



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FOR THE YEAR ENDED JANUARY 31, 2019**

#### **INTRODUCTION**

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of Nexus Gold Corp. (“Nexus” or the “Company”) and compares its financial results for the year ended January 31, 2019 to the comparative year. This MD&A should be read in conjunction with the Company’s consolidated financial statements for the year ended January 31, 2019. The Company’s reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

The Company’s financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB. Further details are included in Note 2 of the consolidated financial statements for the year ended January 31, 2019. This MD&A is dated May 31, 2019.

Effective April 13, 2018, the Company consolidated its common shares on a 10:1 basis. The consolidated financial statements for the year ended January 31, 2019 reflect the share consolidation.

Nexus Gold Corp. (the “Company”) incorporated under the Business Corporations Act of British Columbia on May 7, 2009, is a public company listed on the TSX Venture Exchange (the “TSXV”) and trades under the symbol NXS.

During the year ended January 31, 2017, the Company’s common shares have commenced trading in the United States under the ticker symbol “NXXGF”. The listing coincides with the Company’s ongoing efforts to support its existing US shareholder base, and to facilitate trading in the OTC markets. The company has also pursued DTC eligibility to support electronic trading and expects that approval in the coming weeks. The Company’s common shares will continue to trade on the TSX Venture Exchange under the ticker symbol “NXS”.

During the year ended January 31, 2019 the Company changed its OTC Markets trading symbol from NXXGF” to “NXXGD” as a result of the share consolidation.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to identify one or more economic deposits on its property, to produce minerals from its property successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **OVERALL PERFORMANCE AND HIGHLIGHTS**

### ***PRIVATE PLACEMENTS***

In May 2019, the Company issued 613,334 flow-through units at a price of \$0.15 per unit for gross proceeds of \$92,000. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.20 for a period of twenty-four months.

In addition, in May 2019, the Company issued 1,875,676 units at \$0.115 per unit for gross proceeds of \$215,703. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.18 for a period of twenty-four months. In connection with completion of this private placement, the Company has paid cash commissions of \$10,556, and issued 81,646 share purchase warrants to the finders. Each finders' warrant is exercisable to acquire an additional common share of the Company on the same terms as the warrants comprising the flow-through units or units.

On March 19, 2019 the Company issued 3,492,565 units at a price of \$0.115 per unit for gross proceeds of \$401,645. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.18 for a period of twenty-four months.

On March 19, 2019 the Company issued 1,431,999 flow-through units at a price of \$0.15 per unit for gross proceeds of \$214,800. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.20 for a period of twenty-four months.

On February 26, 2019 the Company issued 9,744,913 units at a price of \$0.115 per unit for gross proceeds of \$1,120,665. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.18 for a period of twenty-four months.

On June 27, 2018 the Company closed first tranche of its non-brokered private placement of units at a price of \$0.25 per unit. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.35 per share for a period of twelve months. In connection with completion of this initial tranche, the Company issued 2,868,162 units, for gross proceeds of \$717,040. On July 12, 2018 the Company closed a second tranche of its non-brokered private placement of units at a price of \$0.25 per unit. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.35 per share for a period of twelve months. In connection with completion of this initial tranche, the Company issued 432,768 units, for gross proceeds of \$108,192. In connection with completion of the offering the Company paid \$18,376 and issued 60,800 of finders' warrants (valued at \$7,497) exercisable at \$0.35 until June 27, 2019, and issued 9,600 of finders' warrants (valued at \$989) exercisable at \$0.35 until July 12, 2019.

On May 25, 2018 the Company closed a non-brokered private placement of 20,027,123 units, at a price of \$0.15 per unit, for gross proceeds of \$3,004,069. Each unit consists of one common share of the Company, and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share of the Company at a price of \$0.25 per share until May 25, 2019. In connection with completion of the offering the Company paid \$47,788 and issued 751,913 of finders' warrants (valued at \$115,552) exercisable at \$0.25 until May 25, 2019.

## **EXPLORATION ACTIVITIES**

### **Bouboulou Concession, Burkina Faso, West Africa**

On June 15, 2016, the Company entered into an option agreement with Bureau D'Etudes des Geosciences et de L'Environnement (the "Optionor"), pursuant to which the Company will acquire the right to earn up to 100% interest in the Bouboulou Exploration Permit located in Burkina Faso, West Africa (the "Bouboulou Concession" or "Property").

The Company has an option to acquire up to 75% interest in the property, in consideration for cash payments of US\$500,000 and the issuance of 90,000 common shares of the Company, over a period of three years as follows:

- i) pay US\$10,000 (paid) and issue 5,000 shares (issued at a value of \$2,500);
- ii) pay US\$35,000 (paid) and issue 10,000 shares (issued at a value of \$7,000) on or before April 5, 2018;
- iii) pay US\$125,000 (paid) and issue 250,000 (issued) shares on or before April 5, 2019; and
- iv) pay US\$330,000 and issue 500,000 shares on or before April 5, 2020.

Following the acquisition of a 75% interest in the Property, the Company will have the option to acquire the remaining 25% interest in the Property through a cash payment of US\$1,000,000 with a 1% net smelter return royalty ("NSR") remaining with the Optionor.

In September 2016, the Company mobilized to the project site and exploration activities have commenced at the Bouboulou Gold Concession in Burkina Faso, West Africa.

Nexus Gold Director, Warren Robb, P.Geo, oversees the implementation of exploration programs at Bouboulou. Mr. Robb was Chief Geologist for Roxgold in 2012 where he wrote the 43-101 and oversaw drilling at the property (then called Bissa West). Immediate work includes reviewing legacy data, data compilation, geological mapping, drill hole mapping and selection, rock and core geochemical re-sampling, ground confirmation, and sourcing of drill operator, equipment and crew.

### **Bouboulou Concession History**

The Bouboulou Concession covers an area of 38.3 square kilometers and is located approximately 100 kilometers north by northwest of the capital city of Ouagadougou, Burkina Faso. Exploration on the permit area has been conducted by Boliden (1997 – 1999), Riverstone Resources (2005- 2011) and Roxgold (2011 to 2012). Exploration has consisted of Rotary Air Blast Drilling, trenching, geological mapping, Airborne EM and magnetometer and Radiometrics and reverse circulation and diamond drilling. Highlights of the previous exploration programs include; surface rock sampling and trenching returning gold grades from 1.09 to 19.16 g/t gold. Four zones of gold mineralization have been identified on the Property termed Koala, 3 Rawema, Bouboulou 2 and Pelgtanga.

