and recorded as a liability at fair value as at the time the asset is acquired or the event occurs giving rise to such an obligation. At each reporting period, asset retirement obligations are increased to reflect the interest element (accretion expense) considered in the initial fair value of the measurement of the liabilities. In addition, an asset retirement cost is added to the carrying amount of the related asset and depreciated over the life of the asset. The capitalized asset retirement cost is amortized on the same basis as the related asset and along with the accretion expense, before arriving at the net income.

g) Amortization

The Company provides for amortization on its property, plant and equipment at 20% - 45% on a declining balance method. One half of the rate is applied in the year of acquisition.

h) Share Capital

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

1. Significant Accounting Policies - Continued

i) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using the Black-Scholes valuation model. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of the options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company estimates forfeiture of stock-based awards based on historical data and adjusts the forfeiture rate periodically.

j) Loss per Share

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

k) Income Taxes

The asset and liability method is used for determining future income taxes. Under the asset and liability method, the change in the net future income tax asset or liability is included in income. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company accounting practices, and the periods they are recognized for income tax purposes are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using the statutory income tax rates which are expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. A valuation allowance is provided to the extent that future income tax assets will not be realized.

l) Foreign Currency Translation

The Company's subsidiaries are integrated foreign operations and their results and financial position are translated into the Company's functional currency, the Canadian dollar, using the temporal method as follows:

- Monetary assets and liabilities at year-end rates;
- All other assets and liabilities at historical rates; and
- Revenue and expense items at the average rate of exchange prevailing during the year.

Translation gains and losses arising from these transactions are reflected in income or expense in the year that they occur.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

1. Significant Accounting Policies - Continued

m) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant areas where management's judgement is applied are the determination of asset impairment, stock-based compensation and future income tax valuation allowances. Actual results could differ from those estimates.

n) Flow-Through Shares

During a prior year, the Company adopted the recommendations of the Emerging Issues Committee relating to flow-through shares effective for all flow-through agreements dated after 19 March 2004. Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital.

o) Performance shares

The Company grants performance shares to attract consultants and/or employees to the Company. Performance shares are valued at market price on the date of issuance and charged to operations with the offsetting credit to share capital.

p) Mineral Exploration Tax Credits ("METC")

The Company recognizes METC amounts and applies those amounts against deferred exploration costs when the Company's application for tax credits is approved by Canada Revenue Agency. Assessments, if any, for taxes, penalties and interest under Part XII.6 under section 2.11.91 of the Income Tax Act are deducted from the tax credits when necessary.

2. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, term deposits, accounts and advances receivable, portfolio investments, accounts payable, accrued liabilities, loan and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

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.

Freegold Ventures Limited
(An Exploration Stage Company)

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

3. Portfolio Investments

Details are as follows:

	March 31, 2007				Dec. 31, 2006
	Number of Shares	% Owned	Book Value	Market Value	Book Value
Pacific North West Capital Corp. ("PFN")	528,986	1.26%	\$ 181,027	\$ 187,790	\$ 120,120
CanAlaska Uranium Ltd. ("CVV")	-	-	-	-	77,033
			\$ 181,027	\$ 187,790	\$ 197,153

The above investments have been accounted for using the cost method. PFN, CVV and the Company are companies with certain directors in common. During the period, the Company had a net gain on sale of investments of \$109,370 of which a gain of \$107,970 was due to the sale of CVV shares and a gain of \$1,400 was due to the sale of PFN shares.

4. Mineral Property Costs

Details are as follows:

	Acquisition	Deferred Exploration	Payments/ grants	Write-offs	Totals March 31, 2007	Totals Dec. 31, 2006
Golden Summit Property	\$ 492,017	\$ 6,059,156	\$ -	\$ -	\$ 6,551,173	\$ 6,153,285
Almaden Property	733,736	3,057,440	-	-	3,791,176	3,035,943
Grew Creek Property	215,470	1,470,492	(322,059)	-	1,363,903	1,363,903
Rob Property	521,675	186,481	-	-	708,156	707,633
Union Bay Property	110,658	161,505	(234,200)	-	37,963	37,963
PGM Properties	98,650	148,549	-	-	247,199	247,199
Vinasale Property	69,000	42,743	-	-	111,743	15,911
	\$ 2,241,206	\$ 11,126,366	\$ (556,259)	-	\$ 12,811,313	\$ 11,561,837

