



NEXUS GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED APRIL 30, 2019 AND 2018

Expressed in Canadian Dollars

Unaudited – Prepared by Management

Head office and registered and records office address

720-700 West Pender Street
Vancouver BC, V6C 1G8

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

NEXUS GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT APRIL 30, 2019 AND 2018
Expressed in Canadian Dollars
Unaudited – Prepared by Management

	April 30, 2019	January 31, 2019
ASSETS		
Current		
Cash	\$ 712,892	\$ 422,546
Commodity tax recoverable	31,526	17,593
Prepays	257,298	72,228
Total current assets	1,001,716	512,367
Deposit	-	-
Reclamation bond (note 4)	-	-
Advance on acquisition of mineral property (note 4)	-	385,000
Exploration and evaluation assets (note 4)	4,560,637	2,925,727
TOTAL ASSETS	\$ 5,562,353	\$ 3,823,094
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 395,553	\$ 310,658
Due to related parties (note 7)	53,730	65,582
Total current liabilities	449,283	376,240
EQUITY		
Share capital (note 6)	18,267,638	15,950,239
Share-based payment reserve (note 6)	2,202,298	1,996,922
Subscriptions received in advance	35,003	-
Deficit	(15,391,869)	(14,500,307)
Total equity	5,113,070	3,446,854
TOTAL LIABILITIES AND EQUITY	\$ 5,562,353	\$ 3,823,094

Nature and continuance of operations (Note 1)

Commitments (Note 10)

Subsequent events (Note 11)

Ob behalf of the Board: “Alex Klenman” Director “Warren Robb” Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NEXUS GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars
Unaudited – Prepared by Management

	Three months ended April 30,	
	2019	2018
EXPENSES		
Consulting fees (note 7)	\$ 234,187	\$ 25,633
Corporate development	134,385	220,662
Filing fees	8,016	9,695
Foreign exchange loss	22,857	113
Insurance	3,849	4,672
Investor relations	-	26,549
Management fees (note 7)	36,375	75,600
Marketing	184,884	12,724
Office and administration (note 7)	33,803	9,435
Professional fees (note 7)	37,803	31,786
Rent	7,673	7,507
Share-based compensation (note 7)	127,530	-
Travel and promotion	13,620	12,254
Loss for the year before other items	(844,982)	(436,630)
OTHER ITEMS		
Loss on debt settlement	(46,580)	-
Net loss and comprehensive loss for the year	\$ (891,562)	\$ (436,630)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding	55,328,816	14,607,387

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NEXUS GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

Expressed in Canadian Dollars

Unaudited – Prepared by Management

	Number of shares	Share capital	Share-based payment reserve	Subscription received in advance	Deficit	Total equity
Balance, January 31, 2018	14,347,387	\$ 11,405,029	\$ 1,432,817	\$ 30,000	\$ (10,740,120)	\$ 2,127,726
Subscriptions received in advance	-	-	-	(30,000)	-	(30,000)
Warrants exercised	260,000	312,000	-	-	-	312,000
Loss for the period	-	-	-	-	(436,630)	(436,630)
Balance, April 30, 2018	14,607,387	\$ 11,717,029	\$ 1,432,817	\$ -	\$ (11,176,750)	\$ 1,973,096
Balance, January 31, 2019	42,285,440	\$ 15,950,239	\$ 1,996,922	\$ -	\$ (14,500,307)	\$ 3,446,854
Shares issued in private placement	14,669,477	1,737,110	-	-	-	1,737,110
Subscription received in advance	-	-	-	35,003	-	35,003
Share issuance costs	-	(131,149)	34,777	-	-	(96,372)
Shares issued for evaluation and exploration assets	4,750,000	613,000	-	-	-	613,000
Units issued for debt	787,500	98,438	43,069	-	-	141,507
Share-based compensation	-	-	127,530	-	-	127,530
Loss for the year	-	-	-	-	(891,562)	(891,562)
Balance, April 30, 2019	62,492,417	\$ 18,267,638	\$ 2,202,298	\$ 35,003	\$ (15,391,869)	\$ 5,113,070

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NEXUS GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
Unaudited – Prepared by Management