### **Historical Results**

The Bouboulou Gold concession is a near-surface, advanced stage gold exploration target located in a known gold belt, within a prolific and highly active area. The property has previously been drilled by Roxgold Inc, Riverstone Resources and Boliden.

Bouboulou was held by Boliden in 1997 as part of a much larger permit. Boliden completed regional Rapid Air Blast ("RAB") drilling over the entire permit, comprising 25,400 meters, initially at 500 m centers. Included in this total was infill drilling concentrated over what is now the Company's permit, which defined a northeast trending gold anomaly measuring 13 km by 2 to 6 km wide. The mineralization was described as disseminated sulphides in tuffs and dacites.

Riverstone completed several programs of regional and detailed geological mapping and sampling prior to the Roxgold option. Rock sampling and trenching within the Boliden anomaly returned gold grades from 1.09 to 19.16 g/t. Riverstone also completed an IP geophysical survey over the area of the highest gold values, and

Roxgold drill tested a number of these targets. The following tables represent historical drill results as reported by Roxgold.

Significant Reverse Circulation drilling results include:

Hole	X_Easting	Y_Northing	elev	azimuth	dip	m depth	from	to	length	g/t Au	Zone
BBL-11-RC-003	587900	1425250	339	320	-55	103	24	34	10	1.100	Pelgtanga
						includes	30	32	2	3.660	
BBL-11-RC-005	587500	1423879	362	120	-50	103	60	64	4	1.865	Bouboulou2
BBL-11-RC-006	587500	1423881	361	120	-67	115	70	110	40	1.548	Bouboulou2
						includes	70	90	20	2.255	
						and	100	110	10	1.422	
BBL-11-RC-012	586532	1424001	360	300	-50	120	100	108	8	1.212	Rawema
BBL-11-RC-013	586505	1423993	351	300	-50	109	74	109	35	2.209	Rawema
						includes	74	86	12	5.455	
BBL-11-RC-020	584087	1421171	376	270	-55	103	40	50	10	2.844	Koala
							42	44	2	12.450	
BBL-11-RC-021	584054	1421100	375	240	-55	130	6	8	2	3.940	Koala
BBL-11-RC-022	584091	1421170	375	270	-60	133	44	48	4	1.631	Koala
BBL-11-RC-024	587874	1425286	344	320	-55	193	38	44	6	1.950	Pelgtanga
BBL-11-RC-027	587485	1423945		120	-45	120	90	114	24	1.36	Bouboulou2
BBL-11-RC-028	587485	1423945		120	-60	162	130	132	2	2.53	Bouboulou2
BBL-11-RC-031	587436	1423803		120	-45	144	78	94	16	1.18	Bouboulou2
BBL 11-RC-036	586370	1424010	357	120	-50	120	8	10	2	1.42	Rawema
BBL-11-RC-037	586350	1424100	353	120	-50	132				nsr	Rawema
BBL-11-RC-038	584000	1421205		130	-55	144	114	116	2	1.53	Koala
BBL-11-RC-039	584106	1421240	378	120	-50	150	116	130	14	1.37	Koala
BBL-11-RC-041	583962	1421125	371	130	-50	138	52	54	2	2.04	Koala
BBL-11-RC-042	587880	1425192	345	320	-55	114	40	46	6	1.26	Pelgtanga

Significant Diamond drilling results include:

Hole	X_Easting	Y_Northing	azimuth	dip	depth (m)	From	To	(metres)	(g/t Au)	Zone
BBL-11-DD-001	586373	1423307	315	-45	139.5				nsr	Rawema
BBL-11-DD-002	586411	1423272	315	-45	127	42	44	2	5.43	Rawema
BBL-11-DD-003	587429	1424104	135	-45	142	56	58	2	5.33	Bouboulou2
						78	82	4	12.53	
						96	98	2	1.59	
BBL-11-DD-004	587429	1424104	135	-60	216	113.7	114.3	0.6	1.62	Bouboulou2
BBL-11-DD-005	586337	1424031	300	-50	179	74	80	6	4.62	Rawema
					includes	77.7	78	0.3	81.32	
BBL-11-DD-006	587317	1423921	120	-50	172	91.5	93	1.5	1.74	Bouboulou2
BBL-11-DD-007	584165	1421227	320	-45	174				nsr	Koala
BBL-11-DD-008	584125	1421296	320	-45	198	125	127	2	2.55	Koala

All results reported are over intercepts lengths and are not true widths.

### Location and Geology

The property is situated at the north end of the Boromo-Goren greenstone belt underlain by an alternating sedimentary-basalt-sedimentary-volcanic progression which strikes generally northeast-southwest, and is bisected by the Sabce Shear Zone, which hosts numerous artisanal gold zones over its 120 kilometre length including the Bissa Mine operated by Norgold.

### About Burkina Faso

Burkina Faso is a landlocked nation located in West Africa between Ghana and Mali, the second and third largest gold producing countries on the continent. It is underlain by rocks of the same age and history as its neighbors but it is still relatively under-explored compared to its neighbors. It covers an area of roughly 274,000 square kilometres and has an estimated population of more than 16 million people. The country is pro-mining and has a favorable foreign investment stance.

The country is the fastest growing gold producer in Africa. It is ranked 4th in the continent and 23rd worldwide in Current Mineral Potential Index in the "Survey of Mining Companies 2014" conducted by The Fraser Institute of Canada. Since 2013, there are seven gold mines in production. Other resources currently being mined include manganese, bauxite, copper, nickel, lead, zinc, and limestone/marble.

The country has excellent geological potential. The Greenstone Belts that host all of the major deposits in Ghana and Cote d'Ivoire continue northward into Burkina Faso. Some of the world's most productive mines are located in West African greenstone belts. These belts cover approximately 3,000,000 km<sup>2</sup>, making the area's exploration potential enormous. Burkina Faso currently accounts for 21% of West Africa's greenstone belt exposure. Burkina Faso has undergone less than 15 years of modern mineral exploration, remaining under explored in comparison to neighboring Ghana and Mali; both of which host world class gold mines in the same belts of Birimian rocks.

In September 2016 the Company received results on eight grab samples taken from artisanal workings of the four known gold zones on the property. Six of the eight samples returned gold values, including 2.8 g/t Au and 5.5 g/t Au, respectively, at Bouboulou 2 (one of the four known zones).

On October 6, 2016, the Company announced that the Company has contracted Falcon Drilling Burkina Faso S.A.R.L. ("Falcon") for the upcoming drill program at the Bouboulou Gold Concession, Burkina Faso, West Africa.

Falcon has been previously contracted for its drilling services by other resource companies operating in Burkina Faso such as Roxgold Inc and True Gold Mining. The company therefore has extensive experience drilling in the country and vast knowledge of the area.