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

4. Mineral Property Costs - Continued

a) Golden Summit Property, Alaska, USA

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. The property is controlled by the Company through long-term lease agreements or outright claim ownership. As consideration for the property, the Company agreed to:

- Issue 25,000 shares of the Company (issued in 1997);
- Issue 25,000 shares of the Company for each US\$1,000,000 in expenditures spent on the property including all underlying lease obligations since 9 May 1997 to an aggregate of 125,000 shares. As at 31 December 2006, the Company had issued 100,000 shares (25,000 shares each in 1998, 1999, 2001 and 2005). During the period, the Company issued the final 25,000 shares.
- Expend a minimum of US\$1,767,000 of exploration expenditures on the property before 2000 (completed); and
- Make all required lease payments to underlying lessors (Note 4a(i-iii)).

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"). 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.

Underlying Leases

(i) Keystone Claims

By agreement dated 17 May 1992 and amended 15 May 2000 and 30 November 2001, the Company agreed to make 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 58,898 treasury shares issued)
2001- 2006 (US\$50,000 per year)	\$ *300,000	(paid)
2007 – 2019 (US\$150,000 per year)	\$ 1,950,000	

* The 2001 US\$50,000 advance royalty payment was settled by issuing 250,000 shares. These shares were issued during the year ended 31 December 2002.

An amendment signing bonus of US\$50,000 was paid 1 October 2000.

The leased property is subject to a 3% NSR.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

4. Mineral Property Costs - Continued

a) Golden Summit Property, Alaska, USA - Continued

Underlying Leases - Continued

(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 to date). During 2006, the Company renewed the existing lease term for an additional 5 years on the same terms and conditions. The claims are subject to a 4% NSR which the Company has an option to purchase 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.

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

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

4. Mineral Property Costs - Continued

b) Almaden Property, Washington County, Idaho, USA

By agreement dated 13 December 1995 and various amendments, the Company purchased a 60% interest in certain mineral claims located in Washington County, Idaho, known as the Almaden Property. As consideration, the Company paid US\$250,000 to underlying optionors, issued 4,621,714 common shares and completed a feasibility study.

Pursuant to the Company submitting a feasibility report, the Company entered into a joint venture agreement whereby 60% of all further costs spent on the property were the responsibility of the Company. The joint venture assumed the requirements to pay US\$250,000 to underlying optionors (paid), US\$4 per month for each acre acquired (approximately US\$10,000 per year [paid to date]) and US\$24,000 per year (US\$6,000 annually [paid to date] with the remaining US\$18,000 deferred for payment upon commencement of commercial production). The US\$18,000 annual contingent liability has not been recorded in these financial statements due to the uncertainty of going into commercial production. This accumulated contingent liability for lease payments due on commencement of commercial production is US\$450,000.

By agreement dated 17 April 2001, the Company acquired the remaining 40% portion of the joint venture interest and 100% of the shares of Ican Minerals, Inc. and Canu Resources, Inc. for 500,000 shares of the Company (issued). The Company now owns a 100% interest in the Almaden Property, subject to underlying lease agreements.

The property is subject to a production royalty of 4% of net returns and a 1% NSR if the average price of gold is less than US\$425 per ounce and 2% if the average price of gold is equal to or greater than US\$425 per ounce.

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

4. Mineral Property Costs - Continued

c) Grew Creek Property, Yukon Territory, Canada

By Letter Agreement dated 27 May 2004 the Company can acquire, from a third party ("Optionor"), up to a 100% interest in certain mineral claims known as the Grew Creek Property located in Whitehorse Mining District, Yukon Territory. To acquire a 100% interest in the property, the Company must, at its option, complete the following:

	Issue Shares	Cash Payments	Incur Exploration Expenditures
Upon signing the letter agreement (paid)	-	\$ 5,000	\$ -
Within 5 days of regulatory approval (issued/paid)	50,000	35,000	-
On or before 27 May 2005 (issued/paid/incurred)	50,000	45,000	75,000
On or before 27 May 2006 (issued/paid/incurred)	50,000	65,000	150,000
On or before 27 May 2007	50,000	75,000	325,000
On or before 27 May 2008	-	80,000	450,000
On or before 27 May 2009	-	-	500,000
	<u>200,000</u>	<u>\$ 305,000</u>	<u>\$ 1,500,000</u>