	Three months ended April 30,	
	2019	2018
CASH USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (891,562)	\$ (436,630)
Adjustments for non-cash items:		
Share-based compensation	127,530	-
Loss on debt settlement	46,580	-
Changes in working capital items:		
Commodity tax recoverable	(13,933)	(23,308)
Due to related parties	(11,852)	-
Prepaid expenses	(185,070)	(123,229)
Accounts payable and accrued liabilities	179,822	263,198
Net cash used in operating activities	(748,485)	(319,969)
FINANCING ACTIVITIES		
Proceeds from the issuance of shares	1,772,112	-
Proceeds from warrants exercised	-	312,000
Share issue costs	(96,371)	-
Share subscriptions received in advance	-	79,711
Net cash provided by financing activities	1,675,741	391,711
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(636,910)	(88,579)
Net cash used in investing activities	(636,910)	(88,579)
Change in cash for the year	290,346	(16,837)
Cash, beginning of the year	422,546	53,524
Cash, end of year	\$ 712,892	\$ 36,687
NON-CASH TRANSACTIONS		
Shares issued for mineral properties	\$ 613,000	\$ 16,175
Units issued for debt	\$ 141,507	\$ -
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED APRIL 30, 2019 AND 2018

Expressed in Canadian Dollars

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1. NATURE AND CONTINUANCE OF OPERATIONS

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. The Company also trades under the ticker symbol “NXXGF” in the United States. The address of the Company’s corporate office and its principal place of business is 720 - 700 West Pender Street, Vancouver, BC.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company does not generate revenues or cash flow from operations to adequately fund its activities and has therefore relied principally upon financing raised from the issuance of shares and the support of creditors and related parties. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Although these condensed consolidated interim financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company’s recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company’s exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. The Company estimates that additional financing will be required to continue operations over the next 12 months. These factors form a material uncertainty that may cast significant doubt upon the entity’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments related to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements for the year ended January 31, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements and should be read in conjunction with those audited combined financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on June 27, 2019.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and of its subsidiaries.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, CSR (British Columbia) and Nexus Gold Corp Burkina (Burkina Faso). All significant inter-company balances and transactions have been eliminated upon consolidation.

Significant accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation and other equity-based payments, the recoverability and measurement of income taxes, and decommissioning restoration provision.

Key estimates made in applying accounting policies that have the most significant effects on the amounts recognized in the condensed interim consolidated financial statements are as follows:

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED APRIL 30, 2019 AND 2018

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2. BASIS OF PREPARATION (continued)

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Decommissioning restoration provision

The Company's provision for decommissioning and restoration provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty is subject to significant judgment.

Financing cost

Management uses judgments to evaluate the accounting treatment of financing costs disclosed in Note 6.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and transferred to mining assets and amortized over the estimated useful life of the property following commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION (continued)

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue estimated future costs of maintaining its exploration and evaluation assets in good standing. Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Write-downs due to impairment in value are charged to profit or loss. General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the period in which they are incurred.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

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.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED APRIL 30, 2019 AND 2018

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4. EXPLORATION AND EVALUATION ASSETS

During the three months period ended April 30, 2019 and the year ended January 31, 2019, the Company incurred the following exploration and evaluation costs related to the properties located in West Africa.

	Niangouela	Bouboulou	Rakounga	Dakuli II	TOTAL
Balance, January 31, 2018	\$ 1,063,037	\$ 682,798	\$ 269,611	\$ -	\$ 2,015,446
Deferred exploration costs:					
Administration	20,721	2,798	11,659	315	35,493
Assay	8,720	19,598	33,596	-	61,914
Drilling	44,720	30,606	163,549	-	238,875
General field expenses	5,250	1,300	69,623	-	76,173
Geological	25,385	35,277	214,785	3,798	279,245
Travel and accommodation	5,203	16,710	70,089	385	92,387
Reports	1,813	20,101	18,457	-	40,371
Total exploration costs	111,812	126,390	581,758	4,498	824,458
Acquisition costs:					
Cash	-	43,528	22,381	4,664	70,573
Shares	-	-	15,250	-	15,250
Total acquisition costs	-	43,528	37,631	4,664	85,823
Total expenditures for the period	111,812	169,918	619,389	9,162	910,280
Balance, January 31, 2019	\$ 1,174,849	\$ 852,716	\$ 889,000	\$ 9,162	\$ 2,925,727

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED APRIL 30, 2019 AND 2018

Expressed in Canadian Dollars

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4. EXPLORATION AND EVALUATION ASSETS (continued)