In June and July 2017, the company conducted a 10-hole diamond drill program totaling 2596 metres. The program was designed to test the depth and strike extensions of the four previous identified mineral zones namely; Peltanga, Rawema, Bouboulou 2 and Koala. In addition, the company drilled two holes to test the Bouboulou 1 showing which occurs on the southern boundary of the permit. Highlights of the program included two long intercepts obtained from the Bouboulou 2 zone. Drill hole BBL-17-DD-005 returned 13 metres of 0.78 grams per tonne gold, BBL-17-DD-006 returned 25.38 metres of 1.00 gram per tonne gold. Significant results were also returned from the Koala showing, hole DDH-17-DD-007 returned 5.21 grams per tonne over 3.05 metres (includes 15.1 gram per tonne gold over 1 metre) and hole DDH-17-DD-008 which returned 4.41 grams per tonne gold over 8.15 metres (includes 23 grams per tonne over 1.00 metres).

Hole	Dip	From	To	Intercept (metres)	Au grams/tonne	Zone	
BBL-17-DD-001	-50.00	32.30	35.35	3.05	0.55	Rawema	
		64.30	79.50	15.2	0.5		
		137.41	138.41	1	6.19		
BBL-17-DD-002	-50.00	62.78	71.93	9.15	0.45	Rawema	
		150.13	155.21	5.08	0.6		
		189.75	199.94	10.29	0.54		
BBL-17-DD-003	-50.00	70.41	71.93	1.52	3.48	Peltanga	
BBL-17-DD-004	-50.00	35.07	36.59	1.52	5.06	Peltanga	
		178.3	179.3	1	1.495		
BBL-17-DD-005	-50.00	182.44	195.68	13.24	0.78	Bouboulou 2	
		Includes	187.54	188.54	1	4.1	
			192.63	193.63	1	1.12	
			194.63	195.68	1.05	1.95	

BBL-17-DD-006	-50.00	197.90	223.38	25.38	1.04	Bouboulou 2
Includes		203.00	204	1	3.17	

		204.00	205	1	4.1	
		207.04	208.04	1	2.03	
		209.09	210.09	1	2.12	
		213.14	214.14	1	1.90	
		215.19	216.19	1	1.26	
		222.28	223.28	1	2.78	
BBL-17-DD-007	-50.00	178.30	181.35	3.05	5.21	Koala
Includes		178.30	179.3	1	15.5	
BBL-17-DD-008	-50.00	97.01	105.16	8.15	4.41	Koala
Includes		104.16	105.16	1	23	
		236.22	237.22	1	3.88	
BBL-17-DD-010	-60.00	237.22	241.27	4.05	0.47	Bouboulou 1
Includes		239.27	240.27	1	1.67	

In January 2018 the Company discovered and sampled a new orpillage termed Rawema 2 which is located 300 metres south west along strike of the Rawema main orpillage. Rock samples collected from the dumps and at depth in the orpillage returned values of 5.56, 2.40, 2.06, 1.68 grams per tonne gold.

During the quarter ended April 30, 2018, no field exploration was undertaken by the Company.

During the quarter ended July 31, 2018, the company completed an eight-hole 1,322 meter Reverse Circulation Drill program on the Bouboulou concession. The program was designed to test the strike and depth extension of mineralization identified at the Bouboulou 2, Peltanga and Koala showings and to test mineralization identified Rawema 2 orpillage identified in January 2018.

In July 2018 the Company completed a National Instrument 43-101 compliant resource estimate on the property. No exploration activities were conducted on the Bouboulou property during the quarter ended January 31, 2019.

#### **Niangouela Gold Concession, Burkina Faso, West Africa**

On November 30, 2016, the Company entered into an option agreement to acquire a 100% interest in the Niangouela Property located in Burkina Faso, West Africa.

To earn a 90% interest, the Company must make the following payments

- i) pay US\$15,000 (paid);
- ii) issue 3,000 common shares (issued at a value of \$2,700);
- iii) pay US\$15,000 on or before November 30, 2017 (paid);
- iv) issue 7,000 common shares on or before November 30, 2017 (issued at a value of \$4,550);
- v) pay US\$120,000 on or before March 4, 2019 as amended (paid);
- vi) issue 200,000 common shares on or before March 4, 2019 as amended (issued);
- vii) pay US\$220,000 on or before November 30, 2019; and

viii) issue 300,000 common shares on or before November 30, 2019.

Upon earning the 90% interest, the Company has a one year option to purchase the remaining 10% interest in the property for \$1,000,000. Upon earning a 100% interest in the property, the Company shall pay the optionor a NSR of 1%.

On December 13, 2016, the Company announced that RAB (Rotary Air-Blast) drilling at its Niangouela Gold Concession, Burkina Faso, West Africa, is now underway.

Nexus Gold Corp. has completed its previously announced RAB drilling program at the 178-square-kilometre Niangouela gold concession, Burkina Faso, West Africa.

The RAB drill program consisted of 30 holes totalling 802 metres and was conducted in a grid pattern to test the orientation and extent of a previously identified primary quartz vein. Historical assays of 5.93 grams per tonne gold, 4.83 grams per tonne gold and 4.12 grams per tonne gold over sample lengths of two metres, respectively, have been returned from trenching over the vein. In addition, recent rock samples taken from the dumps of local artisanal miners currently working the vein returned 2.49 grams per tonne gold.

The program was designed to test the top 30 metres of saprolitic rock. Samples were collected over three-metre intervals and were shipped to Actlabs in Ouagadougou, Burkina Faso.

The 178 square kilometre concession is located on the Boromo-Goren Greenstone Belt, same as the Company's Bouboulou Gold Concession and is proximal to the Kalsaka deposit and the Sabce shear. It is road accessible and has one major orpaillage (artisanal workings).

Historical work on the property has consisted of 556 pits and eleven trenches, geological mapping and prospecting with a total of 1,137 samples being collected. Previous programs have identified a zone which runs ENE and WSW occurring in the south central part of the concession. This zone has returned gold in soil samples up to 34 g/t Au, rock samples have returned values up to 18 g/t Au, and trenching has returned values of 4.85 g/t Au over 10 meters.

On January 11, 2017, the Company announced that it has received geochemical results from Actlabs Burkina Faso SARL, an ISO 9001:2008 certified independent lab, from its initial exploration program at the Niangouela Gold Concession located 60 kilometers north of Ouagadougou, Burkina Faso, West Africa.