The project is subject to a 3% NSR. In the event that commercial production has not commenced on the property by the 6th anniversary of the Letter Agreement, the Company shall make an advance royalty payment in the amount of \$50,000. On the 7th Anniversary, the advance royalty payments shall increase to \$100,000 and remain at that level until such time that commercial production commences, or until the Company notifies the Optionor that it does not intend to proceed to commercial production. These advance royalty payments made shall be deducted from the NSR payments due. Once commercial production has commenced the minimum annual royalty payable shall be \$50,000.

d) 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 shall, at its option, make the following payments and issue shares as follows:

	US Funds	Shares
- Upon execution of the agreement (paid)	\$ 7,000	-
- Earlier of 1 September 2002 and approval date (paid/issued)	7,000	500,000
- On or before 1 July 2003 (paid/issued)	2,500	500,000
- On or before 1 July 2004 (paid)	2,500	-
- On or before 1 July 2005 (paid)	2,500	-
- On or before 1 July 2006 (paid)	2,500	-
- On or before 1 July 2007	2,500	-
- On or before 1 July 2008	2,500	-
	<u>\$ 29,000</u>	<u>1,000,000</u>

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

4. Mineral Property Costs - *Continued*

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

The Company is also responsible to make payments for an underlying agreement with the vendor as follows:

	US Funds
- On or before 1 July 2003 (paid)	\$ 10,000
- On or before 1 July 2004 (paid)	10,000
- On or before 1 December 2005 (paid)	15,000
- On or before 1 December 2006 (paid)	20,000
- On or before 1 December 2007	25,000
	<u>\$ 80,000</u>

In addition, 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 (US\$111,205 spent to date). Minimum work in any given year shall not be less than US\$10,600 per year. If the Company fulfills this US\$1,000,000 exploration expenditure requirement, an additional 500,000 shares of the Company must be issued.

Commencing 1 December 2008 annual advance royalty payments must be made depending on the average gold price for the proceeding 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

The vendor 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, 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.

In addition, an intermediary vendor retains a 1% NSR which the Company may purchase for US\$1,000,000.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

4. Mineral Property Costs - Continued

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.

- (i) By agreement dated 1 October 2002 and amended 2 April 2003, the Company granted to PFN, a company with certain directors and officers in common, an option to earn up to a 70% interest in the Property.

In order to earn its 50 % interest, PFN, purchased a private placement of \$165,000 (2002) and made cash payments, issued shares and incurred exploration expenditures as follows:

	Payments	Shares	Exploration Expenditures
- Within 5 days from approval date (received)	\$ -	30,000	\$ -
- On or before 1 July 2003 (received / completed)	20,000	-	30,000
- On or before 30 January 2004 (received)	-	30,000	-
- On or before 1 July 2004 (received / completed)	20,000	-	30,000
- On or before 1 July 2005 (received / completed)	30,000	-	340,000
- On or before 1 July 2006 (received / completed)	30,000	-	600,000
	<u>\$ 100,000</u>	<u>60,000</u>	<u>\$ 1,000,000</u>

Following vesting with a 50% interest on 1 July 2006, PFN had the right to elect within 45 days to increase its interest to 60% by completing a feasibility study within 12 months of vesting with 50%. This election was not made.

As a term of the Agreement, PFN upon vesting with 50 %, issued 253,586 shares at market value for \$100,000 to the Company.

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

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

4. Mineral Property Costs - Continued

f) **PGM A Property, Sudbury Region, Ontario, Canada**

By various agreements dated between 6 March and 19 December 2000, the Company acquired a property in the Sudbury region, Ontario known as the PGM A Property. During a prior year, the Company earned a 100% interest in the property by making cash payments of \$100,000, issuing 300,000 shares and incurring exploration expenditures of \$50,000. The Company is also required to issue a further 100,000 shares to the optionor upon the completion of a bankable feasibility study.

The property is subject to a 3% NSR. The Company has the right to purchase up to 2% of the NSR for \$3,000,000. (The first 1% for \$1,000,000 and the second 1% for \$2,000,000.)

