



**NEXUS GOLD CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED JULY 31, 2018 AND 2017**

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 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 FINANCIAL STATEMENTS  
SIX MONTHS ENDED JULY 31, 2018 AND 2017

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**NEXUS GOLD CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

Expressed in Canadian Dollars  
 Unaudited – prepared by management

	July 31, 2018	January 31, 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,105,632	\$ 53,524
Commodity tax recoverable	128,487	50,764
Prepays	251,433	276,604
<b>Total current assets</b>	<b>1,485,552</b>	<b>380,892</b>
<b>Deposit</b>	<b>15,587</b>	<b>15,587</b>
<b>Reclamation bond</b> (note 3)	<b>52,930</b>	<b>52,930</b>
<b>Exploration and evaluation assets</b> (note 3 and 6)	<b>2,659,631</b>	<b>2,015,446</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,213,700</b>	<b>\$ 2,464,855</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 4)	\$ 300,089	\$ 223,733
Due to related parties (note 6)	112,840	113,396
<b>Total current liabilities</b>	<b>412,929</b>	<b>337,129</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 5)	15,242,592	11,405,029
Share-based payment reserve (note 5)	1,793,255	1,432,817
Subscriptions received in advance	-	30,000
Deficit	(13,235,076)	(10,740,120)
<b>Total shareholders' equity</b>	<b>3,800,771</b>	<b>2,127,726</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 4,213,700</b>	<b>\$ 2,464,855</b>

**Nature and continuance of operations** (note 1)

**Commitments** (note 9)

**Subsequent events** (note 5)

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

The accompanying notes are 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 July 31,		Six months ended July 31,	
	2018	2017	2018	2017
<b>EXPENSES</b>				
Consulting fee (note 6)	\$ 480,400	\$ 246,900	\$ 506,033	\$ 430,387
Corporate development	923,324	37,446	1,143,986	75,268
Filing fees	16,586	8,252	26,281	26,819
Foreign exchange loss	8,606	63,598	8,719	80,781
Insurance	(488)	1,800	4,184	3,600
Investor relations	105,386	16,017	131,935	41,517
Management fees (note 6)	27,700	72,900	103,300	235,400
Marketing	162,983	-	175,707	-
Office and administration	25,953	35,968	47,642	49,083
Professional fees (note 6)	38,295	38,054	70,081	53,565
Rent	7,471	-	14,978	16,555
Share-based compensation (note 6)	236,400	4,206	236,400	4,206
Travel and promotion	25,712	22,455	25,712	118,995
<b>Loss and comprehensive loss for the period</b>	<b>\$ (2,058,328)</b>	<b>\$ (547,596)</b>	<b>(2,494,958)</b>	<b>\$ (1,136,176)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.07)</b>	<b>\$ (0.04)</b>	<b>\$ (0.11)</b>	<b>\$ (0.09)</b>
<b>Weighted average number of common shares outstanding</b>	<b>30,349,850</b>	<b>12,888,224</b>	<b>22,536,046</b>	<b>12,425,488</b>

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**NEXUS GOLD CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' 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
<b>Balance, January 31, 2017</b>	10,171,126	\$ 7,545,819	\$ 1,286,823	\$ 741,100	\$ (8,408,036)	\$ 1,165,706
Shares issued in private placement	1,666,822	2,000,186	-	(741,100)	-	1,259,086
Share issuance costs	-	(92,235)	-	-	-	(92,235)
Share issuance costs – shares	52,805	63,366	-	-	-	63,366
Share issuance costs - warrants	-	(95,182)	95,182	-	-	-
Subscription received in advance	-	-	-	15,000	-	15,000
Share-based compensation	-	-	4,206	-	-	4,206
Warrants exercised	991,010	924,073	(13,197)	-	-	910,876
Options exercised	112,500	152,520	(57,520)	-	-	95,000
Loss for the period	-	-	-	-	(1,136,176)	(1,136,176)
<b>Balance, July 31, 2017</b>	12,994,263	\$ 10,498,547	\$ 1,315,494	15,000	\$ (9,544,212)	\$ 2,284,829
<b>Balance, January 31, 2018</b>	14,347,387	\$ 11,405,029	\$ 1,432,817	\$ 30,000	\$ (10,740,120)	\$ 2,127,726
Shares issued in private placement	23,328,053	3,829,301	-	-	-	3,829,301
Subscription received in advance	-	-	-	(30,000)	-	(30,000)
Share issuance costs	-	(318,988)	124,038	-	-	(194,950)
Shares issued for mineral properties	50,000	15,250	-	-	-	15,250
Shares issued on exercise of warrants	260,000	312,000	-	-	-	312,000
Share-based compensation	-	-	236,400	-	-	236,400
Loss for the period	-	-	-	-	(2,494,956)	(2,494,956)
<b>Balance, July 31, 2018</b>	37,985,440	\$ 15,242,592	\$ 1,793,255	\$ -	\$ (13,235,076)	\$ 3,800,771