The highlights of the program include sample NG005 taken from the primary quartz vein at 46 metres below surface which returned a value of 2,950 g/t gold. In addition, sample NG006 was collected from the artisanal dumps of the sheared intrusive which returned a value of 23.9 g/t gold. These results indicate the presence of high-grade gold occurring within the primary quartz vein and the sheared intrusive envelope. These samples were selected and may not be representative of the mineralization hosted on the concession.

Results from the 802-metre RAB drilling program included an intersection from hole 19 proximal to the primary quartz vein which returned 1.05 g/t gold over 12 metres. Conducted in a broad grid pattern and designed to test the orientation and strike length of the primary quartz vein, the RAB program also set out to identify any potential off shoots or splays which may be associated with this primary structure. To this effect, the program successfully identified a secondary anomalous gold trend striking to the south west at an oblique orientation to the main east-west striking quartz vein. This 500-metre feature was identified by mineralized intersections occurring in holes 4, 13 and 15, which returned anomalous gold values over three metres respectively. All holes in the program were drilled to a depth range of 18 to 46 metres testing the saprolitic rock (soft rock) which sits at the top of the stratigraphy. Readers are cautioned that the above reported widths are drill intersections and not true widths.

The overall RAB drilling results indicate the gold bearing nature of the primary quartz vein. This vein has now been identified in trenches, artisanal workings and RAB drilling, extending over 1km (1000m) in length. It remains open in all directions.

On January 24, 2017, the Company received gold assays from five further samples taken from its Niangouela gold project located in Burkina Faso, Africa.

The Company's exploration team returned to the property in early January 2017 to further investigate the main quartz vein on the Niangouela permit. During this visit the Company's geologists recovered quartz vein material from two separate shafts currently being exploited by artisanal miners (orpilleurs).

Sample NG007, which was taken from material extracted from the eastern shaft and from a depth of approximately 60 meters, returned values of 403 grams per tonne gold. The sample consisted of several fragments of quartz vein material containing host rock inclusion, and containing steaks and blebs of coarse visible gold.

Sample NG008 was taken from the western shaft, 10 to 12 metres west of the eastern shaft. This sample consisted of a single large piece of primary quartz vein containing host rock inclusions and also showed a cluster of visible gold. NG008 returned values of 49.8 grams per tonne gold.

The samples were analysed by Actlabs Ouagadougou an independent ISO 9001 certified laboratory. Samples NG007 and NG008 underwent a metallic screen analysis whereby a representative 500 gram split is sieved at 100 mesh (149 micron) with assays performed on the entire +100 mesh and two splits (A and B in the table below) of the -100 mesh fraction. A final assay is calculated based on the weight of each fraction.

Method	FA-MeT	FA-MeT	FA-MeT	FA-MeT
Element	Au + 100 mesh	Au - 100 mesh (A)	Au - 100 mesh (B)	Total Au
Units	g/mt	g/mt	g/mt	g/t
SampleID	Results	Results	Results	Results
NG007	718	376	371	403
NG008	85.6	46	48.5	49.8

Three additional samples were collected and underwent conventional fire assaying at Actlabs. Sample NG009, a sample of sheared intrusive taken from the eastern shaft, returned 4.29 grams per tonne gold. Sample NG010, a sample of dump material consisting of sheared volcanic sedimentary rock, returned 0.113 grams per tonne gold. Sample NG011, from the primary quartz vein taken from a surface dump, returned 14.3 grams per tonne gold.

In February 2017 the company completed 14 holes totaling 1470.5 metres of diamond drilling. Of the 14 holes drilled, 13 successfully intersected the targeted shear zone. One hole had to be abandoned due to ground conditions. Of the 13 holes, three holes reported intersections hosting visible gold. Drill holes NIA-17-DD-003, 006, and 009, reported visible gold occurring as small points, or clusters of points, with the gold present in contorted quartz veins occurring within the shear. The Results from this first phase of drilling is tabled below.

Hole ID	Azimuth	Dip	FROM (m)	TO (m)	INTERCEPT (metres)	Au gram/tonne
NGL-17-DD-001	10	-50	76.00	87.00	11.00	0.32
		INCLUDES	83.00	84.00	1.00	1.21
NGL-17-DD-002	190	-60	84.50	85.50	2.00	1.05
			104.50	105.50	1.00	1.32
NGL-17-DD-003	185	-50	86.40	91.50	5.10	1.80
		INCLUDES	86.40	87.50	1.10	6.14
NGL-17-DD-004	185	-60	121.00	124.00	3.00	0.75

		INCLUDES	122.00	123.00	1.00	1.23
NGL-17-DD-005	185	-70	NO SIGNIFICANT RESULTS			
NGL-17-DD-006	180	-50	65.00	71.20	6.20	4.00
		INCLUDES	58.35	58.97	0.62	8.50
		INCLUDES	70.20	71.20	1.00	20.5 <sup>1</sup>
NGL-17-DD-007	180	-60	102.00	109.20	7.20	1.01
		INCLUDES	104.00	105.00	1.00	2.34
		AND	106.20	107.20	1.00	1.92
NGL-17-DD-008	180	-50	57.00	61.85	4.85	26.69
		INCLUDES	58.35	58.97	0.62	8.50
		AND	58.97	60.00	1.03	120.00 <sup>2</sup>
NGL-17-DD-009	180	-60	74.50	78.50	4.00	2.61
		INCLUDES	76.50	77.50	1.00	5.92 <sup>1</sup>

<sup>1</sup> Denotes metallic screen analysis

<sup>2</sup> Denotes gravimetric fire assay analysis

**Note all assay results represent intercept lengths and are not true widths**

On April 1, 2017 the company completed an additional 27 holes totaling 1559 meters of diamond drilling. The program was designed to test the lateral extension of the shear zone identified in the January drill campaign. Significant intersections are tabled below:

DRILL HOLE	DRILL INTERCEPTS			
	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)
NGL-17-DD-015	130.5	134.1	3.6	0.91
INCLUDES	132.2	133.1	0.9	2.59
NGL-17-DD-016	129.8	137.8	5	0.52
NGL-17-DD-18	185	186	1	1.34
NGL-17-DD-025	79	87	9	1.23
NGL-17-DD-027	21	25	4	1.10
includes	24	25	1	3.59

In February 2018 prospecting crews sampled two new orpillages on the Naingouela property. These new orpillages are located approximately 1900 metres west of the primary shear zone tested by diamond drilling in January 2017. Samples from these new orpillages returned values of 4.9 grams per tonne gold and 3.93 grams per tonne gold. Further sampling of an orpillage east of the primary shear zone returned values of 6.27 grams per tonne gold.