By Letter Agreement dated 16 November 2001, the Company granted to PFN, a company with certain directors in common, an option to earn a 70% interest in PGM A for cash payments of \$55,000 (received), issuance of 20,000 PFN shares (received) and exploration expenditures on the property of \$55,000 (completed).

PFN has the right to purchase an additional 30% interest in the property by paying to the Company \$750,000. The Company and PFN will share the NSR buyout privileges in proportion to their respective interests.

g) **Vinasale Property, Alaska, USA**

During the period, the Company acquired a property in central Alaska, known as the Vinasale Property. Under the Agreement, the Company must make cash payments of US\$320,000 over five years (US\$50,000 first year- paid), make annual scholarship donations of US\$10,000, (first year paid) and make exploration expenditures totalling US\$4,750,000 (US\$300,000 first year). The Company may at its option enter into a one year extension by making an additional cash payment of US\$100,000 and incurring an additional US\$1,500,000 in exploration expenditures. In the event the property is reduced by 50% or more the additional exploration expenditures shall be reduced to US\$1,000,000.

h) **Duke Property, British Columbia, Canada**

By agreement dated 21 October 2004 and amended 24 December 2004 the Company had the right to acquire, from a third party, up to a 70% interest in certain mineral claims known as the Duke Property located in Merritt, British Columbia.

During 2006, the Company terminated this agreement. Accordingly, all costs associated with the property have been written off.

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Canadian Funds

5. Property and Equipment

Details are as follows:

March 31, 2007	Cost	Accumulated Amortization	March 31, 2007 Net Book Value
Mining equipment	\$ 13,505	\$ (2,026)	\$ 11,479
Office equipment	87,972	(34,212)	53,760
	<u>\$ 101,477</u>	<u>\$ (36,238)</u>	<u>\$ 65,239</u>
 2006			2006
	Cost	Accumulated Amortization	Net Book Value
Automotive equipment	\$ 13,505	\$ (2,026)	\$ 11,479
Office equipment	85,483	(34,212)	51,271
	<u>\$ 98,988</u>	<u>\$ (36,238)</u>	<u>\$ 62,750</u>

6. Related Party Balances and Transactions

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

- Effective 1 January 2005, each outside director is entitled to receive \$500 per month, \$500 per directors meeting and \$500 per committee meeting. During the period, \$7,000 was paid/accrued to directors. As at 31 March 2007, amounts due to related parties consists of \$13,000 owing to directors. These amounts were incurred in the ordinary course of business, are non-interest bearing, unsecured and due on demand.
- During the period, management fees of \$25,920 were paid to a company controlled by the Chairman.
- During the period, consulting fees of \$6,396 were paid to a company controlled by the Corporate Secretary.
- During the period, accounting fees of \$7,500 were paid to a company controlled by the Chief Financial Officer.
- During the period, consulting fees of \$20,834 were paid, 50,000 performance shares of the 400,000 performance shares reserved for issuance were issued (vested as described in Note 8f) were issued to the Vice-President Business Development.
- During the period, mineral consulting fees of \$32,854 were paid, and 400,000 performance shares reserved for issuance (vested as described in Note 8f) to the Vice-President Project Development.

The above transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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Canadian Funds

7. Loan

During the prior year, a \$1 million short-term debt financing was obtained having a term of 1 year, an interest rate of 8%, and collateralized by a floating charge over the assets of the Company. The lenders had the option to accelerate the repayment of the loan upon the Company obtaining subsequent equity financing in excess of \$2 million. As consideration for the loan, the lenders received 250,000 non-transferable warrants that entitle the holders to purchase common shares of the Company at a price of \$0.55 per share during the twelve month period following the date of issuance of the warrants, and at a price of \$0.65 per share during the subsequent twelve month period. These warrants have a calculated value of \$49,569 of which \$15,437 has been expensed in the prior year and \$34,132 was expensed in the current period. This loan and the accrued interest were repaid during the period following the closing of a \$2,805,000 private placement.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

8. Share Capital

a) Private Placements

During the period, the Company closed a non-brokered private placement of 5,100,000 units for gross proceeds of \$2,805,000. Each unit was priced at \$0.55 and 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 \$0.75 per share exercisable until 28 February 2009. The Company will have the right to accelerate the warrant expiration on 30 days written notice in the event that after 6 months the closing bid price of the shares is equal to or above \$1.10 per share for any consecutive 20-day period.