The accompanying notes are 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

	Six months ended July 31,	
	2018	2017
<b>CASH USED IN OPERATING ACTIVITIES</b>		
Loss for the period	\$ (2,494,956)	\$ (1,136,176)
Share-based compensation	236,400	4,206
Shares issued for services	-	100,000
Foreign exchange gain	8,719	3,804
Change in working capital items:		
Commodity tax recoverable	(77,723)	2,587
Prepaid expenses	25,171	66,742
Accounts payable and accrued liabilities	75,800	(181,306)
<b>Net cash used in operating activities</b>	<b>(2,226,589)</b>	<b>(1,140,143)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares	3,829,301	1,016,375
Share issue costs	(194,950)	(28,870)
Share subscriptions received in advance	(30,000)	15,000
Loan repayment to related party	-	(112,500)
Proceeds from warrants exercised	312,000	913,876
Proceeds from options exercised	-	102,500
<b>Net cash provided by financing activities</b>	<b>3,916,351</b>	<b>1,906,381</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(637,654)	(1,281,478)
<b>Net cash used in investing activities</b>	<b>(637,654)</b>	<b>(1,281,478)</b>
<b>Change in cash for the period</b>	<b>\$ (1,052,108)</b>	<b>\$ 515,240</b>
<b>Cash, beginning of the period</b>	<b>\$ 53,524</b>	<b>\$ 1,360,916</b>
<b>Cash, end of period</b>	<b>\$ 1,105,632</b>	<b>\$ 845,676</b>

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**NEXUS GOLD CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JULY 31, 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 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 sufficient cash flow from operations to adequately fund its activities and has therefore relied principally upon the support of creditors, related parties and issuance of securities for financing. 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 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 funding will be required to continue operations over the next 12 months. These material uncertainties may cast significant doubt upon the entity’s ability to continue as a going concern.

These 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.

	July 31, 2018	January 31, 2018
Deficit	\$ (13,235,076)	\$ (10,740,120)
Working capital	\$ 1,185,463	\$ 43,763



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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, 2018, 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 financial statements were approved by the Board of Directors of the Company on September 27, 2018.

**Basis of measurement**

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 Company and the functional currency 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.

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**3. EXPLORATION AND EVALUATION ASSETS**

During the six month period ended July 31, 2018 and the year ended January 31, 2018, the Company incurred the following exploration and evaluation costs related to the properties located in West Africa.

	Niangouela Property	Bouboulou Property	Rakounga Property	TOTAL
<b>Balance, January 31, 2017</b>	<b>\$ 226,509</b>	<b>\$ 80,253</b>	<b>\$ -</b>	<b>\$ 306,762</b>
Deferred exploration costs:				
Assay	16,295	-	18,289	34,584
Drilling	651,420	378,371	197,921	1,227,712
General field expenses	23,556	15,021	(1,518)	37,059
Geological	74,338	148,605	10,079	233,022
Travel and accommodation	47,807	53,548	21,537	122,892
<b>Total exploration costs</b>	<b>813,416</b>	<b>595,545</b>	<b>246,308</b>	<b>1,655,269</b>
Acquisition costs:				
Cash	18,562	-	18,678	37,240
Shares	4,550	7,000	4,625	16,175
<b>Total acquisition costs</b>	<b>23,112</b>	<b>7,000</b>	<b>23,303</b>	<b>53,415</b>
<b>Total expenditures for the year</b>	<b>836,528</b>	<b>602,545</b>	<b>269,611</b>	<b>1,708,684</b>
<b>Balance, January 31, 2018</b>	<b>1,063,037</b>	<b>682,798</b>	<b>269,611</b>	<b>2,015,446</b>
Deferred exploration costs:				
Assay	-	248	33,675	33,923
Administration	15,066	36,000	26,375	77,441
Drilling	225	1,082	163,824	165,131
General field expenses	23,584	6,873	85,244	115,701
Geological	397	15,108	56,313	71,818
Travel and accommodation	3,690	13,492	61,798	78,980
Report	3,825	18,825	18,825	41,475
<b>Total exploration costs</b>	<b>46,787</b>	<b>91,628</b>	<b>446,054</b>	<b>584,469</b>
Acquisition costs:				
Cash	-	44,466	-	44,466
Shares	-	-	15,250	15,250
<b>Total acquisition costs</b>	<b>-</b>	<b>44,466</b>	<b>15,250</b>	<b>59,716</b>
<b>Total expenditures for the period</b>	<b>46,787</b>	<b>136,094</b>	<b>461,304</b>	<b>644,185</b>
<b>Balance, July 31, 2018</b>	<b>1,109,824</b>	<b>818,892</b>	<b>730,915</b>	<b>2,659,631</b>