	Niangouela	Bouboulou	Rakounga	Dakuli II	McKenzie	Pilot Project	TOTAL
Balance, January 31, 2019	\$ 1,174,849	\$ 852,716	\$ 889,000	\$ 9,162	\$ -	\$ -	\$ 2,925,727
Deferred exploration costs:							
Administration	-	-	2,002	32,377	5,546	2,724	42,649
Assay	-	-	-	39,677	-	-	39,677
Drilling	-	-	-	2,634	-	-	2,634
General field expenses	-	-	433	10,640	-	-	11,073
Geological	-	700	385	30,596	-	-	31,681
Travel and accommodation	-	-	2,920	28,357	-	-	31,277
Total exploration costs	-	700	5,740	144,281	5,546	2,724	158,991
Acquisition costs:							
Cash	160,423	167,496	-	-	150,000	-	477,919
Shares	24,000	30,000	-	-	559,000	385,000	998,000
Total acquisition costs	184,423	197,496	-	-	709,000	385,000	1,475,919
Total expenditures for the period	184,423	198,196	5,740	144,281	714,546	387,724	1,634,910
Balance, April 30, 2019	1,359,272	1,050,912	894,740	153,443	714,546	387,724	4,560,637

4. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in West Africa

Effective April 13, 2018, the Company consolidated its common shares on a 10:1 basis (Note 6) and all references to the number of shares have been updated accordingly in the condensed consolidated interim financial statements. Management and optionors of properties described below agreed not to amend the number of shares to be issued per the option agreements, and the number of shares to be issued will be as stated per original agreements for all properties in West Africa.

Niangouela Property, Burkina Faso, West Africa

During the year ended January 31, 2017, 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 on closing (paid);
- ii) issue 30,000 common shares on closing (issued at a value of \$2,700);
- iii) pay US\$15,000 on or before November 30, 2017 (paid);
- iv) issue 70,000 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 at a value of \$24,000);
- 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 US\$1,000,000. Upon earning a 100% interest in the property, the Company shall pay the optionor a net smelter returns Royalty ("NSR") of 1%.

Bouboulou Property, Burkina Faso, West Africa

During the year ended January 31, 2017, the Company entered into an option agreement to acquire a 100% interest in the Bouboulou Exploration Permit located in Burkina Faso, West Africa.

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 900,000 common shares of the Company, over a period of three years as follows:

- i) pay US\$10,000 (paid) and issue 50,000 shares (issued at a value of \$2,500);
- ii) pay US\$35,000 (paid) and issue 100,000 shares (issued at a value of \$7,000);
- iii) pay US\$125,000 (paid) and issue 250,000 shares on or before April 5, 2019 (issued at a value of \$30,000 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% NSR remaining with the Optionor.

Rakounga Gold Property, Burkina Faso, West Africa

On July 11, 2017, the Company entered a letter of intent 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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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 575,000 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 (paid) and issue 50,000 shares on or before August 31, 2018 (issued at a value of \$15,250);
- iii) pay US \$120,000 and issue 200,000 shares on or before August 31, 2019; and
- iv) pay US\$250,000 and issue 300,000 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% NSR remaining with the Optionor.

Dakuli II Property, Burkina Faso, West Africa

During the year ended January 13, 2019, the Company applied to the Ministry of Mines in Burkina Faso to stake Dakuli II claims. The Company received approval from the Ministry of Mines in Burkina Faso and started exploration work on the property.

Property in US

Walker Ridge Gold Property, Nevada, USA

On October 1, 2011, the Company entered into an option agreement, amended on June 1, 2016, to purchase 100% interest in the Walker Ridge Group of mining claims located in the Elko County, Nevada.

During the year ended January 31, 2017, the Company abandoned the option agreement, resulting in a write-off of exploration and evaluation assets of \$2,304,110.

At January 31, 2018, the Company held a USD\$42,900 (\$52,930) reclamation deposit with the Bureau of Land Management (Nevada) in relation to future exploration programs. The deposit was fully recovered during the year ended January 31, 2019.

Properties in Canada

New Pilot Project

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. The Company recorded \$385,000 in shares issued as an advance on acquisition of mineral property.

McKenzie Property

On February 12, 2019 the Company entered into a mineral property acquisition agreement to purchase 100% interest in the McKenzie Island Claims in consideration for cash payment of \$150,000 (paid) and the issuance of 4,000,000 (issued) shares within five days of the acceptance of the agreement. 300,000 shares valued at \$39,000 were issued to finders of this property.

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5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of:

	April 30, 2019	January 31, 2019
Trade payables	\$ 335,283	\$ 260,388
Accrued liabilities	60,270	50,270
	<u>\$ 395,553</u>	<u>\$ 310,658</u>

6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

Effective April 13, 2018, the Company consolidated its common shares on a 10:1 basis, and all per share amounts have been retrospectively restated.