During the prior year, the Company issued 8,146,542, units through private placements for gross proceeds of \$2,737,401 as follows:

- i) 1,500,000 common shares at \$0.20 common share for gross proceeds of \$300,000.
- ii) 5,535,431 units at \$0.35 per unit consisting of one common share and one-half non-transferable share purchase warrant for gross proceeds of \$1,937,401. Each whole warrant entitles the holder to purchase one additional common share of the Company at a purchase price of \$0.45 expiring 3 April 2007.
- iii) 1,111,111 units at \$0.45 per unit consisting of one common share and one-half non-transferable share purchase warrant for gross proceeds of \$500,000. Each whole warrant entitles the holder to purchase one additional common share of the Company at a purchase price of \$0.55 during the 12 month period expiring 10 November 2007 and at a price of \$0.65 during the subsequent 12 month period.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

8. Share Capital - Continued

c) Exercise of Warrant and Options

- i) During the period, 1,402,821 warrants were exercised for gross proceeds of \$631,269.
- ii) During the period, 126,250 options were exercised for gross proceeds of \$54,675.

d) Share Purchase Warrants

As at 31 March 2007, the following share purchase warrants are outstanding:

Number	Price per Share	Expiry Date
1,364,893	\$0.45	3 April 2007
555,555	\$0.55/\$0.65	10 November 2007/2008
250,000	\$0.55/\$0.65	4 December 2007/2008
<u>5,100,000</u>	<u>\$0.75</u>	<u>28 February 2009</u>
<u>7,270,448</u>		

During the period, 5,100,000 common share purchase warrants were issued relating to a private placement.

e) Share Purchase Options

The Company has established share purchase option plans whereby the Board of Directors ("Board"), may from time to time, grant options to directors, officers, employees or consultants to a maximum of 8,250,061 options. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Board. The exercise price of an option is not less than the closing price on the Toronto Stock Exchange on the last trading day preceding the grant date. Options vest upon the discretion of the Board.

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

8. Share Capital - Continued

e) Share Purchase Options - Continued

A summary of the Company's options at 31 December 2006 and the changes for the year are as follows:

Number Outstanding 31 December 2006	Granted	Exercised	Cancelled	Expired	Number Outstanding 31 March 2007	Exercise Price Per Share	Expiry Date
685,000	-	-	-	-	685,000	\$0.50	31 December 2007
1,020,000	-	(10,000)	-	-	1,010,000	\$0.48	10 September 2008
50,000	-	(50,000)	-	-	-	\$0.55	10 February 2007
1,080,000	-	(25,000)	-	-	1,055,000	\$0.40/\$0.50	5 November 2009
500,000	-	-	-	-	500,000	\$0.20	30 September 2010
96,250	-	(41,250)	-	-	55,000	\$0.30	25 January 2011
350,000	-	-	-	-	350,000	\$0.35	13 March 2011
100,000	-	-	-	-	100,000	\$0.50	17 July 2011
100,000	-	-	-	-	100,000	\$0.50	21 September 2011
-	350,000	-	-	-	350,000	\$0.50	11 January 2012
-	388,341	-	-	-	388,341	\$0.50	25 January 2010
3,981,250	738,341	(126,250)	-	-	4,593,341		

Effective 1 January 2003, the Company adopted the recommendations of CICA Handbook Section 3870, Stock-based compensation (*Note 1j*). The standard requires that stock-based awards made to employees and non-employees are to be measured and recognized using a fair value based method.

During the prior year, the Company granted the following options and recognized the following costs with respect to options granted in 2006:

Grant date	Granted	Exercise price	Fair Value	2006 Vested Amount
25 January 2006	110,000	\$0.30	\$10,986	\$4,120
13 March 2006	350,000	\$0.35	86,864	32,574
17 July 2006	100,000	\$0.50	22,105	8,842
21 September 2006	100,000	\$0.50	28,662	-
Total	660,000		\$148,617	\$45,536

The total estimated fair value of the 660,000 options is \$148,617. Since the options were granted under a graded vesting schedule, \$45,536 of the total fair value has been recorded in the Company accounts as stock-based compensation expenses during the year. The offsetting entry is to contributed surplus.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