During the quarter ending July 31, 2018, the company completed 5 Reverse circulation drill holes totaling 794 metres. The drilling was designed to test surface mineralization identified in earlier programs and to test depth extensions of the primary Naingouela shear zone.

No exploration was conducted on the property during the subsequent quarters ending in fiscal 2019.

### **Rakounga Gold Property, Burkina Faso, West Africa**

On July 11, 2017, the Company signed a definitive agreement with Belemyida SA (the "Optionor"), pursuant to which the Company will acquire the right to earn up to 100% interest in the Rakounga Gold Property located in Burkina Faso, West Africa.

The 250-square kilometre Rakounga Gold property is contiguous to the Company's Bouboulou gold concession. The Property borders Bouboulou on the west and south sides and hosts the Bouboulou 1 gold showing, which is the southern extension of the Bouboulou 2 trend. Bouboulou 1 is an active orpillage with shaft workings that extend down approximately 80 meters.

The Company will have an option to acquire a 90% interest in the property, in consideration for cash payments of US\$400,000 and the issuance of 57,500 common shares of Nexus, over a period of three years as follows:

- i) pay US\$15,000 (paid) and issue 2,500 shares (issued at a value of \$4,625) upon signing of a definitive agreement;
- ii) pay US\$15,000 and issue 5,000 shares on or before August 31, 2018 (issued at a value of \$15,250);
- iii) pay US \$120,000 and issue 20,000 shares on or before August 31, 2019; and
- iv) pay US\$250,000 and issue 30,000 shares on or before August 31, 2020.

Following the acquisition of a 90% interest in the Property, the Company will have the option to acquire the remaining 10% interest in the property through a cash payment of US\$1,000,000 with a 1% net smelter return royalty remaining with the Optionor.

As part of the company's due diligence program a number of rock samples were collected during July 2017 from the Rakounga property. Significant results were returned from rocks samples taken at the koaltanga orpillage. The samples returned values of 17.3 grams per tonne gold, 2.33 grams per tonne gold and 1.45 grams per tonne gold.

In October 2017, the Company's geologist identified two addition orpillages occurring to the south of the Koaltanga orpillage. Rocks samples collected at the Porphyry orpillage 800 meters south of the Koaltanga orpillage returned values of 19.95grams per tonne gold, 2.57 grams per tonne gold and 1.18 grams per tonne gold. The second orpillage termed Gounga is located 1000 meters south of the Porphyry orpillage. Rock samples collected here returned values of 14.990 grams per tonne gold and 5.30 grams per tonne gold.

In November 2017, the Company completed a 3,000-meter Reverse circulation drill program testing the mineralization identified at the three orpillages. Ten holes were drilled on the Koaltanga orpillage while five holes each were drilled on the Porphyry and Gounga orpillages respectively. Significant gold values over substantial intercept lengths were encountered at Koaltanga while Drilling at Porphyry returned anomalous gold numbers. Drilling at Gounga returned low gold values. The highlights of the Reverse circulation drilling is tabled below:

### KOALTANGA

HOLE	DIP	FROM	TO	LENGTH	Au grams/tonne
RKG-17-RC-001	-50	102	128	26	0.82
INCLUDES		<b>108</b>	<b>110</b>	<b>2</b>	<b>4.11</b>
		<b>110</b>	<b>112</b>	<b>2</b>	<b>2.44</b>
		<b>112</b>	<b>114</b>	<b>2</b>	<b>2.36</b>
RKG-17-RC-002	-50	108	140	32	1.01
INCLUDES		<b>112</b>	<b>114</b>	<b>2</b>	<b>2.36</b>
		<b>114</b>	<b>116</b>	<b>2</b>	<b>2.99</b>
		<b>116</b>	<b>118</b>	<b>2</b>	<b>3.1</b>
		<b>120</b>	<b>122</b>	<b>2</b>	<b>5.65</b>
RKG-17-RC-003	-50	108	114	6	1.07

### PORPHYRY

HOLE	DIP	FROM	TO	LENGTH	Au grams/tonne
RKG-17-RC-011	-50				NSR
RKG-17-RC-012	-50	88	90	2	0.82
RKG-17-RC-013	-50	58	90	40	0.19
RKG-17-RC-014	-50	108	148	40	0.19
RKG-17-RC-015	-50	38	80	42	0.26

RKG-17-RC-006	-50	84	88	4	1.38
		106	122	16	0.34
RKG-17-RC-007	-50	112	118	6	0.24
		144	146	2	0.66
RKG-17-RC-008	-50	102	140	38	0.92
INCLUDES		<b>116</b>	<b>118</b>	<b>2</b>	<b>1.8</b>
		<b>124</b>	<b>126</b>	<b>2</b>	<b>1.76</b>
		<b>126</b>	<b>128</b>	<b>2</b>	<b>6.5</b>
		<b>128</b>	<b>130</b>	<b>2</b>	<b>5.09</b>
RKG-17-RC-009	-60	134	156	22	0.57
INCLUDES		134	138	4	2.01
RKG-17-RC-010	-60	134	149	15	0.24

### GOUNGA

HOLE	DIP	FROM	TO	LENGTH	Au grams/tonne
RKG-17-RC-016	-50				NSR
RKG-17-RC-017	-50	124	168	44	0.11
RKG-17-RC-019	-50	30	48	18	0.11
RKG-17-RC-020	-50	152	174	22	0.19

During the quarter the ending July 31, 2018, the Company completed a 105 line kilometer soil geochemistry program. The program successfully identified a 7500 meter gold soil anomaly which is coincidental with Peltanaga-Rawema-Koala trend on the adjacent Bouboulou Exploration permit. This gold trend now extends over 15 kilometers.

Concurrent with the Soil geochemistry program the Company conducted a 15 hole 1958 meter Reverse Circulation drill program. The drill program consisted of 8 holes drilled to test new exploration targets namely BBL south Porphyry EXT and Koaltanga West and 7 holes drilled to test the strike and depth extension of the Koaltanga orpillage that the company had drilled in 2017. Significant drill intercepts are tabled below:

HOLE	DIP	FROM	TO	LENGTH (M)	Au grams/tonne
RKG-18-RC-027	-50	116	126	10	1.0
INCLUDES		118	120	2	2.67
		122	124	2	1.25
RKG-18-35-RC-035	-60	66	78	12	0.5
INCLUDES		74	76	2	2.0
RKG-18-35-RC-035	-60	110	120	10	0.4
INCLUDES		112	114	2	1.1

### Dakouli II gold property Burkina Faso West Africa

In June of 2018, the Company made application with the Ministry of Energy and Mines for a 98 square kilometer gold exploration permit named Dakouli II. The 98 square kilometre concession is located on the Boromo-Goren Greenstone Belt, same as the Company's Nangouela Gold Concession and is proximal to the Kalsaka deposit and the Sabce shear. It is road accessible and has one major orpaillage (artisanal workings).