During the three months ended April 30, 2019, the Company:

- i) issued 4,300,000 shares for McKenzie Property (note 4);
- ii) On February 21, 2019 the Company closed first tranche and on March 19, 2019 second tranche of a non-brokered private placement of total of 13,237,478 units, at a price of \$0.115 per unit, for gross proceeds of \$1,502,310. 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 \$0.18 per share until March 19, 2021;

On March 19, 2019 the Company closed a non-brokered private placement of 1,431,999 flow-through units, at a price of \$0.15 per unit, for gross proceeds of \$1,502,310. 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 \$0.20 per share until March 21, 2021;

In connection with completion of the offering the Company paid \$96,371 and issued

- 285,130 finders' warrants valued at \$16,867 and exercisable at \$0.18 until February 26, 2021;
- 191,840 finders' warrants valued at \$10,516 and exercisable at \$0.18 until March 19, 2021; and
- 143,200 finders warrants valued at \$7,395 and exercisable at \$0.20 until March 19, 2021.

- iv) On March 21, 2019 the Company issued 757,500 units to settle debt of \$98,438. Each unit consists of 1 common share and 1 warrant. Each warrant entitles the holder to acquire 1 additional common share at \$0.18 for a period of two years. The value of the warrants was estimated to be \$43,069.
- v) On March 25, 2019 the Company issued 200,000 shares pursuant to acquisition of Niangouela Property (note 4);
- vi) On March 25, 2019 the Company issued 250,000 shares pursuant to acquisition of Bouboulou Property (note 4);

During the year ended January 31, 2019, the Company:

- i) issued 3,500,000 shares as an advance payment for the New Pilot Project mineral property (Note 4);
- ii) issued 800,000 common shares pursuant to exercise of 800,000 stock options at a price of \$0.24;
- iii) issued 50,000 common shares pursuant to the acquisition of Rakounga Gold Property (Note 4);

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6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

- iv) 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 \$107,408) exercisable at \$0.25 until May 25, 2019.

- v) 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 \$717,041.

- vi) 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 \$7,159) exercisable at \$0.35 until June 27, 2019, and issued 9,600 of finders' warrants (valued at \$849) exercisable at \$0.35 until July 12, 2019.

- vii) issued 260,000 common shares pursuant to exercise of warrants for gross proceeds of \$312,000.

Options

Share-based Compensation Plan:

The Company has a Stock Option Plan ("the Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% of the number issued and outstanding common shares of the Company at the date of grant. The minimum exercise price is set at \$0.05. The exercise price of options granted under the Plan may not be less than the market value of the Company's common shares on the date of grant. Options granted under the Plan have a maximum life of ten years and vest on the date of grant or over periods determined by management. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any 3 month period.

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6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Options (continued)

At April 30, 2019, the Company had outstanding share purchase options as follows:

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
120,000	\$ 1.00	August 8, 2019	0.27
112,500	\$ 1.20	September 17, 2020	1.39
200,000	\$ 0.85	September 6, 2021	2.36
55,000	\$ 1.60	January 24, 2022	2.74
900,000	\$ 0.33	June 14, 2023	4.13
1,200,000	\$ 0.24	September 12, 2023	4.37
200,000	\$ 0.11	November 16, 2023	4.55
1,300,000	\$ 0.13	February 28, 2024	4.84
4,087,500			

A summary of changes in share purchase options during the year is as follows:

	Number of Options	Weighted average exercise price
Balance, January 31, 2018	714,000	\$ 1.12
Granted	3,200,000	\$ 0.26
Exercised	(800,000)	0.24
Expired/Forfeited	(326,500)	0.96
Balance, January 31, 2019	2,787,500	\$ 0.40
Granted	1,300,000	0.13
Outstanding and exercisable, April 30, 2019	4,087,500	\$ 0.32

The fair value of the compensatory share purchase options issued during the three months ended April 30, 2019 was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price. The weighted average inputs used in the measurement of fair value at grant date of the share purchase warrants are:

	April 30, 2019
Risk free interest rate	1.82%
Expected life of warrants	5 year
Annualized volatility	101.4%
Dividend yield	0%
Exercise price	\$ 0.13
Share price at measurement date	\$ 0.13

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6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Warrants

A summary of changes in warrants during the year is as follows:

	Number of Options	Weighted average exercise price
Balance, January 31, 2018	2,528,201	\$ 1.28
Exercised	(260,000)	\$ 1.20
Granted	14,170,142	0.95
Expired	(375,849)	1.11
Balance, January 31, 2019	16,062,494	\$ 0.36
Granted	16,077,147	\$ 0.18
Expired	(963,149)	1.20
Balance, April 30, 2019	31,176,492	\$ 0.24

As at April 30, 2019, the Company has the following warrants outstanding:

Number of shares	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
10,765,479	\$ 0.25	May 25, 2019	0.31
2,928,962	\$ 0.35	June 27, 2019	0.40
442,368	\$ 0.35	July 12, 2019	0.44
653,500	\$ 0.75	August 24, 2019	0.56
43,724	\$ 1.20	October 25, 2019	0.73
265,312	\$ 1.20	October 27, 2019	0.74
10,030,043	\$ 0.18	February 26, 2021	1.83
3,684,405	\$ 0.18	March 19, 2021	1.89
1,575,199	\$ 0.20	March 19, 2021	1.89
787,500	\$ 0.18	March 21, 2021	1.89
31,176,492	\$ 0.24		0.10

The fair value of the compensatory share purchase warrants issued during the three months ended April 30, 2019 was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price. The weighted average inputs used in the measurement of fair value at grant date of the share purchase warrants are:

	April 30, 2019
Risk free interest rate	1.65%
Expected life of warrants	2 year
Annualized volatility	99.73%
Dividend yield	0%
Exercise price	\$ 0.182
Share price at measurement date	\$ 0.13

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6. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

The fair value of the compensatory share purchase warrants issued during the years ended January 31, 2018 was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price. The inputs used in the measurement of fair value at grant date of the share purchase warrants are:

	January 31, 2018
Risk free interest rate	1.65%
Expected life of warrants	2 years
Annualized volatility	45.27%
Dividend yield	0%
Exercise price	\$ 0.182

Subsequent to the period ended April 30, 2019 the expiry date of an aggregate of 10,013,566 previously issued common share purchase warrants exercisable at \$0.25 was extended to May 25, 2020.

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

(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 three months ended April 30,	
	2019	2018
Management fees	\$ 22,500	\$ 75,600
Professional fees	-	5,000
Office and administration	15,000	-
Exploration and evaluation assets, capitalized	17,850	-
Geological consulting	14,500	28,800
Share-based compensation	248,440	-
Total	\$ 318,290	\$ 109,400

As at April 30, 2019, the Company owed \$53,730 (January 31, 2019 - \$65,582) to companies controlled by directors and officers and is included in Due to Related Parties. The amounts owing are unsecured and non-interest bearing.

8. SEGMENTED INFORMATION

The Company has one operating segment being the exploration of exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are located in Burkina Faso and Canada and this geographic information is disclosed in Note 4.

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9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consists of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended April 30, 2019. The Company is not subject to externally imposed capital requirements.

10. COMMITMENTS

The Company entered into an office lease agreement starting March 8, 2019. The obligation for the term of the agreement is as follows:

Fiscal Year	Total
Obligation for the year ended January 31, 2020:	148,716
Obligation for the year ended January 31, 2021	227,664
Obligation for the year ended January 31, 2022	235,824
Obligation for the year ended January 31, 2023	243,984
Obligation for the year ended January 31, 2024	252,144
Obligation for the year ended January 31, 2025	126,480
Total obligation over term of agreement	\$ 1,234,812

11. SUBSEQUENT EVENTS

(a) In May 2019, the Company issued

- 1,875,676 units at a price of \$0.115 per unit for gross proceeds of \$286,236. 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.
- 613,334 flow through units at a price of \$0.15 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.

(b) In June 2019 the Company signed a Mineral Property Acquisition Agreement to acquire 100% interest into seven mineral claims located in the Province of Newfoundland and Labrador. The Company issued 4,000,000 shares to the vendors and 400,000 to the finders of the mineral property.

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11. SUBSEQUENT EVENTS

- (c) On May 28, 2019 the Company reached an agreement with Robert Stares, an arms'-length party, to acquire a series of mineral claims located in Central Newfoundland and commonly known as the Gummy Bear Copper-Gold Project. In consideration for the Project, the Company is required to issue 4,000,000 common shares. The Company is also required to grant a 2.0% net smelter returns royalty on commercial production from the Project, one-half of which may be purchased at any time for a cash payment of \$1,000,000. The Project is located in Central Newfoundland, 15 km south of South Brook and 40 km north of Badger on the Trans-Canada Highway. Woods roads give good access to all parts of the Project. The Project consists of 7 Claims and covering an area of 2,525 hectares.

On June 21, 2019 the Company reached a further agreement with Robert Stares, an arms'-length party, to acquire two additional exploration-stage gold projects, the Black Ridge Gold Project and the Bauline Epithermal Gold Project, in Newfoundland, Canada.

The acquisition of Black Ridge and Bauline, along with the previously announced GB Copper-Gold Project gives the Company a total of 3,325-hectares of highly prospective gold-silver-copper exploration ground in Newfoundland.