8. Share Capital - Continued

e) Share Purchase Options - Continued

During prior years, the Company granted the following options and recognized the 2006 vested amount as follows:

Grant date	Granted	Exercise price	Fair Value	2006 Vested Amount
10 November 2004	2,000,000	\$0.40/\$0.50	\$337,017	\$8,991
13 July 2005	100,000	\$0.30	9,930	5,263
30 September 2005	500,000	\$0.20	46,167	24,045
Total	2,600,000		\$393,114	\$38,299

The total estimated fair value of the 2,600,000 options is \$393,114. Since the options were granted under a graded vesting schedule, \$38,299 of the total fair value has been recorded in the Company accounts as stock-based compensation expenses during 2006. The offsetting entry is to contributed surplus.

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

	2006	2005	2004
Expected dividend yield	0.00%	0.00%	0.00%
Expected stock price volatility	74.70%	62.76%	73.52%
Risk-free interest rate	4.08%	3.52%	3.75%
Expected life of options	5.0 years	5.0 years	4.8 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.

Notes to Consolidated Financial Statements

31 March 2007 and 2006
Canadian Funds

8. Share Capital - Continued

f) Performance Shares

A total of 2,187,482 performance shares are reserved for issue. At the discretion of the Board, these shares may be issued to such arm's length parties as the Board considers desirable to attract consultants and/or employees to the Company.

During a prior year, the Board authorized the issuance of up to 400,000 performance shares at an exercise price of \$0.01 per share to attract a Vice-President of Business Development to the Company. These shares are to be granted as follows:

Shares	Date	
50,000	5 September 2005	(issued)
50,000	5 March 2006	(issued*)
50,000	5 September 2006	(issued**)
50,000	5 March 2007	
50,000	5 September 2007	
50,000	5 March 2008	
50,000	5 September 2008	
50,000	5 March 2009	
<u>400,000</u>		

* 50,000 performance shares were issued at \$0.01 per share for total proceeds of \$500. The fair market value of the performance shares at the date of the issuance was \$19,000. The difference between the issue price and the fair market value (\$18,500) was recorded in the accounts as consulting fees. The offsetting entry is to share capital.

** 50,000 performance shares were issued at \$0.01 per share during the period. The fair market value of the performance shares at the date of the allotment/accrual was \$43,523 and was recorded in the accounts as consulting fees in the prior year. The offsetting entry is to contributed surplus.

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

8. Share Capital - Continued

f) Performance Shares - Continued

During a prior year, the Board authorized the issuance of up to 1,000,000 performance shares at an exercise price of \$0.01 per share to attract a new President & CEO to the Company. These shares are available for issuance as follows:

Shares	Date	
100,000	1 January 2006	(issued*)
81,818	1 April 2006	(issued*)
81,818	1 July 2006	(issued*)
81,818	1 October 2006	(issued*)
81,818	1 January 2007	(issued*)
81,818	1 April 2007	
81,818	1 July 2007	
81,818	1 October 2007	
81,818	1 January 2008	
81,818	1 April 2008	
81,818	1 July 2008	
81,820	1 August 2008	
<u>1,000,000</u>		

* 427,272 performance shares were reserved for issuance at \$0.01 per share. The fair market value of the performance shares at the date of the allotment/accrual was \$177,227 and was recorded in the accounts as wages and benefits. The offsetting entry is to contributed surplus.

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

8. Share Capital - Continued

f) Performance Shares- Continued

During the prior year, the Board authorized the issuance of up to 400,000 performance shares at an exercise price of \$0.01 per share to attract a new Vice-President of Exploration to the Company. These shares are available for issuance as follows:

Shares	Date	
33,333	13 June 2006	(issued*)
33,333	13 September 2006	(issued*)
33,333	13 December 2006	(issued*)
33,333	13 March 2007	
33,333	13 June 2007	
33,333	13 September 2007	
33,333	13 December 2007	
33,333	13 March 2008	
33,333	13 June 2008	
33,333	13 September 2008	
33,333	13 December 2008	
33,337	13 March 2009	
<u>400,000</u>		

* 106,666 performance shares were reserved for issuance at \$0.01 per share. The fair market value of the performance shares at the date of the allotment/accrual was \$44,833 and was recorded in the accounts as wages and benefits. The offsetting entry is to contributed surplus.