**NEXUS GOLD CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**3. EXPLORATION AND EVALUATION ASSETS (continued)**

**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 3,000 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 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 November 30, 2018;
- vi) issue 20,000 common shares on or before November 30, 2018;
- vii) pay US\$220,000 on or before November 30, 2019 and
- viii) issue 30,000 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 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);
- iii) pay US\$125,000 and issue 25,000 shares on or before April 5, 2019 and
- iv) pay US\$330,000 and issue 50,000 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.

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 50,000 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.

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**3. EXPLORATION AND EVALUATION ASSETS** (continued)

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.

**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.

The Company is obligated to take down, dismantle and remove all equipment, machinery and materials from its drill location and remediate any land disturbances. The total undiscounted amount of the estimated cash flows of the reclamation costs was \$3,414 (US\$2,600). The reclamation cost was calculated without using a discount rate as it is expected to be incurred within one year. Other assumptions used by management to determine the carrying amount of the reclamation costs are labor costs based on current market place wages required to hire contractors to dismantle and remove the equipment, and to perform all other required site refurbishment. The Company has made a USD\$42,900 (\$52,930) (January 31, 2017 - USD\$42,900 (\$56,105)) reclamation deposit required by the Bureau of Land Management (Nevada) in relation to future exploration programs.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

	July 31, 2018	January 31, 2018
Trade payables	\$ 274,954	\$ 193,733
Accrued liabilities	25,135	30,000
	<u>\$ 300,089</u>	<u>\$ 223,733</u>

**5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE**

**Share Capital**

Effective April 13, 2018, the Company consolidated its common shares on a 10:1 basis.

During the period ended July 31, 2018, the Company:

- i) issued 50,000 common shares pursuant to the acquisition of Rakounga Gold Property (Note 3).
- ii) 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.

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**5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)**

iii) 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.

iv) 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.

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

During the year ended January 31, 2018, the Company:

i) issued 112,500 common shares pursuant to exercise of options for gross proceeds of \$95,000 resulting in a reallocation of share-based compensation of \$57,520 from reserves to share capital;

ii) issued 1,304,217 common shares pursuant to exercise of warrants for gross proceeds of \$1,158,282 resulting in a reallocation of share-based compensation of \$13,197 from reserves to share capital;

iii) completed a private placement of 1,666,822 units for some gross proceeds of \$2,000,186 of which \$242,712 was for non-cash proceeds. Each unit consists of one common share and one-half share purchase warrant. Each full warrant will entitle the holder to purchase one additional shares at \$1.80 until February 23, 2019. During the year ended January 31, 2017, the Company received \$741,100 of subscriptions in advanced;

In connection with completion of the offering the Company paid \$28,870 and issued 52,805 common shares (valued at \$63,366) and 39,349 of finders' warrants (valued at \$84,237).

iv) issued 2,500 common shares pursuant to the acquisition of Rakounga Gold Property (Note 3).

v) completed a private placement of 533,317 units for gross proceeds of \$399,988. Each unit consists of one common share and one-half share purchase warrant (valued at \$53,332). Each full warrant will entitle the holder to purchase one additional shares at \$1.20 until October 25, 2019.

In connection with completion of the offering the Company paid \$2,799 and issued 3,732 of finders' warrants (valued at \$1,004) exercisable at \$1.20 until October 27, 2019.

vi) completed a private placement of 487,100 units for some gross proceeds of \$365,325. Each unit consists of one common share and one-half share purchase warrant (valued at \$48,710). Each full warrant will entitle the holder to purchase one additional shares at \$1.20 until October 27, 2019.

In connection with completion of the offering the Company paid \$13,809 and issued 21,762 of finders' warrants (valued at \$5,854) exercisable at \$1.20 until October 27, 2019.

vii) issued 7,000 shares pursuant to the acquisition of Niangouela Property (Note 3).

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**5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)**

viii) issued 10,000 shares pursuant to the acquisition of Bouboulou Property (Note 3).