In December 2018, the Company received from the "Invitation to Pay" request from the Minister of Energy and Mines, the CFA 2,000,000 request was paid. The property is located along the southern boundary of the Naigouela permit currently being explored by the Company, and was acquired because of a large orpaillage (artisanal working) which is located along the boundary of Naingouela and Dakouli II permits.

Sample-ID	Comment	Au ppm
DKL-001	Qtz from orpaillage pit, about 8m depth, light grey to smocky qtz, looks like flat vein	<b>3.15</b>
DKL-002	Qtz from orp pit, 5m depth	0.135
DKL-003	light grey vuggy qtz vein from orpaillage pit,	0.077
DKL-004	milky qtz vein from orpaillage pit, about 8m depth, several peaces of VG sow from pannig	<b>27.5</b>
DKL-005	milky qtz from orpaillage pit	< 0.005
DKL-006	qtz from orp pit	0.192
DKL-007	milky qtz from orpaillage pit, 10m depth	0.022
DKL-008	light grey to smocky qtz vein from orpaillage pit	< 0.005
DKL-009	milky qtz vein from orpaillage pit, 18m depth	<b>2.9</b>
DKL-010	light grey qtz vein from orpaillage pit	<b>4.93</b>
DKL-011	Qtz from orpaillage pit, VG sow in panning and on a peace of quartz comming from the same shaft, about 10m depth	<b>29.5</b>
DKL-012	Qtz from orpaillage pit, about 8m depth, VG sow in panning	<b>12.4</b>
DKL-013	Black rock from orpaillage beside Bokin	0.864
DKL-014	Qtz vein vein from orpaillage pit, 20m ; massive, smoky grey to dark, N240	0.303
DKL-015	Qtz vein vein from orpaillage pit, 20m ; massive, smoky grey to dark, N240, vuggy	0.154
DKL-016	Qtz vein vein from orpaillage pit, 20m ; massive, smoky grey to dark, N240, vuggy	0.782
DKL-017	Qtz from orpaillage pit, 30m depth, brecciated, goufy texture	0.052
DKL-018	Qtz from orpaillage pit, 30m depth, brecciated, malachite	0.282

DKL-019	Qtz from orpaillage pit, 30m depth, smocky grey to black, massive	0.401
DKL-020	Qtz from orpaillage pit, 30m depth, smocky grey to black, massive	0.312
DKL-021	Qtz from orpaillage pit, 15m depth, white to light grey	<b>2.72</b>
DKL-022	Qtz from orpaillage pit, 25m depth	<b>11.1</b>
DKL-023	Qtz+VG from orpaillage pit, 40m depth	<b>17.6</b>
DKL-024	Qtz from orpaillage pit, 40m depth	<b>1.74</b>
DKL-025	Qtz from orpaillage pit, 17m depth	<b>3.68</b>

The property was identified by prospecting carried out while exploring the Niaingouela property. In November of 2018, the Company's geologists collected rock samples from the Northeast Zone orpaillage. Significant gold grades, with values between 2.90 g/t Au and 29.5 g/t Au (see Table below), including 27.5 g/t Au and 12.4 g/t Au from samples containing visible gold were returned. A second orpaillage was identified occurring on the properties western boundary, rock samples from this orpaillage returned values of 2.72 and 11.1 grams per tonne gold respectively.

Subsequent to the year end of Jan 31, 2019 the company undertook in February of 2019 a termite mound geochemical sampling program covering areas of the projected strike of the main border orpaillage. The geochemical program returned anomalous gold values proximal to the orpaillage and in a radiating extending west south west of the current workings.

In April of 2019, the Company completed a 150 line kilometer soil geochemical survey where 3364 samples were collected. The program was designed to test for gold mineralization extending off the known orpaillage and to test for potential new zones of mineralization which may occur in the central portion of the property paralleling the favorable structural trend of the sabce fault zone which bisects the property in a north east – south west orientation. Results are pending on the soil geochemical survey.

#### **New Pilot Property Gold Bridge, B.C,**

In January 2019, the Company issued 3,500,000 shares valued at \$385,000 to a company with a director in common to acquire a 100% interest in New Pilot Project located in British Columbia, Canada. The acquisition agreement was finalized in February 2019.

No exploration work on the property has been conducted yet by the Company.

#### **Mackenzie Island Property Red Lake, Ontario**

On February 12, 2019, the Company entered into a mineral property acquisition agreement pursuant to which the Company will acquire the right to earn up to 100% interest in the McKenzie Gold Project located in the Red Lake Mining Division of Ontario, Canada. Under the terms of the agreement, in order to acquire interest in the property the Company has to pay \$150,000 in cash (paid) and issue 4,000,000 shares (issued) and also issue 300,000 shares to finders (issued).

No exploration work on the property has been conducted yet by the Company.

#### **Risk Factors**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural exploration and evaluation assets. Due to the nature of the Company's proposed business and the present stage of exploration of its exploration and evaluation assets, the following risk factors, among others, will apply:

**Mining Industry is Intensely Competitive:** The Company's business is the acquisition and exploration of exploration and evaluation assets. The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

**Resource Exploration and Development is Generally a Speculative Business:** Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover resource deposits but from finding resource deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of resources and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

**Fluctuation of Metal Prices:** Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

**Permits and Licenses:** The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

**No Assurance of Profitability:** The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its exploration and evaluation assets.

Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

**Uninsured or Uninsurable Risks:** The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

**Government Regulation:** Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors

including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

**Environmental Matters:** Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

**Insufficient Financial Resources:** The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of any significant exploration and development programs. The development of the Company's property will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its property. In particular, failure by the Company to raise the funding necessary to maintain in good standing the various option agreements it has entered into could result in the loss of the rights of the Company to such property. In addition, should the Company incur significant losses in future periods, it may be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business may be at amounts significantly different from those reflected in its current financial statements. The Company estimates it will require additional finances within the next twelve months. As of January 31, 2019, the Company had cash of \$422,546.

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies, particularly junior resource exploration companies such as the Company. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to the Company or at all.