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Canadian Funds

8. Share Capital - Continued

f) **Performance Shares- Continued**

During the period, the Board authorized the issuance of up to 400,000 performance shares at an exercise price of \$0.01 per share to attract a new Vice-President Project Development to the Company. These shares are available for issuance as follows:

<u>Shares</u>	<u>Date</u>
50,000	11 April 2007
50,000	11 July 2007
50,000	11 October 2007
50,000	11 January 2008
50,000	11 April 2008
50,000	11 July 2008
50,000	11 October 2008
50,000	11 January 2009
<u>400,000</u>	

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

9. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2006	2005
Loss before income taxes	\$ (1,772,633)	\$ (1,368,370)
Expected income tax (recovery)	\$ (604,468)	\$ (466,836)
Items not deductible for income tax purposes	204,828	133,683
Unrecognized benefit of non-capital losses	399,640	333,153
Total income taxes	\$ -	\$ -
Represented by:		
Current income tax	\$ -	\$ -
Future income tax	\$ -	\$ -

The significant components of the Company's future income tax assets and liabilities are as follows:

	2006	2005
Future income tax assets		
Financing costs	\$ 30,101	\$ 53,424
Loss carry-forwards	8,163,302	8,125,423
Undepreciated capital cost in excess of accounting net book value	115,613	111,176
Mineral properties	387,366	50,264
	8,696,382	8,340,287
Valuation allowance	(8,696,382)	(8,340,287)
Net future income tax assets	\$ -	\$ -

The Company has non-capital losses for Canadian tax purposes of approximately \$4,843,000 available to offset against taxable income in future years, which, if unutilized, will expire through to 2016. In addition, the Company has net operating loss carryovers for US tax purposes of approximately US\$16,508,082 available to offset against taxable income in future years, which, if unutilized, will expire through to 2026. Subject to certain restrictions, the Company also has resource exploration expenditures of approximately \$12,697,000 available to reduce taxable income of future years. Future tax benefits which may arise as a result of these losses, resource deductions and other tax assets have not been recognized in these financial statements, and have been offset by a valuation allowance.

Notes to Consolidated Financial Statements

31 March 2007 and 2006

Canadian Funds

9. Income Taxes - Continued

Future Income Tax Recovery

During a prior year, flow-through shares were issued for \$1,028,000, which funds were required to be spent on certain Canadian Exploration Expenditures. Because the Company no longer has the ability to use the expenditures for tax purposes, the Company is required to record a future tax liability (\$365,968) which is equal to the renunciation, times the corporation tax rate when expenditures are renounced. However, because the Company has unused tax losses and resource pools in excess of the renunciation, the future tax liability becomes a future income tax recovery.

10. Commitments

By an agreement dated 1 July 2005, the Company is committed under an operating lease, for its office premises with the following lease payments to the expiration of the lease on June 30, 2010.

Fiscal year ended Dec. 31,	2007	2008	2009	2010	2011	Thereafter
Office lease	\$39,679	\$39,679	\$39,679	\$19,840	-	-

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31 March 2007 and 2006

Canadian Funds

11. Segmented Information

Details on a geographic basis as at 31 December 2006 are as follows:

	USA		Canada		Total
Assets	\$ 9,950,735	\$	2,430,498	\$	12,381,233
Mineral property costs	\$ 9,950,735	\$	1,611,102	\$	11,561,837
Loss for the year	\$ (2,006)	\$	(1,770,627)	\$	(1,772,633)

Details on a geographic basis as at 31 December 2005 are as follows:

	USA		Canada		Total
Assets	\$ 6,753,761	\$	2,677,943	\$	9,431,704
Mineral property costs	\$ 6,742,673	\$	1,841,505	\$	8,584,178
Loss for the year	\$ (43,019)	\$	(1,325,351)	\$	(1,368,370)

Details on a geographic basis as at 31 December 2004 are as follows:

	USA		Canada		Total
Assets	\$ 6,601,475	\$	3,841,182	\$	10,442,657
Mineral property costs	\$ 6,489,699	\$	1,019,672	\$	7,509,371
Loss for the year	\$ (447,510)	\$	(1,205,211)	\$	(1,652,721)