Subsequent to the period ended July 31, 2018 800,000 shares were issued pursuant to exercise of 800,000 stock options at a price of \$0.24.

**Options**

At July 31, 2018, the Company had outstanding share purchase options as follows:

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
160,000	\$ 1.00	August 8, 2019	1.02
129,000	\$ 1.20	September 17, 2020	2.13
220,000	\$ 0.85	September 6, 2021	3.10
150,000	\$ 1.60	January 24, 2022	3.49
1,000,000	\$ 0.33	June 14, 2023	4.87
<b>1,659,000</b>			

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

	Number of Options	Weighted average exercise price
<b>Balance, January 31, 2017</b>	909,000	\$ 1.08
Exercised	(112,500)	0.84
Expired/Cancelled	(82,500)	1.06
<b>Balance, January 31, 2018</b>	714,000	\$ 1.12
Granted	1,000,000	\$ 0.33
Expired/Cancelled	(55,000)	\$ 0.95
<b>Outstanding and exercisable, July 31, 2018</b>	1,659,000	\$ 0.63

Subsequent to the period ended July 31, 2018, on September 12, 2018 the Company granted 2,000,000 incentive stock options to certain directors, officers and consultants to the Company. The options will vest immediately, and will be exercisable at a price of \$0.24 for a period of sixty months.

Subsequent to the period ended July 31, 2018 800,000 stock options were exercised at a price of \$0.24.

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**Unaudited – prepared by management**

**5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)**

**Warrants**

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

	Number of Options	Weighted average exercise price
<b>Balance, January 31, 2017</b>	2,819,246	\$ 0.94
Granted	1,408,455	1.57
Exercised	(1,304,217)	0.89
Expired/Cancelled	(395,283)	1.18
<b>Balance, January 31, 2018</b>	2,528,201	\$ 1.28
Exercised	(260,000)	\$ 1.20
Granted	14,170,142	0.28
Expired	(59,999)	0.75
<b>Balance, July 31, 2018</b>	16,378,344	\$ 0.38

As at July 31, 2018, the Company has the following warrants outstanding:

Number of shares	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
696,850	\$ 0.75	August 24, 2018	0.07
272,500	\$ 1.25	January 16, 2019	0.46
872,753	\$ 1.80	February 23, 2019	0.57
90,396	\$ 1.25	March 12, 2019	0.61
10,765,479	\$ 0.35	May 25, 2019	0.82
2,928,962	\$ 0.35	June 27, 2019	0.91
442,368	\$ 0.35	July 12, 2019	0.95
43,724	\$ 1.20	October 25, 2019	1.24
265,312	\$ 1.20	October 27, 2019	1.24
<b>16,378,344</b>	<b>\$ 0.48</b>		<b>0.80</b>

The fair value of the compensatory share purchase warrants issued during the period ended July 31, 2018 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:

	July 31, 2018
Risk free interest rate	1.91%
Expected life of warrants	1 year
Annualized volatility	97%
Dividend yield	0%
Exercise price	\$ 0.26
Share price at measurement date	\$ 0.33

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**5. 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	1.02%
Expected life of warrants	2 years
Annualized volatility	99.7%
Dividend yield	0%
Exercise price	\$ 1.40

Subsequent to the period ended July 31, 2018 the expiry date of an aggregate of 696,850 previously issued common share purchase warrants exercisable at \$0.75 was extended to August 24, 2019.

**6. RELATED PARTY TRANSACTIONS AND 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 Director members.

During the period ended July 31, 2018, the Company incurred the following:

- a) management fees of \$103,000 (2017 - \$235,400) to companies controlled by directors and officers of the Company;
- b) geological consulting fees capitalized to mineral properties of \$67,100 (2017 - \$104,900) and consulting fees of \$9,650 (2017 - \$nil) to a director of the Company;
- c) administration fee of \$20,000 (2017 – nil) included in Office and Administration to a company of which an officer of the Company is employee;
- d) stock based compensation of \$177,300.

As at July 31, 2018, the Company owed \$112,840 (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.

**7. SEGMENTED INFORMATION**

The Company has one operating segment, being the exploration of exploration and evaluation assets, located in the United States and Burkina Faso. Geographic information is disclosed in Note 3.



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**8. 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 consist of the components of shareholder's 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 July 31, 2018. The Company is not subject to externally imposed capital requirements.

**9. COMMITMENTS**

The Company has an obligation under a rental agreement for payments of \$2,326 per month for the first three years and \$2,431 per month for the last two years for a five year period beginning on June 1, 2013 and ending on May 31, 2018 as follows:

Fiscal year	Total
2019	\$ 9,724