In recent years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of some companies, particularly those considered exploration stage companies, have experienced declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a consequence, despite the Company's past success in securing equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

**Dependence Upon Others and Key Personnel:** The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its exploration and evaluation asset; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability to obtain the operating resources to develop and maintain the property held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will

depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

**Price Fluctuations and Share Price Volatility:** In recent months, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

**Uncertainty of Resource Estimates/Reserves:** Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at its property, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's property may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, copper or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven and probable reserves at its exploration and evaluation asset. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves at the Company's exploration and evaluation asset. The failure to establish proven and probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.

**Surface Rights and Access:** Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right of law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

**Title:** Although the Company has taken steps to verify the title to the exploration and evaluation asset in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee title. Title to exploration and evaluation assets may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

## SELECTED ANNUAL INFORMATION

Selected items only	2019	2018	2017
<i>Statement of Loss data:</i>			
<b>Income</b>			
Revenue	\$ -	\$ -	\$ -
<b>Expenses</b>			
Accretion	-	-	290,572
Consulting fee	647,820	549,382	553,252
Corporate development	1,535,000	252,083	130,198
Filing fee	45,335	44,620	51,136
Foreign exchange loss (gain)	8,769	36,838	(15,582)
Insurance	14,840	7,775	(1,511)
Interest expense	147,007	-	256
Investor relations	148,300	95,286	101,250
Management fee	322,417	416,600	274,000
Marketing and media	104,470	443,119	-
Office and miscellaneous	149,790	196,975	59,110
Professional fees (legal, audit)	30,157	104,712	141,948
Rent	-	-	-
Share-based compensation	570,713	23,574	333,774
Travel and promotion	36,432	161,120	79,294
	(3,761,050)	(2,332,084)	(1,997,697)
<b>Other Items</b>			
Interest income	863	-	-
Gain on settlement of reclamation obligation	-	-	13,998
Gain (loss) on debt settlement of accounts payable	-	-	(29,167)
Gain on settlement of loans payable	-	-	143,867
Write-off of exploration and evaluation assets	-	-	(2,304,110)
<b>Loss and comprehensive loss for the year</b>	\$ (3,760,187)	\$ (2,332,084)	\$ (4,173,109)
Loss per common share	\$(0.12)	\$(0.18)	\$(0.50)
<b>Average shares outstanding</b>	30,832,453	13,124,905	8,369,313

	2019	2018	2017
<i>Statement of Financial Position data:</i>			
<b>Assets</b>			
Cash	\$ 422,546	\$ 53,524	\$ 1,360,916
Commodity tax recoverable	17,593	50,764	16,959
Subscription receivable	-	-	10,500
Prepays	72,228	276,604	109,202
Advance on acquisition of mineral property	385,000	-	-
Exploration and evaluation assets	2,925,727	2,015,446	306,762
<b>Liabilities / Equity</b>			
Accounts payable and accrued liabilities	310,658	223,733	619,379
Due to related parties	54,582	113,396	40,44
Reclamation obligation	-	-	3,414
Total equity	\$ 3,446,854	\$ 2,127,726	\$ 1,165,706

#### **Year ended January 31, 2019 compared to year ended January 31, 2018**

During the year ended January 31, 2019, the Company had net loss of \$3,760,050 as compared to a net loss of \$2,332,084 for the year ended January 31, 2018. Corporate development expenses increased by \$1,282,917 from \$252,083 incurred during the year ended January 31, 2018 as a result of agreements with Transcend. During the year ended January 31, 2019, the Company entered into several strategic advisory and corporate development services agreements with Transcend Capital Inc. ("Transcend") and paid \$1,280,000 in fees to Transcend for services rendered in full during the period February 1, 2018 to January 31, 2019. These fees are included in the amount expensed for corporate development fees in 2019 in addition to \$187,500 which was expensed in 2018 for fees paid to Transcend in 2018 that were recorded as prepaid expenses as at January 31, 2018.

Consulting expenses of \$647,820 and investor relations expense of \$147,007 were incurred during the year ended January 31, 2019. During the year ended January 31, 2019, the Company entered into several strategic advisory and consulting services agreements with Belgravia Capital International Inc. ("Belgravia") and paid \$240,000 in fees to Belgravia for services rendered in full during the period May 8, 2018 to October 21, 2018.

These services can greatly assist the Company in locating and securing financing for the Company's exploration programs.

The increases were offset by a decrease in management fee by \$268,300 during the year ended January 31, 2019 from \$416,600 incurred during the year ended January 31, 2018 due to change in management.

The Company recorded \$570,713 in share-based compensation during the year ended January 31, 2019 compared to \$23,574 recorded during comparative period of the previous year. The increase of \$547,139 relates to stock options granted to directors, officers and consultants of the Company during the year ended January 31, 2019.

#### **Year ended January 31, 2018 compared to year ended January 31, 2017**

During the year ended January 31, 2018, the Company had net loss of \$2,332,084 as compared to a net loss of \$4,173,109 for the prior period.

Professional fees of \$104,712 (2017 - \$141,948) decreased due to a decrease level of accounting services and legal fees.

Marketing and media of \$443,119 (2017 - \$Nil) increased primarily as a result of expanding our marketing in Europe and the United States in coordination with our Frankfurt and NASDAQ OTC dual listings. The marketing utilized a multi-pronged approach consisting of online/social media, newsletter and industry articles, and working with sphere of influence industry influencers. We believe this increase was necessary to match our growing portfolio of properties and the need to market and promote those properties to the public sector and the resource industry in general. iii) corporate development expenses of \$252,083 (2017 - \$130,198) increased in coordination with our increased marketing and media exposure in Canada, Europe and the US. iv) foreign exchange loss of \$36,838 (2017 – recovery of \$15,582) relates to the conversion of outstanding US dollar of reclamation bond, decommissioning liability, and accounts payable balances into the functional currency of the Canadian dollar.

Investor relations costs of \$95,286 (2017 - \$101,250) were incurred relating to the development and execution of a comprehensive strategic communications program.

Management fees of \$416,600 (2017 - \$274,000) have increased due to the effect of amended management contracts and bonus' issued during the year with key personnel.

Office and miscellaneous of \$196,975 (2017 - \$59,110) increased as a result of an increase in activities.

Share-based payment of \$23,574 (2017 - \$333,774) decreased as a result of less stock option granted.

Travel and promotion costs of \$161,120 (2017 - \$79,294) increased primarily as a result of management attending conferences and increasing exposure for the Company.

#### QUARTERLY FINANCIAL INFORMATION

The table below sets out the quarterly results for the past eight quarters:

	January 31, 2019	October 31, 2018	July 31, 2018	April 30, 2018
Revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses	628,351	637,741	2,058,328	436,630
Loss for the period	(627,488)	(637,741)	(2,058,328)	(436,630)
Loss per share	(0.00)	(0.02)	(0.07)	(0.03)

  

	January 31, 2018	October 31, 2017	July 31, 2017	April 30, 2017
Revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses	516,964	687,944	547,596	588,580
Loss for the period	(516,964)	(678,944)	(547,596)	(588,580)
Loss per share	(0.04)	(0.05)	(0.04)	(0.05)

The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing business development, property evaluation and acquisition program and the timing and results of the Company's exploration activities on its current properties. The variation in net loss can also be significantly affected by the timing of stock option grants and the resulting share-based payment compensation recorded.

### Three months ended January 31, 2019 compared to three months ended January 31, 2018

During the three months ended January 31, 2019, the Company had net loss of \$627,488 as compared to a net loss of \$516,964 for the three months period ended January 31, 2018. Consulting fees decreased by \$20,908 and corporate development expenses increased by \$256,500 from \$114,555 and \$71,500 respectively incurred during the three months ended January 31, 2018. The change in the services is indicative of the Company's effort in preserving available resources. Some of the consulting fees were reclassified to corporate development fees.

During the three months ended January 31, 2019 management fee decreased by \$53,100 from \$75,600 incurred during the three months ended January 31, 2018 due to change in management. The marketing fees decreased by \$29,420 from \$130,880 incurred during the three months ended January 31, 2018 compared to the \$101,460 incurred during the three months ended January 31, 2019 due to the Company changing its strategy of promoting the Company and its exploration activities.

The Company recorded \$83,913 in share-based compensation during the three months ended January 31, 2019 and \$19,368 during the same period of the previous year.

### LIQUIDITY AND CAPITAL RESOURCES

The Company depends upon the junior capital markets to raise equity financing needed to fund its working capital requirements. The Company has no revenue generating operations from which it can internally generate funds. It relies on either the sale of its own shares as needed, or the sale or option of its exploration and evaluation assets. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects.

When optioning properties the Company will sometimes issue its own stock to the vendors of the properties as partial or full consideration for the property in order to conserve its cash.

At January 31, 2019, the Company had a working capital of \$136,127. This working capital will not be sufficient to enable us to cover current liabilities and anticipated expenses and continue all planned operations and property expenditures for the next 12 months, therefore additional equity will have to be raised in order to continue our planned activities.

### OFF – BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

### RELATED PARTY TRANSACTIONS

#### (a) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors. The value of transactions and outstanding balances relating to key management and entities over which key management have control or significant influence were as follows:

	For the years ended January 31,	
	2019	2018
Management fees	\$ 148,300	\$ 416,600
Professional fees	50,000	-
Share-based compensation	346,924	-
Total	\$ 545,224	\$416,600

(b) Related party transactions and balances

During the year ended January 31, 2019, the Company paid geological consulting fees capitalized to mineral properties of \$108,500 (2018 - \$146,900), consulting fees of \$24,650 (2018 - \$15,600) and issued 3,500,000 shares valued at \$385,000 as an advance for the mineral property acquisition to a director of the Company.

As at January 31, 2019, the Company owed \$65,582 (January 31, 2018 - \$113,396) to companies controlled by directors and officers and is included in Due to Related Parties. The amounts owing are unsecured and non-interest bearing.

## **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that all relevant information required to be disclosed in the Company's reports filed or submitted as part of the Company's continuous disclosure requirements is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure and such information can be recorded, processed, summarized and reported within the time periods specified by applicable regulatory authorities.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at January 31, 2019 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of January 31, 2019 the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

## **CHANGES IN ACCOUNTING POLICIES**

### **Adoption of IFRS 9 Financial Instruments ("IFRS 9")**

On February 1, 2018, the Company adopted the requirements of IFRS 9. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected-loss" impairment model.

The Company has elected to apply the limited exemption in IFRS 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities, and there was no significant impact on the carrying amounts of the Company's financial instruments at the transition date.

The introduction of the new 'expected credit loss' impairment model had negligible impact on the Company, given the Company sells its conducts sales with known organizations with no historical level of customer default, and the corresponding receivables from these sales are short-term in nature.

The Company currently has no hedging arrangements, and will apply the new accounting requirements under IFRS 9 as required.

### **Standards issued but not yet effective**

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for the Company beginning on or after February 1, 2019. The Company has not early adopted these new standards in preparing these financial statements. The following pronouncement is considered by the

Company to be the most significant of several pronouncements that may affect the financial statements in future periods.

*Standard effective for the Company on February 1, 2019*

IFRS 16 – Leases - On January 13, 2016 the IASB issued IFRS 16, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

Management is evaluating the extent of the impact of adoption of the above standard on the consolidated financial statements and has not yet completed its assessment.

## **FINANCIAL INSTRUMENTS**

### **Fair values**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

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

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

The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of the deposit, reclamation bond, accounts payable, and due to related parties approximate their fair values due to the expected maturity of these financial instruments.

### **Financial instrument risk exposure and risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

#### **(a) Credit risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, commodity tax recoverable, and subscription receivable. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

Some of the Company's accounts payable are subject to interest on unpaid balances.

ii. Foreign currency risk

The Company's functional currency is the Canadian dollar; however, exploration costs and property option payments are transacted in US dollars and West African CFA franc. A one percent change in foreign exchange rates will result in an immaterial change to profit or loss.

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

## OUTSTANDING SHARE DATA

As of May 31, 2019, the number of common shares outstanding was 64,981,427

At May 31, 2019, the Company has the following share purchase options outstanding:

Number of options	Exercise price	Expiry date
120,000	\$ 1.00	August 8, 2019
112,500	\$ 1.20	September 17, 2020
200,000	\$ 0.85	September 6, 2021
55,000	\$ 1.60	January 24, 2022
900,000	\$ 0.33	June 14, 2023
1,200,000	\$ 0.24	September 12, 2023
200,000	\$ 0.11	November 16, 2023
<b>2,787,500</b>		

At May 31, 2019, the Company has the following warrants outstanding:

<u>Number of shares</u>	<u>Exercise price</u>	<u>Expiry date</u>
2,928,962	\$ 0.35	June 27, 2019
442,368	\$ 0.35	July 12, 2019
653,500	\$ 0.75	August 24, 2019
43,724	\$ 1.20	October 25, 2019
265,312	\$ 1.20	October 27, 2019
9,744,913	\$ 0.18	February 26, 2021
3,492,565	\$ 0.18	March 19, 2021
1,431,999	\$ 0.20	March 19, 2021
613,334	\$ 0.20	May 30, 2021
1,875,676	\$ 0.18	May 30 , 2021
<u>21,492,353</u>		